

**REGISTER OF
CONTRACT AGREEMENTS**

CONTRACT AGREEMENT NO: CA99/5

TITLE: Vehicle Replacement Contract Agreement

I.R.C. NO: 98/6037

DATE APPROVED/COMMENCEMENT: 25 November 1998

TERM: 36 months

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE:

DATE TERMINATED:

NUMBER OF PAGES: 9

COVERAGE/DESCRIPTION OF

EMPLOYEES: Applies to employees engaged as Contract Carriers (other than linehaul Contract Carriers) by the Company operating out of its Comet/Kwikasair Express terminal located at Cosgrove Road, Enfield

PARTIES: TNT Australia Pty Limited -&- Transport Workers' Union of Australia, New South Wales Branch

Registered
Contract Agreement

Industrial Registrar

CONTRACT AGREEMENT BETWEEN

THE TRANSPORT WORKERS' UNION OF AUSTRALIA
NEW SOUTH WALES BRANCH

AND

TNT AUSTRALIA PTY LIMITED

THIS CONTRACT AGREEMENT made this the 13 day of September, 1998. BETWEEN the Transport Workers' Union of Australia, New South Wales branch, a registered Association of Contract Carriers (hereinafter referred to as "the Union") of the first part, and TNT Australia Pty Limited (hereinafter referred to as the "Principal Contractor"), of the second part.

WHEREAS the representatives of the Parties have met in conference and have agreed that the rates and conditions set out in this Contract Agreement shall apply to Contracts of Carriage performed by members of the Union who are engaged as Contract Carriers (other than linehaul Contract Carriers) by the Company operating out of its Comet/Kwikasair Express terminal currently located at Cosgrove Road, Enfield or another terminal as advised.

AND WHEREAS the basic intent of this Contract Agreement is to effect the collection and delivery of goods in the manner which most efficiently and effectively satisfies both the requirements of customers and of the parties to this Contract Agreement.

Registered
Contract Agreement
Industrial Registrar

This Contract Agreement does not terminate any previous Agreements. This Agreement is to read in conjunction with other Agreements as referred to in the Contract Agreement.

NOW THIS CONTRACT AGREEMENT witnesses as follows:

VEHICLE REPLACEMENT CONTRACT AGREEMENT

1. ARRANGEMENT

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2. ONE-OFF AGREEMENT AND RELATIONSHIP TO OTHER AGREEMENTS - TERM

- a) This Agreement is made as a one-off arrangement to allow Contract Carriers to change over their vehicles or to terminate all contractual arrangements between the Principal Contractor and a Contract Carrier; where a Contract Carrier as at the date of this Agreement has a vehicle 7 years or more of age.
- b) This Agreement shall be read in conjunction with the other Agreements (as defined). The operative provisions of this Agreement shall not be used to read down the effect of the other Agreements other than for the purposes as noted in subclause (a) herein. Where any inconsistency between the other Agreements arise the later Agreement shall prevail over the former Agreement to the extent of any inconsistency.
- c) This Agreement shall commence from the date it is made and have a term of 3 years.

3. DEFINITIONS

"Act" means the Industrial Relations Act 1996 as amended.



"Cause" means:

- serious misconduct;
- fundamental breach of contract, or;
- providing unsatisfactory services after having all reasonable opportunity to correct the identified shortcomings.

"Contract Carrier" or **"Contract Carriers"** means a Contract Carrier who operates or Contract Carriers who operate a vehicle or vehicles and are engaged by the Principal Contractor.

"Enfield yard" means the TNT Australia Pty Ltd operation located at 16-24 Cosgrove Road, Enfield.

"Former Agreement" shall mean the Section 675 Agreement as amended.

"Later Agreement" shall mean Schedule 3 of the TNT TWU Kwikasair Express Relocation Agreement 1996.

"New vehicle" means a vehicle agreed by TNT, in writing and in advance of acquisition, to be a vehicle meeting TNT's specification at the time of acquisition and acquired from a licensed new vehicle dealer without any intermediate operators and acquired at a price (as defined).

