

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA99/137

TITLE: Huntingwood Manufacturing Facility Enterprise Agreement II 1999

L.R.C. NO: 99/1162.

DATE APPROVED/COMMENCEMENT: 26 March 1999.

TERM: 31 December 2000.

**NEW AGREEMENT OR
VARIATION: New.**

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 46.

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees working at Huntingwood Manufacturing Facility in production, packaging and maintenance.

PARTIES: Arnott's Biscuits Limited -&- National Union of Workers, New South Wales Branch.



HUNTINGWOOD MANUFACTURING FACILITY ENTERPRISE AGREEMENT II 1999

1. Commitment to Quality

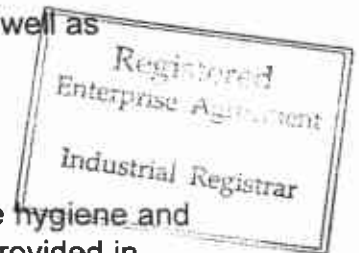
Consumers must know they can consistently trust our product. Consequently, concerns with quality are a priority at Arnott's.

The parties therefore agree to promote quality by encouraging all employees to:

- ❖ Follow standard work procedures and instructions
- ❖ Accept responsibility for ensuring the quality of their own work
- ❖ Recognise that satisfying our customers is all important. Customers include other work teams, the retailers as well as consumers

2. Hygiene / Dress Code

- a) The parties recognise the importance of employee hygiene and the wearing of protective clothing. Uniforms are provided in accordance with Company procedures free of charge to ensure our hygiene standards remain high. It is agreed that the uniforms will be worn.
- b) Smoking and other unhygienic acts are not permitted within the Company's buildings or exterior cafeteria area. All employees shall abide by the company smoking policy as revised from time to time.
- c) All employees are required to keep themselves and their work place in a clean and hygienic condition and immediately report any quality or contamination problem to the Team Leader or Manufacturing Manager.
- d) The Company shall assist any employee wishing to give up smoking by providing counseling, support and information.
- e) An employee who breaches the Hygiene / Dress Code, shall be subject to the disciplinary procedures.
- f) The Hygiene / Dress Code is as published and may be revised from time to time.



3. Teams

"Teams are encouraged to run their own business within a business".

The Huntingwood operation has skilled multi-functional employees operating within clearly identifiable teams with each team member assisting other team members and teams led by Line Leader.

The focus of all our teams is to ensure both internal and external customer satisfaction whether that be in a receipt and processing of raw materials, the conversion into product and/or product packaging and delivery to customers. Work teams are accountable to external customers and consumers for their complaints and are also responsible for putting in place new procedures to prevent recurrence in any area of our business. The aim is for the team to be very much self organised such that the functions that they perform are almost entirely self contained and managed by the group itself. Team members support each other in planning work team activities, ensuring machinery and equipment works effectively and safely, problem solving, the handling of administrative duties and cross training

4. Line Leaders

The Line Leaders shall :

- i) Lead the manufacturing line team in the production and delivery of quality product to the Customer Service Centre and be the Leader in the work area. The Line Leader is a staff position and shall be selected by the Company.
- ii) Co-ordinate the team to achieve their collective and individual goals by maintaining good employee relations including accepting responsibility for disciplinary matters.
- iii) Be responsible for monitoring the team's performance, motivating the team to continuously learn and guide the team in all areas of their work.
- iv) Not have their terms and conditions of employment set by this agreement

5. Role Flexibility

- a) Work can be performed by any person who has the skills and is competent to perform it safely, effectively and efficiently.



- b) Employees covered by this agreement shall work in any part of the business depending upon operational needs and the knowledge and skills of the individual employee. This will ensure the efficient utilisation of all employees.
- c) Employees will, at the time of the request for movement, have explained to them the reason for the move.
- d) The Company will encourage but not compel employees to acquire relevant new skills, both on the job and externally to ensure we move towards world competitive skill and flexibility levels.
- e) All employees agree to contribute to and participate in the training of other employees where required

6. Coverage

Work area teams will organise cover for any absence in their area including the use of external resources where required. The use of external resources will be in consultation with the Line Leader.

7. Leave Rostering

Work area teams will manage the annual and long service leave in their area in consultation with the Line Leader.

8. Competitive Benchmarking / Continuous Improvement

- a) The parties undertake to achieve continuous improvement in manufacturing performance with the ultimate goal of matching and surpassing performance achieved by the international Leader in biscuit manufacturing.
- b) Benchmarking and the establishment of key performance indicators as a means of defining achievable targets shall be discussed by the parties and supported by clear objectives.

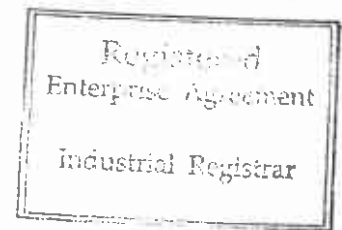


Quality of People

9. The Huntingwood Workforce

As responsibility is devolved and participation increases all employees will need to develop the following abilities:

- ❖ Safety
- ❖ Collecting, analysing and organising information
- ❖ Communicating ideas and information
- ❖ Planning, coordinating and organising activities including the distribution of work
- ❖ Working with others and in teams
- ❖ Solving problems
- ❖ Working with sophisticated technology
- ❖ Maintaining the quality of production to Arnott's specifications



10. Recruitment

Where a vacancy occurs within a particular workgroup then it shall be the responsibility of the workgroup and the company to recruit a suitable person for the position. The recruitment process will be carried out in consultation with the Human Resources Department.

11. Probationary Period

- a) All newly appointed permanent employees will be employed on probationary terms for the first three months period, which will provide for employment on a week-to-week basis.
- b) Where any concerns arise over a probationary employee that might affect a transition to permanent status, these shall be discussed with the employee, with a union delegate present.
- c) If the employee is employed beyond the probationary period the employee will be deemed to be permanent.

