

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA98/95

TITLE: Devro-Teepak Pty Limited Maintenance Employees Enterprise Agreement 1997

I.R.C. NO: 98/681

DATE APPROVED/COMMENCEMENT: Approved 3 March 1998 and commenced from the beginning of the first full pay period on or after 3 March 1998

TERM: Expires 30 September 1999

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 22

COVERAGE/DESCRIPTION OF

EMPLOYEES: Maintenance Employees covered by the Metal and Engineering Industry (New South Wales) Interim Award at Sydney Road, Kelso 2795 and Vale Road, Bathurst 2795

PARTIES: Devro-Teepak Pty Ltd -&- The Australian Workers' Union, New South Wales





DEVRO-TEEPAK PTY LIMITED MAINTENANCE EMPLOYEES
ENTERPRISE AGREEMENT 1997



DEVRO-TEEPAK PTY LIMITED MAINTENANCE EMPLOYEES
ENTERPRISE AGREEMENT 1997

1. **TITLE**

This agreement shall be known as the Devro-Teepak Pty Ltd Maintenance Employees Enterprise Agreement 1997

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3. APPLICATION AND PARTIES BOUND

This Agreement shall have operation at Devro-Teepak Pty Limited's premises at 139 Sydney Road, Kelso, NSW, 2795 and at 46 Vale Road, Bathurst, NSW 2795 in respect of employees employed as maintenance employees who fall within the area, incidence and duration of the Metal and Engineering Industry (NSW) Interim Award. The Agreement shall be binding upon:

- (i) Devro-Teepak Pty Limited (the "Company") in respect of persons employed at its premises at 139 Sydney Road, Kelso, NSW, 2795 and at 46 Vale Road, Bathurst, NSW 2795, who fall within the area, incidence and duration of the Metal and Engineering Industry (NSW) Interim Award; and
- (ii) The Australian Workers Union, New South Wales Branch.



4. RELATIONSHIP WITH PARENT AWARD

This Agreement shall be read and interpreted in conjunction with the Metal Engineering (State) Award (the "parent award") but will prevail over that Award to the extent of any inconsistency.

5. DURATION

This Agreement will take effect from the beginning of the first full pay period to commence on or after ~~30 September 1997~~ **3 March 1998** and shall remain in force until the 30 September 1999.

6. NO FURTHER CLAIMS

Subject to increases in rates of pay which may result from productivity/efficiency improvements (referred to in clause 10(i) below), the parties bound by this Agreement shall make no further claims in relation to matters dealt with herein.

7. RECISSION OF PREVIOUS AGREEMENTS

This Agreement rescinds and replaces any Industrial Agreements, whether or not registered under the Industrial Relations Act, 1991 (NSW), made between the parties bound hereby.

8. TERMS OF ENGAGEMENT

- (i) Except in the case of a casual employee, employment shall be on a weekly basis terminable by the Company by the giving of the following period of notice or payment in lieu thereof of such remuneration as would have been earned during that period.

Employee's period of continuous service with the Company	Period of Notice
Not more than 1 year	1 week
More than 1 year but not more than 3 years	2 weeks
More than 3 years but not more than 5 years	3 weeks
More than 5 years	4 weeks

The period of notice is increased by one week if the employee is over 45 years old and has completed at least 2 years continuous service.

- (ii) A casual employee (being an employee engaged and paid as such) shall be employed on an hourly basis terminable by either side by giving one hours notice.
- (iii) Notwithstanding the foregoing, the Company shall have the right to summarily dismiss an employee for serious misconduct in which case salary shall be paid up to the time of dismissal only.
- (iv) Employment may be terminated by the employee by the giving of one week's notice or forfeiture in lieu thereof of such remuneration as would have been earned during that period.

9 EMPLOYEE DUTIES

Devro-teepak Pty Limited may direct an employee to carry out such duties that are within the limits of the employee's skill, competence and training.



10 RATES OF PAY AND CLASSIFICATION STRUCTURE.

- (i) A weekly employee (other than an apprenticed or unapprenticed junior) will be paid the applicable ordinary rate of pay for the classification at which he or she is employed as set out in Annexure A hereto.

