

STANDARD TERMS OF EMPLOYMENT

COLLECTIVE AGREEMENT

between

Bank of New Zealand

and

FINSEC (Finance Sector Union)



Welcome to Bank of New Zealand

If you are a new employee, it is my pleasure to welcome you to the team at Bank of New Zealand. If you are an existing employee, I am very pleased to provide you with a more modern and simple employment agreement, which reflects our culture and commitment to our employees.

Our brand is about backing our customers and people and helping them to achieve their aspirations. To live up to this promise, we are committed to being an inclusive, fair place to work - one which encourages innovation and enables everyone to reach their full potential. It is our vision that all our people are provided with a stimulating, dynamic and supportive work environment and every opportunity possible to develop and succeed both personally and professionally.

We are also committed to encouraging a diverse workforce that provides equal opportunities to roles, promotions and all other aspects of your working environment.

I wish you every success in your role, as we all strive to make Bank of New Zealand the bank that New Zealanders choose above all others.

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Managing Director

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Standard terms of employment – Collective Agreement

Pursuant to the Employment Relations Act 2000, Bank of New Zealand Limited (“the Bank”) and Finsec the union (“Finsec”) (together referred to as “the Parties”), agree to the terms of this Collective Agreement, as follows:

1. Coverage

- 1.1 This Collective Agreement (“**this Agreement**”) covers all permanent employees of the Bank who are responsible for the provision of bank products and services to the Bank’s customers or support functions of that process and are employed on:
- Grades (J),(K),(L),(M) and (N); or
 - Grades LC and KBA and who work in Bank of New Zealand Customer Contact Centres in the roles of Customer Solutions Advisors or Banking Advisors respectively.
- 1.2 The Bank and Finsec agree that employees who were employed on Grade I are now no longer employed on Grade I and have left the Bank or moved to a different grade. However, should an employee still be inadvertently employed on Grade I, they will be covered by this Agreement.
- 1.3 This Agreement does not cover the work of employees (as described above) who are engaged in job roles which are specialised as agreed between the Parties.

2. Application

- 2.1 This Agreement will bind:
- 2.1.1 Finsec and the Bank, as the Parties to this Agreement; and
- 2.1.2 Employees –
- (a) Who are employed by the Bank; and
 - (b) Who are or who become members of Finsec; and
 - (c) Whose work comes within the coverage provisions of Clause 1 of this Agreement.
- 2.2 Schedule A applies to those employees who are bound by this Agreement and employed in particular workplaces as follows:
- (a) Clause A1 of Schedule A applies to all Bank of New Zealand airport branches, Queenstown and SkyCity Auckland branches
 - (b) Clause A2 of Schedule A applies to all Banking Advisors, Customer Solutions Advisors, Customer Service Representatives – Email in Bank of New Zealand Customer Contact Centres
 - (c) Clause A3 of Schedule A applies to Customer Solutions Advisors in the Bank of New Zealand Credit Cards Call Centre
- 2.3 Where the terms of the applicable Schedule A are inconsistent with other terms in this Agreement, the terms of Schedule A will apply.
- 2.4 Schedule B applies as per the terms of that Schedule.
- 2.5 The Parties agree that this Agreement contains the entire agreement between the Parties, and incorporates and supersedes any applicable terms and conditions of employment previously set out in any previous collective agreement between the Parties and variations to such collective agreement, save for Schedules relating to 8 Hour Shift

employees (previously Schedule B) and Information and Technology provisions (previously Schedule C) which will continue to apply should any employee establish that those provisions apply to them.

3. Term

This Agreement will commence on 1 November 2007 and will continue in force until 31 October 2009.

4. Variation of this Agreement

Where either party proposes a variation to this Agreement the following process will apply:

- (a) The variation proposal will be put in writing including the actual wording changes sought and the effect of those changes. A copy of the proposal will be given to the other party to the Agreement.
- (b) The variation proposal will be the subject of negotiation between the Parties.
- (c) Any variation proposal resulting from the negotiations will be ratified by the employees covered by this Agreement in accordance with Finsec's ratification rules.

5. Communication and consultation

5.1 The Bank is committed to providing a working environment for employees that is fair, flexible and enjoyable. An essential component of such an environment is transparent, open and frank communication between employees and their people leader. The Bank aims to build a culture where employees feel safe to raise genuine concerns in a constructive way with their people leader. The employee's people leader is then able to work constructively with employees to resolve any concerns.

5.2 For these reasons the Parties are committed to their respective obligations towards each other under the Employment Relations Act 2000, including:

- (a) To be active and constructive in establishing and maintaining a productive employment relationship in which the Parties are responsive and communicative; and
- (b) To deal with each other in good faith.

5.3 The Bank will:

- (a) Provide employees and the union councillors with regular information on workplace initiatives and progress with the implementation of these initiatives; and
- (b) Meet regularly with the union council and union representatives to discuss workplace initiatives and progress with the implementation of these initiatives.

6. Role and duties

6.1 Employees are employed to work for the Bank in the role set out in the employee's letter of offer.

6.2 Employees must perform their role to a competent standard and use their best endeavours to promote and protect the Bank's general interests, profitability and reputation as an employer.

6.3 The Bank may reasonably require an employee to work in other sections of the Bank and reasonably vary the duties an employee is required to perform.

7. Work location

Subject to the relocation provisions in Clause 20 of this Agreement, employees are employed to work at the location set out in their letter of offer.

8. Ordinary hours of work / Individual Work Schedule

8.1 General

- 8.1.1 The employee's ordinary hours of work will be 37.5 hours per week or 7.5 hours per day unless the employee works on a part time basis or has agreed otherwise under Clauses 8.1.6, A1.2, A2.2 or A3.2 of this Agreement.
- 8.1.2 The employee's actual hours of work will be arranged according to the operating hours of their particular workplace. Employees who work in one of the following areas should refer to Schedule A:
- Schedule A1 for airport branches, Queenstown and SkyCity Auckland branches
 - Schedule A2 for Banking Advisors, Customer Solutions Advisors, Customer Service Representatives – Email in Bank of New Zealand Customer Contact Centres
 - Schedule A3 for Customer Solutions Advisors in the Bank of New Zealand Credit Cards Call Centre
- 8.1.3 The employee's actual hours of work will be set out in the employee's letter of offer and will be the employee's Individual Work Schedule.
- 8.1.4 The Bank is operational seven days a week and 24 hours a day in some parts of the business – depending on the type of work being carried out and customer demand. The Bank's operational span of hours in the following areas are:
- (a) 7am to 9.30pm in the branch network, Monday to Saturday;
 - (b) 8am to 5pm, in the branch network on Sunday (in some areas);
 - (c) 5am to 12pm in deposit management operations; and
 - (d) 24 hours a day in customer account and lending services.
- 8.1.5 An employee's Individual Work Schedule cannot be altered without the employee's full consent as per Clause 8.2 of this Agreement.
- 8.1.6 Employees of the Bank, who are full-time usually work a 37.5 hour week over five days. However, the Bank supports work practices being arranged at a local level. Employees may agree to an alternative arrangement (e.g. to work 37.5 hours over four days instead of five days) to suit the Bank's operational requirements or to support the employee's request for flexible working arrangements (subject at all times to the Bank's operational requirements and discretion). This arrangement must be recorded in the employee's Individual Work Schedule. A maximum of 10 hours work per day will apply.
- 8.1.7 Pursuant to Clause 8.2 of this Agreement, the employee may decline to a request to work flexible working arrangements set out in Clause 8.1.6, without experiencing unreasonable prejudice.
- 8.1.8 Where the employee and the Bank have agreed that the employee's Individual Work Schedule will contain working more than 7.5 hours per day (to a maximum of 10 hours per day), the Overtime provisions of this Agreement will not apply in respect of hours worked in excess of 7.5 hours per day. However, under no circumstances will an employee's Individual Work Schedule be longer than 37.5 hours per week, and any hours worked in excess of 37.5 hours per week will attract the Overtime provisions of this Agreement.

8.2 Changes to ordinary hours of work/ Individual Work Schedule

- 8.2.1 The Bank is committed to ensuring that any agreement to change the employee's Individual Work Schedule is genuine and voluntary. Any employee who declines to adopt a proposal to change his or her Individual Work Schedule will not be unreasonably prejudiced in his or her performance appraisals, employment prospects, and training opportunities or otherwise.
- 8.2.2 Subject to the terms of Schedule A1.2.9 (Airport rosters), the employee's Individual Work Schedule as determined by Clause 8.1 can only be changed if:
- (a) The employee has been given at least two weeks' notice of the proposal to change the employee's Individual Work Schedule;
 - (b) The employee has had the opportunity to discuss the proposed change with the employee's people leader;
 - (c) The employee has been given the opportunity to seek independent advice regarding the proposed new Individual Work Schedule; and
 - (d) The employee has agreed to the change in writing.
- 8.2.3 If there is a business need to propose a change the employee's hours of work (including starting and finishing times), in respect of the discussions held under Clause 8.2.2(b) of this Agreement, both the employee and the employee's people leader must work together to meet the employee's needs. The discussions should include:
- (a) Giving as much notice as possible, being at least two weeks' notice of the proposal;
 - (b) Allowing a Finsec member's request (if received) to involve a Finsec representative in the discussions;
 - (c) Fully informing the other party in relation to the issues in consideration, including any family or domestic caring commitments or needs, travel and any other relevant issues;
 - (d) Participating in these discussions in good faith; and
 - (e) Respect for the right of the employee to decline the proposal to change their Individual Work Schedule.

8.3 Attendance Book

Employees may be required to sign an attendance book that records the time of commencing and ceasing work. This cannot be altered by anyone except the employee.

8.4 Breaks

- 8.4.1 Employee's who work in one of the following areas should refer to Schedule A:
- Schedule A2 for Banking Advisors, Customer Solutions Advisors, Customer Service Representatives – Email in Bank of New Zealand Customer Contact Centres
 - Schedule A3 for Customer Solutions Advisors in the Bank of New Zealand Credit Cards Call Centre
- 8.4.2 For all other employees not covered by the Schedules referred to in Clause 8.4.1 of this Agreement break times will normally reflect the following:

Daily work period (excludes meal breaks)	Break entitlement
2.5 hours but less than 4 hours	One paid 10 minute break
4 - 5 hours	One 1 hour unpaid meal break* One paid 10 minute break
More than 5 hours	One 1 hour unpaid meal break* Two paid 10 minute breaks
*The 1 hour unpaid meal break may be reduced by agreement between the employee and the people leader.	

8.4.3 The timing of breaks should reflect our commitment to sales and service. Where employees are entitled to two 10 minute breaks the breaks will be scheduled one in the morning and one in the afternoon.

8.4.4 For all employees who work more or less than a five day week, the above breaks will be modified by the employee's people leader to ensure that an employee works no more than 37.5 hours per week as part of the employee's Individual Work Schedule.

9. Remuneration

9.1 Definitions

9.1.1 For the purposes of this Agreement:

Subject to Clause 9.2.2, "**Total Fixed Remuneration**" ("**TFR**") includes:

- (a) *From 1 November 2007 to 31 March 2008*: The employee's base salary for the employee's grade as per Schedule B; and
- (b) *From 1 April 2008 to 31 October 2009*: The employee's TFR for the employee's grade as per Schedule B (which amount includes the Bank's KiwiSaver Contribution if the employee enrolls in KiwiSaver and, if the employee is not enrolled in KiwiSaver, includes the amount equivalent to the Bank's KiwiSaver Contribution)

but excludes:

- (a) Variable elements of remuneration such as allowances, overtime, penal rates (for time worked on a public holiday or a Sunday as per the terms of this Agreement) and performance payments; and
- (b) Benefits referred to separately in this Agreement; and
- (c) Any other superannuation contributions the Bank makes to the employee's account (those contributions not being a benefit or condition of the employee's employment).

