

REGISTER OF ENTERPRISE AGREEMENTS

ENTERPRISE AGREEMENT NO: EA05/258

TITLE: **Exel (Australia) Logistics Pty Ltd**

I.R.C. NO: IRC5/4195

DATE APPROVED/COMMENCEMENT: 31 August 2005 / 1 July 2005

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**NEW AGREEMENT OR
VARIATION:** Replaces EA02/330.

GAZETTAL REFERENCE: 7 October 2005

DATE TERMINATED:

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COVERAGE/DESCRIPTION OF

EMPLOYEES: The agreement applies to all employees employed by Exel (Australia) Logistics Pty Ltd, located at 52, Huntingwood Drive, Huntingwood NSW 2148, engaged in warehousing and distribution, who fall within the coverage of the Storemen and Packers, General (State) Award.

PARTIES: Exel (Australia) Logistics Pty Ltd -&- the National Union of Workers, New South Wales Branch

EXEL (AUSTRALIA) LOGISTICS PTY. LTD ENTERPRISE BARGAINING AGREEMENT - NEW SOUTH WALES 2005

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1. Title

This Agreement shall be known as the Exel (Australia) Logistics Pty. Ltd. Enterprise Bargaining Agreement - New South Wales 2005.

2. Incidence

This Agreement was not entered into under duress by any party to it.

This Agreement outlines the conditions of employment for people employed by Exel (Australia) Logistics Pty. Ltd. in New South Wales in the company's operations in classifications set out at clause 10 of this Agreement in respect of the operations wholly involving warehousing and distribution. This Agreement shall be read in conjunction with the Storeman & Packers - General (State) Award. This Agreement overrides the above mentioned award on matters covered by both documents.

All employees subject to the conditions of the Agreement are also bound by all current Exel (Australia) Logistics Pty. Ltd. Policies and Procedures (as amended from time to time) that are not directly referred to in this Agreement.

3. Parties

This Agreement is binding on:

- (a) All employees whose employment is, at any time when the Agreement is in operation, subject to this Agreement;
- (b) Exel (Australia) Logistics Pty. Ltd.; and
- (c) The National Union of Workers - New South Wales Branch (the Union).

4. Date and Period of Operation

This Agreement shall come into operation from the beginning of the first pay period commencing on or after 1 July 2005, conditional on registration by the Industrial Relations Commission of New South Wales, and remains in force until 30 June 2008 or any subsequent date at which variation may occur by agreement in writing between the parties. This Agreement rescinds and replaces all other agreements between the parties referred to in clause 3 above.

Notwithstanding anything else contained in this Agreement, it shall remain in force until such time as it is superseded or rescinded.

5. Shared Values

5.1 Continuous Improvement

The parties to this agreement recognise the need to continue to build workplace arrangements that contribute to the ongoing viability of Exel in a highly competitive market. Flexibility in the deployment of labour is extremely important to ensure the long term future of Exel and it's employees.

The objectives of this agreement are to:

- (a) maximise the efficiency and prosperity of Exel for the benefit of employees, customers, shareholders and the community
- (b) provide a high quality distribution service to fully meet customer requirements
- (c) continue to develop and maintain the most productive, safe, cooperative and harmonious working relationships possible by promoting trust and continually striving to improve communications at all levels
- (d) develop a "learning environment" where all employees are willing and encouraged to develop to their maximum potential, and to continually update their skills and knowledge to meet their personal objectives and the objectives of Exel.

5.2 Company Success Factors

The ability of Exel to retain existing business and gain new clients will depend upon our ability to perform in and improve upon the following:

Order timeliness
Pick accuracy
Stock accuracy
Warehouse damages
Labour productivity
GMP compliance
Safety and accident rates
Absenteeism
Facilities and equipment damage
Customer satisfaction ratings

6. Equal Employment Opportunity

Exel is an equal opportunity employer. All people have a right to fair and equal treatment in all aspects of their employment. It is unlawful to treat people differently or to harass them on the basis of their:

sex (including pregnancy)
race, colour, ethnic or religious background, or national identity
marital status
parental status
physical or intellectual disability
homosexuality (male or female, actual or presumed)
transexuality (actual or presumed)
political or union affiliation
age - in relation to compulsory retirement

Equality of opportunity particularly applies to:

recruitment and promotion
terms and conditions of employment
allocation of tasks

dismissal or redundancy
retirement
enterprise agreements

Employees who feel that they have suffered discrimination or harassment on one of the above grounds should report the matter to their supervisor. The matter will be dealt with in accordance with the Grievance and Discipline procedures.

7. Quality

Exel is licensed by the Therapeutic Goods Administration (TGA) and is seeking certification to Quality/Occupational Health Safety Environment & Welfare Standards of work. These standards are essential to ensure that Exel achieves its global objectives, employee satisfaction and access to the market place.

The parties are committed to the achievement of ISO 9001, AS/NZS4801 and ISO 14001. This will require ongoing creation and maintenance of operational procedures at all stages of processing. Employees will continue to assist in the creation of written job descriptions and/or procedures for operation in which they are involved.

Employees will accept training in quality/ Occupational Health Safety Environment & Welfare assurance and accept responsibility for the quality of their own work.

Employees will participate in the quality/ Occupational Health Safety Environment & Welfare management process. Typical employee actions will include, but not be limited to, the following:

inspection of incoming and outgoing goods to ensure that no damaged goods are despatched to customers;

stock rotation;

clear identification of goods in the warehouse;

assistance in the assessment of the accuracy of work;

assistance in the preparation of non-conformance reports relating to faulty products and faulty processes.

recommendation concerning improvements to processes

8. Flexibility

8.1 Working Hours

The ordinary working hours shall average 38 hours per week Monday to Friday.

8.1.1 Span of Hours

The day work span of working hours shall be 6am to 6pm. Notification for the change of starting time must be at least five (5) working days unless otherwise agreed.

8.1.2 Flexible time

- (a) Exel will work with its employees, managers and supervisors to identify opportunities and or arrangements that take into consideration Exel's operational and customer needs and the matters detailed below in subclauses (b), (c), (d) and (e).
- (b) In addition to subclause (a) above, Exel will explore opportunities to introduce flexible hours of work not within the scope of subclauses (c), (d) and (e) below, such matters would be the subject of consultation and agreement on a case by case (customer and or site) basis prior to any implementation. In order to assist in this process Commissioner

O'Neill has agreed to undertake site inspections with two (2) Exel management representatives, an Exel HR representative, an employee representative and a representative from the NUW.