"One third of earnings from the previous year" means one third of the sum of:

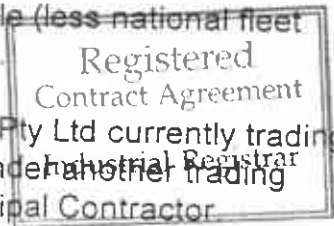
- 6 x 40 hours of the labour component of the Contract Carrier's hourly rate under the relevant industrial instrument; and
- 46 x 50 hours of the total of the Contract Carrier's hourly rate under the relevant industrial instrument

"Other Agreements" shall mean the Section 675 Agreement as amended and Schedule 3 of the TNT/TWU Kwikasair Express Relocation Agreement 1996.

"Price" means the actual price paid for the new vehicle as stated in the relevant lease or the listed retail price for the vehicle (less national fleet discount), as applicable, or whichever is the lesser.

"Principal Contractor" shall mean TNT Australia Pty Ltd currently trading as Comet/Kwikasair Express but who may trade under another trading name from time to time as determined by the Principal Contractor.

"Relevant Act" means the Industrial Relations Act 1991 as amended or the Industrial Arbitration Act 1940 as amended.



"Retail market value" shall be determined by averaging 3 written assessments from licensed motor vehicle dealers, one of which is selected by the Principal Contractor, one of which is selected by the Contract Carrier and one of which is selected by both parties in concert (or failing agreement, selected by application of the dispute settlement procedure in the relevant industrial instrument).

OPERATIVE PROVISIONS

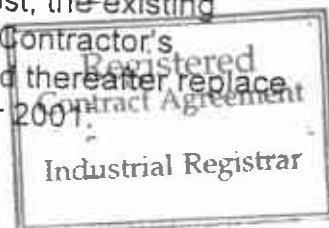
4. REPLACEMENT OF VEHICLE IN EXCESS OF 9 YEARS OF AGE ETC.

At the date of making this Agreement, where a Contract Carrier supplies and operates a vehicle in excess of 9 years of age, the Contract Carrier must either;

- a) replace such vehicle with a new vehicle within 12 months, or;
- b) nominate a date prior to 30th June, 2000 on which all contractual arrangements between the Principal Contractor and the Contract Carrier shall be terminated.

5. REPLACEMENT OF VEHICLE IN EXCESS OF 7 YEARS OF AGE ETC.

- a) Where a Contract Carrier's vehicle is in excess of 7 years of age (but under 9 years of age), the Contract Carrier must either:
 - i) replace the vehicle with a new vehicle within 12 months, or;
 - ii) nominate a date prior to 30th September, 2000 on which all contractual arrangements between the Contract Carrier and the Principal Contractor shall be terminated, or;
 - iii) comply with subclause (b) of this clause;
- b) Where a Contract Carrier's vehicle is in excess of 7 years of age (but under 9 years of age), the Contract Carrier may as an alternative to complying with the requirements of subclause (a) of this clause have at the Contract Carrier's own cost, the existing vehicle painted in accordance with the Principal Contractor's requirements in the new TNT corporate livery and thereafter replace the vehicle with a new vehicle by 30th September 2001.



6. VEHICLES TO BE PAINTED

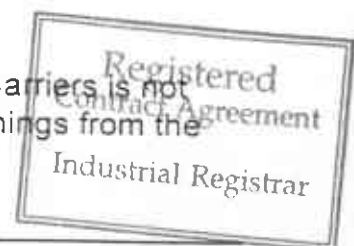
Within 30 days of this Agreement being made, a Contract Carrier who operates a vehicle in excess of 7 years of age shall nominate and commit to a single course of action as allowable under clause 4 or 5 of this Agreement and make the Contract Carrier's vehicle available so it can be painted to a neutral colour or (where subclause 5 (b) is applicable) in the new TNT corporate livery.

7. TERMINATION OF ALL CONTRACTUAL ARRANGEMENTS WHERE A CONTACT CARRIER FAILS TO REPLACE A VEHICLE

Where a Contract Carrier fails to nominate a date as noted in Clause 6 of this Agreement, the Principal Contractor shall request and the Contract Carrier shall make the Contract Carrier's vehicle available so it can be painted to a neutral colour. If a Contract Carrier fails to nominate a date in accordance with clause 6 of this Agreement then all contractual arrangements between the Principal Contractor and the Contract Carrier shall terminate on 1st September, 1999.