"**KiwiSaver**" means a KiwiSaver scheme under the KiwiSaver Act 2006 or any superannuation scheme that replaces it in future.

"**KiwiSaver Contribution**" means any *Contribution* (as that term is defined in the KiwiSaver Act 2006 (as amended from time to time)) required to be deducted under the KiwiSaver Act 2006, and includes an *employer contribution* (referred to in this Agreement as the "**Bank's KiwiSaver Contribution**").

9.2 Total Fixed Remuneration

9.2.1 Under this Agreement the employer will calculate and pay to the employee the employee's TFR as follows:

- (a) If the employee elects to enrol in KiwiSaver, the Bank's KiwiSaver Contribution will first be calculated and be paid directly to the Inland Revenue Department on the employee's behalf in accordance with the KiwiSaver Act 2006 (as amended from time to time). The remainder of the employee's TFR (less the employee's KiwiSaver Contribution) will be paid to the employee in accordance with Clause 9.4.1; and
- (b) If the employee is not enrolled in KiwiSaver, it will be paid to the employee accordance with Clause 9.4.1.

9.2.2 The employee's TFR has been agreed on the condition that:

- (a) Effective 1 April 2008 and until 31 March 2009, it includes a 1% increase to the employee's base salary as at 1 November 2007, being an amount that by an employee's enrolment in KiwiSaver the Bank will make to the employee's KiwiSaver account (being the Bank's KiwiSaver Contribution); and
- (b) Effective 1 April 2009 and until 31 March 2010, it comprises a further 1% increase to the employee's TFR as at 1 November 2008, being an amount that by the employee's enrolment in KiwiSaver the Bank will make to the employee's KiwiSaver account (being - combined with the amount provided in Clause 9.2.2(a) - the Bank's KiwiSaver Contribution); and
- (c) KiwiSaver comes into force in a form that allows the Bank and the employee lawfully to agree that TFR includes the Bank's KiwiSaver Contribution and requires the employer to make the Bank's KiwiSaver Contribution of the amounts provided in Clauses 9.2.2(a) and 9.2.2(b).

9.2.3 Should Clause 9.2.2(c) not be satisfied, the Bank's KiwiSaver Contribution as provided in Clauses 9.2.2(a) and 9.2.2(b) and Schedule B (or, in respect of those employees who have not enrolled in KiwiSaver, an equivalent amount) will not be included in the employee's TFR and the Parties will hold discussions to discuss the impacts of this situation on an employee's TFR.

9.2.4 The employee's TFR will be reviewed as per the Remuneration System set out in Schedule B of this Agreement (pro-rated for part-time employees).

9.2.5 Any agreed changes to the employee's remuneration must be confirmed in writing to be valid.

9.3 Incentive payment schemes

The Bank operates various performance incentive schemes to reward competent to high performance as set out in Schedule B. The employee's entitlement to an incentive payment will be determined by the rules of the applicable performance incentive scheme.

9.4 Payment frequency

9.4.1 Unless otherwise provided in this Agreement (in which case those provisions will prevail), the employee's TFR will be paid to the employee fortnightly by direct credit to the employee's bank account. The fortnightly payment is derived by dividing the employee's TFR by 26.07 (pro-rated for part-time employees).

- 9.4.2 Where an employee becomes entitled to overtime, penal rates or allowances these will be paid fortnightly (unless otherwise agreed) by direct credit to the employee's nominated Bank account.
- 9.4.3 The frequency of payment of any incentive payment to which an employee may be entitled will be determined by rules of the particular incentive scheme.

9.5 Overtime

- 9.5.1 Employees who work in one of the following areas should refer to Schedule A:
- Schedule A1 for airport branches, Queenstown and SkyCity Auckland branches
 - Schedule A2 for Banking Advisors, Customer Solutions Advisors, Customer Service Representatives – Email in Bank of New Zealand Customer Contact Centres
 - Schedule A3 for Customer Solutions Advisors in the Bank of New Zealand Credit Cards Call Centre
- 9.5.2 For all other employees not covered by the Schedules referred to in Clause 9.5.1 of this Agreement any hours worked in excess of 7.5 hours per day (unless part of the employee's Individual Work Schedule) or in excess of 37.5 hours per week will be classed as "**Overtime**".
- 9.5.3 Overtime worked between midnight Sunday and midnight Saturday will be paid at time and a half (using Ordinary Hourly Rate x 1.5).
- 9.5.4 Overtime worked between midnight Saturday and midnight Sunday will be paid at double time (using Ordinary Hourly Rate x 2).
- 9.5.5 As per Clause 8.1.8 an employee may agree to work more than 7.5 hours per day as part of the employee's Individual Work Schedule without the payment of Overtime.
- 9.5.6 In the event that an employee works extra time following their usual finishing time and such time qualifies as Overtime under this Clause 9.5, the employee will be entitled to delay their usual start time for the next shift so that the employees receive an eight hour break between shifts, or, be paid at the Overtime rate for the portion of the eight hour break that is worked.
- 9.5.7 Where the employee is paid Overtime or paid penal rates for work on a public holiday or a Sunday, then these hours will not be counted towards the 37.5 hours referred to in this Clause 9.5.
- 9.5.8 Where an employee has taken authorised leave (including time off for illness, public holiday or otherwise), this time off work will count towards the employee's Individual Work Schedule for the week in which the leave is taken, up to a maximum of 37.5 hours.
- 9.5.9 "**Ordinary Hourly Rate**" means the employee's TFR divided by 1950.

9.6 Time off in lieu of Overtime

- 9.6.1 This clause does not apply to any employees who work in the Bank of New Zealand Customer Contact Centres or the Bank of New Zealand Credit Cards Call Centre.
- 9.6.2 For each hour of Overtime payable under Clause 9.5 of this Agreement, employees may, as an alternative to the payment of Overtime, receive a credit of one hour which can be taken as time off work in lieu of payment of Overtime.
- 9.6.3 Time off work in lieu of Overtime is to be taken within 12 months of it being earned and at a mutually acceptable time. Any time off work in lieu of Overtime

accrued and not taken within 12 months or outstanding at the Date of Termination of Employment will be paid to the employee at the employee's current TFR.

9.7 Penal rates

9.7.1 Employees who work in one of the following areas should refer to Schedule A:

- Schedule A1 for airport branches, Queenstown and SkyCity Auckland branches
- Schedule A2 for Banking Advisors, Customer Solutions Advisors, Customer Service Representatives – Email in the Bank of New Zealand Customer Contact Centres
- Schedule A3 for Customer Solutions Advisors in the Bank of New Zealand Credit Cards Call Centre

9.7.2 For all other employees not covered by the Schedules referred to in Clause 9.7.1 of this Agreement, the employee will be eligible for penal rates where the employee work the hours of the employee's Individual Work Schedule at any time on a Sunday, paid at double time (using the employee's Ordinary Hourly Rate x 2).

10. Allowances

10.1 Application

10.1.1 Employees who work in one of the following areas should refer to Schedule A:

- Schedule A2 for Banking Advisors, Customer Solutions Advisors, Customer Service Representatives – Email in the Bank of New Zealand Customer Contact Centres.
- Schedule A3 for Customer Solutions Advisors in Bank of New Zealand Credit Cards Call Centre.

10.1.2 All other employees not covered by the Schedules referred to in Clause 10.1.1 of this Agreement, will be eligible for the allowances set out in this Clause 10.

10.2 Meal allowance

Unless otherwise provided for in this Agreement, where employees are required to work before 7am or after 7pm and these hours fall outside their Individual Work Schedule employees will be:

- (a) Supplied with a suitable meal by the Bank; or
- (b) Paid a meal allowance of \$9.69 (increasing to \$10.05 as from 1 November 2008); or
- (c) Paid the actual cost of a meal up to \$17.43 (increasing to \$18.08 as from 1 November 2008) provided a meal is purchased and the employee is required to continue working after the employee's meal break.

10.3 Temporary duty away from home

Where the employee is required by the Bank to undertake duties which necessitates a temporary change to the employee's place of residence the employee will be entitled to:

- (a) Reimbursement of travelling expenses (including any necessary taxi fares);
- (b) A daily allowance of \$35.51 (increasing to \$36.84 as from 1 November 2008) or an hourly allowance of \$3.62 (increasing to \$3.76 as from 1

November 2008) per hour for up to 10 hours (if the employee's journey exceeds 2 hours) or actual and reasonable authorised expenses;

- (c) A daily allowance for out of pocket expenses of \$8.04 (increasing to \$8.34 as from 1 November 2008); and
- (d) A paid return trip each weekend to the employee's place of residence. This does not count as time worked or travelling time. The travel will take place outside the employee's ordinary hours of work or at such other times by agreement with the employee's people leader.

10.4 Standby / Callout

- 10.4.1 The Bank may schedule a standby roster, for relief or callout purposes.
- 10.4.2 If the employee agrees to standby at the employee's home for emergency calls the employee will be paid a standby allowance of \$19.66 (increasing to \$20.40 as from 1 November 2008) per day Monday to Friday inclusive and \$39.19 (increasing to \$40.66 as from 1 November 2008) per day on weekends and recognised public holidays.
- 10.4.3 A callout is deemed to have occurred from the time of the employee's departure from home.
- 10.4.4 Where the employee is called out and required to go on duty the employee will be paid a minimum period of three hours at the applicable Overtime rate. If the employee is called out again during the minimum period the employee will not receive an additional minimum payment.
- 10.4.5 Where the employee is rostered to be on standby the employee is required to remain within direct telephone contact of the Bank during those rostered hours. Where practicable, and at the Bank's option, the employee may be provided with a paging unit or mobile phone to allow a greater degree of flexibility while on standby.
- 10.4.6 Where the employee is on standby and the employee is required to go on duty the Bank will, at its expense, transport the employee to and from home; or the employee may use the employee's own motor vehicle and be paid a reimbursing allowance according to the stepped rate approved by the Inland Revenue Department from time to time, up to a 33 kilometre radius of the employee's place of work.

10.5 Auckland / Wellington allowance

- 10.5.1 This clause applies only to employees employed as at 18 October 1994.
- 10.5.2 If the employee's current term of employment commenced (prior to 18 October 1994) the employee is entitled to payment of the Auckland/Wellington allowance at the rate of \$780.22 (increasing to \$809.46 as from 1 November 2008) a year (pro-rated if the employee is part-time) for any period of continuous employment within the qualifying geographical areas which commenced prior to 1 April 1996.
- 10.5.3 This clause does not apply if the employee is on any relief assignment in the qualifying areas.
- 10.5.4 The qualifying areas are:

Auckland - From and including Papakura in the South to and including Brown's Bay in the North.

Wellington - From Cook Strait in the South to and including Upper Hutt and Porirua in the North and also includes Wainuiomata.

11. Deductions

- 11.1 If required to by law or, on receipt of the appropriate written request from the employee, the Bank will make reasonable deductions from the employee's remuneration and make a corresponding payment to the business or organisation the employee specifies.
- 11.2 The employee agrees that deductions may be made from the employee's remuneration for time the employee is on approved unpaid leave, unauthorised absence, non return of Bank property, or - upon termination only - for annual leave taken in advance.
- 11.3 If the Bank intends to make any deduction in respect of overpayment of remuneration, the deduction must be in accordance with the Wages Protection Act 1983 and in consultation with the employee.