- (c) Notwithstanding sub-clause (c) the parties to this Agreement accept that the minimum hours of work for a permanent employee shall be 7.6 hours per day, to be worked on any day or all of the days of the week, Monday to Friday inclusive to provide for a 38 ordinary hour week.
- (d) By mutual agreement and the provision of two weeks notice by the employer, the 38 ordinary hours per week may be worked over any four (4) weekdays (Monday to Friday inclusive) by the working of 9.5 hours per day at ordinary rates of pay. Agreement regarding the treatment of Public Holidays and Sick leave must be established prior to the implementation of this clause.

For any work conducted on the fifth day under the four (4) day work Agreement, employees will be paid for a minimum of four (4) hours. All work performed on the fifth day falling on a Monday to Friday, shall be paid at time and a half for the first two hours and double time thereafter. All work performed on a Saturday or Sunday shall be paid in accordance with clause 29 of this Agreement.

- (e) By mutual agreement an employee may work less than 7.6 hours per day as long as the total weekly ordinary hours worked Monday to Friday inclusive total 38.
- (f) Bereavement leave, sick leave and jury service shall be counted as ordinary time worked for the purpose of calculating overtime.

8.1.3 Time Off in Lieu of Overtime

- (a) An employee may elect to take time off in lieu of payment of overtime on a paid hour basis. Time off shall be taken with mutual agreement between management and the employee and be coordinated with work requirements at all times.
- (b) If, having elected to take time as leave in accordance with paragraph (a) of this subclause, the leave is not taken for whatever reason payment for the time accrued at overtime rates shall be made at the expiry of the three (3) month period or on termination.
- (c) Where no election is made in accordance with the said paragraph (a), the employee shall be paid overtime rates in accordance with the award.

8.1.4 Meal Times

An unpaid meal break of a minimum 30 minutes and a maximum of one hour shall be taken each shift. No employee will be required to work for more than five hours without a meal break.

All employees are allowed fifteen minutes each morning as a rest period for morning tea. This is counted as time worked.

8.2 Multi-skilling

The parties to this Agreement accept the introduction of multi-skilling in the areas of packing, receipt, despatch, picking of product, stock control, warehouse administration and other tasks as required.

Specifically, Warehouse employees will be trained in the areas of packing, receipt, despatch, picking, stock control and warehouse administration.

8.2.1 Training

Appropriate training will be provided by the company to ensure that staff are able to perform their tasks to the required standard.

8.2.2 Travel

If an employee is requested to work at a place other than their normal place of work, outside of a 15 kilometre radius for less than one (1) week, they shall be paid ordinary time rates for the travel time in excess of the 15 kilometre radius referred to above. Whether during normal working hours or for overtime, other than overtime that an employee volunteers to undertake. Where the distance to the alternative location is greater than that route normally taken to work and the employee is required to use their own vehicle, the company will pay a kilometre allowance for the kilometres travelled in excess of the normal journey including any toll charges. If an employee is required to use public transport fares appropriate to that travel shall be reimbursed by the Company.

The use of an employee's vehicle will only occur by mutual agreement, under normal circumstances and wherever possible a Company provided vehicle would be the preferred option.

All insurances and the roadworthiness of an employee's vehicle remains the responsibility of the employee at all times.

The above circumstances do not apply in the event that an employee accepts a transfer to an alternative site or is transferred to an alternative site due to operational / customer requirements. In both circumstances appropriate notice periods will be provided.

Kilometre Allowance	% Increase	Rate
Effective Rate 30/6/2005		\$0.60
1/7/2005	3%	\$0.62
1/7/2006	3%	\$0.64
1/7/2007	3%	\$0.66

NOTE: Exel has agreed to back date the increase in allowances for all Exel full time, permanent part time and casual employees (only) engaged at the time of the making of the Agreement from 23 May 2005.

8.2.3 Relocation

Notwithstanding Clause 8, subclause 8.2.2 employees shall comply with all reasonable requests to transfer to another location provided that the change does not involve greater than an additional thirty (30) minutes travel time to work from the employee(s) usual home address.

9. Contract of Employment

All permanent employment shall be by the week (except in the case of casuals).

All employees are on probation for the first twelve weeks of their employment. During the first week, employment may be terminated by either party giving one day's notice.

9.1 Termination of Employment

Employment may be terminated by either party giving one (1) week's notice in writing.

The company will follow the Disciplinary Procedure prior to terminating employment due to unsatisfactory performance or behaviour.

9.2 Exel Casuals

Casual employees are employed by the hour and paid as such for a minimum of four (4) hours on any one day. A casual is paid the hourly rate for the position plus a 15% casual loading. In addition, an amount of one twelfth (1/12th) of ordinary time earnings is paid in lieu of annual leave. Casual rates include full entitlement on a pay as you go basis.

For Exel casuals engaged more than three (3) months, who are offered continuous employment as a permanent employee, the conditions of the probationary period will not apply.

9.3 Permanent Part Time

The Company may employ employees on a permanent part-time basis. For permanent part-time employees, clauses of this agreement shall be applied on a pro-rata basis. Hours of work will be agreed between the Company and the employee in writing.

If a change to the hours of work is required the employee will be provided with five (5) working days notice. An employee and the Company may agree to change the employee's working days, without the provision of five (5) days notice or penalty payment.

All hours worked in excess of 7.6 on a daily basis, 38 in a week or hours performed outside the span of ordinary hours, referred to in clause 8, sub clause 8.1.1. will be paid at the appropriate overtime rates. Overtime payments Permanent part time employees days and hours will be agreed.

Notwithstanding the above the parties agree that where the Company can demonstrate that it can effectively accrue pro rata annual leave and sick leave entitlements for any additional hours worked then the Company can offer additional hours to part time employees. The additional hours will be paid at ordinary time rates as long as those hours are not in excess of 7.6 hours in any day, 38 hours in any week or hours performed outside the span of ordinary hours referred to in clause 8 sub clause 8.1.1.