Additional increases in rates of pay to those contained in Annexure A will be payable in consideration of measures developed through the Productivity Agreement and Workplace Consultative Committee as established in clause 23 below. The extent of any such increases will be determined by the Company in consultation with the Workplace committee.

The rates of pay contained in Annexure A are all inclusive rates covering all rates and allowances which, except as otherwise provided by this Agreement, might be payable to employees.

The classification structure for Tradespersons set out in Annexure A is based upon period of service and the completion of sufficient training modules towards the achievement of an Advanced Certificate in Mechanical Engineering.

The classification structure for Trades Assistants set out in Annexure A is based upon period of service and the completion of sufficient training modules towards the achievement of a Trade Certificate.

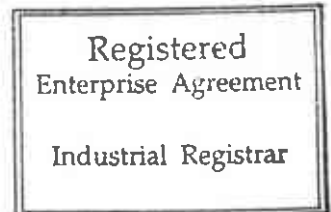
The Company need not pay more than seven maintenance tradesmen at the DF5 classification and not more than three at the DF6 classification levels. The classification level of tradesmen engaged in Projects and Development will not impact on the Maintenance Tradesmen restrictions. The Company agrees, however, that, subject to sub-clause (iv) below, it will not utilise those skills possessed by an employee which go beyond the classification level at which the employee is paid.

Employees paid at the DF5 and DF6 classification levels will be utilised as best satisfies the production requirements of the Company. The first available persons qualified for the DF5 and DF6 classification levels will, subject to the above, be used and paid by the Company at those levels.

(ii) Technical/Organisational Expertise

Employees appointed to the positions of:-

- Extruder Fitter
- Shirring Fitter
- Primary Collagen Plant Fitter



will be paid at a rate of 107.5% of the employees Technical Classification.

Employees relieving in these positions in the absence of the appointed fitter, will be paid at a rate of 103.5% of the employees ordinary classification rate for the period of the relief.

Employees working in the position of Project and Development Fitter will be paid at the rate of 103.5% of the employees ordinary classification rate.

(iii) Shift Relief

A daywork employee rostered on Shift to cover a Shift Fitter's absence, will be paid in accordance with Clause 14 - Shift Work.

(iv). Higher Duties

An employee, whilst called upon to perform any of the duties demanded of an employee at a higher level in the classification structure contained in Annexure A in the absence of the employee normally exercising such duties or whilst called upon to perform such duties on a temporary basis, shall be paid the rate which would be applicable if such duties were performed on a permanent basis, provided that this Clause shall not apply when the time period is of less than 2 hours duration.

11. CASUAL EMPLOYEES

A casual employee, in lieu of all leave entitlements under this award, but excepting those derived from The NSW Annual Holidays Act 1994, shall be paid a loading of 20 percent of the appropriate rate of pay.

12 PAYMENT OF WAGES

Payment of wages is to be made fortnightly in arrears by direct deposit to an account at either a bank, Reliance Credit Union or St. George Bank, at each employees option.

13 HOURS OF DAY WORK

- (i) The ordinary hours of work for day workers shall not exceed 152 in each 28 day cycle to be worked Monday to Friday inclusive. Each day is to be worked as 8 hours continuously except for meal breaks. The spread of hours shall be between 6.00 a.m. and 5.30 p.m.
- (ii) Meal breaks for day workers shall be of a specified duration which shall be no less than 30 minutes nor more than one hour.