12. Expenses

- 12.1 Employees will be reimbursed for authorised incidental expenses that may be incurred in the course of duties as laid down in the Bank's policy or as set out in this Agreement.
- 12.2 Reimbursement of motor vehicle expenses will be in accordance with the rate approved by the Inland Revenue Department from time to time.
- 12.3 Employees will be required to produce reasonably complete documentary evidence of these expenses, including GST invoices.

13. Performance and development

- 13.1 The Bank recognises competent to high performance in its remuneration system as set out in Schedule B of this Agreement.
- 13.2 The Bank will provide training to assist the employee to improve the employee's skills and knowledge of the employee's job. This will generally be on the job training, or through educational assistance.
- 13.3 Performance evaluations will be conducted annually to review the employee's past performance against written criteria and to set goals and objectives for the performance year and to provide the employee with an annual performance rating. Performance reviews will be held with the employee throughout the year, in line with the Bank's policy, to provide the employee with feedback on how the employee is performing.
- 13.4 Performance rating appeals are conducted in accordance with Clause B3 of Schedule B.

14. Leave

14.1 General

All leave set out in Clause 14 will be in accordance with the Holidays Act 2003. The Bank may, at any time, agree to more generous provisions in its leave policy.

14.2 Public holidays

14.2.1 Employees are entitled to take public holidays in accordance with the Holidays Act 2003. The recognised public holidays are:

- (a) Christmas Day
- (b) Boxing Day
- (c) New Years Day
- (d) 2 January
- (e) Waitangi Day
- (f) Good Friday
- (g) Easter Monday

- (h) Anzac Day
- (i) The anniversary of the reigning sovereign
- (j) Labour Day
- (k) Regional Anniversary Day

- 14.2.2 If the employee transfers from a location where the Regional Anniversary Day has not been observed to a location where it has, the employee will be entitled to one day's leave in lieu of the Regional Anniversary Day.
- 14.2.3 For all authorised work performed on a public holiday that would otherwise be a working day for the employee, the employee will be paid double time for each hour worked and receive an alternative holiday.
- 14.2.4 For all authorised work performed on a public holiday that would not otherwise be a working day for the employee, the employee will be paid at the rate of double time for each hour worked and the employee will not receive an alternative holiday.

14.3 Annual leave

- 14.3.1 At the end of each year of employment with the Bank employees will be entitled to four weeks' annual leave.
- 14.3.2 Each employee needs to take a break from work on a regular basis to relax and to refresh. For this reason the Bank requires that annual leave be taken in the twelve month period following the leave becoming an entitlement, except in special circumstances as agreed between the employee and the employee's people leader. Such agreement must be recorded in writing.
- 14.3.3 An employee may take annual leave in advance of it becoming an entitlement, with the written agreement of the employee's people leader. In the event that the Bank allows the employee to take leave in advance of the employee accruing it, and the employee's employment subsequently terminates, the Bank may deduct any amount still owing from the employee's final pay.

14.4 Sick leave

- 14.4.1 The Bank operates a flexible sick leave policy. Where the employee is absent due to illness or non-work injury the employee will continue to receive normal remuneration, subject to the terms and conditions below:
 - (a) The employee is required to advise the employee's people leader as soon as practicable on the first day of absence.
 - (b) In cases of long or frequent periods of sick leave, the Bank may, after conducting a review of the employee's sick leave usage, make the sick leave unpaid.
 - (c) In conducting such a review the Bank will consult with the employee and the employee's representative (if appointed) and take into account any representations the employee or the employee's representative may make.
 - (d) In cases of incapacity due to illness or injury Clause 16.4 will apply.
- 14.4.2 The employee's people leader may (but is not required to) require a medical certificate after three or more consecutive calendar days of sick leave, or at any time if either the employee has used up the employee's statutory sick leave or if the Bank has reasonable grounds to suspect that the sick leave is not genuine.
- 14.4.3 The Bank may, at its expense, request the employee to undergo a medical examination by a registered medical practitioner, or practitioner nominated by the Bank (and after the Bank has considered the employee's wishes in respect

of the appointment of the practitioner) and a copy of any medical report furnished will be available to the employee and the Bank. For the avoidance of doubt, the Bank may (but is not bound to) exercise this right for the purposes of:

- (a) Assessing the employee's fitness for work and/or return to work after a period of sick leave;
- (b) Obtaining a second opinion where the employee has provided a medical certificate/report; or
- (c) Determining whether or not the employee's employment should be terminated for incapacity.

14.4.4 Sick leave pursuant to the Holidays Act 2003 will be included in any sick leave granted under this clause.

14.5 Bereavement leave

14.5.1 In accordance with the Holidays Act 2003 employees are entitled to:

- (a) Three days' bereavement leave on the death of the employee's spouse, partner, parent, child, brother, sister, grandchild, grandparent, and spouse's or partner's parent. If the employee requests more than three days' bereavement leave, additional paid or unpaid leave may be granted at the discretion of the employee's people leader.
- (b) One day's bereavement leave on the death of any other person if, after considering relevant factors, the Bank accepts the employee have suffered bereavement. This will depend on the employee's closeness of association with the deceased, whether or not the employee has significant responsibility for the funeral arrangements or any cultural responsibilities the employee may have.

14.5.2 Further bereavement leave can be granted at the discretion of the employee's people leader.

14.6 Parental leave

14.6.1 Parental leave will be granted in accordance with the provisions of the Parental Leave and Employment Protection Act 1987 (as amended). The entitlements include (subject to the provisions of the Parental Leave and Employment Protection Act 1987 (as amended)):

- (a) **Paid parental leave** – 14 weeks' paid parental leave for eligible employees (for six months' continuous service).
- (b) **Special leave** – Up to 10 days' unpaid leave during pregnancy to attend to matters connected with the pregnancy.
- (c) **Partner's leave** – One week unpaid leave (for six months' continuous service) or two weeks' unpaid leave (for twelve months' continuous service) for the partner or spouse (male or female) of a pregnant or adopting person to be taken in the period 21 days before to 21 days after the birth/adoption.
- (d) **Extended leave** – Up to 52 continuous weeks' unpaid leave for employees with 12 months' continuous service. Extended leave includes any period of paid parental leave (but not partner's leave) and must be taken in one continuous period in the 12 months after the birth/adoption. This leave may be shared by both eligible parents simultaneously or one after the other.

14.6.2 The Bank will keep the employee's position open except in limited circumstances in accordance with the Parental Leave and Employment Protection Act 1987 (as amended).

14.6.3 For further details refer to the Bank's Intranet or a people leader.

14.7 Family leave

14.7.1 Where the employee or the employee's partner gives birth to or adopts a child under the age of five, the employee may take three days' paid family leave within three weeks prior to or following the birth or adoption. In addition, the employee may take a further seven days unpaid leave. The employee's entitlement to family leave is in addition to the employee's entitlements under the Parental Leave and Employment Protection Act 1987. To assist with scheduling family leave, the employee should give the Bank as much notice as possible of the employee's intention to take this leave.

14.7.2 If the employee wishes to take paid family leave during the period of parental leave, the first three days of parental leave will be taken as family leave and the employee's parental leave will be extended accordingly.

14.8 Domestic leave

14.8.1 Where the employee's partner or a dependant is ill, or where it is essential for the employee to be absent from work due to pressing family or personal needs, the employee may take up to 10 days' paid domestic leave per leave year.

14.8.2 The employee must advise the employee's people leader of their need to take domestic leave as soon as is reasonably practicable in the circumstances. The employee's people leader reserves the right to approve or decline domestic leave subject to the criteria set out in Clause 14.8.1 of this Agreement.

14.8.3 In addition to the above, the employee's people leader has the discretion to grant additional discretionary leave.

14.8.4 The domestic leave entitlements are not in addition to the leave provided in the Holidays Act 2003.

14.9 Long service leave

14.9.1 Employees are entitled to the following long service leave:

Years of continuous service	Weeks of Long Service Leave
15	3
25	4
35	5
40	6

14.9.2 Each qualifying period of service entitles the employee to a single entitlement to the long service leave for that qualifying period.

14.9.3 Long service leave will be taken by mutual agreement with the Bank. Long service leave will not accumulate and any leave which has not been taken before the employee's next entitlement will be forfeited.

14.9.4 The employee may elect to be paid in lieu of taking all or part of the employee's long service leave, with the agreement of the employee's people leader.

14.9.5 In the event that the employee's employment is terminated, for any reason other than summary dismissal, any untaken long service leave entitlement will be paid in lieu of the employee taking the long service leave.

14.9.6 Any period of approved unpaid leave and parental leave will be included in the calculation of the employee's years of service.

14.10 Two days' special leave

14.10.1 If the employee has completed six years' current continuous service or 10 years cumulative service by 31 December 2001, and has remained in continuous employment with the Bank since that date, the employee will be entitled to two days' special leave during each calendar year. This special leave is non-cumulative and is to be taken within the calendar year or is otherwise forfeited.

14.10.2 Special leave will be taken by mutual agreement between the employee and their people leader.

14.10.3 Special leave will not apply to employees who are employed to work in the Bank of New Zealand Contact Centres.

14.11 Leave in lieu of travelling time

14.11.1 Where the employee is required to travel for the Bank the employee will be entitled to time off as follows:

Time of Travel	Entitlement
For additional travel time of up to two hours, before or after normal starting/finishing time, on a normal working day.	Payment at Ordinary Hourly Rate for additional time
For additional travel time between two hours and four hours before or after normal starting/finishing time on a normal working day.	Half a day's leave
For additional travel time of four hours or more before or after normal starting/finishing time on a normal working day.	One day
On a recognised public holiday.	One day
On a day that is not a normal working day.	One day

14.11.2 An employee may not receive more than one day's leave in any 24 hour period.

14.11.3 An employee is deemed to have completed the employee's journey when the employee reaches their place of residence provided the employee travels directly there and must use a reasonably expeditious means and route to be entitled to time off under this clause

14.11.4 Leave in lieu of travelling time is not additional to the payment of Overtime.

15. Health and safety in employment

15.1 General policy

The Bank is committed to supporting the health & safety of all of its employees. The Bank recognises that the health of its employees is an important ingredient in a productive and efficient work place and that the promotion of good health and safety practices is preferable to dealing with illness and accidents.

15.2 Bank's obligations

The Bank will provide employees with a healthy and safe work environment. This will include:

- (a) Providing and maintaining appropriate first aid equipment;
- (b) Providing necessary safety equipment;
- (c) Complying with the provisions of all legislation applicable to its operations, including the Health and Safety in Employment Act 1992 (as amended); and
- (d) Providing employees with sufficient breaks in accordance with this Agreement and the Bank's policy on health and safety.

15.3 The employee's obligations

The employee agrees to:

- (a) Take reasonable care of the employee's own health and safety and that of others;
- (b) Co-operate with the Bank on health and safety matters;
- (c) Be aware of the emergency procedures of the area in which the employee is working;
- (d) Report any accidents, hazards or sub-standard conditions, arising in the work place to the appropriate person as soon as possible. Where an accident is not reported the Bank may not accept any liability for payments relating to absence arising from the accident; and
- (e) Report incidents of stress as soon as reasonably practicable.