12. Performance Appraisals

- a) Arnott's overall performance as a Company relies on the contribution of each employee. Each team depends on the performance of each individual team member.
- b) A formal opportunity, at least once a year, will be given to each employee to discuss his/her progress as to their achievement of objectives, development and training.
- c) The focus of the appraisal will be on the recognition of performance and where appropriate, improvement, including the agreement of practical action plans that will build on a person's strengths and minimise their weaknesses.

13. Roles

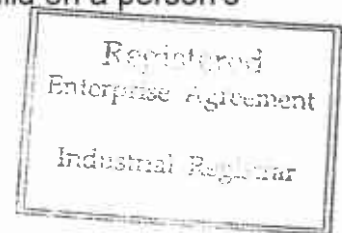
Roles at Huntingwood are based on competency.

All employees will be encouraged to continuously improve and develop their skills.

All employees will have the title of Operational Technician (OPTECH) or Technical Leader. There will be six role levels as follows:

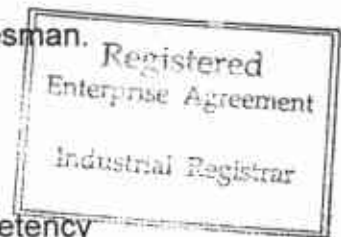
Level 1	Operational Technician	- Basic Operator / Trainee
Level 2	Operational Technician	- Operator
Level 3	Operational Technician	- Flexible Operator / Entry Level Tradesperson
Level 4	Operational Technician	- Advanced Operator or Tradesperson
Level 5	Operational Technician	- Fully Flexible Operational Technician
Level 6	Technical Specialist	- Functional Specialist

All employees will be encouraged to continuously improve and develop their skills. Employees wishing to improve and develop their skills may be required to train in areas relevant to the operational requirements of the facility consistent with the relevant skills matrix.



14. Career paths and training

- (a) Clauses 15-17 describe the role levels in career paths at Huntingwood. Against each role level are the requirements for progressions through the various levels. The requirements for each level must be completed before moving to that level.
- (b) The parties commit to review the classification structure twelve months from the date of registration. Any changes requested by either party may only be done by agreement.
- (c) To reflect the various roles within the operation, different streams (manufacturing, engineering, quality, leadership) have been created for individuals to progress through the criteria.
- (d) Level 3 is recognised as being the entry level for Tradesman.



15. Assessment

- (a) Assessment is the method used to measure the competency level of an employee against a set standard of skills and knowledge
- (b) An assessment will be made of the individual employee's skills and knowledge in relation to the level offered at Huntingwood.
- (c) As a result of the assessment the individual employee may be required to complete additional training to acquire the skills or knowledge needed to maintain the offered level. An employee may be re-assessed on an annual basis in order to ensure that competence has been maintained. While the employee may be required to undergo further training following this re-assessment, there shall be no loss of pay as a result of this re-assessment.
- (d) It is expected that the individual employee will complete the required training within nine months.
- (e) The assessment procedure will be in accordance with the Arnott's Assessment Policy as determined from time to time. The principles outlined by the Australian National Training Authority will be followed.

16. Progression

- (a) All training undertaken will include an assessment of what has been learnt. Progression will depend on successful assessment of competency. This will involve gathering evidence of the employee's skill and knowledge to demonstrate that the employee meets the competency criteria. This shall be in accordance with the Arnott's Assessment Policy as determined from time to time.
- (b) All employees seeking advancement will be assessed by a panel consisting of the following:
 - The Line Leader
 - Accredited Work place assessor competent at the skill being assessed
 - Union delegate, if requested
- (c) These assessments will be conducted at the request of the individual optech and advancement will be in accordance with the Arnott's Assessment Policy



17. Roles

ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
<p>Level 1</p> <p>Employees on level 1 will work under supervision at all times and are expected to exercise minimal judgement.</p> <p>It is anticipated the employees will move through this level within 3 months of commencement</p>	<p><i>All employees classified at this level are expected to have demonstrated competence in the following through assessment:</i></p> <ol style="list-style-type: none"> 1. Basic level of numeracy and literacy 2. Be able to follow both written and verbal work instructions 3. Have completed the Huntingwood <u>initial</u> induction program <div style="border: 1px solid black; padding: 5px; width: fit-content; margin-left: auto;"> <p>Registered Enterprise Agreement Industrial Registrar</p> </div>

Initial Induction Program

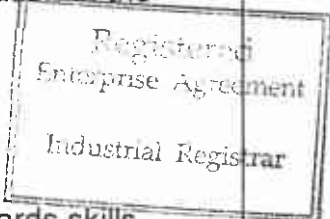
- ◆ General orientation to work area/ work place
- ◆ General policies and procedures
- ◆ Explain safety system and highlight issues

ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
<p>Operational Technician 1a</p> <p>Employees on Level 1a will work under either direct or indirect supervision at all times and are expected to exercise minimal judgement</p>	<p><i>All employees classified at this level are expected to have demonstrated competence in the following through assessment.</i></p> <ol style="list-style-type: none"> 1. <i>Basic Product Knowledge</i> module 2. <i>The Basic Principles of a Collaborative Workplace</i> course 3. Arnott's Induction Program 4. Mechanical Materials Handling (hand operated, non powered) module <p>Induction program consisting of:</p>