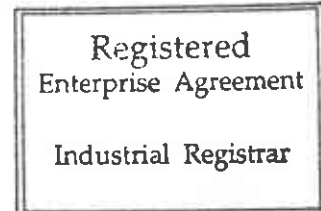
14 SHIFT WORK

- (i) The ordinary hours of work for 7 day continuous shift workers shall not exceed 152 in each 28 day cycle. Each shift is to be worked as 8 hours continuously. One compulsory overtime shift per 28 day cycle is mandatory for all continuous shift workers and this shall be designated as Saturday Afternoon shift.
- (ii) Two twenty minute crib breaks shall be allowed during each shift, each of which shall be counted as time worked.
- (iii) A shift worker whilst on afternoon or night shift shall be paid for such shift 20 percent more than his/her ordinary rate.
- (iv) All shift work performed on a Saturday will be paid at time and one half ordinary time rates to a shift worker for ordinary hours worked. All shift work performed on a Sunday will be paid at double ordinary time rates. Such penalties are in substitution for and not cumulative upon the shift premiums in sub-clause (iii).
- (v) All shift work performed in excess of or outside the ordinary hours prescribed herein or designated in the roster shall be paid at the rate of double time.
- (vi) The first eight hours of work performed on a Public Holiday shall be paid at the rate of double ordinary time. All work in excess of eight hours shall be paid for at the rate of treble time.
- (vii) An employee's place on the roster may be altered by giving not less than 48 hours notice of such change. If less than 48 hours notice is given the employee shall be entitled to payment pursuant to sub-clause (v) hereof until the expiration of 48 hours for all time worked outside his or her ordinary hours.
- (viii) In this clause and wherever elsewhere used, the following words or phrases have the following meaning:
- 1) Shift Worker - an employee rostered to work according to a roster providing weekly shift rotation which may include as ordinary working days Saturdays, Sundays and Public Holidays.
 - 2) Afternoon Shift - a shift finishing after 6.00 p.m. and at or before midnight.
 - 3) Night Shift - a shift finishing subsequent to midnight and at or before 8.00 a.m.

15 PUBLIC HOLIDAYS

- (i) The following shall be recognised as holidays and except when they fall on a non working day, shall be allowed to all weekly employees other than seven day shift workers on full pay:-

New Years Day;
Australia Day;
Good Friday;
Easter Saturday;
Easter Monday;
Anzac Day;
Queen's Birthday;
Eight Hour Day;
Christmas Day, and
Boxing Day.



Together with any other day gazetted and observed throughout the State as a Public Holiday.

- (ii) In addition to the holidays prescribed in Subclause (i) one additional day per annum shall be observed as a holiday in lieu of a Picnic Day on a day agreed between the Company and the Unions. In the case of a shift worker such a day shall be added to Annual Leave if the employee is on Annual Leave at the time the holiday occurs.

16 OVERTIME, SUNDAY & PUBLIC HOLIDAY RATES FOR DAY WORKERS

- (i) All time worked in excess of 8 hours on any day, Monday to Friday inclusive, or outside the hours prescribed for day workers in this Agreement shall be paid for at the rate of time and one half for the first two hours and double time thereafter calculated on a daily basis.
- (ii) All time worked on Sunday shall be paid for at the rate of double time.
- (iii) The first eight hours of work performed by dayworkers on a Public Holiday shall be paid at the rate of double time. All work in excess of eight hours shall be paid for at the rate of treble time.
- (iv) A day worker required to work on a Sunday or Public Holiday shall be paid for a minimum of four hours work at the appropriate rate.
- (v) A shift worker called in to work on a Public Holiday other than on his rostered shift shall be paid for a minimum of four hours work at the appropriate rate.

17 PROVISION OF MEALS ON OVERTIME/CRIB BREAKS

- (i) An employee required to work overtime in excess of one and a half hours after working ordinary hours shall either be supplied with a meal upon the production of a food voucher or vouchers by the Supervisor, or paid \$6.70 meal allowance. This is the only occasion on which a meal allowance is payable.

- (ii) An employee working overtime shall be allowed a crib time of twenty minutes, without deduction of pay, after each four hours of such time worked.
- (iii) Unless the period of overtime is less than one and a half hours an employee, before starting overtime after working ordinary hours, shall be allowed a meal break of twenty minutes which shall be paid for at time and one half. The Company and the employee concerned may agree to any variation of this provision to meet the circumstances of the work in hand - provided that the Company shall not be required to make any payment in respect of any time allowed in excess of twenty minutes.
- (iv) Crib breaks will be assumed to have been taken unless the time sheet shows otherwise.
- (v) Crib breaks are to be seen as part of the overtime period and as such are paid at the appropriate rate.

18 ANNUAL LEAVE

- (i) All leave is provided as per The NSW Annual Holidays Act 1944.
- (ii) In addition to the leave provided by Sub-Clause (i), seven day continuous shift workers, that is shift workers who are rostered to work regularly on Saturdays, Sundays and Public Holidays, shall be allowed 6 days in additional annual leave - provided that, if during the year of employment an employee has served a portion of it as a seven day continuous shift worker, the additional leave shall be one day for every 36 ordinary shifts worked as a seven day continuous shift worker.