15.4 Keyboard operating breaks

15.4.1 The Bank recognises the need to ensure that if an employee is principally engaged in the use of computer screens and keyboards, the employee is able to take reasonable breaks away from the employee's computer screens and keyboard work in order to prevent the occurrence of physical discomfort and gradual process injuries.

15.4.2 Employees and their people leaders are jointly responsible for ensuring that reasonable and appropriate breaks are taken which reflect individual and work circumstances and workplace needs.

15.4.3 The appropriate type of break will vary according to the frequency and intensity of computer screens and keyboard use and will be in accordance with the Department of Labour's *Approved Code of Practice for the use of Visual Display Units*.

15.5 Work / life balance

- 15.5.1 The Bank is committed to ensuring that its employees are able to balance work and personal life satisfactorily.
- 15.5.2 The Bank expects that employees will be able to meet the requirements of their role within their ordinary hours of work without the need to work additional hours on a regular basis. Where employees are required to work outside the employee's ordinary hours of work, the employee will be compensated in accordance with the provisions of this Agreement.
- 15.5.3 The Bank will monitor workloads to ensure that regular and/or excessive additional hours of work are not required.

16. Termination of employment other than redundancy

16.1 Resignation

- 16.1.1 An employee who resigns will be provided with a Certificate of Service stating the position the employee held with the Bank and the employee's length of service.
- 16.1.2 An employee must give a minimum of four weeks' written notice of resignation of employment or four weeks' TFR may be forfeited in lieu of any period of the notice that is less than four weeks.
- 16.1.3 By mutual agreement, the employee and the Bank may agree to a lesser period of notice.
- 16.1.4 The Bank reserves the right to pay the employee his or her TFR in lieu of working during the notice period. The employee's Date of Termination of Employment will not be extended by any payment made to the employee in lieu of notice or period of unpaid annual leave.
- 16.1.5 The Bank reserves the right to require the employee to undertake reduced or alternative duties consistent with the employee's abilities or require that the employee does not attend the workplace during the notice period. In that event, the employee will continue to receive the employee's full remuneration for the balance of the notice period; the employee will remain an employee of the Bank, and will continue to be bound by the terms of this Agreement and the employee's duties of confidentiality and fidelity to the Bank. The Date of Termination of Employment will be the last day of the notice period unless part of the notice period is paid in lieu in accordance with Clause 16.1.4 of this Agreement, in which case the Date of Termination of Employment will be the date the payment in lieu is made.
- 16.1.6 Nothing in the above clause will prevent the employee's dismissal without notice in the case of serious misconduct or other cause justifying summary dismissal in accordance with Clause 16.2.2 of this Agreement.

16.2 Dismissal for poor performance or serious or repeated misconduct

- 16.2.1 The Bank must give the employee two weeks' notice of dismissal in the case of repeated poor performance or misconduct or two weeks' TFR will be paid in lieu of such notice.
- 16.2.2 The Bank may dismiss the employee, without notice, for serious misconduct under the Bank's Code of Conduct. Before any dismissal the Bank must follow the procedures contained in the Bank's Code of Conduct.

16.3 Date of termination of employment

Except as provided in Clause 16.1.5 of this Agreement, where the employee resigns or receives notice of termination of employment under Clause 16 or Clause 17 of this Agreement, the **"Date of Termination of Employment"** means the last day the employee is required to attend the workplace and perform the employee's duties under this Agreement.

16.4 Termination of employment for medical incapacity

16.4.1 The Bank may terminate the employee's employment on four weeks' notice, if, in the view of the Bank, the employee is unable to, within a reasonable period of time, resume work as a result of physical or mental illness or injury.

16.4.2 Before the Bank takes any action in relation to the termination of the employee's employment, relating to the employee's medical incapacity, the Bank will inform the employee and, where requested, the employee's representative, that the Bank is considering the termination of the employee's employment. The Bank will make its decision in reliance on the medical information available to the Bank at the time. However, if requested, or at the employee's request, the employee will have the opportunity to seek a medical examination by a registered medical practitioner (determined after consultation with the employee) at the expense of the Bank. The Bank will take account of any resulting report or advice and any representations made by the employee or the employee's representative before making a decision of whether or not to terminate the employee's employment for medical incapacity.

16.5 Retirement

The employee may choose when the employee wishes to retire from working life. The Bank does not require the employee to retire at any particular age.

17. Termination of employment on grounds of redundancy

17.1 Advice of redundancy

17.1.1 Where the employee's position is to become redundant, the Bank will endeavour to advise the employee of the fact at the earliest practicable opportunity, having regard to operational considerations and commercial sensitivities.

17.1.2 Where Finsec members are impacted by redundancy, the National Office of Finsec will be advised at the same time as its members.

17.1.3 The employee may attend a workplace meeting without loss of pay in the event that the employee has been advised that the employee's position is to become redundant.

17.2 Redeployment

17.2.1 For the purposes of this clause a **"directly comparable position"** will be mean a position which has the same grade and salary, is in the same location or at another location within reasonable commuting distance of the employee's place of residence; that does not involve a change in duties significant enough as to be unreasonable in the circumstances of the employee's skills, abilities and work history; and that does not involve a change in working hours which would place an unreasonable imposition on the employee in terms of the employee's personal circumstances, for example, the employee responsibility for the care of children or dependents. This will be assessed on a case by case basis.

17.2.2 Before the employee receives notice of termination of employment in accordance with Clause 17.3 of this Agreement the Bank will make a

reasonable effort to identify any redeployment opportunities available at that time. However, the Bank reserves the right to fill vacancies on merit.

- 17.2.3 Any job offer will be made to the employee in writing including information on the location, TFR and duties of the job.
- 17.2.4 Where the employee is offered a redeployment opportunity in a lower grade, the employee will be offered the 100% (mid point) TFR for the lower grade.
- 17.2.5 Where the employee accepts an offer of redeployment within the Bank, at any time before or during the notice period (regardless of whether or not the position is directly comparable), the employee will not be entitled to redundancy compensation.
- 17.2.6 If the employee declines an offer of a directly comparable position and the employee's employment is subsequently terminated for redundancy, the employee will not be entitled to redundancy compensation.
- 17.2.7 If the employee does accept a position within the Bank that requires a change of residence, the employee will be entitled to relocation benefits as per the Bank's Domestic Relocation Policy, as amended from time to time.

17.3 Notice of termination of employment

- 17.3.1 In the event that the Bank has not identified any redeployment opportunities in accordance with Clause 17.2 of this Agreement, the employee will be given six weeks' written notice of the termination of the employee's employment ("**Redundancy Notice Period**") or payment in lieu of the Redundancy Notice Period.
- 17.3.2 If, during the Redundancy Notice Period the employee is offered an alternative position within the Bank, but does not wish to accept it, the employee may decline the offer without forfeiting the employee's entitlement to redundancy compensation.
- 17.3.3 If the employee finds another job outside the Bank during the Redundancy Notice Period, the employee may terminate the employee's employment prior to the expiry of the Redundancy Notice Period with the consent of the Bank (such consent may not be unreasonably withheld) without forfeiting the employee's right to redundancy compensation. The un-worked portion of the Redundancy Notice Period will not be paid.
- 17.3.4 Except as provided in this Agreement, the employee must remain at work during the employee's Redundancy Notice Period and continue to perform the employee's duties throughout the Redundancy Notice Period to receive the employee's redundancy compensation.

17.4 Assistance during the redundancy process

- 17.4.1 In order to assist the employee to secure further employment, during the employee's Redundancy Notice Period outplacement assistance tailored to the employee's requirements will be provided and may include:
 - (a) Paid leave for the employee to attend job interviews provided that satisfactory evidence is produced if required by the Bank;
 - (b) Training in preparation of work resumes and letters of application, telephone, job searching and interview skills;
 - (c) Financial planning advice; and/or
 - (d) Counselling.

17.5 Redundancy compensation

- 17.5.1 In the event that the employee is entitled to be paid redundancy compensation under the terms of this Agreement the employee will be entitled to receive:
- (a) Seven Weeks' TFR for the first year of service, pro rated if the employee has less than one year of service;
 - (b) Plus four Weeks' TFR for each of the second to 10th years of continuous service;
 - (c) Plus three Weeks' TFR for each of the 11th to 16th years of continuous service;
 - (d) Plus two Weeks' TFR for each subsequent year of continuous service, to a maximum of 25 years including the first; and
 - (e) Plus a pro rated payment for each completed month of service in the final part year of service.
- 17.5.2 For the purposes of the above clause "**a Week's TFR** " means 50% of the fortnightly payment of the employee's TFR, plus any penal payments (in respect of time worked on a public holiday or on a Sunday in accordance with the terms of this Agreement), in the pay period immediately prior to the Date of Termination of Employment. For the avoidance of doubt, Overtime payments are not included in the calculation of a Week's TFR.
- 17.5.3 The employee will receive payment for any outstanding annual leave or long service leave as at the Date of Termination of Employment.
- 17.5.4 If the employee is absent on parental leave or other period of leave where the employee's position is being held open for the employee, and the employee's position will be made redundant during the employee's period of absence, the employee will be eligible to receive redundancy compensation as per this clause.

18. Rights and obligations upon termination of employment

18.1 Payment of all outstanding Total Fixed Remuneration and holiday pay

All outstanding TFR and holiday pay will be paid to the employee on the Date of Termination of Employment.

18.2 Termination of Employee Choice benefits

When the employee's employment with the Bank terminates (for any reason, including redundancy) all Employee Choice banking benefits to which the employee was entitled to as an employee, will stop effective immediately from the Date of Termination of Employment, except as otherwise provided in Clause 18.3 of this Agreement.

18.3 Employee loans

If the employee is made redundant and has an existing employee home loan on concessional terms, those concessional employee terms may continue to apply for a period of nine months from the Date of Termination of Employment. Any changes to interest rates or other conditions applicable to employee advances will also apply during this nine month period. At the employee's request, the Bank will refinance these home loans subject to current customer lending criteria. Home loans are then to be repaid or refinanced by the expiry of the nine month period.

18.4 Superannuation

The employee's entitlements under the Bank of New Zealand Officers' Provident Association, or other superannuation scheme applicable to the employee's employment

will be governed by the vesting/deferred pension provisions provided under the applicable rules of the superannuation scheme.

18.5 Health insurance

The employee is entitled to claim any admissible medical expenses incurred up to the Date of Termination of Employment. The employee will be automatically exited from the Bank's Southern Cross corporate rate. The employee will need to make arrangements with Southern Cross regarding the employee's continued cover.

18.6 Return of company property

Upon termination of the employee's employment, the employee is required to return all company property in the employee's possession prior to leaving work on the employee's Date of Termination of Employment.

18.7 Employee Protection Provision

18.7.1 In accordance with the Employment Relations Act 2000 (as amended), if the Bank's business or part of the Bank's business is to be merged, sold, transferred or contracted out to another person ("**the New Employer**") with the effect that the employee's work (or work substantially similar to the employee's work) is to be performed by employees of the New Employer, the Bank will:

- (a) Meet with the New Employer to discuss how the merger, sale, transfer, or contracting out relates to the employee's employment; and
- (b) Negotiate with the New Employer as to whether the employee would transfer the employee's employment to the New Employer and if so whether this would be on the same terms and conditions of employment.

