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1. PARTIES TO THE AGREEMENT

This Collective Agreement is made pursuant to the Employment Relations Act 2000 between:

- Bank of New Zealand "The Bank", "we" or "the employer" and
- Finsec "The Union" jointly known as "The parties"

2. COVERAGE

This agreement covers all permanent employees of the Bank who are responsible for the provision of bank products and services and / or support functions of that process between and including grades J to N. It shall also cover the work of any employees graded I and above who were a party to Bank of New Zealand Collective Employment Agreement that expired on 31 October 2001.

This agreement does not cover:

- The work of employees (as described above) who are engaged in job roles which are specialised in nature as agreed between the parties.
- Employees whose work is described in another coverage clause contained in any other collective agreement agreed between the parties.

Schedule D of this agreement shall only apply to work carried out by permanent (part time and full time) employees of the Bank who are employed as Customer Solutions Advisors ("CSAs") and Customer Solutions Advisors – E-mail ("CSAEs") at Bank of New Zealand Customer Contact Centres as part of the Direct Banking team.

For those employed pursuant to Schedule D, wherever there is a contradiction between these primary terms of employment and any term or condition contained within Schedule D, then the term or condition provided in Schedule D will take precedence.

3. APPLICATION

This agreement shall apply to and bind the parties and all employees who are or who become members of the union and whose work falls within the definition contained in clause 2 of this agreement.

Employee(s) known as "you".

4. TERM

This Agreement will commence on 1 November 2005 and will continue in force until 31 October 2007.

SIGNING OF THIS AGREEMENT

This Agreement has been signed on behalf of the parties as follows:

Peter Thodey
Managing Director
Bank of New Zealand

Bella Pardoe
Finsec

5. INTRODUCTION

The Bank's main resource is its pool of skilled employees. Our objective is to sustain and develop this resource within the competitive market in which we operate.

It is neither possible nor desirable to set rules regarding everything that can happen in a working week. We value your ability to make your own decisions depending on what is happening at any time. However we can and should set out the general terms and conditions of your employment to provide a foundation for our relationship.

Where this document provides for changes to terms of employment by mutual agreement, no such agreement will be effective unless the agreement is authorised by your senior manager's manager. As part of this process your senior manager will ensure you have had the opportunity to seek representation on any proposed change.

Any existing or previous agreement relating to your terms of employment is superseded.

If at any time you have questions about these matters please refer them to your manager.

6. EMPLOYMENT POLICY

6.1 General

The Bank believes in providing fair and equal opportunities to you and all other employees.

We will provide and ensure equal access to jobs, promotions, transfers, pay increases, training and development opportunities, and all other aspects of employment.

A successful business is the result of teamwork; people working together in a spirit of partnership.

6.2 Communication

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, risk free, open and frank communication between employees and people managers.

The Bank expects that people managers will create an environment that encourages both parties to establish a two way dialogue on issues of concern as they arise. This enables both parties to work constructively to resolve issues before they cause harm to the working environment or relationship.

6.3 Consultation

The Bank recognises that there are a number of workplace related issues for employees which need to be addressed in order to ensure our commitment to deliver optimal customer service and provide employee satisfaction.

To achieve this objective, and to address employee concerns, the Bank gives its commitment that it will work in consultation with employees to improve the workplace. This will be done by way of regular meetings with employee representatives. Employee members of the Union Council may also attend.

The Bank undertakes to provide employees and the Union Council with regular information on workplace initiatives and progress with their implementation.

The Bank is committed to promoting harmony and ensuring that consultation and co-operation are the basis for relationships between the Bank and employees. The Bank's objectives include:

- Developing a closer working partnership between the Bank and employees.
- Increasing the efficiency, flexibility and competitiveness of the business.
- Recognising employees' contributions.
- Improving the working environment.

However, even in the best of businesses, conflicts will arise. The important thing is they are dealt with promptly and fairly. If you believe a conflict or issue has arisen during your employment refer to the procedure set out in clause 15.

6.4 Work / life balance

The Bank is committed to ensuring that employees are able to balance their work and personal lives satisfactorily.

The Bank expects that employees will be able to meet the requirements of their role within their usual daily and weekly hours of work without the need to work additional hours on a regular basis. Where employees are required to work outside their usual hours they will be compensated in accordance with the provisions of this agreement.

The Bank will monitor workloads to ensure that regular and/or excessive additional hours of work are not required.

7. WORK SCHEDULE

7.1 Introduction

The Bank and all employees covered by these Standard Terms of Employment have agreed to the concept of "stable but adaptable" being applied to hours of work. This means that each individual's hours of work are protected in that they cannot be changed without your agreement, while at the same time the Bank has the ability to adapt quickly to changing circumstances.

An essential component of this agreement is that nothing in this agreement shall require that your hours of work may be altered without your full consent. The Bank records its commitment to ensuring that all agreements to change hours of work are genuine and voluntary and that you are not placed under inappropriate pressure by your manager to agree to any change in your hours of work. You shall not be subject to any duress to change your hours of work.

If you decline a change of hours proposal or variation proposal, you will not be subject to prejudice in your performance appraisal on that ground alone.

Please note that if you feel you have been unfairly pressured to change your hours of work, or have not been advised of your right to representation, you or your representative should advise the General Manager of People & Culture (or nominee) who will investigate your complaint in conjunction with your manager's manager.

7.2 Ordinary hours

Your ordinary hours are those worked up to 37.5 per week or 7.5 per day except as may be provided for elsewhere in the Collective Employment Agreement.