19 SICK LEAVE

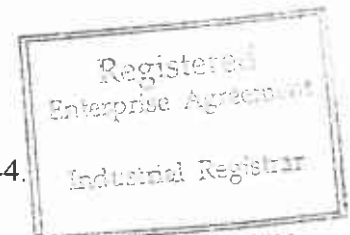
A Entitlement

- (i) An employee who is absent from his/her work on account of personal illness or injury shall be entitled to sick leave without deduction of ordinary pay in accordance with this clause.
- (ii) Employees will be entitled to up to eight (8) weeks Sick Leave per sick leave incident.

B Conditions and Limitations

Paid Sick Leave shall be subject to the following conditions and limitations.

- (i) An employee shall not be entitled to paid Sick Leave for any period in respect of which he/she is entitled to Workers Compensation.
- (ii) An employee who claims to be allowed paid Sick Leave in accordance with this clause for an absence shall not be entitled to payment unless he/she produces to the Paymaster a certificate of a duly qualified medical practitioner that in his/her opinion the employee was unable to attend for duty on account of personal illness or injury.



C Controls and Medical Assessment

Until a Sick Leave Control procedure is developed in accordance with sub-clause D, control of excessive absenteeism resulting from the over use of Sick Leave entitlements is subject to the following provisions.

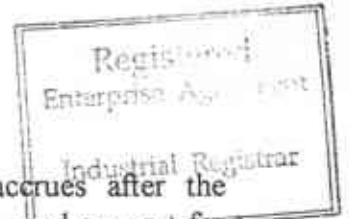
- (i) The Paymaster will advise the employee's supervisor when an employee has received payment for eight (8) or more days Sick Leave in a calendar year.
- (ii) The Supervisor will then meet with the employee, advising him/her of the number of days taken. During this meeting the Supervisor will attempt to ascertain whether or not an employee has a health problem. The result of this meeting will be advised to the Personnel Department.
- (iii) If an employee receives payment for a further days Sick Leave in a calendar year, he/she will be referred to the Company Doctor for assessment and counselling. The Doctor will be requested to assess the employees ability to work in excess of normal working hours for a period of time that will allow the employee to recover to his/her normal health. The employee's Doctor may also be consulted in this process should the employee or Company Doctor request it.
- (iv) If an employee then takes another day of paid Sick Leave in the remainder of the calendar year after receiving the initial counselling and assessment, then he/she will be referred to the Company Doctor at the earliest mutually convenient time for a full Medical Assessment to ascertain the employee's ability to continue to carry out his/her normal work requirements.
- (v) Paid Sick Leave absences of greater than five (5) days in any particular incident will not affect the totals in (i), (iii) and (iv) above.
- (vi) Each case claiming exceptional circumstances will be considered by the Department Manager on merit.
- (v) The cost of the Medical Assessment with the Company Doctor shall be at the company's expense.

D Sick Leave Control Procedures

A Sick Leave Counselling Committee will be established consisting of company representatives and employee representatives elected by their peers. The purpose of the committee will be to develop a sick leave control procedure within six (6) months of the date of approval of this Agreement. These procedures will be implemented in accordance with this agreement and will replace sub-clause C above.

20 BEREAVEMENT LEAVE

An employee shall be entitled to a maximum of four days without loss of pay on each occasion and on production of satisfactory evidence of the death of the employee's husband, wife, father, mother, brother, sister, child, stepchild or parents-in-law. For the purposes of this Clause the words "Wife" and "Husband" shall include de-factor wife or husband and the words "Father" and "Mother" shall include foster father or mother and step father or mother.



21 FAMILY LEAVE

An employee's entitlement to sick leave in clause 16 above which accrues after the commencement of this Agreement may be used for absences to provide care and support for family members in accordance with the provisions of the Metal and Engineering Industry Family Leave Provisions (State) Award, provided that a maximum of 8 days sick leave per annum may be used for this purpose. Access to annual leave for the purposes of family leave will also be in accordance with the provisions of the Metal and Engineering Industry Family Leave Provisions (State) Award.