18.7.2 The employee will not be obligated to accept any offer to transfer the employee's employment by the New Employer.

18.7.3 The employee will not be entitled to any notice of redundancy or redundancy compensation if the business or assets (or part thereof) are to be merged, sold, transferred or contracted out, and the employee is offered employment by the Bank or by the New Employer on the same or no less favourable terms and conditions of employment (including continuous service, redundancy and superannuation provisions, but excluding banking benefits) or on terms and conditions of employment that the employee is willing to accept. The application of this clause will be determined on a case by case basis.

19. Code of Conduct, legal compliance and policies

19.1 General

19.1.1 Bank of New Zealand's Code of Conduct, as updated from time to time, applies to the employee's employment.

19.1.2 The Bank may vary, cancel or introduce rules, policies and procedures but no such change may be inconsistent with or vary the terms contained in this Agreement.

19.1.3 The Code of Conduct and other policies are contained on the Intranet. The employee must ensure that the employee knows the Code of Conduct and policies.

19.2 Legal compliance

19.2.1 Employees will be required to act in accordance with all laws applicable to the Bank's business and their own conduct during employment.

- 19.2.2 The Bank will provide employees with compliance training during employment. Employees will be required to complete the Bank's mandatory compliance training to an acceptable standard on a regular basis to demonstrate familiarity with these compliance obligations.

19.3 Conflict of interest

- 19.3.1 The employee may undertake secondary employment with another employer provided it does not unreasonably impact on the employee's work performance or adversely impact on the Bank or create a conflict of interest. The employee must declare the employee's secondary employment to their people leader and gain the people leader's written consent to the secondary employment. This consent will only be withheld if the Bank determines, on a reasonable basis, that a conflict of interest may be present or may arise if the secondary employment is undertaken.
- 19.3.2 The employee is required to act with honesty and integrity at all times and must not use the employee's position to the advantage or disadvantage of a Bank customer or the employee personally. The employee is referred to the Bank's Code of Conduct for the Bank's policy on Conflicts of Interest.

19.4 Confidentiality

- 19.4.1 For the purposes of this clause "**Confidential Information**" means any information which includes (but is not limited to) personal or financial information of employees, contractors or customers of the Bank (e.g. personal contact details, income details, bank account balances, mortgage balances) and information relating to the Bank's business (e.g. customer lists, business connections, strategic information, systems, technical or financial information, business processes, software, suppliers or other information relating to the affairs of the Bank) that is not available to the general public.
- 19.4.2 Except in the proper performance of the employee's duties the employee must not at any time, either directly or indirectly, use or divulge to any person, and will use the employee's best endeavours to prevent, the publication or disclosure of any Confidential Information or knowledge which may have or was acquired during the employee's employment with the Bank concerning the business affairs, business opportunities, property, customers, clients or other employees of the Bank.
- 19.4.3 The employee will be required to agree to the Code of Conduct acknowledging the employee's understanding and acceptance of this requirement.
- 19.4.4 All personnel records will be kept secure and will be accessed by the Bank as is necessary to manage the employee's employment, subject to the provisions of the Privacy Act 1993. No personal information will be disclosed to third parties without the employee's authorisation except as allowed or required by law.

19.5 Intellectual property

- 19.5.1 All the work that the employee produces in the course of the employee's employment whether arising in the course of, or on completion of, all development stages of work, is the property of the Bank and the Bank is entitled to any copyright or other intellectual property rights from such work.
- 19.5.2 The Bank has an Intellectual Property Policy which is available on the Intranet and referred to in the Code of Conduct. This policy applies to the employee's employment.

20. Relocation

- 20.1** The Bank is committed to enhancing the opportunities for the employee to meet the employee's full potential. Transfers/relocations are intended to enhance the employee's career development and further the Bank's strategic objectives.
- 20.2** The Bank may, on a temporary (four weeks or more) or permanent basis, require the employee to change the employee's principal place of work to an alternative location, provided that the alternative location is reasonable in respect of travelling distance, time and cost from the employee's residential address, the employee is consulted about such change, and provided with four weeks' written notice of the change of work location.
- 20.3** Where the Bank wishes to transfer/ relocate the employee to a location which requires a change of residence the employee will be consulted.
- 20.4** Where domestic relocation occurs, the employee will be covered by the Bank's Domestic Relocation Policy as amended from time to time.

21. Recognition of experience

- 21.1** To recognise and reward major milestones within the employee's career at the Bank, the following awards will be made on the employee's service anniversary.

Years of continuous service	eRewards points	Value of award
5	12,500	\$250
10, 15, 20, and 25	25,000	\$500
30, 35 and 40,	37,500	\$750
45 (and every 5 years thereafter for the remainder of employment)	50,000	\$1000

- 21.2** Points will be credited to the employee's eRewards account on the day of the employee's anniversary.
- 21.3** All awards are processed through the eRewards system and are not subject to any tax deductions. Further information on eRewards can be found on the Bank's Intranet.
- 21.4** For the purposes of this clause continuous service will not be broken by virtue of any absence from service for parental leave purposes or approved unpaid leave.
- 21.5** Employees who are employed as at 1 November 2007 are able to receive the cash equivalent of the above dollar values in lieu of eRewards. To receive this cash payment, the employee must apply in writing to People, Culture & Corporate Relations. Such cash payments will be subject to the appropriate tax deductions.

22. Representation

22.1 Right to representation

- 22.1.1** Employees who are members of Finsec, will not be subject to any detriment or discrimination because of a decision to:

- (a) Join Finsec;
- (b) Participate in union activities;
- (c) Accept any role within the union;
- (d) Pursue collective agreement coverage; and/or
- (e) Pursue any employment related dispute or grievance.

- 22.1.2** Union representatives are able to visit employees at work at any reasonable time, to discuss any union or employment matter. When visiting the workplace union representatives must have regard to the normal operations undertaken in the workplace and must advise the business unit people leader at the time of

arrival. Union representatives must adhere to the Bank's procedures relating to health & safety and security.

22.1.3 Employees are entitled to attend at least two union meetings (each of a maximum of 2 hours) each calendar year without loss of pay.

22.1.4 Employees are entitled to attend a half-hour meeting per year during normal working hours for the purposes of discussing union representation. The timing of such a meeting is subject to approval by the Bank (such approval will not be unreasonably withheld).

22.2 Union delegates

The Bank recognises the role of elected union delegates. Such delegates are entitled to use (reasonable) work time as agreed from time to time with their people leader to fulfil their role as a union delegate providing the time spent in such a capacity does not adversely impact on their own performance or that of others in the workplace. Union delegates may place relevant information relating to union matters on notice boards in their work places.

23. Resolving an employment relationship problem

23.1 Employment relationship problems

This clause sets out the procedure to be followed where the employee considers an employment relationship problem has arisen. Examples of an employment relationship problem include:

- (a) A breach of an employment agreement term;
- (b) A dispute over the interpretation, application or operation of an employment agreement;
- (c) A personal grievance (for example, discrimination, sexual or racial harassment, problems related to union membership, unjustified dismissal); and/or
- (d) Arrears of wages.

23.2 Raising an employment relationship problem

23.2.1 If a problem has arisen during employment this should be raised with the Bank, via the employee's people leader, as soon as possible. If the employee is not comfortable raising the problem with the employee's people leader directly then the employee should raise it with the people leader of the employee's people leader or People, Culture & Corporate Relations. Notification should be in writing and should include the specific nature of the problem and the outcome sought.

23.2.2 Where the employee is asserting a personal grievance the employee must ensure the Bank is notified within ninety days of the action which caused the grievance and that a personal grievance is being raised so as to enable the grievance to be remedied as rapidly as possible. Failure to notify the Bank of the grievance within ninety days will mean the Bank is not obliged to consider the grievance unless one of the stated exceptions in the Employment Relations Act 2000 applies.

23.2.3 Once an employment relationship problem has been raised, the employee's people leader or a delegated representative will meet with the employee for the purpose of discussing and attempting to resolve the problem. Both the employee and the Bank are obliged to try and resolve the employee's problem in good faith. The employee can elect to bring a union delegate or other representative to this meeting and are encouraged to do so.

- 23.2.4 If the problem is not able to be resolved informally between the employee and the Bank then assistance may be sought, by either party, from the mediation services provided by the Department of Labour.
- 23.2.5 If following assistance from the Department of Labour the matter is still unable to be resolved either party may apply to the Employment Relations Authority for the matter to be heard and decided. If the employee is not satisfied with the decision of the Authority the employee can appeal the Bank's decision to the Employment Court.
- 23.2.6 Should the employee have an employment relationship problem there are a number of places where the employee may seek advice, for example:
- (a) Finsec
 - (b) The Department for Labour Mediation Service
 - (c) Labour Inspectors
 - (d) The Human Rights Commission

Schedule A – Terms of employment for specific workplaces

A1. Schedule A – Bank of New Zealand’s airport, Queenstown and SkyCity Auckland branches

A1.1. Application

- A1.1.1. This Schedule A1 applies to all employees who work in any of the Bank of New Zealand airport, Queenstown or SkyCity Auckland branches.
- A1.1.2. This Schedule A1 is to be read in conjunction with Clauses 1 – 23 of this Agreement. Where a term of this Schedule A1 is inconsistent with another term in this Agreement, the term of this Schedule A1 will apply.

A1.2. Ordinary hours of work / Individual Work Schedule

- A1.2.1. The employee’s ordinary hours of work will be 37.5 hours per week unless the employee works on a part time basis.
- A1.2.2. The employee’s actual hours of work will be set out in the employee’s letter of offer and will be the employee’s Individual Work Schedule.
- A1.2.3. The Bank may be operational seven days a week and 24 hours a day in the airport branches and SkyCity Auckland branches and on evening and weekends (Saturday and Sunday) in the Queenstown branches, depending on customer demand. In these workplaces the Bank operates rosters.
- A1.2.4. Employees of the Bank who are full-time work the 37.5 hour week over five days. However, the Bank supports work practices being arranged at a local level. The employee and the Bank may agree to an alternative arrangement (e.g. to work 37.5 hours over four days instead of five) to suit the Bank’s operational requirements or to support the employee’s request for flexible working arrangements (subject at all times to the Bank’s operational requirements and discretion). This arrangement must be recorded in the employee’s Individual Work Schedule. A maximum of 10 hours work per day will apply.
- A1.2.5. Pursuant to Clause 8.2 of this Agreement, an employee may decline a request to change their Individual Work Schedule without experiencing unreasonable prejudice.
- A1.2.6. Where the employee and the Bank have agreed that the employee’s Individual Work Schedule will contain working more than 7.5 hours per day (to a maximum of 10 hours per day), the Overtime provisions of this Agreement will not apply in respect of hours worked in excess of 7.5 hours per day. However, under no circumstances will the employee’s Individual Work Schedule be longer than 37.5 hours per week, and any hours worked in excess of 37.5 hours per week will attract the Overtime provisions of this Agreement.
- A1.2.7. At the airport branches, rosters will be issued at least seven days in advance, depending on the operational requirements of the workplace. Rostered days off will fall consecutively and will not be less than four in every fortnight unless the employee agrees otherwise.
- A1.2.8. In Queenstown and SkyCity Auckland, rosters will be made available as early in advance as practicable, but no later than 14 days in advance of the roster being implemented.

- A1.2.9. Rosters may be changed by the Bank in the event of emergency, unforeseen circumstances or, in the airport branches, where there is a change in the flight operations of the airlines operating at the particular airport.
- A1.2.10. At the airport branches, employees who are rostered to work between the hours of 9.30pm and 3am, will be paid for a minimum period of three hours at the employee's Ordinary Hourly Rate. Any part of this three hour period paid but not worked will not count towards the employee's 37.5 hours per week for the purposes of Overtime.