	<ul style="list-style-type: none">a) Apply basic quality assuranceb) Apply basic food safety practicesc) Apply safe work proceduresd) Communicate in the workplacee) Apply basic mathematical concepts
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ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
<p>Operational Technician 2</p> <p>An employee at this level works under supervision or individually as part of a team</p>	<p>All employees at this level are required to have competently completed all Level 1a requirements. In addition, to become a Level 2 you must fully and competently complete the following</p> <ol style="list-style-type: none"> 1. <ol style="list-style-type: none"> a) Manufacturing: Completed one technical module (set up, troubleshoot, routine maintenance and operate) 32 points or b) Quality: For Quality Operational Technicians must complete: <ul style="list-style-type: none"> * Monitor the implementation of the quality system, and * Quality Support 1, or * Laboratory Analysis 1 2. Implement the quality system 3. Basic personal computer keyboards skills 4. Citect level one 5. Any person required to operate powered mobile plant must have a site permit 6. Any person required to operate a forklift must have a site permit. <p>All employees at this level are expected to complete any one of the following:</p> <ol style="list-style-type: none"> a) Implement the food safety plan b) Collect present and apply workplace information c) Implement occupational health and safety principles and procedures



Role Level	Criteria
<p>Operational Technician 3</p> <p>An employee at this level works under general supervision either individually or as part of a team and is able to exercise discretion within their own level</p>	<p>All employees at this level are required to have competently completed all Level 2 requirements. In addition, to become a Level 3 you must fully and competently complete the following</p> <ol style="list-style-type: none"> 1. a) Manufacturing: Completed a total of 2 technical modules (set- up, trouble shoot routine maintenance and operate) 64 points or b) Quality: Quality Operational Technician * Laboratory Analysis 2 OR * Quality Support 2 or c) Maintenance/Engineering Maintenance begins at this level and must complete the site Induction Program <ol style="list-style-type: none"> 2. Implement the food safety plan 3. Collect present and apply workplace information 4. Implement occupational health and safety principles and procedures 5. Citect level 2 <p>All employees at this level are expected to complete any two of the following:</p> <ol style="list-style-type: none"> a. Analyse and Convey Workplace Information b. Monitor the implementation of OH & S c. Monitor the Implementation of the food safety plan d. Monitor the implementation of the quality system <p>All employees are expected to complete any one of the following as required by the work team/work area, shift or business as a whole</p> <ol style="list-style-type: none"> a. Work place Assessor b. Quality Auditors Course c. BPCS d. Instructional skills level 1 e. Giving & Receiving constructive feedback f. Occupational Health and Safety g. First aid



ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
Operational Technician 3	<ul style="list-style-type: none"> h. Building a foundation of trust i. Participating in problem solving j. Proactive listening k. BCMA computer course l. Building a constructive relationship with your manager m. Computers (database, word processing, Excel) n. Participate in problem solving <p style="text-align: center;">This list is not exhaustive and may be added to in order to meet the business needs.</p>

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ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
<p>Operational Technician 4</p> <div style="border: 1px solid black; padding: 5px; margin: 10px 0;"> <p>Registered Enterprise Agreement Industrial Registrar</p> </div> <p>An employee at this level works under general supervision either individually or as part of a team and is able to exercise discretion within their own level.</p> <p>Employees at this level are expected to perform limited supervision of employees in their own work area as delegated by the Line Leader</p>	<p>TECHNICAL STREAM <i>All employees at this level are required to have competently completed all Level 3 requirements. In addition, to become a Level 4 you must fully and competently complete the following:</i></p> <p>1. a) Manufacturing: Completed a total of three technical modules (set up, trouble shoot, routine maintenance and operate) 96 points or</p> <p>b) Maintenance/Engineering Trade qualified employees must demonstrate an advanced maintenance knowledge in any three (total three) of the maintenance engineering work areas listed</p> <p>1. Analyse and Convey Workplace Information 2. Monitor the implementation of OH&S 3. Monitor the implementation of the food safety plan 4. Monitor the implementation of the quality system</p> <p><i>All employees are expected to complete an additional different one of the following as required by the work team/work area, shift or business as a whole</i></p> <p>a) Work place Assessor b) Quality Auditors Course c) Instructional skills level 1 d) BPCS e) Giving & Receiving constructive feedback f) Occupational Health and Safety g) First aid h) Building a foundation of trust i) Participating in problem solving j) Proactive listening</p>

ROLE LEVELS: Huntingwood Manufacturing Facility

Role Level	Criteria
<p>Operational Technician 4</p> <p>(continued)</p> <div data-bbox="264 1014 584 1227" style="border: 1px solid black; padding: 5px; margin-top: 20px;"> <p>Registered Enterprise Agreement Industrial Registrar</p> </div>	<p>k) BCMA computer course</p> <p>l) Building a constructive relationship with your manager</p> <p>m) Computers (database, word processing, Excel)</p> <p>This list is not exhaustive and courses may be added to in order to meet the business needs.</p> <p>LEADERSHIP STREAM (Employees shall be appointed to this stream)</p> <p><i>All employees at this level are required to have competently completed all Level 3 requirements and in addition, completed the following:</i></p> <p><i>Analyse and Convey Workplace Information</i></p> <ol style="list-style-type: none"> 1. Monitor the implementation of OH&S 2. Monitor the implementation of the food safety plan 3. Monitor the implementation of the quality system Computer skills (database, word processor, spreadsheet) 4. Financial presentations 5. Production Planning 6. Customer Services 7. Time Management 8. All people will have an individual development plan (IDP) <p><i>All employees are expected to complete an additional different one of the following as required by the work team/work area, shift or business as a whole</i></p> <ol style="list-style-type: none"> a) Giving Recognition b) Influencing Win Win Outcomes c) Getting your Ideas Across d) BPCS e) Giving & Receiving constructive feedback f) Occupational Health and Safety Committee training g) Launching and Refuelling your Team: Tools and Techniques h) Building a foundation of trust i) Participating in problem solving j) Managing your Priorities k) Forward Thinking

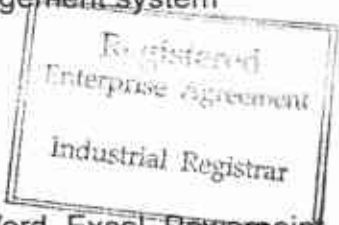
ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
Operational Technician 4 (continued)	l) Building a constructive relationship with your manager m) Computers (database, word processing, Excel) n) Career Planning skills o) Expressing yourself: presenting your thoughts and ideas <p><i>This list is not exhaustive and courses may be added to in order to meet the business needs.</i></p>

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ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
Operational Technician 4a Available to Maintenance Employees only	A person in Maintenance can be classified at this level by being assessed as competent in three manufacturing modules. The module must be in the three areas the person achieved competency in to reach Operational Technician Level 4.