8. CONTRACT CARRIERS NEW VEHICLE TERMINATION PAYMENTS

- a) This clause applies only in the event that a Contract Carrier who satisfies his or her obligation under either clause 4 (a) or 5 (a) by making available a new vehicle (as defined).
- b) If the engagement of a Contract Carrier to whom this clause applies is terminated by the Principal Contractor for reasons other than cause, the Contract Carrier will receive such of the following amounts as are applicable in the circumstances;
 - i) a special one-off compensation payment where engagement of the Contract Carrier to whom this clause applies is terminated within 4 years of purchasing a new vehicle, and;
 - ii) any payment which may be required by virtue of the Contract Carriers' termination under the TNT Retrenchment Policy for Contract Carriers provided that whenever the termination occurs the payment required by this paragraph shall also be reduced by the amount of any tax required to be deducted;
or
 - iii) if the TNT Retrenchment Policy for Contract Carriers is not applicable to the termination, one third of earnings from the



previous year (less any tax required to be deducted).

- c) The special one-off compensation payment referred to in subclause (b) is applicable only in the case of:
- i) a leased vehicle, or;
 - ii) a vehicle purchased with the assistance of a loan from a bank or other financial institution,

and in either case where the lease or loan, as the case may be, is solely concerned with or attributable to the acquisition of the vehicle in question for the price (as defined). The special one-off compensation payment shall, where applicable, equal the difference between;

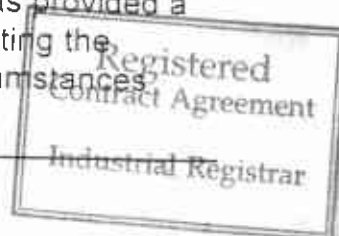
- (iii) the balance owed by the Contract Carrier under the lease or loan, as the case may be at the time of the termination, and;
- (iv) the vehicle's retail market value (as defined) at that time

Where the retail market value of the vehicle equals or exceeds the balance owed on the lease or loan, as the case may be, for the vehicle at the time of termination, no special one-off compensation payment shall be due. Proof of all details in connection with the lease or loan and the Contract Carrier's eligibility for a special one-off compensation payment shall be the responsibility of the Contract Carrier.

- d) An eligible Contract carrier in lieu of receiving the special one-off compensation payment referred to in subclauses (b) and (c) may require the Principal Contractor to purchase the vehicle. In such circumstances where the Contract Carrier requires the Principal Contractor to purchase the vehicle, the amount to be paid by the Principal Contractor for the vehicle shall be the greater of:
- i) The balance owed by the Contract Carrier under the lease or loan (as the case may be) meeting the description in subclause (c) as the time of the termination, and
 - ii) The vehicle's retail market value (as defined) at that time.

This subclause applies in spite of Clause 7 of the TNT Retrenchment Policy.

- e) A Contract Carrier to whom this clause applies who has provided a new vehicle otherwise than under a lease or loan meeting the description required by subclause (c) shall, in the circumstances



referred to in the first paragraph of subclause (b), be entitled only to the benefit of the arrangements detailed in paragraph (b) (ii) or b (iii) whichever may be applicable and not be entitled to the special one off payment.

9. RESOLUTION OF DISPUTES

Any dispute arising under this Agreement, including a dispute about whether a termination for cause is justified, should be discussed between the parties and may be referred to the Industrial Relations Commission of New south Wales in accordance with the procedure referred to in the main Agreement registered under Section 625 of the Relevant Act.

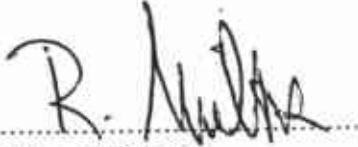
10. VEHICLE AGE

It is agreed that the Principal Contractor shall enter into discussions with Contract Carriers about all matters relating to the age of vehicles prescribed in subclause (1) (c) of the Section 675 Agreement as amended (including the basis upon which the prescribed age exists).

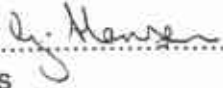


Executed as an Industrial Agreement

Signed for and on behalf of TNT
Australia Pty Ltd by
in the presence of:



Robert Minkus


.....
Witness

Signed on behalf of the
Transport Workers Union of
Australia New South Wales
Branch by:


.....
Acting Secretary / Treasurer


.....
Witness

Dated: 13th November, 1998