7.3 Change of hours

Your work schedule (as recorded in your letter of confirmation) and related conditions can only be changed by one of the following methods:

Where the proposal for change keeps all ordinary hours of work within the hours of 7am to 9pm on Monday to Saturday, this will be called a "Change of Hours Proposal" and you and your manager must both agree to the proposal. Any agreed Change of Hours Proposal must be recorded in writing by the issuing of a new letter of confirmation. Please note that at your request your representative may be present when you discuss your hours.

7.4 Variation proposal

Where either party proposes a variation to this agreement the following process shall apply:

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

There are special terms and conditions relating to the airport agencies and other agencies as agreed between the parties in writing and that these are to be read in conjunction with and form part of this Collective Agreement.

Where these special terms and conditions are inconsistent with those terms expressed elsewhere in this agreement, then the special terms and conditions shall apply.

7.5 Penal rates

Unless otherwise agreed as part of a variation proposal, you will be eligible for penal rates where you work ordinary hours at any time on a Sunday, calculated at your ordinary rate for any time so worked, in addition to your ordinary pay for that day.

Your ordinary rate for the purposes of this agreement is derived from your annual salary by dividing your annual salary by 1,950.

7.6 Overtime

Any hours worked in excess of 7.5 per day or 37.5 per week will be paid at time and a half if worked between midnight Sunday night and midnight Saturday night. If overtime is worked between midnight Saturday night and midnight Sunday night it will be paid at double time.

Neither you nor the Bank can agree to more than 37.5 hours being worked in any week without overtime applying.

If you work at Auckland Airport, overtime may, by agreement, be paid for hours worked in excess of 75 hours in a fortnightly cycle instead of a 37.5 hour week.

Subject to these weekly or fortnightly limitations, in all instances, you may agree to work more than 7.5 hours per day without the payment of overtime.

Your normal starting time can be deferred where you have been required to work so much overtime that you would not have an 8 hour break between your finishing time on one day and your next normal start time. If you are required to start work without such an 8 hour break your pay will be made up to the equivalent of the overtime rate until you have been allowed an 8 hour break.

Please note that a single callout of 1 hour or less does not interrupt the continuity of your break.

7.7 Time off in lieu

As an alternative to the payment of overtime rates, by agreement in writing with your manager, you will be entitled to time off in lieu subject to the following criteria.

- For each hour worked in excess of 37.5 per week, (or 75 per fortnight for Auckland Airport employees only), or 7.5 per day (or such longer period of ordinary daily hours which you may have agreed to) you will receive a credit of 1 hour.
- Time off in lieu is to be taken within twelve months of it being earned and at a mutually acceptable time. Any time off accrued and not taken within twelve months or outstanding at time of termination shall be paid to you on the same basis as it was originally credited to you.

For the purpose of calculating overtime or the crediting of time off in lieu, in a week where you have taken authorised leave (including time off for illness) or a recognised public holiday has been observed, your ordinary hours of work will be deemed to include such time off work, up to a maximum of 37.5 hours.

Note that overtime payments and time off in lieu do not apply if your salary is more than \$2,000 above the mid-point of Grade J as set out in Schedule A “Remuneration System”.

7.8 Breaks

The timing of breaks should reflect our commitment to sales and service and where you are entitled to two 10 minute breaks these will be scheduled one in the morning and one in the afternoon. Unless otherwise agreed work breaks will be as follows:

Daily work period (excludes meal breaks)	Break entitlement
2.5 hours but less than 4 hours	One paid 10 minute break
Up to 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 with you manager.	

7.9 Meal allowance

Where you are required to work before 7am or after 7pm and this is outside your current hours of work as recorded in your letter of confirmation you will be:

- Provided with a suitable meal by the Bank, or
- Paid a meal allowance of \$9.34, or

- Paid the actual cost of a meal up to \$16.80 provided a meal is purchased and you are required to continue working after your meal break.

7.10 Shift employees

If you are currently designated or you agree to become designated as a shift employee the shift work provisions as set out in Schedule B or C, as appropriate, apply instead of the above provisions relating to your work schedule.

7.11 Attendance book

You may be required to sign an attendance book that records the times of commencing and ceasing duty. This cannot be altered by anyone except you.

7.12 Application

Clause 7 will have no application to those employed pursuant to Schedule D of this agreement.

8. LEAVE

8.1 Public holidays

Except as otherwise recorded below, public holidays will be allowed in accordance with the Holidays Act 2003.

The recognised holidays are:

- Christmas Day
- Boxing Day
- New Years Day
- The second day of January (or some other day in its place)
- Waitangi Day
- Good Friday
- Easter Monday
- Anzac Day
- The anniversary of the reigning Sovereign
- Labour Day
- Anniversary Day (or some other day in its place)

If you transfer from a location where the anniversary day has not been observed to a location where it has you will be entitled to one days leave in lieu of the anniversary day.

For all work performed on a recognised holiday you will be paid at the rate of double time as follows:

- If you are authorised to work on a recognised holiday and that day would otherwise be a working day:
 - your salary will continue

- you will receive an additional payment at single time for each hour worked
- you will be granted another whole holiday on pay at a mutually convenient time.
- Where you work on a recognised holiday outside your normal hours, you will be paid at the rate of double time for each hour worked.

For those employed pursuant to Schedule D, the Bank reserves the right to require you to work on a public holiday if that holiday day falls on a rostered working day.

8.2 Annual leave

Annual leave will be in accordance with the Holidays Act 2003.