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ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
<p>Operational Technician 5</p> <p>An employee at this level works under general supervision either individually or as part of a team and is able to exercise discretion within their own level</p> <p>Employees at this level are expected to perform limited supervision of employees in their own work area as delegated by the Line Leader</p>	<p>TECHNICAL STREAM</p> <p><i>All employees at this level are required to have competently completed all Level 4 technical requirements. In addition, to become a level 5 you must fully and competently complete the following:</i></p> <ol style="list-style-type: none"> 1. a) Manufacturing: Complete two advanced modules (total 5) (or be assessed as competent in two advanced modules in two of the three areas already proven competence in) or b) Maintenance/Engineering Trade qualified employees must demonstrate maintenance knowledge in any five (total 5) of the maintenance engineering work areas listed <p>* Use job module on computerised maintenance management system</p> <ol style="list-style-type: none"> 2. Report writing 3. Negotiation skills 4. Conflict resolution skills 5. Basic computer skills (Word, Excel, Powerpoint, Access, Projects as required) 6. BCMA computer course 7. Citect Level 3 <p><i>All employees at this level are expected to complete any two of the following as required by the needs of the business which includes the Team/Work Area and/or shift:</i></p> <ol style="list-style-type: none"> a. Introduction to MRPII b. Basic SDC preparation (overview) c. Budget preparation



Role Level	Criteria
<p data-bbox="316 259 512 331">Operational Technician 5</p> <p data-bbox="323 376 504 412">(continued)</p>	<p data-bbox="608 259 959 295">LEADERSHIP STREAM</p> <p data-bbox="608 300 1334 488"><i>All employees at this level are required to have competently completed all Level 4 leadership requirements. In addition, to become a Level 5 you must fully and competently complete the following:</i></p> <ol data-bbox="608 533 1374 913" style="list-style-type: none"> 1. Performance Management Training 2. Performance Management Coaching 3. Budget preparation 4. SDC Preparation 5. Intermediate computer skills (Word, Excel, Powerpoint & Access) 6. Advanced problem solving 7. Production Planning 8. All people will have an Individual Development Plan (IDP) <p data-bbox="608 958 1305 1104"><i>All employees are expected to complete an additional different one of the following as required by the work team/work area, shift or business as a whole</i></p> <ol data-bbox="608 1149 1382 1877" style="list-style-type: none"> a) Giving Recognition b) Influencing Win Win Outcomes c) Getting your Ideas Across d) BPCS e) Giving & Receiving constructive feedback f) Occupational Health and Safety Committee training g) Launching and Refuelling your Team: Tools and Techniques h) Building a foundation of trust i) Participating in problem solving j) Managing your Priorities k) Forward Thinking l) Building a constructive relationship with your manager m) Computers (database, word processing, Excel) n) Career Planning skills o) Expressing yourself: presenting your thoughts and ideas <p data-bbox="608 1921 1326 1989">This list is not exhaustive and courses may be added to in order to meet the business needs.</p>



ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Criteria
Operational Technician 5a Available to Maintenance Employees only	A person in Maintenance can be classified at this level by being assessed as competent in two additional (total five) manufacturing modules. The modules must be the three areas the person achieved competency in to reach Operational Technician Level 5.

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ROLE LEVELS: Huntingwood Manufacturing Facility	
Role Level	Competency Criteria
<p>Operational Technician 6</p> <p>An employee at this level works under general supervision either individually or as part of a team and is able to exercise discretion within their own level</p> <p>Employees at this level are expected to perform supervision of employees in their own work area.</p>	<p>TECHNICAL STREAM</p> <p>Employees appointed to this classification will provide technical skills to the teams.</p> <p><i>By appointment as positions are available</i></p>

The points attributed to the competencies referred to within this clause are as contained in the following table:



MANUFACTURING STREAM

LINE 1

PRODUCTION	POINTS
Mix *(3 lines min)	32
Form* (3 lines min)	32
Bake	32
PACKAGING	POINTS
HSS	32
Robag System	32
Tisma	16
Involvo	16
OTHER	POINTS
Ferment/Yeast	16

LINE 2

PRODUCTION	POINTS
Cooking & Milling	16
Mix * (3 lines min)	32
Form * (3 lines min)	32
Bake	32
PACKAGING	POINTS
HSS	32
Tisma	16
Involvo	16



LINE 3

PRODUCTION	POINTS
Mix * (3 lines min)	32
Form * (3 lines min)	32
Bake	32
PACKAGING	POINTS
HSS	32
Involvo	32

LINE 5

PRODUCTION	POINTS
Mix *(3 lines min)	32
Form * (3 lines min)	32
Bake	32
SECONDARY PROCESSING	
Creaming	32
Enrobing	32
Cream Mix	16
PACKAGING	POINTS
Isis	32
Involvo	32

STORES

OTHER	POINTS
IOR etc	16
General Stores	16
Bulk System	16
Ferment/Yeast	16

CROSS FUNCTIONAL

MIXING *	POINTS
The company will determine which lines	
FORMING *	
The company will determine which lines	
BAKING	
Additional	32
WRAPPING	
Additional	32
PACKING	
Additional	32