A1.3. Breaks

The employee's breaks are as per Clause 8.4 of this Agreement.

A1.4. Penal rates

No penal rates apply to work on a Sunday.

A1.5. Overtime

- A1.5.1. At the airport branches any hours worked in excess of 37.5 hours per week will be classed as "**Overtime**" and paid at time and a half (using the employee's Ordinary Hourly Rate x 1.5).
- A1.5.2. At the airport branches if the employee works in excess of the employee's Individual Work Schedule on a Sunday then the employee will be paid for the additional hour(s) worked at a rate of time and a half (using the employee's Ordinary Hourly Rate x 1.5).
- A1.5.3. At the Queenstown and SkyCity Auckland branches any hours worked in excess of 7.5 hours per day (unless part of the employee's Individual Work Schedule as per Clause A1.2.4) or 37.5 hours per week will be classed as "**Overtime**" and paid at time and a half (using the employee's Ordinary Hourly Rate x 1.5).
- A1.5.4. At SkyCity Auckland branches if the employee works in excess of the employee's Individual Work Schedule on a Sunday then the employee will be paid for the additional hour(s) worked at a rate of time and a half (using the employee's Ordinary Hourly Rate x 1.5).
- A1.5.5. In accordance with Clause A1.2.6 the employee may agree to work more than 7.5 hours per day as part of the employee's Individual Work Schedule without the payment of Overtime.
- A1.5.6. Where the employee is paid Overtime or paid penal rates for work on a public holiday then these hours will not be counted towards the 37.5 hours referred to in this clause.
- A1.5.7. Where the employee has taken authorised leave (including time off for illness, public holiday or otherwise) this time off work will count towards the employee's Individual Work Schedule for the week in which the leave is taken, up to a maximum of 37.5 hours.
- A1.5.8. The employee's "**Ordinary Hourly Rate**" means the employee's TFR divided by 1950.

A1.6. Public holidays

- A1.6.1. Public Holidays will be observed on the days on which they actually fall. So for example if Christmas Day or New Years Days falls on a Saturday or Sunday, they will not transfer to the Monday and/or Tuesday.

- A1.6.2. The employee agrees that the employee may be required to work on a public holiday that the employee would otherwise be entitled to.
- A1.6.3. For all authorised work performed on a public holiday that would otherwise be a working day for the employee, the employee will be paid double time (using the employee's Ordinary Hourly Rate x 2) for each hour worked and receive an alternative holiday.
- A1.6.4. For all authorised work performed on a public holiday on a day that would not otherwise be a working day for the employee, the employee will be paid at the rate of double time (using the employee's Ordinary Hourly Rate x 2) for each hour worked and the employee will *not* receive an alternative holiday.

A2. Schedule A – Bank of New Zealand Customer Contact Centres

A2.1. Application

- A2.1.1. This Schedule A2 applies to Banking Advisors, Customer Solutions Advisors, Customer Service Representatives – Email in Bank of New Zealand Customer Contact Centres.
- A2.1.2. All other employees working in Bank of New Zealand Customer Contact Centres are excluded from this Schedule A2.
- A2.1.3. This Schedule A2 is to be read in conjunction with Clauses 1 – 23 of this Agreement. Where a term of this Schedule A2 is inconsistent with another term in this Agreement, the term of this Schedule A2 will apply.

A2.2. Ordinary hours of work / Individual Work Schedule

- A2.2.1. The employee's ordinary hours of work will be 37.5 hours per week unless the employee works on a part time basis.
- A2.2.2. The employee's actual hours of work will be set out in the employee's letter of offer and will be the employee's Individual Work Schedule.
- A2.2.3. The Bank may be operational seven days a week and 24 hours a day in its Customer Contact Centres and operates set shift patterns set out below.

Day teams	Monday - Friday	5 days (37.5 hours)	Start times between 6.00am – 11am	Finish times between 2.30pm – 7pm
	Tuesday - Saturday	5 days (37.5 hours)	Start times between 6.00am – 11am	Finish times between 2.30pm – 7pm
Evening teams	Monday - Friday	5 days (37.5 hours)	Start times between 1pm – 6pm	Finish times between 9pm – 12am
Weekend teams	Saturday, Sunday, Monday & Tuesday	4 days (37.5 hours)	Start times between 6.00am – 11am	Finish times between 5pm – 12am

- A2.2.4. Once the employee has agreed to a set shift set out above, the employee's shift cannot be changed without the employee's agreement in writing.
- A2.2.5. All employees who are employed on a shift with start times of (6.30am – 11am; 1pm – 6pm, and 7am – 11am) as at the commencement date of this Agreement will be entitled to keep their Individual Work Schedule.
- A2.2.6. Pursuant to Clause 8.2 of this Agreement, an employee may decline a request to change their Individual Work Schedule without experiencing unreasonable prejudice.
- A2.2.7. Due to the Customer Contact Centre operations, the employee's Individual Work Schedule may provide for the employee to work up to a maximum of 10 hours per day. This may include work on a Saturday or Sunday as per the employee's shift.
- A2.2.8. Where the employee and the Bank have agreed that the employee's Individual Work Schedule will contain working more than 7.5 hours per day, the Overtime

provisions of this Agreement will not apply in respect of hours worked in excess of 7.5 hours per day. However, under no circumstances will the employee's Individual Work Schedule be longer than 37.5 hours per week, and any hours worked in excess of the employee's Individual Works Schedule will attract the Overtime provisions.

A2.2.9. The employee and the Bank may agree to a change of the employee's Individual Work Schedule, subject to the operational requirements of the Bank.

A2.2.10. The employee and the Bank may agree to a temporary change to the employee's start and finish times, subject to the operational requirements of the Bank, and provided this time can be covered by another employee.

A2.2.11. The employee must be provided with at least a 10 hour break between working days.

A2.2.12. The employee must be paid a minimum of 4 hours at the appropriate rate of pay on any day the employee is required to work.

A2.3. Breaks

A2.3.1. The employee's breaks will be as follows for a five day roster:

Daily work period (excluding meal breaks)	Break Entitlement
Up to 5 hours:	One paid 15 minute break and a half an hour unpaid meal break.
More than 5 hours and less than 10 hours:	Two paid 15 minute breaks and a half an hour unpaid meal break.
10 hours or more:	Three paid 15 minute breaks and a half an hour unpaid meal break.

A2.3.2. The employee's breaks will be as follows for a four day roster:

Daily work period (excluding meal breaks)	Break Entitlement
Up to 5 hours:	One paid 15 minute break and a half an hour unpaid meal break on two days of the roster.
	One paid 15 minute break and a three quarter of an hour unpaid meal break on two days of the roster.
More than 5 hours and less than 10 hours:	Two paid 15 minute breaks and a half an hour unpaid meal break on two days of the roster.
	Two paid 15 minute breaks and a three quarter of an hour unpaid meal break on two days of the roster.
10 hours or more:	Three paid 15 minute breaks and a half an hour unpaid meal break on two days of the roster.
	Three paid 15 minute breaks and a three quarter of an hour unpaid meal break on two days of the roster.

A2.3.3. Timing of breaks should reflect our commitment to sales and service and where the employee is entitled to two 15 minute breaks, these will be scheduled one in the morning and one in the afternoon.

A2.4. Meal allowance

Where in any given day the employee has worked 7.5 hours and is then required to work in excess of 2 hours Overtime the employee will be:

- (a) Provided with a suitable meal by the Bank, or
- (b) Paid a meal allowance of \$9.69 (increasing to \$10.05 as at 1 November 2008), or
- (c) Paid the actual cost of a meal up to \$17.43 increasing to \$18.08 as at 1 November 2008), provided a meal is purchased and the employee is required to continue working after the employee's meal break.

A2.5. Penal rates

No penal rates will apply to work on a Sunday.

A2.6. Overtime

A2.6.1. Employees may from time to time be asked if they would like to work an extension of their normal shift span as per the employee's Individual Work Schedule or to carry out extra shifts on days the employee would not normally work. Any hours worked in excess of the employee's Individual Work Schedule or any additional shifts will be classified as Overtime. The working of Overtime is voluntary.

A2.6.2. Overtime will be paid at time and a half (using the employee's Ordinary Hourly Rate x 1.5).

A2.6.3. Where hours are paid at Overtime, or penal rates (for time worked on a public holiday), these hours will not count towards the employee's 37.5 hours of work.

A2.7. Public holidays

A2.7.1. The employee agrees that the employee may be required to work on a public holiday that the employee would otherwise be entitled to.

A2.7.2. For all authorised work performed on a public holiday that would otherwise be a working day for the employee, the employee will be paid double time (using the employee's Ordinary Hourly Rate x 2) for each hour worked and receive an alternative holiday.

A2.7.3. For all authorised work performed on a public holiday on a day that would not otherwise be a working day for the employee, the employee will be paid at the rate of double time (using the employee's Ordinary Hourly Rate x 2). for each hour worked and the employee will *not* receive an alternative holiday

A3. Schedule A – Bank of New Zealand Credit Cards Call Centre

A3.1. Application

- A3.1.1. This Schedule A3 applies to Customer Solutions Advisors working in the Bank of New Zealand Credit Cards Call Centre.
- A3.1.2. All other employees working in the Bank of New Zealand Credit Cards Call Centre are excluded from this Schedule A3.
- A3.1.3. This Schedule A3 is to be read in conjunction with Clauses 1 – 23 of this Agreement. Where a term of this Schedule A3 is inconsistent with another term in this Agreement, the term of this Schedule A3 will apply.

A3.2. Ordinary hours of work / Individual Work Schedule

- A3.2.1. The employee's ordinary hours of work will be 37.5 hours per week unless the employee works on a part time basis.
- A3.2.2. The employee's actual hours of work will be set out in the employee's letter of offer and will be the employee's Individual Work Schedule.
- A3.2.3. The Bank may be operational seven days a week and 24 hours a day in the Credit Cards Call Centre and operates two shift patterns.

Day shift span of hours	7am - 11pm
Overnight shift span of hours	5pm – 10am

- A3.2.4. Individual Work Schedule will be worked during either the day shift or the overnight shift. Once the employee has agreed to a shift set out above, the employee's shift cannot be changed without the employee's agreement in writing.
- A3.2.5. All employees who are employed on one of the above shifts as at the commencement date of this Agreement will be entitled to keep their Individual Work Schedule as it is at that time.
- A3.2.6. Pursuant to Clause 8.2 of this Agreement, an employee may decline a request to change their Individual Work Schedule without experiencing unreasonable prejudice.
- A3.2.7. Due to the Credit Cards Call Centre operations the employee's Individual Work Schedule may provide for the employee to work up to a maximum of 10 hours per day or 37.5 hours per week. This may include work on a Saturday or Sunday as per the employee's shift.
- A3.2.8. Where the employee and the Bank have agreed that the employee's Individual Work Schedule will contain working more than 7.5 hours per day, the Overtime provisions of this Agreement will not apply in respect of hours worked in excess of 7.5 hours per day. However, under no circumstances will the employee's Individual Work Schedule be longer than 37.5 hours per week, and any hours worked in excess of 37.5 hours per week will attract the Overtime provisions of this Agreement.
- A3.2.9. The employee and the Bank may agree to a change of the employee's Individual Work Schedule, subject to the operational requirements of the Bank.
- A3.2.10. The employee and the Bank may agree to a temporary change to the employee's start and finish times, subject to the operational requirements of the Bank, and provided this time can be covered by another employee.