At the end of each year of employment with the Bank you are entitled to three weeks annual leave until 31 December 2000.

From 1 January 2001 you will (at the end of each year of employment with the Bank) be entitled to four weeks annual leave. With the agreement of your manager in writing you may elect to be paid in lieu of taking the fourth week of annual leave.

Be sure to discuss your holiday preferences with your manager so that as far as practicable your wishes can be accommodated.

You need to take a break from work on a regular basis to relax and to refresh yourself.

For this reason the Bank requires that holidays be taken within twelve months of falling due, but in special circumstances your manager may agree that leave be accumulated until a later date. Such agreement should be recorded in writing.

Any annual leave may be taken in advance of entitlement with the agreement of the Bank.

8.3 Bereavement leave

In the event of the death of your partner, parent or guardian, partner's parent, brother, sister, child, grandparent or grandchild you will be granted up to three days paid bereavement leave.

In situations where you require more than three days bereavement leave your manager may approve such a request depending on the circumstances.

In addition to the above, your manager has the discretion to grant bereavement leave of up to one day where your manager believes that you have suffered a bereavement. This will depend upon your closeness to the deceased person, whether you have to take a significant responsibility for all or any of the funeral arrangements for the ceremonies relating to the death and your cultural responsibilities associated with the death.

8.4 Parental leave

Parental leave will be granted in accordance with the provisions of the Parental Leave and Employment Protection Act 1987.

The Act provides that unpaid leave may be taken, subject to certain procedures, by both women and men on the occasion of the birth or adoption of a child. The period of unpaid leave may be up to fifty two weeks and can be shared by the partners/couple.

The Act requires that certain notice procedures must be observed and employees must give notice to the Bank at least three months before the expected date of birth. (Different periods of notice apply in the case of adoption). A medical certificate confirming the pregnancy must be given with the notice.

Subject to the criteria set out in the Parental Leave and Employment Protection Act 1987, your job will be kept open for you.

For further details contact your manager.

This note is added for clarity and does not detract from the rights and obligations imposed by the Act.

8.5 Family leave

Where you or your partner gives birth to or adopts a child under the age of 5, you may take three days paid family leave within three weeks prior to or following the birth or adoption. In addition you may take a further seven days as unpaid leave. Your entitlement to family leave is in addition to your entitlements under the Parental Leave and Employment Protection Act 1987. To assist with scheduling such leave, you should give the Bank as much notice as possible of your intention to take this leave.

If you wish to take this paid leave while you are already on parental leave, the first three days of parental leave will be taken as family leave and your parental leave will be extended accordingly.

8.6 Domestic leave

Where your partner or a dependent is ill, or where it is essential for you to be absent from work due to pressing family or personal needs, you may take up to 10 days paid domestic leave per leave year.

In addition to the above, your manager has the discretion to grant extra paid domestic leave.

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

8.7 Long service leave

You are entitled to the following special holidays for long service:

Years of continuous service	Weeks of holidays
15	3
25	4
35	5
40	6

Note that each qualifying period of service entitles you to a single entitlement to the leave for that qualifying period.

Such leave shall be taken at times mutually agreed between you and your manager. Where you resign from your employment with the Bank after qualifying for a period of long service leave but before the leave has been taken, you will be paid for the leave. Continuous service shall not be broken by virtue of any absence from service for parental leave purposes.

Long service leave shall be taken by mutual agreement with the Bank. Long service leave shall not accumulate and any leave, which has not been taken before your next entitlement, shall be forfeited.

With the agreement of your manager you may elect to be paid in lieu of taking all or part of your long service leave.

8.8 Two days special leave

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

The leave shall be taken by mutual agreement between you and your manager.

This leave shall not apply to those employed pursuant to Schedule D of the agreement.

8.9 General

If you wish to obtain further information about your entitlements under the Holidays Act then there a number of places you can obtain further information, including:

- your manager
- Finsec
- the Department of Labour

9. REMUNERATION

9.1 Pay policy

The objectives of the Bank pay policy are:

- To establish and maintain fair and competitive pay.
- To recognise and reward superior performance.
- To provide appropriate pay ranges for different levels of responsibility, knowledge and job size.

Your fixed base salary will be reviewed annually.

“Fixed base salary” is defined as your basic fortnightly salary which excludes other variable elements of remuneration such as allowances, overtime, penal time, performance payments.

Details of your remuneration are contained in your letter of confirmation. Any agreed changes to your remuneration or work schedule will be confirmed by letter.

Fixed base salaries will be set and adjusted in accordance with the terms of Bank of New Zealand Remuneration System which is set out in the attached Schedule A.

9.2 Payment frequency

Your fixed base salary will be paid fortnightly by direct credit to your bank account. Your fortnightly fixed base salary is derived by dividing your annual fixed base salary by 26.07 (a pro-rata payment will be made for part-time employees).

9.3 Deductions

In some circumstances and on receipt of the appropriate written authority from you the Bank will make reasonable deductions from your fixed base salary and make a corresponding payment to the business or organisation you specify.

In addition the Bank may make a deduction subject to the provisions of the Collective Employment Agreement for unpaid time off.

9.4 Expenses

The Bank's policy is that you will not be out of pocket.

You will be reimbursed for authorised incidental expenses that may be incurred in the course of your duties as laid down in the Bank's policy or as set out in the Collective Employment Agreement. Reimbursement of motor vehicle expenses shall be in accordance with the stepped rate as approved by the Inland Revenue Department from time to time.