9.4 Job Sharing

(a) Definition

Job sharing is an arrangement where, with the agreement of the Company, two employees voluntarily share all of the duties and responsibilities of a permanent full-time position. The status, nature and responsibility of a position will not alter whether the position is being filled on a share or individual basis.

(b) Purpose

The parties accept that job-sharing will create greater flexibility in the working arrangements and has the potential to be mutually beneficial to employer and employees.

(c) Access to Job Sharing

(i) The Company shall determine positions that are suitable for job sharing.

(d) Contract of Employment and Job Sharing Agreement

(i) The working arrangements and responsibilities for a particular position shall be determined by the Company.

(ii) Each job sharer will hold an individual contract of employment incorporating the job sharing agreement that outlines details regarding the sharing of the job. It will include such matters as the number of hours to be worked by each job sharer and when those hours are to be worked, overlap time, entitlements to sick, annual and special family leave, leave for skills development and training, and the job description for the position.

(e) Hours of Work

(i) Hours of work can be split, for example, half days, alternate weeks, alternate days or any way that suits the personal needs of the job sharers and the business needs of the Company.

The conditions relating to hours of work in this Agreement shall extend to job shared positions on a pro-rata basis.

(f) Overtime.

A Job sharer shall be entitled to be paid overtime in accordance with clause 28 of this Agreement.

(g) Absences of Leave.

A job sharer must take annual leave or other extended leave separately. When one sharer is on leave the other sharer will do the full job.

(i) A job sharer who relieves in the other portion of the job share position during periods of sick leave, annual leave, carer's leave or other authorised absences shall only be entitled to payment at single time for the total normal hours of the job share position.

(h) Vacation of the Job Sharing Position.

An individual job sharer may terminate the job sharing arrangement on the giving of four (4) weeks notice in writing to the Company, at which time the Company will consider the continued viability of the job sharing and subsequent recruitment.

(i) Independent Status of Job Sharers.

While both job sharers are to contribute to the responsibilities and completion of tasks for a position, each job sharer is to be individually assessed for performance appraisals and disciplinary purposes. Normal procedures are to operate.

(j) Training.

Job sharers are entitled to the same level of training as would be available to an individual occupying the position on a non-shared basis.

10. Classification Structure

Production Person

A Production Person is expected to perform any of the following functions.

Skills/Duties: across all facets of warehousing activities:

Packaging, kitting, co packing, assembling, bagging of stock items in accordance with the specific product requirements, standard operating procedures and batch packaging documents;

Good Manufacturing Practice and Quality;

Housekeeping of work area;

Use of non licensed material handling equipment;

Basic computer operation associated with the above tasks;

Principles and responsibilities for OHSE&W.

A Production Person reports to a Team Leader or Supervisor. The production person may apply for storepersons positions as they arise within the Exel business and may be appointed to such positions if they have the necessary skills and experience and they are the most suitable applicant for the position.

Statement of Intent

The introduction of the Production Person classification will not reduce the rate of pay for any permanent Exel employee engaged prior to the commencement of this Agreement. Under no circumstance is it Exel's intention to undermine in any way shape or form the role of the storeperson. This includes but is not limited to the issues such as overtime as it applies prior to the commencement of this Agreement. Production employees will not be employed to reduce work provided to storepersons.

Review Period

In order to ensure that the concerns of employees engaged prior to the commencement of this agreement are appropriately addressed, Exel, employee representatives and the NUW agree to continue to work during the three (3) months from the commencement of this agreement to identify the following:

1. potential markets, including new work from existing clients and new clients.
2. the type of work, the tasks associated, the volumes involved and location(s) where the work will be performed; and
3. number of new employees to be employed.

The employee representatives and the NUW understand that Exel must protect commercial "inconfidence" material of Exel and its clients and that Exel will not be in a position to share confidential matters or matters directly relating to potential clients and or Exel's commercial dealings ; and

The review period is designed to ensure that current and future terms and conditions of employment are not undermined whilst allowing for certain specific tasks to be performed under the new classification.

Storeperson

A Storeperson is expected to perform any of the following warehouse functions.

Skills/Duties:

- Receiving, picking, and despatching stock into and from the warehouse
- Liaison with suppliers and customers;
- Good Manufacturing Practice and Quality
- Stock counting and control
- Responsible for warehouse housekeeping of work area
- Use of non licensed and licensed material handling equipment
- Basic computer operation associated with the above roles
- Administration duties associated with the above roles
- Principles and responsibilities for OHSE&W.

A Storeperson reports to a Team Leader or Supervisor.

Team Leader

A Team Leader will have in-depth knowledge of processes of the base functions of the warehouse and takes on responsibility for the performance of their team in relation to:

- Despatch;
- Inwards;
- Stock control;
- Quality control systems operation;
- Client liaison;
- Principles and responsibilities for OHSE&W.

The Team Leader reports to the Supervisor or Site Manager.

11. Presentation

Exel is a customer driven organisation. Customers and suppliers frequently visit our premises. For these reasons it is important that our uniforms are presentable and the standard of housekeeping in our workplace be high at all times. Uniforms are supplied, they must be kept clean and worn. Employees who report to work in an unpresentable uniform may be sent home without pay.

The uniform issue will include 5 shirts, 2 Shorts, 2 Trousers, 2 Windcheater jumpers, 1 beanie and 1 bomber jacket. The Company will supply steel capped safety boots. Replacement of all uniform items will be on a fair wear and tear (exchange) basis. All uniforms items, including safety boots must be returned when leaving the company, prior to final payment being received. Steel capped safety boots must be worn at all times whilst working in the Warehouse.

In the interest in safety and image, employees are required to present themselves in a neat and hygienic manner ensuring long hair is tied back for their safety as well as removing any jewellery that may be unsuitable to the warehousing and distribution environment as far as causing bodily harm if caught or pulled.

12. Redundancy

The Company will seek to avoid redundancies. However, in the event of redundancy, the company will communicate with employees at the earliest opportunity.

12.1 Notice Period

Years of Service	Under 45 Years of Age Entitlement	45 Years and Over Entitlement
	Notice Period	Notice Period
Less than 5 years	4 weeks	4 weeks
5 years and over	4 weeks	5 weeks

Payment in lieu of notice shall be made if the appropriate notice is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.