22 REDUNDANCY

Clause 5 - Redundancy of the Metal and Engineering Industry Redundancy (State) Award applies in respect of any termination, or proposed termination, in circumstances of redundancy. A payment of 3 weeks pay for each year, or part thereof, of service will, subject to any greater entitlement under clause 7 of the Metal and Engineering Industry Redundancy (State) Award, be paid up to a maximum of 35 weeks pay in respect of any termination in circumstances of redundancy. This severance payment will be increased by 25 percent where the employee concerned is aged 45 years or over.

23 WORKPLACE CONSULTATIVE COMMITTEE

A Productivity Agreement will be established within six months of the date of the Agreement with the assistance of the Industrial Relations Commission of NSW. The Union and the Company will develop an agreed Memorandum of Understanding which defines Productivity, Key Performance Indicators and Measurement Criteria.

A Consultative Committee will be formed of representative of the workforce, who will be elected by the workforce, and Company representatives to administer the Productivity Agreement, monitor the Key Performance Indicators and Measurement Criteria and establish payment methods in respect of costs saved.

24 DISPUTES PROCEDURE

At any stage of a dispute an employee may elect to have an "accredited shop steward" accompany such employees in any discussions undertaken under Steps 1 and 2.

Should a "full-time" Union Official be involved in Step 3 and beyond the Labor Council of New South Wales shall be informed of the dispute.

Step 1

When an employee has a complaint, he/she shall take the matter up with his/her immediate Supervisor. The Supervisor shall discuss the matter with the employee, obtain facts and a clear understanding of the points to be considered.

The Supervisor shall investigate the matter and consult the appropriate persons. He shall give an answer as soon as possible and in any case within three working days unless an extension of time is required (during the period Monday to Friday), in which case the employee shall be so informed.

The Supervisor shall ascertain whether his/her answer is satisfactory to the employee and if not, the Supervisor shall remind the employee that he/she is able to take up the matter with the next higher level in the Company's Management structure.

The employee should indicate his/her desire concerning the complaint when such action is required. The Supervisor shall arrange the forthcoming interview and inform employee of time, date and venue.

Should dispute not be resolved Step 2 can be implemented.

Step 2

The employee shall discuss the matter with the next level of supervision or other representatives of Management, as appropriate to the department concerned; i.e. Department Head. An answer shall be given to the employee as soon as possible and in any case within one week from the time the matter was referred to the particular management representatives.

Should the matter under disputation not be resolved to the employee's satisfaction, arrangements shall be made by the level of supervision concerned (this step) to implement Step 3.

Step 3

The employee who has the complaint shall refer the matter to his/her Union and the Union shall make representations on such employee's behalf to Operations, Production or Engineering Managers, or any combination thereof for decision and finalisation.

Step 4

The NSW Labor Council shall seek finalisation of the matter under dispute via Managing Director or his nominated representative/s.

Should this matter not be resolved to satisfaction under the provision of this Step, Step 5 shall be implemented.

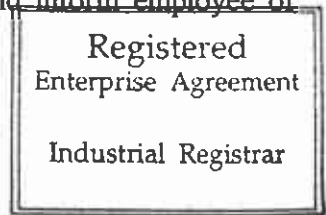
Step 5

The NSW Labor Council and/or the Company shall refer the matter in dispute to the Industrial Relations Commission of NSW.

Work will continue normally whilst the matter is dealt with as provided in Steps 1 through to 5.

It shall be the right of any employee to consult with an accredited Shop Steward or with the appropriate Manager at any stage in this procedure.

This Disputes Procedure relates to all disputes other than those concerning unsafe practices and unsafe conditions, which shall be dealt with immediately within the scope of the Company's pre-determined safety programme.



25 DISCIPLINARY PROCEDURE

The Disciplinary Procedure contained in Annexure B will apply to all matters involving the need to discipline employees.

26 SUPERANNUATION

All employees covered by this Agreement will join the Devro-Teepak Retirement Benefits Plan and will be bound by the Trust Deed that applies to it.

27 OCCUPATIONAL FIRST AID

The Company will provide on each shift for one person trained to the level of Occupational First Aid. A payment of \$10 per week will apply to each employee chosen by the Company to carry out the Occupational First Aid role.