10. HEALTH AND SAFETY

10.1 Policy

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

10.2 Your obligations

- To take reasonable care for your own health and safety and that of others who may be affected by what you do or do not do.
- To co-operate with the Bank on health and safety matters.
- To be aware of the emergency procedures of the area in which you are working.
- To report any accidents, hazards or sub-standard conditions arising in the work place to the appropriate person. Where an accident is not reported the Bank may not accept any liability for payments relating to absence arising from the accident.

10.3 Bank's obligations

To provide and maintain a safe work environment. To this end the Bank will:

- Provide appropriate first aid emergency kits to be maintained by the Bank and kept in convenient places for use in case of accident.
- Provide the necessary safety equipment.

- Comply with the provisions of all legislation applicable to its operations, including the Health and Safety in Employment Act 1992.

10.4 Health

Our policy is that we provide your normal pay when you are absent due to your genuine illness, subject to the conditions and qualifications set out below ie, the Bank's policy is to take a "flexible" approach to sick leave, having regard to each employee's individual circumstances and requirements.

Such leave is subject to, but not in addition to, the requirements of section 65 of the Holidays Act 2003. You may continue to utilise any unused sick leave you accumulated before these Standard Terms of Employment applied to you.

In cases of long or frequent periods of illness the Bank will review whether the leave is paid or unpaid.

In conducting such a review the Bank shall consult with the employee concerned and take into account any representations you or your representative may make.

You may be required to present a medical certificate to support any such leave application.

In certain circumstances, to obtain a second opinion, the Bank may, at its expense require you to undergo a medical examination by a doctor nominated by the Bank after consultation with you.

Please ensure you assist the smooth running of the business by advising your manager as early as possible on the first day of absence. Please keep your manager updated as to when you will be returning to work.

10.5 Keyboard operating breaks

The Bank recognises the need to ensure that employees principally engaged in the use of VDUs and keyboards take reasonable breaks away from VDU and keyboard work in order to prevent the occurrence of physical discomfort and gradual process injuries.

Managers and employees are jointly responsible for ensuring that reasonable and appropriate breaks are taken which reflect individual and work circumstances and workplace needs.

The appropriate type of break will vary according to the frequency and intensity of VDU and keyboard use.

Types of breaks may include:

- a 10 minute break every 50 minutes for the purposes of performing non-VDU / keyboard duties, or
- a 2 minute break every 15 minutes for the purpose of performing non-VDU / keyboards duties, or
- taking a scheduled tea break or meal interval.

In addition the performance of micro-pauses, for example, brief pauses of 5 -10 seconds every 3 minutes, and other relaxation techniques are also encouraged.

11. PERFORMANCE REVIEW AND DEVELOPMENT

Performance evaluations will be conducted annually to review the employee's past performance against written criteria and to set goals and objectives for the future. With performance reviews you'll know how you are doing and how you can improve. The Performance Management cycle will be as follows:

- At the beginning of the Bank's financial year objectives and performance levels and action plans will be agreed between you and your manager (performance planning). You will know what is expected of you, and how it is to be done.
- Throughout the year regular feedback sessions will be provided, along with coaching where it is required. You will know how you are going.
- At the end of the financial year a summary review of performance will be conducted.
- Performance management appeals are conducted in clause 7 of Schedule A.

The Bank will provide training to assist you improve your skills and knowledge of your job.

Generally you will be trained in your job by a fellow employee or manager. Training in specialist areas will be arranged to suit the needs of your department.

The Bank offers educational assistance for approved training courses that it considers will allow you to make a greater contribution to the Bank.

Please ask your manager for full details.

12. TERMINATION OF EMPLOYMENT

12.1 Resignation

Date of termination of employment means your last day of duty. On termination of employment you will be provided with a certificate of service stating the positions you held and your length of service.

You must give a minimum of two weeks notice of resignation of employment or two weeks salary may be forfeited in lieu of such notice. However you can agree with the Bank for a lesser period of notice should you resign. In certain circumstances the Bank may elect to pay your notice in lieu.

Except in the case of dismissal without notice, all salary owing to the employee shall be paid on or by the last day of employment.

12.2 Dismissal

The Bank must give you two weeks notice of dismissal in the case of repeated poor performance or misconduct or two weeks salary will be paid in lieu of such notice. The Bank may dismiss you, without notice, for serious misconduct. You are referred to the Bank's Code of Conduct.

Before any dismissal the Bank must follow the procedures contained in the Bank's Code of Conduct.

12.3 Termination for incapacity

The Bank (with notice) may terminate your employment if, in the view of the Bank, you are unable to resume work within a reasonable period of time as a result of physical or mental illness.

Before the Bank takes any termination action relating to your incapacity the Bank will inform you and, where requested, your representative, that it is considering termination. You will undergo a medical examination by a registered medical practitioner (determined after consultation with you) at the expense of the Bank. The Bank will take account of any resulting report or advice and any representations made by you or your representative before making a termination decision.

12.4 Retirement

You may choose whenever you wish to retire from working life. The Bank does not require you to retire at any particular age.

12.5 Redundancy

12.5.1 Definitions

“Redundancy” means a situation where your employment is terminated by the Bank, the termination being attributable wholly or mainly to the fact that the position you fill is, or will become, superfluous to the needs of the Bank, because of the cessation of the whole or any part of the Bank’s operation or where your job function is no longer required.

“Redundant” has the same meaning.

No redundancy will arise by reason of the sale or transfer of the whole or part of the business where the person acquiring the business offers you employment in the same capacity on terms and conditions (including superannuation and redundancy) that are the same or no less favourable, or in a capacity on conditions which may not be the same or as favourable but which you are willing to accept, and agrees to treat your service as being continuous.