ENGINEERING STREAM

LINE 1

PRODUCTION	POINTS
Mix	32
Form	32
Bake	32
PACKAGING	POINTS
HSS	32
Robag System	32
Tisma	16
Involvo	16

LINE 2

PRODUCTION	POINTS
Cooking & Milling	32
Mix	32
Form	32
Bake	32
PACKAGING	POINTS
HSS	32
Tisma	16
Involvo	16

LINE 3

PRODUCTION	POINTS
Mix	32
Form	32
Bake	32
PACKAGING	POINTS
HSS	32
Involvo	32



LINE 5

PRODUCTION	POINTS
Mix	32
Form	32
Bake	32
SECONDARY PROCESSING	
Creaming	32
Enrobing	32
Cream Mix	16
PACKAGING	POINTS
Isis	16
Robots	32
Involvo	32

STORES

OTHER	POINTS
Bulk System	32
Ferment/Yeast (include IOR etc)	32

CROSS FUNCTIONAL

		POINTS
All Wrapping Systems	Additional	32
All Cartoning Systems	Additional	16
All Case Packing Systems	Additional	32



18. Salaries

- a) The remuneration structure will be based on annual salaries and skill levels.
- b) It is the policy of Arnott's Biscuits Limited that all employees shall be paid a salary that is competitive and in addition recognises their contribution to team achievements and company goals
- c) The annualised salaries are inclusive of all allowances (excluding shift loadings)
- d) Employees will be classified according to their competencies gained through training and experience and in accordance with the pay scale.
- e) Employees will be paid weekly and their salary will be paid no later than Friday of each week into a bank account of the employee's choice by electronic funds transfer.
- f) Hourly rate will be calculated as follows:

$$\frac{\text{Salary Level Annual Rate}}{1976 \text{ hours}}$$



19. Pay Scale

	1 January 1999	1 January 2000
Salary Level	\$ Per Annum	\$ Per Annum
Level 1 and 1A	30,950.00	32,000.00
Level 2	39,500.00	40,880.00
Level 3	48,000.00	49,680.00
Level 4	53,300.00	55,165.00
Level 4A	55,990.00	57,950.00
Level 5	58,680.00	60,700.00
Level 5A	62,320.00	64,500.00
Level 6	65,960.00	68,250.00

20. Temporary Upgradings

Any employee performing the work of a higher level than his/her usual level shall be paid at the rate for the higher paid level for the time so engaged but for not less than one week.

21. Superannuation

The company shall contribute to the Campbells Arnott's Superannuation Plan or another complying fund the minimum amount required under relevant legislation. In calculating the contributions the annual salary, inclusive of shift rates for preventative maintenance, afternoon and night shift employees shall be the basis on which the contributions are made.



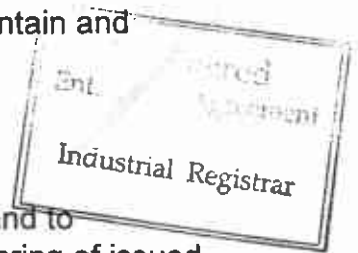
Quality of Working Environment

22. Occupational Health and Safety

All managers and employees appreciate the need to maintain and continually improve safety standards.

This will require all managers and employees to:

- abide by the provisions of the relevant OH&S Act and to Company policy and procedures with regard to wearing of issued protective clothing and safety equipment
- be responsible for one's own safety and the safety of others
- participate in safety and housekeeping audits as required including the follow-up actions to ensure their satisfactory completion
- maintain all work areas in a clean and safe condition



23. Arnott's Environmental Policy

Arnott's embraces the need to conduct its activities with concern for the human and natural environment.

We are committed to conduct our business in a manner that respects and protects the quality of the environment, striving toward limiting emissions to the water, air and land and the efficient use of resources.

Arnott's shall at all times operate as a good citizen, exercising due diligence to ensure compliance with all applicable environmental laws and regulations.

Arnott's will establish and maintain an environmental management system to reflect and manage this commitment.

24. Cafeteria / Tea Rooms

A hot food cafeteria and satellite tea rooms will be available and there will be indoor and outdoor eating areas.

25. Car Parking

A designated employee car park will be provided.

26. Lockers and Showers

Lockers and showers will be provided for all employees at Huntingwood.

27. Occupational Health

The company will provide a well-equipped medical centre and ensure that trained first aid people will be on duty at all times.

28. Security

All employees will be issued with a security pass for access into the premises. These must be produced on request.



29. Learning Centre

A Learning Centre will be established to encourage the development of highly skilled employees to satisfy both Company needs and individuals' expectations of career path progression.

This Learning Centre will be equipped with personal computers, Citect network computers, business software and relevant tutorial packages. In addition, there will be a reference library relating to biscuit making and modern business practices. A program of competency based learning programs will be arranged that will be linked to the business.

The Learning Centre will provide access to training and development via a combination of self paced learning, on the job, internal and external training activities.

30. Tools & Equipment

The company shall provide all necessary special tools and equipment as is necessary for the performance of all duties. Where an employee is required to provide their own tools, if that tool is lost or damaged the company at its discretion may replace that tool.

Quality of Working Life

31. Employee Involvement

The parties bound by this agreement acknowledge that their interests are mutually dependent. They have committed themselves to ensuring that consultation and cooperation are the basis for productive relationships between them.

The spirit and intent of consultation includes:

- The development of more effective communication between managers and employees
- Developing a closer working partnership between the company and its employees and their representatives.
- Increasing the profitability, competitiveness, efficiency and productivity of the business.
- Improving the work environment.
- Making the most effective use of new technology.
- The raising of skill levels of employees through the provision of training.
- Developing a pleasant atmosphere for people to work in.
- Improving the job security of employees



32. Joint Development Team

A joint development team will be established in order to ensure that there is consultation between management and employee representatives. This team shall meet regularly to discuss matters effecting the company and its employees.