12.2 Redundancy Pay

Where an employee is to be terminated due to their redundancy, subject to any further order of the Industrial Relations Commission, the Company shall pay the following redundancy pay in respect of a continuous period of service. The following scale will apply in the event of retrenchment for permanent employees only.

Years of Service	Under 45 Years of Age Entitlement	45 Years and Over Entitlement
Less than 1 year	Pro rata	Pro Rata
1 year and less than 2 years	4 weeks	5 weeks
2 years and less than 3 years	7 weeks	9 weeks
3 years and less than 4 years	10 weeks	13 weeks
4 years and less than 5 years	13 weeks	17 weeks
5 years and less than 6 years	16 weeks	21 weeks
6 years and less than 7 years	19 weeks	25 weeks
7 years and less than 8 years	22 weeks	28 weeks
8 years and less than 9 years	25 weeks	32 weeks
9 years and less than 10 years	28 weeks	36 weeks
10 years and over	31 weeks	40 weeks

In addition the Company agrees to pay out any unused Sick leave, to a maximum of 228 hours (equivalent to six (6) weeks), to any person made redundant. This is in recognition of their good attendance record.

The employees affected will be provided with assistance in future employment through training in preparation of letters of application, resumes and interview skills. Reasonable time will be made available, by mutual agreement, for employees to attend interviews.

13. Grievance Procedure

Where an employee has a problem, or a grievance, the matter should be resolved in the following manner:

- (i) The employee who has the problem should discuss the matter with the appropriate supervisor
- (ii) If the employee does not receive an answer after a reasonable period, or is not satisfied with the answer received, the employee is to raise the matter with the Operations Manager. The employee may choose to be accompanied by a representative at this stage.
- (iii) If the matter is unresolved, the matter should be referred to the General Manager.
- (iv) If the matter cannot be resolved by the parties within 5 days, it may be referred to the Industrial Relations Commission of NSW.
- (v) During the grievance procedure work will continue as normal.

13.1 Guarantee of Services

During any grievance or dispute, employees will guarantee that hospital orders and Ethical drug orders (excluding Over The Counter (OTC) products) are not effected by any industrial action. This Guarantee of Service will cover all aspects of work including and not limited to, loading and unloading of trucks, receiving of deliveries, picking and packing.

14. Discipline Procedure

Policy

Disciplinary action in the event of poor performance, breaches of policy, or other undesirable actions, is to be fair and uniform.

The circumstances of any breach of performance or behaviour will be investigated fully by the immediate supervisor/manager. The employee will always be given the opportunity to state their case and seek external assistance if so desired.

Disciplinary action may be taken for unsatisfactory behaviour or job performance. Repetition of minor incidents will be dealt with as follows:

Responsibilities

The employee's supervisor/manager in conjunction with a representative chosen by the employee is responsible for following the disciplinary procedure.

The General Manager authorises termination of employment.

Procedure

Stage 1 - First Written Warning

A written warning will be given by the immediate supervisor/manager and recorded on the employee's file. The employee will be given the opportunity to explain their position. The employee is to witness and sign the warning.

The warning will clearly state:

- the nature and circumstances of the breach or offence
- the improvements to be made, or behaviour which must change
- an agreed specific time in which to improve
- what further action will be taken if the desired improvement does not occur

If no further offence occurs then the record will be cleared after six (6) months.

In the case of more serious misconduct Stage 1 may be omitted and a written warning issued as in Stage 2.

Stage 2 - Second Written Warning

If the conduct or performance does not improve within the stated time, or in the event of a repeated or more serious offence, the employee's supervisor/manager will interview the employee and, if necessary issue a written warning. The employee may have a representative present.

The warning will clearly state:

- the nature and circumstances of the breach or offence
- the improvements to be made, or behaviour which must change
- an agreed specific time in which to improve
- what further action will be taken if the desired improvement does not occur. The warning may indicate that it is a final warning, which could result in dismissal if the breach is repeated or the desired improvement is not made.

If no further offence occurs then the record will be cleared after twelve (12) months.

Stage 3 - Final Disciplinary Interview

If there is no improvement, or a further offence is committed, the supervisor/manager will conduct an investigation and a disciplinary interview with another manager present. The employee will have the opportunity to explain their position and have a representative present if desired.

Stage 4 - Termination of Employment

If the supervisor/manager considers that termination of employment is warranted, a recommendation for this action is made to the Operations Manager. The General Manager must authorise termination.

14.1.1 Termination Of Employment Without Notice (Summary Dismissal)

In event of serious misconduct an employee may be suspended on full pay while the matter is investigated. If the case is exceptionally serious, dismissal will be immediate. Whilst not an exhaustive list, the following are examples of misconduct normally resulting in termination without notice:

- falsification of Exel records including but not limited to timesheets, customer records, consignment notes, orders and invoices;
- acts of violence or threatening behaviour towards other employees or members of the public;
- acts of dishonesty such as theft, serious misuse of Exel assets;
- giving or accepting a bribe;
- unauthorised disclosure of Exel confidential information;
- acts of indecency;
- the inability to carry out normal duties as a result of the use of intoxicants;
- consuming alcohol or illegal drugs during work;
- willful damage to Exel property;
- deliberate serious breach of safety procedure;
- any form of workplace bullying, intimidation or harassment;
- deliberate serious breach of GMP, SOP's or QA procedures; and
- any felony committed on Exel premises.

is inappropriate conduct when dealing with customers, suppliers or the general public.

Responsibility

The employee's supervisor/manager can suspend from duty the employee on full pay.

The General Manager authorises termination of employment.

Procedure

The employee's supervisor/manager conducts an investigation and a disciplinary interview. Another manager is to be present at the disciplinary interview. The employee must have the opportunity to explain their position and may have a representative present if desired.

If the supervisor/manager considers that termination of employment is warranted, a recommendation for this action is made to the General Manager.

14.1.2 Job Abandonment

If an employee is absent from work for a period of three (3) consecutive working days without the consent of the company and without notifying the company, that person will be deemed to have abandoned employment.

Unless the person is able to satisfy the company that there is a reasonable cause for the absence, the contract will be terminated from the date of last attending work, or the last day's absence for which consent was given - whichever is the latter.

15. Annual Leave

Annual leave accrues at twenty (20) days per year. Exel and the Consultative Committee sees annual leave as being important to the health and well being of the individual and their families and therefore encourages all employees to take their annual leave each year.