An employee engaged for a fixed term of employment shall not be deemed to be redundant at the scheduled completion of that period of employment.

“One weeks salary” means 50% of basic fortnightly salary, plus any shift allowances or penal payments where applicable, averaged over the three pay periods worked immediately prior to the date of termination of employment.

“A directly comparable position” shall mean a position which has the same grade and salary, is in the same location or at another location within reasonable commuting distance of your place of residence, does not involve a change in duties significant enough as to be unreasonable in the circumstances of your skills, abilities and work history, and does not involve a change in working hours which would place an unreasonable imposition on you in terms of your personal circumstances, for example, your responsibility for the care of children or dependants. This shall be assessed on a case by case basis.

12.5.2 Advice of redundancy

- Where your position is to become redundant the bank will endeavour to advise you of the fact at the earliest practicable opportunity, having regard to operational considerations.
- For Finsec members the National Office of Finsec will be advised at the same time.

12.5.3 Redeployment

Where your position will become redundant and before you receive notice of termination of employment the Bank will examine all alternative job options and make every reasonable endeavour to identify and offer at least one job option. This offer may comprise of the opportunity to apply for a suitable position.

Any job offer will be made to you in writing including information on the location, grade and principal duties of the job. If taking up the job would require a change of residence, you will have fourteen days to accept or decline the offer. If no change of residence would be required, there will be a seven day period.

If you decline an offer of a directly comparable position you may be made redundant but will not be entitled to redundancy compensation.

Where the Bank offers you a non-comparable position at a lower grade involving a reduction in salary, you will be offered the salary for the mid-point of that lower grade.

If you do accept an offer, which requires a change of residence, you are entitled to the same provisions and benefits as an employee who is transferred at the Bank's request.

12.5.4 Notice of termination

In the event that the Bank has not identified any redeployment opportunities you will be given six weeks written notice of the termination of your employment or payment in lieu of notice.

- If, during this period of notice you are offered an alternative position within the Bank, but do not wish to accept it, you may decline the offer without forfeiting your entitlement to redundancy compensation.
- If you have been given notice of termination and you find another job outside the Bank during the notice period, you may terminate your employment prior to the expiry of the notice period with the consent of the Bank (such consent may not be unreasonably withheld). The un-worked portion of notice will not be paid.
- To receive redundancy compensation, you must remain at work during your notice period and continue to perform your duties (unless you have been paid in lieu of notice or gone with the Bank's consent to another job outside the Bank during the notice period).

12.5.5 Assistance

In order to assist you to secure further employment, during the notice period outplacement assistance tailored to your requirements will be provided and may include:

- Paid leave for you to attend job interviews provided that satisfactory evidence is produced if required by the Bank.
- Training in preparation of work resumes and letters of application, telephone, job searching and interview skills.
- Financial planning advice.
- Counselling.

12.5.6 Compensation

In the event that you are made redundant, you will be entitled to receive:

- seven weeks salary for the first year of service, pro rated if you have less than one year of service
- plus four weeks' salary for each of the second to tenth consecutive years of continuous service
- plus three weeks' salary for each of the eleventh to sixteenth years of continuous service
- plus two weeks' salary for each subsequent consecutive year of continuous service to a maximum of twenty five years including the first
- plus a pro rated payment for each completed month of service in the final part year of service.

12.5.7 Employee Protection Provision

If the business or part of the business is to be sold, transferred or contracted out to another person ("the new employer") with the effect that your work (or work substantially similar to your work) is to be performed by employees of the new employer, the Bank will:

- Meet with the new employer to discuss how the sale, transfer, or contracting out relates to your employment; and
- Negotiate with the new employer as to whether you would transfer to the new employer and if so whether this would be on the same terms and conditions of employment.

You will not be entitled to any redundancy compensation if the business or assets (or part thereof) are to be sold, transferred or contracted out, and you are offered alternative employment by the Bank or by the new employer on the same or no less favourable terms and conditions of employment in a position that is the same or no less favourable to your current position. This will be determined on a case by case basis but will include considering redundancy provisions and superannuation.

If the new employer does not offer you employment on terms and conditions that are same or no less favourable to those you are currently employed under, or does not recognise your service as continuous, and no redeployment is available, you will be offered redundancy compensation calculated in accordance with 12.5.6.

If you decline an offer of employment by the Bank or the new employer on same or no less favourable terms to those you are currently employed under, you will not be entitled to redundancy compensation.

12.5.8 Other

You will receive payment for any outstanding annual or long service leave.

You may continue any concessionary employee loan arrangements for a period of nine months from the date of termination of employment. At your request and subject to normal customer lending criteria the Bank will refinance these loans.

You may attend a work place meeting without loss of pay in the event of redundancies arising.

Where you are a member of Bank of New Zealand Officers' Provident Association you will be entitled to the vesting/deferred pension provisions as applicable.

If you are a member of an employee medical benefits scheme you shall be entitled to claim any admissible medical expenses incurred up to and including the date of termination of employment.

If you are absent on parental leave or other leave of absence where your position is being held open for you and in response to your advice that you intend to return to work the Bank advises you that a position will not be available due to redundancy, the provisions of this clause shall apply.

13. TERMS OF EMPLOYMENT

13.1 Code of Conduct

The Bank's Code of Conduct as updated from time to time contained on the Bank's Intranet applies to your employment.

The Bank may vary, cancel or introduce rules, policies and procedures but no such change may be inconsistent with or vary the Collective Employment Agreement.