The joint development team will consist of both management and elected employee representatives.

33. Communication

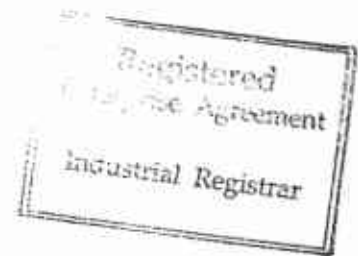
Consistent with our commitment to employee involvement in the business, information will be shared in the following ways:

- i) Regular team briefings
- ii) Notice boards
- iii) Display of key performance indicators and progress towards achieving targets
- iv) Quarterly reviews of business performance
- v) Regular newsletter ("Biscuit Review Weekly")
- vi) Computer terminals
- vii) Climate Surveys

34. Equal Employment Opportunity

Arnott's is committed to providing an environment that promotes equal employment opportunities.

Employees and applicants for employment will be assessed purely on the basis of merit according to their skills, qualifications, abilities and aptitudes.



The Formalities

35. Title

This agreement is the Arnott's Biscuits Limited Huntingwood Manufacturing Facility Enterprise Agreement II 1999.

36. Parties

This agreement is made between:

- i) Arnott's Biscuits Limited ("the Company")
- ii) The employees of Arnott's Biscuits Limited employed at the Huntingwood Manufacturing Facility ("the employees")
- iii) The trade union ("the Union") National Union of Workers, New South Wales Branch

For the purposes of this Agreement, the company recognises the National Union of Workers NSW Branch (NUW) as being the union that shall have exclusive representation of employees in related classifications who are covered by this Agreement.

37. Coverage

This Agreement covers employees working at the Huntingwood Manufacturing Facility in production, packaging and maintenance in the classifications contained in clause 17 Roles. (It excludes staff employees as defined by the Company).



38. Term of Agreement

The parties state that this Agreement has been reached without any duress being placed upon any party. The agreement shall take effect from the date of its certification and shall operate until the 31st December 2000.

39. Not to be Used as a Precedent

This agreement shall not be used in any matter whatsoever to obtain similar arrangements or benefits in any other plant or enterprise

40. No Extra Claims

It is a term of this agreement that all parties bound by this agreement will not pursue any extra claims for the life of this agreement

41. Terms of Engagement

Employees shall be engaged on a permanent, part-time, fixed-term or casual basis.

(a) **Permanent Employee** – Permanent employees will be employed on weekly basis. A permanent employee is an employee who is employed on a weekly basis other than a casual employee or a person engaged on a fixed-term employment contract.

(b) **Part-Time Employment** – a part-time employee means an employee who works between 16 and 36 hours per week.

Employees who are employed part-time shall be paid the annual salary and benefits on a pro-rata basis for the hours worked and according to the relevant level:

$$\frac{\text{Weekly hours worked} \times 52 \times \text{Annual Salary}}{1976}$$

A part-time employee shall be paid the following on a pro-rata basis:

- Shift Allowance, where applicable
- Annual Leave
- Public Holidays
- Sick Leave / Special Leave
- Long Service Leave



c) **Fixed Term Employment**

- a fixed term employee shall be employed on the following conditions:
- the period of employment shall be between 4 and 26 weeks
- the period of employment may be extended to 40 weeks by agreement
- except where specified, all provisions of this Agreement relating to permanent employees shall apply to fixed term

employees.

- fixed term employees shall only be employed after consultation with the Joint Development Team.

- d) **Casual Employment** – a casual employee is an employee who is paid in accordance with this sub-clause.

Casuals will not work less than four (4) hours on each engagement and no more than the ordinary hours of permanent employees.

Casuals will be used to cover fluctuations in demand, leave, and the normal function of line relief. No more than 15% of the workforce shall, at any one time, be composed of casuals.

The number or percentage of casuals may be increased during peak periods after consultation with the Joint Development Team.

Casuals shall be paid 15% in addition to the level at which they are employed.

Payment per day equals
$$\frac{(\text{level 1 rate} \times \text{number of hours worked} \times 115\%)}{1976}$$

An additional one-twelfth of this hourly rate will be paid in lieu of annual leave payments.



42. Hours of Work

- a) It is intended that the normal work patterns will be based on a 38 hour week, Monday to Friday. In the calculation of salaries, however, it has been agreed that there is a component equal to an additional 4 hours per week and 6 Saturday shifts per annum built into the annual salary in recognition of the commitment and flexibility required of employees at Huntingwood.
- b) In consultation with employees the Company will determine the optimum shift pattern to meet the needs of the business. Employees rosters will follow optimum shift patterns with individual rosters being determined by mutual agreement when possible. Employees not involved in planned and preventative maintenance, will work hours arrangements which are normally within the following parameters:

- i) Ordinary hours of work shall be 38 per week.
- ii) Except for employees who are a member of the dedicated preventative maintenance crew, normal working days will be consecutive over 5 days, Monday to Friday except in the case of engineering employees, who will ensure their rosters may cover the maintenance requirements of the business.
- iii) Casuals and part time employees may be asked to work on non-consecutive days.

In addition to the hours detailed in sub-clauses a), b) i), b) ii) and b) iii) above employees may be asked to perform additional hours without the payment of overtime

- iv) The additional hours that may be required to be worked include up to 4 extra hours in any one week, worked continuously with the 8 hours shift. Such additional time shall not accumulate from week to week and will only be required to deal with such intermittent problems as breakdowns, unexpected absenteeism and process deviations. It will not be used to cover work loads of an on-going nature, except for normal start-ups and orderly shut downs, shift handovers and maintenance procedures.
- c) Up to 6 Saturday shifts (of 8 hours) per annum shall be available in accordance with this clause.