The maximum accrual of annual leave allowed is 30 days, unless approved otherwise by the Operations Manager.

Applications for annual leave must be made in writing on the approved form not less than one calendar month prior to starting date, unless otherwise agreed by the company. The company will make payment for the whole period of approved annual leave in the week prior.

The Operations Manager approves annual leave.

16. Annual Leave Loading

An Annual Leave Loading equal to the greater of shift loading or 17.5% of the weekly rate for the period of the annual leave will be paid to employees before they start their holidays.

17. Sick Leave

Employees should not attend work when they are sick, due to the potential personal and public health implications. However, abuse of sick leave has a serious impact on the ability of the business to provide a reliable distribution service to our customers. It also places additional pressure on fellow employees, each Exel employee has a responsibility to be reliable in their attendance at work. The Company reserves the right to implement measures to prevent the abuse of sick leave.

Taking the above into account, a permanent employee who is absent from work due to personal illness or injury is entitled to 38 hours sick leave during their first year of employment. During the second and subsequent years the entitlement is 76 hours per annum subject to the following:

1. Absences. The Company will request that an employee provide a certificate from a duly qualified medical practitioner for sick leave absences when:

an employee has established a pattern of sick leave absences; and/ or
an employee is absent on the day before or after a public holiday; and/ or
an employee is absent on a Monday or Friday; and/ or
absences of greater than one (1) day.

- 2.

- (a) The employee shall make verbal contact with their Supervisor / Manager to inform them of their inability to attend for duty as soon as is reasonably practical and preferably prior to the commencement of the first shift on which absence will occur.
 - (b) If the employee is unable to personally make verbal contact with their Supervisor/ Manager the employee's spouse or close family member can contact the Supervisor / Manager to advise of the absence, however, the employee is required to make verbal contact with the Supervisor / Manager prior to the completion of ordinary hours on the day of absence.
 - (c) The employee shall advise the nature of the illness or injury and the estimated duration of the absence.
 - (d) The Supervisor /Manager will advise the employee at the time the employee makes contact of the requirement to provide a medical certificate upon their return to work.
3. The number of hours the employee was rostered for (excluding overtime) will be subtracted from the employee's sick leave entitlement in the event of a whole day absence.
 4. If an employee does not comply with the procedures detailed above they will forfeit any right to payment for the absence.
 5. Unused sick leave for each year of service accumulates and is available to the employee for a maximum accumulation of the equivalent number of worked days which totals 912 hours.
 6. Sick leave is not available to an employee whilst on probation.

18. Carer's Leave

Note that this is not additional leave entitlement, but a way of allowing greater flexibility in the use of entitlements to assist employees in balancing their work and family commitments. Employees may use one of the following methods to provide care for an immediate family member who is ill. The employee must have responsibility for the care of the family member who must be a partner, child or a relative who is a member of the employee's household:

Use of Sick Leave. A permanent employee may use their sick leave entitlements to care for an immediate family member who is ill.

Use of Annual Leave. An employee may use up to 38 hours of their annual leave entitlements each year to care for an immediate family member or partner.

Time off in Lieu of Overtime. An employee may, with the consent of management, elect to take time off in lieu of overtime worked to care for an immediate family member or partner.

Make up Time. An employee may, with the consent of management, elect to take off ordinary hours to care for an immediate family member or partner and work them at a later time during the spread of hours in this agreement, at the ordinary rate of pay.

Leave Without Pay. The employee may elect to take unpaid leave to care for an immediate family member or partner with the consent of management.

Wherever practical the employee should notify the employer prior to the intention to take carer's leave. If this is not possible then as soon as possible on the first day of the absence.

19. Bereavement Leave

A permanent employee (clause 10) shall be entitled to three (3) standard days (dependant on the current work practice) without loss of pay on each occasion and upon production of satisfactory evidence of the death of the employee's partner, parent, brother, sister, child, stepchild, grandparent or parents-in-law (including a person

living with the employee as a de facto partner). At all times the Company will handle with discretion and compassion matters related to bereavement.

20. Public Holidays

- a. Employees engaged on a weekly basis are entitled to the following public holidays without loss of pay: New years Day, Australia Day, Good Friday, Easter Saturday, Easter Monday, Anzac Day, Queens Birthday, Labor Day, Christmas Day and Boxing Day or any other day observed as a public holiday in New South Wales in lieu of these days
- b. One (1) additional paid holiday will be observed each calendar year on a date agreed between the company and the employee. After successful completion of their probationary period.
- c. Where an employee is absent from work on the working day before or the working day after a public holiday without reasonable excuse or without the consent of the Company, the employee shall not be entitled to payment for the holiday.
- d. An employee may by arrangement with the Company take another working day off in lieu of a public holiday on a paid hour basis.
- e. All time worked on Christmas Day and Good Friday is paid at the rate of three times the ordinary rate. All time worked on other public holidays is at the rate of two and a half times the ordinary rate (unless another day has been substituted for the holiday on a paid hour basis).
- f. A public holiday shall count for 7.6 hours in the rostered week. The minimum payment for work on a public holiday is four (4) hours (at applicable public holiday rates).

21. Long Service Leave

The Company will provide long service leave in accordance with the NSW *Long Service Leave Act* of 1955 as amended.

22. Parental and Maternity Leave

Permanent staff with at least twelve (12) months service are entitled to up to 52 weeks parental leave on the birth or adoption of a child, which is unpaid.

Notice

A doctor's certificate indicating the expected day of confinement must be provided at least 10 weeks before that date or, in the case of adoption, as soon as written approval is given by the adoption agency.

Variation

To lengthen or shorten a period of parental leave, four (4) weeks notice must be given in writing.

Effect on employment

Unpaid parental leave has the effect of suspending but not terminating employment. Therefore annual, sick and long service leave do not continue to accrue and the unpaid period does not count towards length of service.

Return to work

The employee must notify the Company at least four (4) weeks before the end of the period of parental leave of the intended date of their return to work.

The employee is entitled to return to the same position that they held before taking leave. If that position no longer exists, they are entitled to a position as close as possible, but at no less pay.