13.2 Variation of duties

The Bank may reasonably require you to work in other sections of the Bank or otherwise reasonably vary the duties you are required to perform. If your position is redundant, the redundancy provisions will apply.

13.3 Conflict of interest

You may undertake secondary employment with another employer provided it does not unreasonably impact on your work performance or adversely affect the Bank. You are required to act with honesty and integrity at all times and must not use your position to the advantage or disadvantage of a Bank customer. You are referred to the Bank's Code of Conduct.

13.4 Confidentiality

Except in the proper performance of your duties you must not at any time, either directly or indirectly, use or divulge to any person, and shall use your best endeavours to prevent the publication or disclosure of any information or knowledge which you may acquire or have acquired during your employment with the Bank concerning the business affairs, business opportunities, property, customers, clients or other employees of the Bank.

You will be required to sign a Declaration of Secrecy and Declaration of Compliance with Personal Computer Security acknowledging your understanding and acceptance of this requirement.

All personnel records will be kept secure under the Bank's Rules of Access. No personal information will be disclosed to third parties without your authorisation except as allowed or required by law.

13.5 Intellectual property

All the work that you produce in the course of your employment whether arising in the course of, or on completion of, all development stages is the property of the Bank and the Bank is entitled to any copyright or other intellectual property rights from such work.

13.6 Transfers

The Bank is committed to enhancing the opportunities for employees to meet their full potential. Transfers are intended to enhance your career development and further the Bank's corporate objectives.

Where the Bank wishes to transfer you to a location which requires a change of residence you will be consulted. Where a change of place of residence is necessarily involved you will be given not less than four weeks written notice of transfer by the Bank. Not less than two weeks written notice shall be given in all other cases. Where you agree to such a transfer you will receive the following assistance:

- All reasonable costs of packing and removing your furniture, furnishing and effects (including cars, boats, caravans and trailers) and domestic pets to your new residence.
- The cost of adequate insurance of your belongings during the removal.
- Reimbursement of any necessary storage charges (for a reasonable period) and any additional insurance costs relating to the storage.
- Reimbursement of the cost of boarding charges for pets for a reasonable period.
- Payment of legal, land agents and valuation (where required by the Bank) fees in connection with the sale and/or purchase of your residence. This provision does not apply if at the receipt of notice of transfer you do not own or do not rent your private residence.
- Reimbursement of cost of necessary purchase of official school uniforms (excluding footwear) up to a maximum of \$580 for each dependent school age child.
- Reimbursement of actual and reasonable expenses (including meals) if you have to stay at a hotel or motel both before, during and after you leave your original residence (to a maximum of twenty eight days).
- An incidentals allowance as follows:
 - Where you are accompanied by a dependant and you own or rent the residence you are living in at the time of transfer at least \$2,463 (\$1,423 where you are moving to premises supplied by the Bank) plus \$289 for each dependent child under 18 years of age who will continue to reside with you.
 - Where you are not accompanied by a dependant but you do own or rent (for your individual use) the residence you are living in at the time of transfer at least \$1237 (\$725 where you are moving to premises supplied by the Bank).
 - Where you do not qualify under either of the two categories above you shall be entitled to an allowance of at least \$391.
- Reimbursement of travelling expenses.
- Reimbursement of any necessary taxi expenses and payment of a daily allowance of \$34.23 or an hourly allowance of \$3.49 per hour for up to ten hours (if your journey exceeds 2 hours) or actual and reasonable authorised expenses for you and for one adult dependant

and each dependant child under 18 years who resides with you. (This allowance does not apply if you are being reimbursed for hotel/motel accommodation and meals.)

13.7 Leave in lieu of travelling time

Where you are required to travel for the Bank you will be entitled to time off as follows:

Time of Travel	Entitlement
For additional travel time of up to 2 hours, before or after normal starting/finishing time, on a normal working day.	Payment at T1 for additional time
For additional travel time more than 2 hours, but less than four hours before or after normal starting/finishing time on a normal working day.	Half a days leave
For additional travel time more than 4 hours 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

- You may not receive more than one day's leave in any 24 hour period.
- You are deemed to have completed your journey when you reach your residence provided you travel directly there. Where you do not travel by the most expeditious means you will be deemed to have done so for the purposes of calculating travelling time.
- Leave in lieu of travelling time is not additional to the payment of overtime.

13.8 Temporary duty away from home

Where you are required by the Bank to undertake duties which necessitate a temporary change to your place of residence you will be entitled to:

- Reimbursement of travelling expenses (including any necessary taxi fares).
- A daily allowance of \$34.23 or an hourly allowance of \$3.49 per hour for up to 10 hours (if your journey exceeds 2 hours) or actual and reasonable authorised expenses.
- A daily allowance for out of pocket expenses of \$7.75.
- A paid return trip each weekend to your place of residence. This does not count as time worked or travelling time. The travel shall take place outside your normal working hours or at such other times by agreement with your manager.

13.9 Standby / Callout

The Bank may schedule a standby-by roster, for relief or callout purposes.

If you agree to standby at your home for emergency calls you will be paid a standby allowance of \$18.95 per day Monday to Friday inclusive and \$37.77 per day on weekends and recognised public holidays.

A callout is deemed to have occurred from the time of your departure from home.

Where you are called out and required to go on duty you will be paid a minimum period of 3 hours at the applicable overtime rate. If you are called out again during the minimum period you will not receive an additional minimum payment.