The purpose of working these Saturdays will include but not be limited to the following indicative tasks:

- Good manufacturing practice cleaning and associated operational maintenance (eg web sewing)
- Training
- Production
- Line/shift changeovers
- Production start-ups and shut-downs



- Maintenance procedures

- d) No employee will be expected to work more than 12 hours on any day or more than a maximum of 50 hours in any one week based on a 38 hours roster.
- e) Rostered hours may be changed to meet operational requirements. Change will be normally notified 14 days ahead of time or less by mutual agreement.

43. Excess Hours Compensation

Any hours worked beyond those detailed in Clause 43 – Hours of Work, shall be addressed in the following manner:

- i) The working of excess hours that average more than the additional 4 hours per week provided for in the salaries will be logged for each employee and reviewed every month.
- ii) The working of excess hours will be distributed as evenly as possible amongst employees.
- iii) Excess hours (except as provided for in sub-clause vi below) may be accrued as credit of up to 38 hours to be taken as time off in lieu
- iv) Time off shall be taken within two months of it being accrued
- v) Where the working of excess hours is necessary, it shall, wherever practicable, be so arranged that employees have at least ten consecutive hours off duty between the work of successive days without loss of pay.
- vi)
 - a) Where the company requires an employee to work on a Saturday (ie in excess of the six Saturdays per annum already provided for in the salaries) or a Sunday the employee is to be paid at 1.625 times the hourly rate with a minimum payment of 4 hours.
 - b) [This sub-clause shall not apply where a dedicated maintenance crew is in place pursuant to clause 44 (ii)] This provision does not apply to employees engaged on engineering maintenance work on a Saturday not related to programmed production running time.

If the preventative maintenance crew , for whatever



reason, is not viable (eg: insufficient employees on the crew as determined by the company) the parties will immediately meet to discuss the issue. During discussions the parties commit to ensuring that the dedicated preventative maintenance crew is maintained.

- c) Where an employee has been required to return to work having completed their shift for the day, the employee will be paid at 1.625 times the hourly rate for the time spent on site.

44. The Shifts

- i) Employees not on planned and preventative maintenance, will work according to the following arrangements:
 - a) The factory will be run on a 5 day 3 shift basis, Monday to Friday. To ensure flexible work patterns shift arrangements are to be agreed between the Line Leader and the employee/s concerned
 - b) The spread of dayshift hours will be between 5 am and 6.30pm. Afternoon shift will finish after 6.30pm and at or before midnight and night shift finishes after midnight and at or before 8.00am.
 - c) Employees required to work afternoon shift will have their salaries increased by 15% for the period these shifts are worked.
 - d) Employees required to work nightshift will have salaries increased by 30% or the period these shifts are worked
- ii) Employees engaged on a dedicated planned and preventative maintenance crew, will work according to the following arrangements;
 - a) Employees will work up to a 12 hour shift roster pattern of up to 42 hours per week based on 38 ordinary hours per week, averaged over a 2 week period
 - b) Employees will be required to work an additional (six) days (of up to 8 hours duration) without the payment of overtime. The purpose of working these additional days shall be for training.



- c) Employees will be required to regularly work any of the 7 days of the week including regularly working Saturdays and Sundays.

Registered
Enterprise Agreement
Industrial Registrar

- d) Suitable roster patterns which reflect the need of planned and preventative maintenance for the operation will be agreed between the engineering manager and employees.
- e) Rostered hours and patterns may be changed to meet operational and maintenance needs. Changes to hours and patterns will be notified 14 days ahead of time or less by mutual agreement.
- f) Employees required to work this arrangement will have their salaries increased by 30% for the period these shifts are worked.



45. Continuous Running

If the decision is made by the company to move to continuous running the parties agree to immediately meet to negotiate in good faith the implementation and terms and conditions of this change.

46. Meal Breaks / Rest Periods

Teams shall allow a meal break and two rest periods during any one rostered shift. Each team shall be responsible for organising and monitoring these breaks to ensure that both employees needs and production requirements are met

47. Public Holidays

- a) The days on which the following days are observed will be Public Holidays: New Years Day; Australia Day; Good Friday; Easter Saturday; Easter Monday; Anzac Day; Queen's Birthday; Labour Day; Christmas Day; Boxing Day; Union Picnic Day or any other gazetted Public Holiday.
- b) No deduction shall be made from the annual salary of an employee if he/she is not required to work on any of such holidays unless they are absent, without reasonable excuse, on the day before or after the Public Holiday.
- c) An employee who is required to work on a Public Holiday shall have the choice of being compensated by either:

- i) receiving payment at the rate of 2.625 the level hourly rate or
- ii) receiving payment at the rate of 1.625 the level hourly rate plus one day to be added to his/her annual leave entitlement
- d) A minimum of four hours pay shall apply on public holidays worked

48. Annual Leave

Employees entitlements to annual leave will be in accordance with the NSW Annual Holidays Act 1944. An annual leave loading of 17.5% is incorporated in the annual salary

49. Long Service Leave

Employees entitlements to Long Service Leave will be determined in accordance with the NSW Long Service Leave Act 1955 and shall be paid on the annualised salary



50. Sick Leave / Special Leave

- a) It is accepted that sick leave is available when an employee is unable to attend work due to ill health.
- b) There is no specific restriction to paid sick leave provided it is genuine. This entitlement will be subject to periodic review based on each individual's medical circumstances.
- c) A medical certificate will be required to be produced where an employee claims sick leave relating to any absence exceeding two consecutive working days
- d) It is recognised that at certain times employees need time off to attend to pressing personal matters or to cope with personal issues in their life (special leave)
- e) This special leave will be agreed at the time based on each individual's personal circumstances
- f) If sick leave/special leave cannot be successfully managed within the teams, then the individual case/s would be addressed through the disciplinary procedure (see Clause 54).