A3.2.11. The employee must be provided with at least a 10 hour break between working days.

A3.3. Breaks

A3.3.1. The employee's breaks will be as follows for a five day roster:

Daily work period (excluding meal breaks)	Break Entitlement
Up to 5 hours:	One paid 15 minute break and a half an hour unpaid meal break.
More than 5 hours and less than 10 hours:	Two paid 15 minute breaks and a half an hour unpaid meal break.
10 hours or more:	Three paid 15 minute breaks and a half an hour unpaid meal break.

A3.3.2. The employee's breaks will be as follows for a four day roster:

Daily work period (excluding meal breaks)	Break Entitlement
Up to 5 hours:	One paid 15 minute break and a half an hour unpaid meal break on two days of the roster. One paid 15 minute break and a three quarter of an hour unpaid meal break on two days of the roster.
More than 5 hours and less than 10 hours:	Two paid 15 minute breaks and a half an hour unpaid meal break on two days of the roster. Two paid 15 minute breaks and a three quarter of an hour unpaid meal break on two days of the roster.
10 hours or more:	Three paid 15 minute breaks and a half an hour unpaid meal break on two days of the roster. Three paid 15 minute breaks and a three quarter of an hour unpaid meal break on two days of the roster.

A3.3.3. The timing of breaks should reflect our commitment to sales and service and where the employee is entitled to two 15 minute breaks, these will be scheduled one in the morning and one in the afternoon.

A3.4. Meal allowance

Where in any given day the employee has worked 7.5 hours and is then required to work in excess of 2 hours Overtime, the employee will be:

- (a) provided with a suitable meal by the Bank, or
- (b) paid a meal allowance of \$9.69 (increasing to \$10.05 as at 1 November 2008),
or
- (c) paid the actual cost of a meal up to \$17.43 increasing to \$18.08 as at 1 November 2008), provided a meal is purchased and the employee is required to continue working after the employee's meal break.

A3.5. Penal rates

No penal rates will apply to work on a Sunday.

A3.6. Overtime

A3.6.1. Any hours worked in excess of 37.5 per week will be classified as Overtime and paid at time and a half (using the employee's Ordinary Hourly Rate x 1.5).

A3.6.2. Where hours are paid at Overtime, or penal rates (for time worked on a public holiday), these hours will not count towards the employee's 37.5 hours of work.

A3.7. Public Holidays

A3.7.1. Public Holidays will be observed on the days on which they actually fall. So for example if Christmas Day or New Years Days falls on a Saturday or Sunday, they will not transfer to the Monday and/or Tuesday.

A3.7.2. The employee agrees that the employee may be required to work on a public holiday that the employee would otherwise be entitled to.

A3.7.3. For all authorised work performed on a public holiday that would otherwise be a working day for the employee, the employee will be paid double time (using the employee's Ordinary Hourly Rate x 2) for each hour worked and receive an alternative holiday.

A3.7.4. For all authorised work performed on a public holiday on a day that would not otherwise be a working day for the employee, the employee will be paid at the rate of double time (using the employee's Ordinary Hourly Rate x 2) for each hour worked and the employee will *not* receive an alternative holiday.

Schedule B - Performance based remuneration system

B1. Remuneration system

B1.1. Remuneration policy

The objectives of the Bank of New Zealand Remuneration Policy are:

- (a) To pay employees competitively so we can attract, retain and develop the best people so we can achieve our short and long term organisational goals;
- (b) To ensure employees are rewarded fairly for the work they perform and receive a total remuneration reward that is comparable with comparable employees and comparable markets;
- (c) To recognise and reward employees with an agreed percentage increase negotiated with the employee representative and the Bank; and
- (d) To recognise and reward high and consistent performance.

B1.2. Grading

B1.2.1. The Bank operates a Performance Based Remuneration System, which supports the Remuneration Policy. This system operates as follows:

- (a) There are seven grades, which apply to employees covered by these Standard Terms of Employment. These are Grades (J), (K), (KBA), (L), (LC), (M) and (N).
- (b) Each position is evaluated and will be positioned in one of the seven grades. Each grade (J), (K), (L), (M) and (N) has a rate set for fully competent performance. This is called the mid-point of each grade paid at 100% of the TFR for that grade.
- (c) Grades (LC) and (KBA) have a total On Target Earnings is 100% and consists of 80% TFR and 20% Variable Pay, as per Clause B5.3.

B1.2.2. The employee may be employed below the mid point rate based on the following guidelines:

Rate	Category	Description
85%	Trainee rate	Employees newly recruited to the Bank who may not have previous experience in the financial services industry relevant to their role.
90%	Entry level rate	After three months trainees will have their performance review and if meeting in-training objectives, they will move to the 90% level and will be set the standard individual objectives/KRAs applicable to the position.
95%	Developing/Needs Improvement	An employee will move to 95% during the end of year remuneration review process when an employee is on 90% and receives a Developing or Needs Improvement rating in the end of year process.

B1.3. Typical grades

Each position is individually evaluated and graded however there are "typical" positions for each grade in which relatively large numbers of employees are grouped. Some typical positions (non-exhaustive) for each of the seven grades are as follows:

Grade	Typical positions
J	Team leader
K	Banking Advisor (branch), Business/Agribusiness Support Officer, Home Loan Sales Support, Quality Support, International Banker/Trade Specialist, Credit Analyst
L	Team Member Lending Services, Customer Services Consultant, Customer Services Representative – Email. Customer Solutions Advisors in Cards Call Centre
M	Teller, Team Member Customer Account Services
N	Administrator, Deposit Management Services Teller
LC (CSA)	Customer Solutions Adviser – Bank of New Zealand Customer Contact Centre
KBA (BA)	Banking Advisor – Bank of New Zealand Customer Contact Centre

B1.4. Total Fixed Remuneration

Total Fixed Remuneration				
	Base salary			
Grade %	1 Nov 2007 3.75%	1 April 08 further 1% (Bank's KiwiSaver Contribution)	1 Nov 2008 3.75%	1 April 09 further 1% (Bank's KiwiSaver Contribution)
Grade J				
mid point				
100%	55,692	56,249	58,359	58,943
95%	52,908	53,438	55,442	55,997
90%	50,123	50,625	52,524	53,050
Grade K				
mid point				
100%	49,535	50,031	51,907	52,428
95%	47,059	47,530	49,313	49,807
90%	44,582	45,028	46,718	47,186
85%	42,105	42,527	44,122	44,564
Grade L				
mid point				
100%	43,869	44,308	45,970	46,430
95%	41,676	42,093	43,672	44,109
90%	39,483	39,878	41,373	41,787
85%	37,289	37,662	39,075	39,466
Grade M				
mid point				
100%	39,309	39,703	41,192	41,604
95%	37,344	37,718	39,133	39,524
90%	35,379	35,733	37,073	37,444
85%	33,413	33,748	35,014	35,364
Grade N				
mid point				
100%	35,009	35,360	36,686	37,053
95%	33,259	33,592	34,852	35,201
90%	31,509	31,824	33,018	33,349
85%	29,758	30,056	31,184	31,496
Grade LC				
OTE (100%)	49,623	50,119	51,999	52,519
TFR (80%)	39,698	40,095	41,599	42,015
Variable Pay (20%)	9,925	10,024	10,400	10,504
Grade KBA				
OTE (100%)	56,298	56,862	58,994	59,584
TFR (80%)	45,038	45,489	47,195	47,667
Variable Pay (20%)	11,260	11,373	11,799	11,917

B1.5. KiwiSaver provisions

B1.5.1. The Kiwisaver provisions apply to the employee's TFR as per Clause 9 of this Agreement.

B1.6. Promotion and relief

B1.6.1. Where an employee moves to a higher grade, the employee's TFR will be no less than the 90% level for the new grade. This TFR will apply until the employee is rated Developing.

B1.6.2. An employee who is relieving or acting in a position of a higher grade for any period of five consecutive working days or longer will be paid between 90% and 100% of the rate of the midpoint for the higher grade or such alternative rate of pay that is agreed between the employee and their people leader.

B1.7. Job evaluation

B1.7.1. All positions are evaluated using a Bank specific points rating system. The evaluations determine the grade of each position.

B1.7.2. The employee will be advised of the grade of the employee's position:

- (a) Upon engagement; or
- (b) When moving to a new graded position.

B1.7.3. If the employee disagrees with the grading of the employee's position, the matter should first be raised and discussed with the employee's people leader. The formal review process will be to review the position description for accuracy and forward it to the people leader's people leader for final review and sign off. The revised position description will be referred to the Job Evaluation Committee for re-evaluation and the committee's decision will be final. The Committee will be formed from a balanced pool of employees nominated by the Bank and nominated as employee representatives, and who have been trained in job evaluation.

B1.7.4. Where the functions and/or responsibilities of the employee's position alter, the employee may request re-evaluation of the position by discussing the matter first with the employee's people leader and then following the grading review procedure set out above.

B2. Performance rating system

B2.1.1. The Bank's performance rating system sets out a process for the management of the performance of each employee.

B2.1.2. An essential component of performance management is the annual evaluation of performance against objectives. As part of the evaluation the employee will be given an overall performance rating at one of the following levels:

Exemplary Contributor

Significant Contributor

Valued Contributor

Developing

Needs Improvement

Unsatisfactory

Not Evaluated

B2.1.3. This rating is then used for the annual remuneration review set out in Clause B3 of this Agreement and any applicable incentive payment as set out in Schedule B5.

B2.1.4. If the employee has not been in the role for three months at the time of the annual performance evaluation, a "Not Evaluated" or Developing rating will be given. This does not apply if the employee is transferring to the same position in a different location, where the performance evaluation will follow the normal cycle.

B3. Remuneration review

B3.1. Remuneration review policy

B3.1.1. The employee's TFR will be reviewed annually. This review will be based on the application of the mid-point TFR for the grade and the employee's performance rating as set out in Clause B2 and in accordance with the table below.

B3.1.2. The employee's TFR cannot be decreased at the annual remuneration review.

B3.1.3. Any remuneration increase will be effective from 1 November in the year of the review.

Exemplary Contributor (EC), Significant Contributor (SC) and Valued Contributor (VC)	
The employee's current situation	What will apply
The employee's TFR is below or equal to the new mid-point for the employee's grade.	The employee's TFR will be increased to the new mid-point.

Developing (D) and Not Evaluated (NE)	
The employee's current situation	What will apply
The employee's TFR is less than 95% of the old grade mid-point for the employee's grade.	The employee's TFR will be increased to 95% of the new grade mid-point.
The employee's TFR is 95% to 100% of the old grade mid-point.	The percentage increase of the grade mid-point will be applied to the employee's TFR (e.g. If the employee is on 95% of the old mid-point, the employee will move to 95% of the new midpoint).

Needs improvement (NI)	
The employee's current situation	What will apply
One NI rating	Refer to Developing/Not Evaluated above, the same applies
Two consecutive NI ratings (end of year)	No TFR increase will be applied.

Unsatisfactory (U)	
One Unsatisfactory rating (end of year)	No TFR increase will be applied.

B4. Performance rating appeals

B4.1. The employee should discuss with the employee's people leader when:

- (a) Feedback and coaching are not being provided; and/or
- (b) The employee is dissatisfied with the employee's performance evaluation and rating.