Where you are rostered to be on standby you are required to remain within direct telephone contact of the Bank during those rostered hours. Where practicable, and at the Bank's option, you may be provided with a paging unit to allow a greater degree of flexibility while on standby.

Where you are on standby and you are required to go on duty the Bank will, at its expense, convey you to and from home; or you may use your own motor vehicle and be paid a reimbursing allowance according to the stepped rate as approved by the Inland Revenue Department from time to time, up to a 33 kilometre radius of your place of work.

Note: The standby/callout provisions applying to employees working in the Information Systems and Technology Division are detailed in the attached Schedule C and apply instead of these provisions.

13.10 Auckland / Wellington allowance

(Applies only to employees employed as at 18 October 1994)

If your current term of employment commenced (prior to 18 October 1994) you are entitled to payment of the Auckland/Wellington allowance at the rate of \$752 a year (pro-rated if you are part-time) for any period of continuous employment within the qualifying geographical areas which commenced prior to 1 April 1996.

(This does not apply if you are on any relief assignment in the qualifying areas).

The qualifying areas are:

- Auckland - From and including Papakura in the South to and including Browns 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.

13.11 Application

Clauses 13.7 to 13.10 inclusive shall have no application to those employed pursuant to Schedule D of this agreement.

13.12 Recognition

13.12.1 Recognition of contribution

The Bank recognises the individual and collective contributions of employees in a variety of ways, including recognising superior and consistent performance through the Bank's performance management framework.

In addition to this formal framework the Bank encourages and expects innovative and effective approaches to recognition for individual contribution over and above role requirements.

13.12.2 Recognition of experience

The Bank recognises the contribution that experienced employees make to the organisation. In recognition of this contribution the following one off payments will be made on the five yearly

anniversaries of service as listed below, conditional upon the individual employee performing to a competent level.

Years of continuous service	Payment
10	\$500
15	\$500
20	\$500
25	\$500
30	\$750
35	\$750
40	\$750
45	\$750

Continuous service shall not be broken by virtue of any absence from service for parental leave purposes. Periods of approved unpaid leave shall not count towards the service accumulation but will also not break the continuity of service.

14. REPRESENTATION

Any employee who is a member of Finsec shall not be subject to any detriment or discriminated against in any way because of their decision to:

- join Finsec
- participate in union activities
- accept any role within the union
- pursue collective agreement coverage
- pursue any employment related dispute or grievance.

Union representatives are able to visit you 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 manager at the time of arrival. Union representatives must adhere to the Bank's procedures relating to health & safety and security.

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

You are entitled to 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).

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 manager 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.

15. RESOLVING AN EMPLOYMENT RELATIONSHIP ISSUE

This clause sets out the procedure to be followed where you consider an employment relationship issue has arisen. Examples of an employment relationship issue include:

- A breach of an employment agreement term.
- A dispute over the interpretation, application or operation of an employment agreement.
- A personal grievance (for example, discrimination, sexual or racial harassment, issues related to union membership, unjustified dismissal).
- Arrears of wages.

If an issue has arisen during employment this should be raised with the Bank, via your manager, as soon as possible. If you are not comfortable raising the problem with your manager directly then you should raise it with your manager's manager or People & Culture. Notification should be in writing and should include the specific nature of the problem and the outcome sought.

Where you are asserting a personal grievance you must ensure you notify the Bank within ninety days of the action which caused the grievance 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 apply.

Once an employment relationship issue has been raised, your manager or a delegated representative will meet with you for the purpose of discussing and attempting to resolve the issue. Both yourself and the Bank are obliged to try and resolve your issue in 'good faith'. You can elect to bring a union delegate or other representative to this meeting and are encouraged to do so.

If the issue is not able to be resolved informally between you and the Bank then assistance may be sought, by either party, from the mediation services provided by the Department of Labour.

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 you are not satisfied with the decision of the Authority you can appeal your decision to the Employment Court.

Should you have an employment relationship problem there are a number of places where you may seek advice, for example:

- Finsec
- The Mediation Service
- Labour Inspectors
- The Human Rights Commission

SCHEDULE A - REMUNERATION SYSTEM

1. PAY POLICY OBJECTIVES

The objectives of Bank of New Zealand Pay Policy are:

- To establish and maintain fair and competitive pay.
- To recognise and reward superior and consistent performance.
- To provide appropriate pay ranges for different levels of responsibility, knowledge and job size.

2. PERFORMANCE BASED REMUNERATION SYSTEM

Bank of New Zealand operates a Performance Based Remuneration System, which supports the Pay Policy. This system operates as follows:

- There are 5 grades, which apply to employees covered by the Standard Terms of Employment. These are Grades J to N.
- Each position is evaluated and will be positioned in one of the 5 grades.
- Each grade has a rate set for fully competent performance. This is called the mid-point of each grade and the salary figure becomes the 100% rate for that grade.

In addition there are rates established for entry level, which are called the 'base rate' (90%), and for Developing/Needs Improvement (95%).

Trainee rates have been provided for those employees newly recruited to the Bank and who do not have previous experience in the financial services industry relevant to their role.

In Grades M and N there are two trainee rates at 80% and 85%. After three months at 80% trainees will have their performance reviewed and if it is meeting in-training objectives they will move to 85%. After three months at 85% trainees will have their performance reviewed and if meeting in-training objectives will move to the 90% level and will be set the standard individual objectives/KRAs applicable to the position.