Signed for and on behalf of
Devro-Teepak Pty Ltd

J. Williams

Witness

J. Williams

Signed for and on behalf of
Australian Workers Union, New South Wales Branch

R. K. Bolle

Witness

R. K. Bolle



ANNEXURE A - ENGINEERING MAINTENANCE SALARY RATES

	Effective 01/10/97		Effective 01/01/98		Effective 01/10/98	
	Annual Salary	Base Hourly Rate	Annual Salary	Base Hourly Rate	Annual Salary	Base Hourly Rate
(i)(a) Non Trades/Trades Assistant Salary Rates						
NT1 Trades Assistant - DAY (100%)	\$25,973	\$12.9347	\$26,441	\$13.1675	\$26,705	\$13.2992
NT2 Trades Assistant - DAY (103%) 1 Module Trade Cert.	\$26,752	\$13.3228	\$27,234	\$13.5626	\$27,506	\$13.6982
NT3 Trades Assistant - DAY (106%) 6 months service plus 4 modules Trade Cert.	\$27,532	\$13.7108	\$28,027	\$13.9576	\$28,307	\$14.0972
NT4 Trades Assistant - DAY (109%) 12 months service plus 8 modules Trade Cert.	\$28,310	\$14.0989	\$28,820	\$14.3527	\$29,108	\$14.4962
NT5 Trades Assistant - DAY (112%) 18 months service plus 12 modules Trade Cert.	\$29,090	\$14.4869	\$29,613	\$14.7477	\$29,909	\$14.8952
NT5 Storeman - DAY	\$29,090	\$14.4869	\$29,613	\$14.7477	\$29,909	\$14.8952



ANNEXURE A (CONTD)

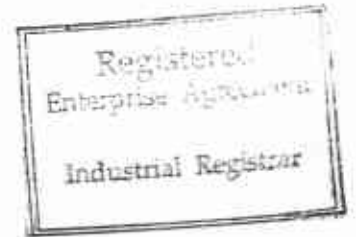
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(b) Trades Salary Rates	Effective 01/10/97		Effective 01/01/98		Effective 01/10/98	
	Annual Salary	Base Hourly Rate	Annual Salary	Base Hourly Rate	Annual Salary	Base Hourly Rate
DF1 Devro-Teepak Fitter - SHIFT (100%) - DAY	\$48,865 \$31,374	\$15.6248 \$15.6248	\$49,745 \$31,939	\$15.9061 \$15.9061	\$50,242 \$32,258	\$16.0651 \$16.0651
DF2 Devro-Teepak Fitter - SHIFT (102.5%) 6 months service - DAY plus 1/6 Advanced Cert.	\$50,086 \$32,159	\$16.0155 \$16.0155	\$50,987 \$32,738	\$16.3037 \$16.3037	\$51,497 \$33,065	\$16.4668 \$16.4668
DF3 Devro-Teepak Fitter - SHIFT (105%) 12 months service - DAY plus 1/3 Advanced Cert.	\$51,307 \$32,943	\$16.4061 \$16.4061	\$52,231 \$33,536	\$16.7014 \$16.7014	\$52,753 \$33,871	\$16.8684 \$16.8684
DF4 Devro-Teepak Fitter - SHIFT (110%) 18 months service - DAY plus 1/2 Advanced Cert.	\$53,752 \$34,512	\$17.1873 \$17.1873	\$54,719 \$35,133	\$17.4967 \$17.4967	\$55,266 \$35,485	\$17.6717 \$17.6717
DF5 Devro-Teepak Fitter - SHIFT (115%) 2 years service - DAY plus 2/3 Advanced Cert.	\$56,194 \$36,081	\$17.9686 \$17.9686	\$57,205 \$36,730	\$18.2920 \$18.2920	\$57,777 \$37,097	\$18.4749 \$18.4749
DF6 Devro-Teepak Fitter - SHIFT (125%) 3 years service - DAY plus Advanced Cert.	\$61,080 \$39,218	\$19.5311 \$19.5311	\$62,180 \$39,924	\$19.8826 \$19.8826	\$62,801 \$40,323	\$20.0814 \$20.0814

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ANNEXURE B

**CODE OF BEHAVIOUR
DEVRO-TEEPAK PTY LTD**



DISCIPLINARY PROCEDURE

1. General

- 1.1 This disciplinary procedure is directed towards correcting and/or improving an employee's conduct on occasions when that conduct is unacceptable and to ensure the employee is treated fairly.