B4.2. In either situation, if the discussion does not resolve the problem, the employee may request a review with the evaluator's people leader or a peer of the employee's people leader in a like job role. At this review, the employee may bring a support person, including a union representative to assist the employee.

B4.3. If the employee remains dissatisfied after this review the employee may request a meeting with the General Manager of People, Culture & Corporate Relations (or nominee) and the evaluator's people leader to discuss the employee's concerns. At this meeting the employee may request the attendance of the employee's authorised representative.

B5. Performance incentive schemes

B5.1. Summary of incentive schemes

B5.1.1. The Bank operates several incentive schemes which apply as follows:

- (a) Banking Advisors in the branch network are covered by the Incenting Higher Performance (IHP) Scheme as set out in Clause B5.2 below;
- (b) Banking Advisors and Customer Solutions Advisors in Bank of New Zealand Contact Centres are covered by the Bank of New Zealand Contact Centre Incentive Scheme as per Clause B5.3 of this Agreement;
- (c) All employees who were employed as at 30 September 2006 and who have opted to remain on the PMF Incentive Scheme, are covered by the PMF Incentive Scheme as set out in Clause B5.4 of this Agreement;
- (d) Employees who work in Corporate & Institutional Banking (CIB) who were employed as at 30 September 2007 and have opted to be covered by the CIB Incentive Scheme, will be covered by the CIB Incentive Scheme. All employees employed to work in CIB from 1 October 2007 will be covered by the CIB Incentive Scheme as set out in Clause B5.6 of this Agreement;
- (e) All employees who are not covered by one of the incentive schemes referred to in (a) to (d) above are covered by the New Zealand Incentive Plan as set out in Clause B5.5 of this Agreement.

B5.1.2. Where an incentive scheme referred to in Clause B5.1.1 (a) – (e) applies to the employee, the employee will be covered by the rules of that scheme as provided in this Schedule B or guidelines relating to that scheme.

B5.2. The IHP Incentive Scheme for Banking Advisors in branches

B5.2.1. The IHP Incentive Scheme covers:

- (a) All Banking Advisors who are permanent employees employed to work in a branch on or after 1 October 2003; and
- (b) All Banking Advisors who are permanent employees employed to work in a branch as at 31 October 2003 and who have opted to join the IHP Scheme (previously covered by the PMF Incentive Scheme).

B5.2.2. Banking Advisors who opt in to the IHP Incentive Scheme may not subsequently revert to the PMF Incentive Scheme.

B5.2.3. Banking Advisors who are covered by the IHP Incentive Scheme will receive performance ratings. However, those performance assessment results will only be used for assessing performance, not for any TFR increase (for which the end of year rating applies).

B5.2.4. Total remuneration under the IHP Incentive Scheme will be made up of TFR and also “variable incentive pay”. The main objective of the variable incentive pay is to incentivise and reward the employee for achieving revenue points and targets.

B5.2.5. In each quarter where a Valued Contributor rating is achieved, the employee will be entitled to participate in the variable incentive pay scheme.

B5.2.6. The details of how variable incentive pay will apply in practice are contained within the Banking Advisors Incenting Higher Performance Incentive Scheme Guidelines (the IHP Guidelines). The IHP Guidelines are part of Bank policy and not part of this Agreement. The Bank reserves the right to, from time to time, review, amend, revise the IHP Guidelines.

B5.2.7. Where the employee elects to be governed by the IHP incentive scheme, this will be the employee’s sole performance recognition payment.

B5.2.8. The employee’s sale points will be assessed at the completion of each quarter and any variable pay will be made as soon as practicable thereafter.

B5.3. The Customer Contact Centre Incentive Scheme for Banking Advisors and Customer Solutions Advisors in the Bank of New Zealand Customer Contact Centres

B5.3.1. The Customer Contact Centre (CCC) Incentive Scheme applies to all permanent employees who are Banking Advisors and Customer Solutions Advisors in the Bank of New Zealand Customer Contact Centre (excluding Customer Services Representatives – Email (who are eligible to participate in NZIP).

B5.3.2. The employee’s total On Target Earnings (OTE) is made up of two components as follows:

On Target Earnings 100%	
TFR 80% of OTE	Variable Pay 20% of OTE

“**Variable Pay**” means the variable aspect of the employee’s pay paid in accordance with the CCC Incentive Scheme Guidelines.

B5.3.3. The CCC Incentive Scheme Guidelines are part of Bank policy and not part of this Agreement. The Bank reserves the right to, from time to time, review, amend, revise and, if necessary, cancel any matter contained in the CCC Incentive Scheme Guidelines following consultation.

B5.3.4. Variable pay will be the sole pay for performance recognition payment. The employee is not eligible for another performance incentive payment.

B5.3.5. Variable pay will be paid each month following the first complete month of work.

B5.3.6. Total OTE will be reviewed annually in accordance with this Agreement and the rules of the CCC Incentive Scheme Guidelines

B5.4.PMF Incentive Scheme

B5.4.1. The Performance Management Framework Incentive Scheme covers:

- (a) All Banking Advisors employed on a permanent basis as at 1 October 2003 who have not opted to be covered by the IHP Incentive Scheme; and
- (b) All other eligible employees employed on a permanent basis as at 30 September 2006 who have not opted to be covered by NZIP or the CIB Incentive Scheme.

B5.4.2. In respect of all employees who are subject to the PMF Incentive Scheme the following will apply:

- (a) To receive a payment under the PMF Incentive Scheme the employee must be green or amber on the employee's scorecard compliance and behaviour quality gates.
- (b) A one-time performance payment equivalent to 1.25% of the employee's grade mid-point will be made where the employee's overall performance is rated Valued Contributor.
- (c) A one-time performance payment equivalent to 5% of the employee's grade mid-point will be made where the employee's overall performance is rated Significant Contributor.
- (d) A one-time performance payment equivalent to 10% of the employee's grade mid-point will be made where the employee's overall performance is rated Exemplary Contributor.
- (e) Where less than twelve months' service has been worked in the employee's grade, performance payments will be applied on a pro-rata basis.
- (f) Pro-rata payments will be made to part-time employees for ordinary hours worked in the previous twelve months for Exemplary Contributor, Significant Contributor and Valued Contributor.

B5.5. The New Zealand Incentive Plan (NZIP)

B5.5.1. The NZIP covers:

- (a) All permanent employees not otherwise covered by a specific incentive scheme set out in this Clause B5 employed on or after 1 October 2006; and
- (b) All permanent employees employed as at 30 September 2006, who are eligible to be covered by the PMF Incentive Scheme and who have opted to be covered by the NZIP.

B5.5.2. In each performance year (between 31 August and 30 September) all permanent employees who are eligible to be covered by NZIP and who remain covered by the PMF Incentive Scheme will be offered the opportunity to join the NZIP, in order to be eligible for the NZIP as at 1 October of the new performance year.

B5.5.3. When the employee elects to move from the PMF Incentive Scheme to the NZIP, the employee may not subsequently revert to the PMF Incentive Scheme unless the Bank revokes the NZIP.

B5.5.4. To receive a performance payment under the NZIP the employee must:

- (a) Be green or amber on the employee's scorecard compliance and behaviour quality gates; and
- (b) Achieve a performance rating of Valued Contributor or above.

B5.5.5. The employee will be eligible to participate in the NZIP in each performance year.

B5.5.6. Where less than 12 months' service has been worked, performance payments will be pro-rated.

B5.5.7. Where the employee changes into or from a role covered by a tailored incentive scheme that is either due to make a payment, or has already made a payment, within the performance year, any payment under the NZIP will be calculated on a pro-rata basis.

B5.5.8. Where the employee changes roles or grades during the performance year to another role or grade that remains covered by the NZIP, the employee's new people leader will take into consideration performance in any prior roles performed during the entirety of the performance year when determining an overall performance rating. This performance rating will be used for the purposes of calculating any annual incentive payment under the NZIP. Any payment will be based on the employee's TFR as at 1 July.

B5.5.9. Under the scheme, all eligible employees will receive an incentive percentage of 5% of TFR for the performance year. Incentive percentages, combined with the outcomes of both individual and business performance measures, will be used to determine the amount of any annual incentive payment.

B5.5.10. Annual incentive payments will be made within the ranges as follows:

Rating	NZIP
Exemplary Contributor	8 – 10%*
Significant Contributor	6 – 7.5%*
Valued Contributor	3 – 5.5%*

*Based on achievement of financial performance at 100%

B5.5.11. The details of how incentive payments will be determined in practice are contained within the New Zealand Incentive Plan Description and Rules ("NZIP Description and Rules), available to all employees. The NZIP Description and Rules are part of Bank policy and not part of this Agreement. The Bank reserves the right to amend the NZIP Description and Rules from time to time.

B5.5.12. Incentive payments will be made annually. To be eligible for an incentive payment in any performance year, the employee must be employed on the date upon which the incentive payment is made in the relevant performance year (subject to exceptions as detailed in the NZIP Guidelines).

B5.6. The Corporate & Institutional Banking Incentive Scheme (CIB Scheme)

B5.6.1. The Corporate & Institutional Banking Incentive (CIB Incentive Scheme) will cover:

- (a) All permanent employees covered by this Agreement and employed within Corporate & Institutional Banking on or after 1 October 2007; and
- (b) All permanent employees employed as at 30 September 2006, who are eligible to be covered by the PMF Incentive Scheme or NZIP and who have opted to be covered by the CIB Incentive Scheme.

B5.6.2. In respect of subsequent performance years, all permanent employees covered by this Agreement and working within CIB will be offered the opportunity to transfer to the CIB Incentive Scheme between 31 August and 30 September in each year, in order to be eligible for the CIB Incentive Scheme as at 1 October of the new performance year.

B5.6.3. When the employee elects to move to the CIB Incentive Scheme, the employee may not subsequently revert to the employee's previous incentive payment scheme.

B5.6.4. To receive a performance payment under the CIB Incentive Scheme the employee must:

- (a) Be green or amber on the employee's scorecard compliance and behaviour quality gates; and
- (b) Achieve a performance rating of Valued Contributor or above.

B5.6.5. The employee will be eligible to participate in the CIB Incentive Scheme in each performance year.

B5.6.6. Where less than 12 months' service has been worked, performance payments will be pro-rated.

B5.6.7. Where the employee changes into or from a role covered by another incentive scheme that is either due to make a payment, or has already made a payment, within the performance year, any payment under the CIB Incentive Scheme will be calculated on a pro-rata basis.

B5.6.8. Where the employee changes roles during the performance year to another role that remains covered by the CIB Incentive Scheme, the employee's new people leader will take into consideration performance in any prior roles performed during the entirety of the performance year when determining an overall performance rating. This performance rating will be used for the purposes of calculating any annual incentive payment under the CIB Incentive Scheme.

B5.6.9. The details of how incentive payments will be determined in practice are contained within the CIB Incentive Scheme Plan Description and Rules available to all employees. The CIB Incentive Scheme Plan Description and Rules are part of Bank policy and not part of this Agreement. The Bank reserves the right to amend the CIB Incentive Scheme Plan Description and Rules from time to time.

B5.6.10. Incentive payments will be made annually. To be eligible for an incentive payment in any performance year, the employee must be employed on the date upon which the incentive payment is made in the relevant performance year (subject to exceptions as detailed in the CIB Incentive Scheme Plan Description and Rules Guidelines).

This Agreement is signed on _____ at _____ on behalf of the Parties as follows:

Cameron Clyne
Managing Director
Bank of New Zealand

Bella Pardoe
National Organiser
Finsec