Adoption

In the case of adoption, the employee can take two periods of leave not exceeding 52 weeks:

three weeks at the time the child is placed in their care. This is called 'short adoption leave'

up to 49 weeks from the time they start taking care of the child. This is called 'long adoption leave'

Both partners

Except for a period of one (1) week at the time of the birth, the parents must take parental leave at different times. The total combined leave is not to exceed 52 weeks.

23. Leave Without Pay

Leave without pay will only be granted by mutual arrangement or when other forms of leave have been exhausted.

24. Remuneration

The parties to this Agreement recognise that Exel is a third party Distribution Company operating on a cost plus basis. Increases in the base rates shown in Attachment 1 have to be agreed with our clients during contract renegotiations. Our success in this process will be dependent on our ability to demonstrate cost of living increases, productivity gains and improved levels of customer service.

The casual rate includes an additional 1/12th of ordinary earnings in lieu of annual leave.

Supplementary payments and/or bonuses may be made to staff based upon performance.

24.1 Incentive Plan

Refer: Attachment 2 - Healthcare & FMCG Sector
Attachment 3 - Retail, Automotive & Technology

24.2 Productivity Agreement

The employees agree to work with management to assist in increasing productivity gains in order to offset cost increases incurred by this agreement.

24.3 Junior Employees

The minimum rates of pay for juniors shall be the following percentages of the above rates:

Age	Percentage of Classification Rate
At 17 years and under	70.0%
At 18 years	90.0%
At 19 years	100.0%

One junior may be employed to every three or fraction of three Storepersons. However the Company will not discriminate on the grounds of age in its recruitment policy.

25. Superannuation

The Company will pay superannuation contributions to all staff in accordance with the Superannuation Guarantee Levy into the Exel nominated superannuation fund currently Wealthpac Superannuation Fund or the Labour Union Co-operative Retirement Fund (LUCRF). Existing Exel employee's employed prior to the commencement of this Agreement, who are current members of the Superannuation Trust of Australia (STA) can elect to continue to have superannuation paid to this fund.

26. Payment of Wages

All employees engaged prior to the commencement of this Agreement.

All employees engaged prior to the commencement of this Agreement shall be paid weekly into the employee's nominated bank account each Thursday for work performed during the previous Monday to Sunday. Employees engaged prior to the commencement of the Agreement may request to be converted from a weekly to a fortnightly pay structure.

Employees engaged after the commencement of this Agreement

Employees engaged after the commencement of this Agreement can be converted by Exel to a fortnightly pay period on the basis of one (1) weeks wage behind and one (1) weeks wage in advance. An employee engaged after the commencement of this agreement will be provided with four (4) weeks notice of the change to fortnightly pay.

27. Overtime

Hours worked in excess of 7.6 per day (except in the situation referred to in Clause 8.1.2 (b)) shall be overtime and paid at the rate of time and a half for the first one and a half hours per day and double time thereafter. Overtime shall be calculated daily.

27.1 Special Case Overtime

A notice of special case overtime will be distributed to all Supervisors detailing that the special case overtime will be occurring. Interested employees that satisfy all of the detailed special requirements, are to respond to the designated Supervisor prior to the listed close off date.

Once the close off date has passed, the team will be selected, based on possession of the required skills and according to the following hierarchy:

1. Employed in the same agency (including long-term Exel Casual)
2. Employed on the same site
3. Other Exel Employees
4. Temporary agency casuals currently working at Exel premises
5. Other temporary agency casuals

All staff selected will be added to a roster indicating start and finish times and meal breaks to ensure that all requirements are covered (e.g. minimum break). At the end of each day the employee will sign off on the roster to indicate the hours are correct (initialing any changes) and the Supervisor, Account Manager or Operations Manager will sign the page, (initialing any changes).

27.2 Call Back

An employee recalled to work overtime after leaving the premises (whether notified before or after leaving the premises) shall be paid a minimum of four hours work at the appropriate rate, unless:

The person ceased work without authority;

The work was done immediately prior to the employees normal shift starting time.
Retail, Automotive and Technology Division only:

When an employee is rostered to be on call they shall receive \$100 per week for the actual week they are rostered to be on call;

Employees required to use their vehicle in accordance with their work when they are on call shall receive up to a maximum \$50 per week (reimbursement) upon the production of petrol receipts.

27.3 Minimum Break

An employee must have a ten (10) hour break between the work on consecutive days. If so much overtime is worked that a ten (10) hour break is not possible, then all work performed until a ten (10) hour break is possible shall be at the rate of double time.

27.4 Requirement To Work Reasonable Overtime

Because of the need to provide an on-time service, cooperation with the flexible working of overtime is essential, therefore:

- a. People may be required to work reasonable overtime at overtime rates
- b. Employees may be required to work on weekends and holidays
- c. The assignment of overtime will be based on specific work requirements

27.5 Crib Time

An employee working overtime shall be allowed a 20 minute rest break without deduction of pay after each four (4) hours of overtime worked. The crib break only applies when the employee continues to work after the four (4) hours of overtime.

27.6 Meal Allowance

An employee who works greater than one (1) hour overtime on any day after the fixed finish time shall be paid a meal allowance in accordance with the table below at the time of claiming the allowance unless notified on the previous day of the intended overtime to be worked.

Meal Allowance	% Increase	Rate
Effective Rate 30/6/2005		\$9.65
1/7/2005	3%	\$9.94
1/7/2006	3%	\$10.24
1/7/2007	3%	\$10.55

NOTE: Exel has agreed to back date the increase to allowances for all Exel full time, permanent part time and casual employees (only) engaged at the time of the making of the Agreement from 23 May 2005.

28. Shift Work

Employees required to work shift work will be paid at the rates detailed in Attachment 1 of this Agreement.

Crib Break - Persons working on afternoon or night shift are entitled to 20 minutes paid break during the shift. Refer Clause 27.5.

Hours of Shift -

Early Morning Shift: a shift which commences after 4am but prior to 6am. A loading of 12.5% of base rate will apply for all ordinary hours of early morning shift.

Afternoon Shift: a shift which finishes after 6.00 pm, but prior to midnight. A loading of 15% of base rate will apply for all ordinary hours of afternoon shift.

Night Shift: a permanent shift which finishes after midnight but prior to 7.00 am. A loading of 25% of base rate will apply for all ordinary hours of night shift.

