

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA01/252

TITLE: 3M - Australia - St Marys Site Certified Agreement 2000

I.R.C. NO: 2001/3259

DATE APPROVED/COMMENCEMENT: 6 June 2001/6 November 2000

TERM: 24 Months

**NEW AGREEMENT OR
VARIATION: New**

GAZETTAL REFERENCE: 7 September 2001

DATE TERMINATED:

NUMBER OF PAGES: 9

**COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all employees engaged
under Storemen & Packers (State) Award**

PARTIES: 3M Australia Pty Ltd -&- National Union of Workers, New South Wales Branch

3M Australia

St Marys Site



Certified Agreement 2000

Certified Agreement

1. Title

This agreement shall be known as the 3M Australia – St Marys Site, Certified Agreement 2000.

2. Arrangement

| <u>Subject Matter</u> | <u>Clause No.</u> |
|---|--------------------------|
| Application and incidence of Agreement Arrangement | 3 |
| Arrangement | 2 |
| Continuous Improvement | 15 |
| Disputes Settlement Procedure | 10 |
| Date and Period of Operation | 5 |
| Measures to improve Operational Effectiveness Efficiency and Productivity | 8 |
| No extra claims | 12 |
| Not to be used as a Precedent | 14 |
| Objective of Agreement | 7 |
| Parties Bound | 4 |
| Personal Breaks | 9 |
| Redundancy | 11 |
| Relationship to Parent Awards | 6 |
| Title | 1 |
| Wages | 13 |

3. Application and Incidence Agreement

This agreement shall apply at the St Marys site of 3M Australia Pty Ltd in the State of New South Wales and the incidence of the agreement shall be as prescribed by the following State Award:

- Storemen & Packers (State) Award



4. Parties Bound

This agreement shall be binding on:

- 3M Australia Pty Ltd (St Marys site) ("The Company")
- All employees whether members of the National Union of Workers ("NUW"), or not, who are engaged in any of the occupations, industries or callings specified in Clause 3.

5. Date and Period of Operation

This Agreement shall commence on the first pay period on or after November 6, 2000 and shall remain in force until November 6, 2002.

6. Relationship to Parent Award

This Agreement shall be read and interpreted wholly in conjunction with the following Parent Award, (Storemen & Packers State Award) as applicable, provided that where there is any inconsistency, this agreement shall take precedence to the extent of this inconsistency.

7. Objective of Agreement

In this sixth Agreement the parties continue to acknowledge and support the need for the St Marys site to become an internationally competitive facility through continually improving its levels of customer satisfaction, employee satisfaction, product quality, safety and productivity.

The parties of this Agreement acknowledge the need to ensure that the Distribution Centre at St Marys Site continues to operate in an effective, efficient and co-operative manner.

8. Measures to Improve Operational Effectiveness, Efficiency and Productivity

A range of measures consistent with improving the operational performance of the Site have been implemented. These include but are not limited to the following:

8.1 Probationary Period – (Permanent and Part-Time Permanent)

This clause establishes a probationary period of employment. Employment shall be probationary for the first three (3) months. Termination by either party shall be on a week's notice. At the completion of the probationary period the Company will confirm permanent employment status. Previous casual or contract employment shall not count towards this three (3) months.

8.2 Payment for Skills Possessed Clause

This clause outlines the conditions to apply for the payment of skills possessed in circumstances where an employee is INVOLUNTARILY transferred to a lower paid position.

8.2.1 No retrospectivity is to apply

8.2.2 Payment for skills possessed will apply when an employee is INVOLUNTARILY transferred (except as detailed in clause 8.2.3 and 8.2.4) to a position of lower responsibility and wage. In such circumstances the employee will continue to receive their current rate of pay (classified skill level) for a maximum of two (2) years, unless they find work of the same or higher level during such time.

HOWEVER, in the case of current employees (defined as permanent employees at the date of agreement) then this maximum will be waived and the employee will maintain their rate of pay for their skill level for the duration of their employment (unless circumstances arise as detailed in Clause 8.2.3 and 8.2.4)

8.2.3 Payment for skills possessed is NOT applicable in circumstances where the employee VOLUNTARILY (including personal necessity) CHOOSES to transfer to a lower paid position.



8.2.4 Payment for skills possessed is NOT applicable in circumstances where, after proper counselling, retraining or other corrective action, disciplinary action for unacceptable performance/behaviour results in an employee being transferred to a position of lower responsibility and pay.

8.2.5 An employee who retains their "rate" under this arrangement cannot refuse to do duties at their skill level. If an employee does so refuse either temporary duties or an alternate permanent position at their skill level, then the employee will forfeit the "protection" of their wage rate afforded under this arrangement and will immediately revert to the rate of pay for the skill level which they currently occupy.