51. Parental Leave

The NSW State legislation provisions in relation to parental leave will apply

52. Jury Service

An employee who is required to undertake Jury duty will receive their normal salary for the duration of the time. Any jury allowances (with the exception of travel allowance) are to be paid to the Company.

53. Termination of Employment

A permanent employee may be terminated in the following ways:

Without Notice

Only in circumstances of serious and willful misconduct

With Notice

In all other circumstances subject to Clause 56 on termination initiated by the Company the following notice periods shall apply:



Employees period of continuous service	Notice
1 year or less	1 week
Over 1 and up to 3 years	2 weeks
Over 3 and up to 5 years	3 weeks
More than 5 years	4 weeks

An additional one week will apply to employees over 45 years of age with 2 years or more continuous service.

54. Disciplinary Procedure

a) Counseling and discipline should be corrective in nature. The purpose of discipline is to obtain compliance with the established rules of conduct. To support this approach, except in cases of serious misconduct the following warning procedure shall apply before an employee is dismissed;

- Firstly a verbal warning shall be recorded on the employee's file

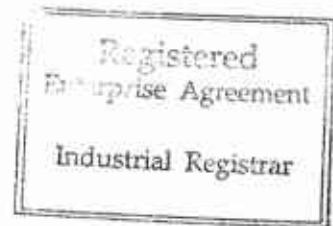
- On a second disciplinary occurrence a first written warning shall be given
 - On a third disciplinary occurrence a final written warning shall be given
 - Further instances of unsatisfactory behaviour or performance shall leave the employee liable to dismissal
- b) The company may bypass one or any of the above steps should the serious of the situation warrant it as an alternative to dismissal.
 - c) Warnings shall last for a period of 6 months after which they shall lapse.
 - d) Warnings shall be issued in formal surroundings with the employee having the opportunity to have a delegate present.
 - e) Each written warning shall outline the nature of the unsatisfactory behaviour or performance.
 - f) Warnings issued consecutively under this disciplinary procedure need not be for a repetition of the same offence, but may be for offences of a dissimilar nature.
 - g) Except in the case of newly appointed employees on probationary terms, the Company shall not invoke the disciplinary procedure in relation to absenteeism until an individual has exceeded ten days absence in any one calendar year.
 - h) The Company disciplinary procedure shall not apply in a case of serious misconduct. Serious misconduct may result in dismissal without notice.



55. Conflict Resolution

- a) The parties to this agreement intend to eliminate disputes and grievances which result in conflict. The aim of the procedure is to resolve disputes through a process based on consultation and negotiation at the closest point to where the dispute occurs.
- b) The matter/s in dispute shall be dealt with in accordance with the following procedure:

- i) Any dispute arising out of employment shall first be dealt with by the union delegate, employee/s concerned and the relevant manager.



- ii) Failing settlement at this level, the delegate shall refer the dispute within 24 hours to the NUW organiser who shall take the matter up with the relevant company representative. All efforts shall be made at this level to settle the dispute, but failing that it shall be referred to the State Secretary of the Union and a higher representative of management.
- iii) During the discussions the status quo shall remain and work will proceed normally. "Status quo" shall mean the situation existing immediately prior to the dispute or the matter giving rise to the dispute
- iv) At any time either party shall have the right to notify the dispute to the Industrial Relations Commission
- v) Reasonable time limits will be allowed for the completion of the procedure. The emphasis being on a speedy resolution of disputes.

56. Redundancy Agreement

This redundancy agreement shall apply to all permanent employees covered under the terms and conditions of this Agreement whose positions are made redundant from Arnott's Manufacturing Facility at Huntingwood.

1. Notice Payment

Four (4) weeks payment in lieu of notice. This period of notice is increased by one week if the employee is over 45 years of age and has completed 2 years continuous service with the employer.

2. Redundancy Pay

Redundancy pay for four (4) weeks shall be calculated on each completed year of continuous service and on a pro-rata basis per completed month during the final year of service.



3. Sick Leave

Payment of accumulated sick leave (if any) accumulated prior to the Huntingwood Manufacturing Facility Enterprise Agreement 1996.

4. Annual Leave

Payment of all accumulated annual leave, including leave on a pro-rata basis.

5. Long Service Leave

As per Long Service Leave Act for employees with more than twelve (12) months service, on pro-rata basis.

6. Certificate of Service

All redundant employees shall be given a Certificate of Service stating reason for termination, classification and length of service.

7. Time off for Job Interviews

The Company will allow up to sixteen (16) hours off for employees, once notified of redundancy, to attend job interviews. Provided that this period does not exceed four (4) hours on each occasion and that reasonable notice is given to the Company Manager and proof of attendance of such interviews is provided.

8. Redundancy – Selection

The Company may elect to seek volunteers for redundancy or may select employees to be made redundant on the last-on-first-off principle should all things be equal. Any inequalities will be discussed with the relevant employees. The elimination of particular jobs via the multi-skilling process does not, in itself, mean that the employee engaged in that job is to be made redundant. It is the aim of the Company to increase the skills levels of all employees and the Company retains the right to maintain skills within the workforce at a level necessary to support the needs of the Company.

9. Superannuation

Superannuation payments will be made in accordance with the Superannuation Fund Trust Deed.



10. Financial Advice

The Company will provide financial advisers at the Company's expense, to assist employees with investment advice, if required.



Signing of the Agreement

Signed for and on behalf of

Arnott's Biscuits Limited



PLANT MANAGER

Date: 09/03/99



WITNESS



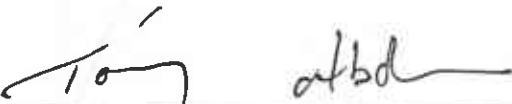
Signed for and on Behalf of the

National Union of Workers, New South Wales Branch



STATE SECRETARY

Date: 9.3.99



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