29. Saturdays and Sundays

Hours worked on a Saturday shall be paid at time and a half for the first two (2) hours and double time thereafter. All hours worked after 12 noon on Saturday shall be paid at double time.

All time worked on a Sunday shall be paid at two and a half times the ordinary rate.

The minimum paid time for work occurring on a Saturday or Sunday shall be four (4) hours.

30. Jury Service

Permanent employees required to attend for jury service during ordinary working hours shall be reimbursed the difference between their normal pay for ordinary hours and the amount received for attendance for jury service.

Staff must notify their manager as soon as possible of the date that they are required to attend.

Documentation of attendance, duration and amounts received are to be submitted.

31. Occupational Health and Safety

The *NSW Occupational Health and Safety Act 2000* as amended shall apply.

The parties agree that an important aspect of reducing workplace injuries and maintaining a safe working environment is that employees do not attend at the workplace while under the influence of drugs or alcohol. Exel has developed policies and procedures to ensure that this requirement is complied with. Exel's "Drug and Alcohol Policy" includes a process where an employee may be required to submit to a test where there is reasonable cause to suspect that the employee is under the influence of drugs or alcohol. This process also provides for drug and alcohol testing in the event that an employee is involved in a workplace accident. A copy of the policy will be provided to employees, placed on notice boards and sent to the NUW.

32. First Aid

An employee who has been trained to render first aid and who is the current holder of appropriate first aid qualifications shall be paid a weekly allowance in accordance with the table below at the time of claiming the allowance if nominated and available to provide first aid.

First aid allowance	% increase	rate
30/6/2005		\$9.90
1/7/2005	3%	\$10.20
1/7/2006	3%	\$10.51
1/7/2007	3%	\$10.83

NOTE: Exel has agreed to back date the increase to allowances for all Exel full time, permanent part time and casual employees (only) engaged at the time of the making of the Agreement from 23 May 2005.

33. Workers Compensation

The *NSW Workers Compensation Act 1987* and the *Workplace Injury Management and Workers Compensation Act 1998* shall apply.

34. AWA's

Exel will not employ persons covered by this Agreement under the terms of an Australian Workplace Agreement.

ATTACHMENT 1

Wage Increases

The following wage increases are made in accordance with Clause 24 of the Exel (Australia) Logistics Pty Ltd Enterprise Agreement - New South Wales 2005

Note: All weekly rates of pay are calculated to two (2) decimal places and all hourly rates of pay are calculated to four (4) decimal places.

Table 1 - Current Rates

Classification	Base Rate	Day Shift	Afternoon Shift	Night Shift
	Permanent \$/Wk	Permanent \$/Wk	Permanent \$/Wk	Permanent \$/Wk
Trainee Storeperson	\$578.77	\$578.77	\$665.59	\$723.47
Storeperson	\$680.93	\$680.93	\$783.07	\$851.16
Team Leader	\$784.42	\$784.42	\$902.08	\$980.53
	\$/hr	\$/hr	\$/hr	\$/hr
Trainee Storeperson	\$15.2308	\$15.2308	\$17.5154	\$19.0385
Storeperson	\$17.9192	\$17.9192	\$20.6071	\$22.399
Casual Storeperson	\$22.0996	\$22.0996	\$25.4205	\$27.6255
Team Leader	\$20.6426	\$20.6426	\$23.7389	\$25.8032

Table 1: Wage Rates as at 30/6/2005

Table 2 First Increase 2005

Classification	Base Rate	Day Shift	Afternoon Shift	Night Shift
	Permanent \$/Wk	Permanent \$/Wk	Permanent \$/Wk	Permanent \$/Wk
Production Staff	\$637.35	\$637.35	\$732.95	\$796.69
Storeperson	\$708.17	\$708.17	\$814.40	\$885.21
Team Leader	\$815.80	\$815.80	\$938.17	\$1019.75
	\$/hr	\$/hr	\$/hr	\$/hr
Production Staff	\$16.7724	\$16.7724	\$19.2882	\$20.9655
Casual Production Staff	\$20.8952	\$20.8952	\$24.0295	\$26.1190
Storeperson	\$18.6361	\$18.6361	\$21.4315	\$23.2951
Casual Storeperson	\$23.2168	\$23.2168	\$26.6994	\$29.0208
Team Leader	\$21.4684	\$21.4684	\$24.6887	\$26.8355

Table 2: The above wage rates apply from the first full pay period to commence on or after the formal approval of this Agreement by the Industrial Relations Commission of NSW. Exel has agreed to back date the wage increase for all Exel full time, permanent part time and casual employees (only) engaged at the time of the making of the Agreement from 23 May 2005.

Table 3 - Second Increase 2006

Classification	Base Rate	Day Shift	Afternoon Shift	Night Shift
	Permanent \$/Wk	Permanent \$/Wk	Permanent \$/Wk	Permanent \$/Wk
Production Staff	\$662.85	\$662.85	\$762.28	\$828.56
Storeperson	\$736.50	\$736.50	\$846.98	\$920.63
Team Leader	\$848.43	\$848.43	\$975.70	\$1060.54
	\$/hr	\$/hr	\$/hr	\$/hr
Production Staff	\$17.4434	\$17.4434	\$20.0600	\$21.8042
Casual Production Staff	\$21.7309	\$21.7309	\$24.9905	\$27.1636
Storeperson	\$19.3816	\$19.3816	\$22.2889	\$24.2270
Casual Storeperson	\$24.1455	\$24.1455	\$27.7673	\$30.1819
Team Leader	\$22.3271	\$22.3271	\$25.6762	\$27.9089

Table 3: Wage Rates as at 1/7/2006

Table 4 - Third Increase 2007

Classification	Base Rate	Day Shift	Afternoon Shift	Night Shift
	Permanent \$/Wk	Permanent \$/Wk	Permanent \$/Wk	Permanent \$/Wk
Production Staff	\$689.36	\$689.36	\$792.76	\$861.70
Storeperson	\$765.96	\$765.96	\$880.85	\$957.45

Team Leader	\$882.37	\$882.37	\$1014.73	\$1102.96
	\$/hr	\$/hr	\$/hr	\$/hr
Production Staff	\$18.1411	\$18.1411	\$ 20.8621	\$22.6764
Casual Production Staff	\$22.6001	\$22.6001	\$25.9901	\$28.2501
Storeperson	\$20.1568	\$20.1568	\$23.1803	\$25.1960
Casual Storeperson	\$25.1112	\$25.1112	\$28.8779	\$31.3890
Team Leader	\$23.2203	\$23.2203	\$ 26.7033	\$29.0254
Table 4: Wage Rates as at 1/7/2007				

ATTACHMENT 2

EXEL INCENTIVE PROGRAM HEALTHCARE AND FMCG SECTOR FRAMEWORK DOCUMENT

PREAMBLE

This document details the basis for payment of an incentive bonus upon the achievement of agreed Key Performance Indicators (KPI's). The targets detailed for the Healthcare and FMCG Sector are in line with Exel's commercial and contractual obligations (service level agreement) with its clients. This document details the opportunity for Exel's employees to earn an incentive payment upon the achievement of KPI's.