The disciplinary procedure, in the majority of cases, shall be used to assist an employee to understand Company policy and requirements.

- 1.2 The Company disciplinary procedure consists of three levels:-

Level One - Formal Interview

Level Two - Warning

Level Three - Final Warning

- 1.3 The levels of discipline may or may not be administered in a sequential manner depending upon the situation (See Clauses 7 and 8).

The circumstances surrounding an employee's action and the seriousness of those actions will determine what level of the disciplinary procedure is appropriate.

- 1.4 Throughout the application of the disciplinary procedure employees will be provided with the opportunity to present their own view of the situation and reasons for their conduct. (See Clause 6).

An employee may request a person of their choice, who may be a union delegate, to be present at all points in the procedure.

- 1.5 When an employee disagrees with a formal interview or formal warning, a request to review the disciplinary action may be made by the employee to the next level of line management. In the case of final warning; a request for review may be made to the Personnel Department through the immediate supervisor.

- 1.6 A written record of the application of all levels of the disciplinary procedure (except informal discussions) will be made available and placed on an employee's personal file, with a copy also to be made available to the employee at the time of the procedure.

- 1.7 The disciplinary procedure will be conducted by the immediate supervisor or Department Manager.

2. Level One - Formal Interview

2.1 Informal Verbal Dialogue

This step should be used to outline relevant Company policy and requirements, and to correct any employee misinterpretation.

Continued informal discussion for the same or similar conduct by the employee will lead to a formal interview. The need to progress to formal interview will be established by the supervisor and will include consideration of the nature of the employee conduct, the frequency of informal discussions and the employee's response to previous informal discussions.

2.2 Formal

This step requires a detailed discussion of an employee's inappropriate conduct, and how the conduct is contrary to relevant Company policy and requirements (whether or not the employee is aware of the Company policy), any underlying reasons for the conduct and a participative commitment to correct and/or improve the area of concern. Formal interviews should be clearly seen and understood to have an assistance and educational function within the disciplinary procedure.

The procedure involves discussion of the following matters with the employee and documented accordingly:

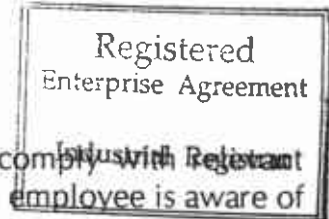
- 2.2.1 What is required of the employee.
- 2.2.2 Where and how the employee's conduct does not comply with relevant Company policy and requirements.
- 2.2.3 What is to be done by the employee to meet Company policy and requirements and appropriate steps which may assist the employee.
- 2.2.4 The outcome of failure to meet Company policy and requirements.
- 2.2.5 The duration for which this warning will remain effective is for three (3) months.

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3. Level Two - Formal Warning

Where an employee continues with inappropriate conduct after the formal interview level, or engages in misconduct of a minor nature, the supervisor shall investigate the matter and issue a formal warning in writing, indicating to the employee:

- 3.1 What is required of the employee.
- 3.2 Where and how the employee's conduct does not comply with relevant Company policy and requirements (whether or not the employee is aware of the Company policy).
- 3.3 What is expected of the employee to meet Company rules and requirements and appropriate steps which may assist the employee.
- 3.4 The outcome of failure to meet Company policy and requirements.
- 3.5 The duration for which this warning will remain effective is for three (3) months.



4. Level Three - Final Warning

- 4.1 A final warning will only be issued when the specific conduct complained of persists and after the employee having received informal interview and written warnings in accordance with Clause 2.2 and 3 respectively.

Where an employee fails to meet Company policy and requirements after these warnings, the supervisor should issue a final warning. Final warning is the last step before an employee is dismissed and will be in writing.

The procedure for a final warning involves a review of the relevant disciplinary procedure to date or the misconduct and the offer to the employee of opportunity to prove an explanation.