No offers of alternate employment whether temporary or permanent will be made for which the employee is not medically able to perform.

8.2.6 This arrangement is not intended to be used for Workers' Compensation matters. All "loss of earnings" claims arising from workplace injuries must be pursued through the appropriate Workers' Compensation/Insurance procedures.

9. Personal Breaks

There is a need to reduce the number of personal/smoke breaks. The Company believes personal/smoke breaks should be taken as follows:

Personal/smoke breaks shall only be taken during those formal breaks as prescribed by our various Awards and/or previous negotiated agreements.

i.e. morning tea, lunch, afternoon tea

This provision excludes toilet breaks and designated occupational health and safety breaks.

Where designated occupational health and safety breaks are required, then they shall be taken at the work area.

10. Disputes Settlement Procedure

Any disputes or grievances are to be handled in accordance with the following procedures:

The parties to this Agreement shall observe the procedure for avoidance of industrial disputes as set out in the following:



10.1 Dispute Settlement Procedure

10.1.1. The Company and its employees agree to support an Industrial Relations Code of Practice based on the following:

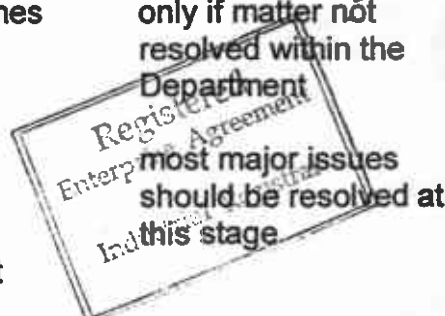
- a) A commitment to the fundamental principle that our employee relations should be based on a co-operative and harmonious approach that seeks the mutual benefit of all parties.
- b) Recognition that Management and employees may, from time to time, have areas of disagreement
- c) A commitment to working out these disagreements through the Grievance Procedure, which our Award provides for, that allows for meaningful discussion directed at resolving our differences as quickly as possible, and which acknowledges a mutual respect and understanding of the needs of the parties involved.

10.1.2 What this means is that in the case of a grievance being raised then:

- | | | |
|----|---|--|
| a) | Employee approaches Supervisor | in first instance |
| b) | Area delegate approaches Department Supervisor | if agreement is not resolved within the Department |
| c) | Head delegate approaches Human Resources | only if matter not resolved within the Department |
| d) | Local Union Organiser approaches Human Resources request Review by Management | most major issues should be resolved at this stage |
| e) | Dispute referred to Arbitration | As most issues are resolved on site, this is an infrequent step. |

10.1.3 Paid combined department or group meetings will occur in circumstances where Management agrees there is a need for discussion or to report back

- a) That this process recognises the availability of the Commission for assistance in conciliation and arbitration as and when required.



- b) That each party recognise that in the circumstances where it is deemed necessary for employees to invoke their "right to strike", management will consistently apply the principle of "no work no pay".
- c) The recognition that it is in our own mutual interest to work together to resolve our differences to ensure our survival as a healthy growing organisation.

11. Redundancy

11.1 Conditions of Clause

The operation of the Clause is subject to the following conditions being observed:

- 11.1.1. It is agreed between the parties that, to the extent permissible by law, the scale of redundancy payments prescribed in this Clause shall override and be in complete substitution for the provisions in any applicable Award or statute in relation to periods of notice of termination, payment in lieu of such notice, severance payments or redundancy payments.
- 11.1.2. The parties agree that the benefits prescribed by this Clause do not apply to casual employees, persons hired for a fixed term or to employees who are offered but refuse an acceptable comparative position as defined herein, or who resign or are dismissed for reasons other than redundancy. Such persons shall have no entitlements to redundancy benefits determined in accordance with this clause.

11.2 Definition of Redundancy

- 11.2.1 Where it becomes necessary to terminate the employment of an employee because the Company has made a definite decision that the Company no longer wishes the job the employee has been doing, done by anybody and this is not due to the ordinary and customary turnover of labour, AND the company has not been able to offer to that employee an acceptable comparative position, then the provisions of the following paragraphs shall apply.
- 11.2.2. For the purpose of this Clause an "acceptable comparative position" shall mean any position which in the Company's sole opinion would be reasonably in keeping with the employee's capabilities, based on the requirements for that alternative position as stated in the job description and the employee's skill, experience and capability of performing that job if training were provided, and includes any position offered encompassing work covered by the applicable Industrial Award.



If any disagreement arises from the application of this sub-clause then the matter shall be dealt with in accordance with the dispute settlement procedures contained in this Agreement.

11.2.3. Note – as a consequence of this Clause, an employee transferred to an acceptable comparative position shall not suffer a reduction in his/her base rate of pay (3M Shop Rate).