Critical to the implementation of KPI's is recognising that not all employees are directly linked to a specific client. Employees can be engaged in the provision of services across a number of clients or operations. In such cases KPI's may be task based and will be set in advance. For example: cleaner (preventative maintenance schedule being met, hygiene schedule achieved daily).

TERMS & CONDITIONS

The KPI's are agreed as part of Exel's contractual relationship and its service level agreement (SLA) with the client. The indicators will be agreed between the Exel manager representing the Exel business in consultation with the operations or sector team. The KPI's that have been agreed and that are contained within the SLA, as they apply to each client specifically, will be communicated to the employees who will be performing that work.

When a new client is implemented within the Exel business the team will receive the payment of their bonus during the first three (3) months of the contract even if not all KPI's are achieved as a component of the productivity build.

PROCESS

A 2.5% incentive payment will be paid monthly, upon the achievement of specified team based KPI's.

The Supervisor / Manager will be responsible for working with their team to ensure that all employees are provided all necessary support and the opportunity to achieve the agreed KPI's.

Payment of the incentive payment following the achievement of KPI's is designed to reward those employees that make an effort to positively influence the accurate and timely completion of work within the team.

When circumstances outside of an employee's control negatively impact on the team's ability to achieve their KPI's the team will not be penalised. For example:

- IT system failure which result directly in service failures;

The KPI's that operate within each team can be changed and or amended as required by Exel and /or the client. Exel will communicate, discuss and seek the involvement of employees regarding any such change. The existing KPI will continue in operation for one (1) month to allow a smooth transition to the new KPI's.

Information collected as part of the analysis regarding the achievement of KPI's will not be counted more than once in the determination of bonus payments. Therefore one error cannot negatively impact more than one indicator.

If indicators for a particular month are met the incentive bonus will be paid by the 15th of the following month, unless the client has not provided the information required. In this case, employees will be notified in advance.

Any problems which arise shall be dealt with in accordance with Clause 13 Grievance Procedure of this Agreement.

The below represents an indicative example list of KPI's that may form part of the incentive bonus, this list is not exhaustive and will be determined in accordance with the service level agreement with our customer:

- Despatched on time
- Inventory Accuracy
- Pick Accuracy
- Delivered on time
- Received on time
- Putaway accuracy

ATTACHMENT 3

EXEL INCENTIVE PROGRAM RETAIL, AUTOMOTIVE & TECHNOLOGY SECTOR FRAMEWORK DOCUMENT

PREAMBLE

This document details the basis for payment of an incentive bonus upon the achievement of agreed Key Performance Indicators (KPI's). The targets detailed for the Retail, Automotive & Technology Sector can be in line with Exel's commercial and contractual obligations (service level agreement) with its clients. This document details the opportunity for Exel's employees to earn an incentive payment upon the achievement of KPI's.

Critical to the implementation of KPI's is recognising that not all employees are directly linked to a specific client. Employees can be engaged in the provision of services across a number of clients or operations. In such cases KPI's may be task based and will be set in advance. For example: cleaner (preventative maintenance schedule being met, hygiene schedule achieved daily).

TERMS & CONDITIONS

The KPI's are agreed as part of Exel's contractual relationship and its service level agreement (SLA) with the client (where they exist). The indicators will be agreed between the Exel manager representing the Exel business in consultation with the operations or sector team. The KPI's that have been agreed and that are contained within the SLA, as they apply to each client specifically, will be communicated to the employees who will be performing that work.

When a new client is implemented within the Exel business the team will receive the payment of their bonus during the first three (3) months of the contract even if not all KPI's are achieved as a component of the productivity build.

PROCESS

A 2.5% incentive payment will be paid monthly, upon the achievement of specified team based KPI's.

The Supervisor / Manager will be responsible for working with their team to ensure that all employees are provided all necessary support and the opportunity to achieve the agreed KPI's.

Payment of the incentive payment following the achievement of KPI's is designed to reward those employees that make an effort to positively influence the accurate and timely completion of work within the team.

When circumstances outside of an employee's control negatively impact on the team's ability to achieve their KPI's the team will not be penalised. For example:

IT system failure which result directly in service failures;

The KPI's that operate within each team can be changed and or amended as required by Exel and /or the client. Exel will communicate, discuss and seek the involvement of employees regarding any such change. The existing KPI will continue in operation for one (1) month to allow a smooth transition to the new KPI's.

Information collected as part of the analysis regarding the achievement of KPI's will not be counted more than once in the determination of bonus payments. Therefore one error cannot negatively impact more than one indicator.

If indicators for a particular month are met the incentive bonus will be paid by the 15th of the following month, unless the client has not provided the information required. In this case, employees will be notified in advance.

Any problems which arise shall be dealt with in accordance with Clause 13 Grievance Procedure of this Agreement.

The below represents an indicative example list of KPI's that may form part of the incentive bonus, this list is not exhaustive:

- Despatched on time
- RMA processing on time
- Inventory Accuracy
- Pick Accuracy
- Delivered on time
- Received on time
- Putaway accuracy

Signed for and on Behalf of Exel (Australia) Logistics Pty Ltd

Michael Ison
Director of Operations
Healthcare & FMCG

Witnessed by
Sean Maguire
Director of Operations Retail
Automotive & Technology

Witnessed by

Paul Wolf
Human Resources Manager

Witnessed by

Signed For And On Behalf Of The National Union Of Workers New South Wales Branch

Derrick Belan
State Secretary
Witnessed by