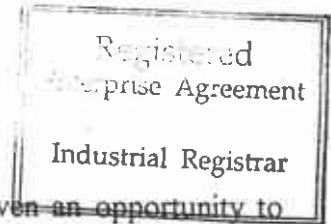
- 4.2 The written advice of final warning issued to the employee will contain the following information:
 - 4.2.1 A statement that this is a final warning.
 - 4.2.2 Identification of the inappropriate conduct by the employee with reference to relevant Company policy and requirements.
 - 4.2.3 A summary of relevant disciplinary procedure to date.
 - 4.2.4 Detailing that a specific change is required in the employee's conduct and failure to achieve the specific change will lead to dismissal.
 - 4.2.5 The duration for which this warning will remain effective is for six (6) months.

5. **Dismissal**

Where an employee fails to meet the requirements clearly identified in the written advice of final warning, or engages in serious misconduct, the supervisor should seek dismissal of the employee. Dismissal may take the form of dismissal with notice or it may be summary dismissal.

6. **Opportunity to Respond**

At all stages of the disciplinary procedure, employees will be given an opportunity to explain their conduct or to respond to allegations made against them. Employees subject to disciplinary action will be given a detailed account of any allegations made against them in order that they can respond.



7. **Level of Discipline**

7.1 The levels of discipline outlined in the disciplinary procedure may or may not be administered in a sequential manner depending upon the situation.

7.2 The level of discipline appropriate in any particular situation will depend upon a number of factors including the seriousness of the conduct concerned, the circumstances in which such conduct occurs and any interviews/warnings which are currently effective and relevant.

7.3 Many factors are involved in individual cases, and these must all be considered prior to instituting the level of the disciplinary procedure. Clause 8 contains some general guidelines which may help to indicate what level should be applied.

7.4 These guidelines are for the assistance of employees, supervisors and union delegates, and should not be taken to limit the instances or manner in which the disciplinary procedure may be administered. The examples provided are not exhaustive and should not be taken to be exhaustive.

8. **Guidelines for the Application of the Disciplinary Procedure**

The following areas of conduct may be addressed through either informal discussions, formal inter000views or formal warning depending upon the circumstances of each particular situation.

8.1 Level One - Formal Interviews

- 8.1.1 Absenteeism.
- 8.1.2 Malingering, neglect of duty, inefficiency.
- 8.1.3 Misbehaviour, disobedience, abuse, insubordination.
- 8.1.4 Breach of Company policies.
- 8.1.5 Or the like.

8.2 Levels Two and Three

- 8.2.1 As above, but considered to be of a more severe nature.
- 8.2.2 Discrimination (all types).
- 8.2.3 Sexual harassment.

8.3 Instant Dismissal

Areas of conduct deemed to warrant immediate dismissal in line with Award provisions and Company policies.

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9. Guidelines in the Administration of the Disciplinary Procedure

Whilst the effectiveness of any disciplinary procedure involves many factors, the following key points are highlighted as being particularly important.

- 9.1 Responsibility for the administration of the disciplinary procedure belongs with an employee's immediate supervisor and the Operations Manager in consultation with a union delegate if the employee chooses to involve the Union delegate.
- 9.2 Administration of the disciplinary procedure depends upon the union delegate and supervisor's clear understanding of Company policies and requirements, and informing employees of these policies and requirements.
- 9.3 The disciplinary procedure should be applied:
 - Promptly with minimum delay.
 - Objectively i.e. focus upon the conduct concerned not the person involved.
- 9.4 Normal working relationships with the employee and supervisor should be re-established once the disciplinary procedure is complete.

DEVRO-TEEPAK PTY LTD

Disciplinary Procedure

LEVEL TWO - FORMAL WARNING

Name:

Department:

Supervisor:

Union Delegate: Date:



1) Nature of problem:
.....
.....
.....

2) Employee has been informed that this conduct consolidates a final warning for minor misconduct or a second warning relating to a previous warning for similar incidents.

YES

3) Employee comments:
.....
.....
.....

4) To be rescinded (three months from the above date).

DEVRO-TEEPAK PTY LTD
Disciplinary Procedure

NOTICE OF DISMISSAL

Name:

Department:

Supervisor:

Union Delegate: Date:



1) The abovenamed employee will terminate as from
in accordance with the Devro-Teepak Code of Behaviour.

2) Nature of Problem:

3) Notice Period Required: YES NO

4) Summary Dismissal: YES