11.2.4. In the event of an employee accepting a position outside of his or her existing award, the employee shall be allowed a three (3) month trial in the new position and may at any time during that trial elect to take redundancy.

11.3 Procedure to be Followed and Selection Criteria

The company at all times retains the right to make staffing decisions in respect of all work areas based on current or projected business results, operational requirements or corporate business direction and may determine the particular position(s) or a particular work area is no longer required or redundant.

In these situations, the following procedures will apply:

11.3.1 The Company will immediately notify representatives of the Unions representing employees whose jobs are affected to advise the basis of such determination and will consult consistent with the requirements of the NSW Industrial Relations Act 1996 and the Awards.

11.3.2 Volunteers will be called from the work area affected. If these are not sufficient, applications for voluntary redundancy shall be called from the rest of the production/distribution or maintenance workforce as the case may be.

11.3.3 Where there are too many volunteers or insufficient volunteers, (and forced redundancies must occur) then the criteria for selection shall be seniority on the bases of service with the Company.

The parties shall negotiate to ensure that this process causes a minimum of disruption and/or dislocation to the plant and to employees of longer service.



11.4 Period of Notice

The Company will give four (4) weeks notice of termination of employment of an employee or payment in lieu of that notice.

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

11.5 Redundancy Payment

Employees shall receive four (4) weeks pay for each completed year of service and on a pro rate basis per completed month during the final year of service. "Weeks pay" shall mean the 3M shop rate of pay for the employee's classification payable in respect of ordinary hours of work (excluding shift and overtime payments).

Service is defined as the period of continuous permanent employment with the Company.

11.5.1 Maximum Payment

The maximum payment to be made to an employee as a consequence of the prescribed payments in this Clause shall be 64 weeks of ordinary pay, except in the case of an involuntary redundancy, where the maximum payment shall be 86 weeks of ordinary pay.

Ordinary pay shall mean the 3M Shop Rate for the employee's classification payable in respect of ordinary hours of work (excluding shift and overtime payments).

11.6 Pro Rata Annual Leave

The Company will pay 17.5% annual leave loading on accrued pro-rata annual leave to employees who are retrenched.

11.7 Long Service Leave

Long Service Leave will be paid upon retrenchment in the same terms as those provided in the Long Service Act 1955 (NSW).

11.8 Superannuation

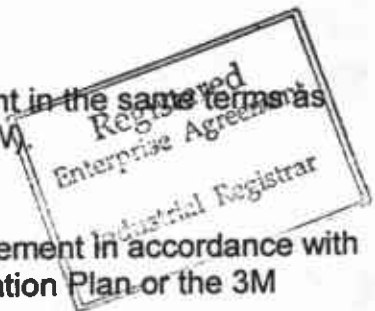
Employees will receive their superannuation entitlement in accordance with the Trust Deed of the 3M Hourly Paid Superannuation Plan or the 3M Retirement Plan, whichever is applicable.

11.9 Sick Leave

All accrued Award Sick Leave will be paid out at the ordinary rate of pay.

11.10 E.A.P.

Access to service of 3M's Employee Assistance Plan (EAP) providers will continue for a period of three (3) months from the date of termination for the employee and/or their immediate family.



11.11 2nd Wage Increase

In the event that a redundancy occurs prior to the effective date for the second increase under this agreement, then such increase will be factored into the employees' 3M shop rate of pay for the purposes of the calculation of redundancy payments.

12. No Extra Claim

The Unions undertake for the duration of the Agreement, not to pursue any extra claims, award or over award except where consistent with a National Wage Case decision.

13. Wages

Employees who are bound by this Agreement shall be paid a wage increase of 8% over 24 months.

The first increase of 4% will take effect from the first pay period on or after 6 November 2000. The second increase of 4 % will take effect from 5 November 2001

The wage increase specified in this Clause shall be payable in addition to the current agreed rates of pay at the Site.

14. 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.

15. Continuous Improvement

Management and its employees covered by this Agreement are committed to searching for areas where improvements can be made and implementing such improvements as part of this Agreement.

On behalf of National Union of Workers

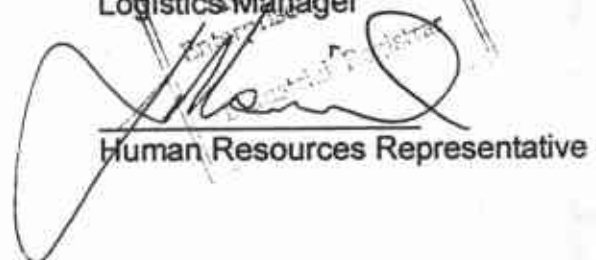
On behalf of 3M Australia Pty Limited



NSW State Secretary



Logistics Manager



Human Resources Representative

DATED THIS 26TH DAY OF FEBRUARY, 2001