In Grades K & L only, there is one additional rate for trainees. This is Trainee 1 (85%). After six months service for Grade K & L trainees, their performance will be reviewed. If the employee's performance is meeting the "in-training" objectives, she/he will move to the 90% level and will be set the standard individual objectives/KRAs applicable to the position.

3. JOB EVALUATION

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

Employees will be advised of the grade of their position:

- upon moving to the performance based remuneration system
- upon engagement

- when moving to a new position.

Where an employee disagrees with the grading of her/his position, the matter should first be raised and discussed with her/his manager. The formal review process will be to review the position description for accuracy and forward it to the manager's manager 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.

Where the functions and/or responsibilities of a position alter, the employee may request re-evaluation of the position by discussing the matter first with her/his manager and then following the grading review procedure set out above.

4. GRADES AND SALARIES

Each position is individually evaluated and graded however there are "typical" positions for each grade in which relatively large numbers of employees are grouped. The salary levels and some typical positions for each of the five pre-management grades are as follows:

1 November 2005 – 31 October 2006

Grade	110%*	105%*	100% (mid-point)	95%	90%	85%	80%	Typical positions
J	\$5,161	\$2,581	\$ 51,614	\$ 49,033	\$ 46,453			Team Leader
K	\$4,591	\$2,295	\$ 45,907	\$ 43,612	\$ 41,316	\$ 39,021		Banking Adviser Team Support
L	\$4,066	\$2,033	\$ 40,656	\$ 38,623	\$ 36,590	\$ 34,558		CSR, Team Member Lending Services, Head Teller
M	\$3,643	\$1,822	\$ 36,430	\$ 34,609	\$ 32,787	\$ 30,966	\$ 29,144	Teller, Team Member Customer Account Services
N	\$3,245	\$1,622	\$ 32,445	\$30,823	\$29,201	\$ 27,578	\$ 25,956	Administrator, Team Member Cash Services

*Performance payments

1 November 2006 – 31 October 2007

Grade	110%*	105%*	100% (mid-point)	95%	90%	85%	80%	Typical positions
J	\$5,368	\$2,684	\$ 53,679	\$ 50,995	\$ 48,311			Team leader
K	\$4,774	\$2,387	\$ 47,743	\$ 45,356	\$ 42,969	\$ 40,582		Banking Adviser Team Support
L	\$4,228	\$2,114	\$ 42,282	\$ 40,168	\$ 38,054	\$ 35,940		CSR, Team Member Lending Services, Head Teller
M	\$3,789	\$1,894	\$ 37,887	\$ 35,993	\$ 34,098	\$ 32,204	\$ 30,310	Teller, Team Member Customer Account Services

N	\$3,374	\$1,687	\$ 33,743	\$ 32,056	\$ 30,369	\$ 28,682	\$ 26,994	Administrator, Team Member Cash Services
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*Performance payments

5. RECOGNISING PERFORMANCE

5.1 Performance rating system

The Bank's Performance Management Framework, which is contained in the Individual Performance Folder, sets out a process for the management of the performance of each employee.

An essential component of performance management is the annual evaluation of performance against objectives. As part of the evaluation each 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**

This rating is then used for the annual remuneration review that applies from 1 November.

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

5.2 Performance payments

- A one-time performance payment equivalent to 5% of the employee's grade mid-point will be made where the employee's overall performance has been rated Significant Contributor.
- A one-time performance payment equivalent to 10% of the employee's grade mid-point will be made where the employee's overall performance has been rated Exemplary Contributor.
- An employee who has been in the same grade for one performance year and has been rated Valued Contributor will receive a one-time performance payment equivalent to 1.25% of the employee's grade mid-point.
- Where less than twelve months have been served in that grade, performance payments will be applied on a pro-rata basis.
- Pro-rata payments will be made to part-time employees for ordinary hours worked in the previous twelve months for Exemplary Contributor and Significant Contributor or twenty four months for Valued Contributor.

5.3 Out-of-cycle evaluations

Performance evaluation is to be completed for employees before they leave their current role to move to a new role in the Bank or take long-term leave including parental leave. If applicable, a performance payment will be pro-rated and paid at the time of the evaluation based on current grade mid-point.

This does not apply to employees transferring to the same position in a different location. In these circumstances performance evaluation will follow the normal cycle.

After twelve months service in a new position, any employee who has not been rated Valued Contributor or better in the annual performance evaluation and who is paid less than the current mid-point for that grade will receive an out-of cycle performance evaluation for the purposes of reviewing their fixed base salary against the current mid-point.

If the employee is rated Valued Contributor or higher, the employee's fixed base salary will be moved to the current mid-point of the employee's grade. An employee's fixed base salary cannot be decreased at this time.

Performance payments are not made as a result of this evaluation and ratings are not loaded against the employee's performance history as such ratings are for salary review purposes only. The annual performance evaluation will occur at the end of the performance year at which time the previous twelve months in the role will be recognised, and if applicable a performance payment will be made.

6. BANKING ADVISORS IN PFS – INCENTING HIGHER PERFORMANCE

6.1 Definitions

"PMF system" means the payment of 105% and 110% of midpoint for Significant Contributor and Exemplary Contributor performance respectively, and is used to include the 105% and 110% figures in clause 4, along with the payment process outlined in subclause 5.2.

"IHP scheme" means the Incenting Higher Performance system introduced by this clause.

"Base salary" is your fixed base salary up to 100% or midpoint of the grades in Clause 4 above.

"The Guidelines" means the Banking Advisers Incenting Higher Performance Guidelines.

6.2 IHP and current Banking Advisors

From 1 October 2003 the IHP system of incentive remuneration will apply to all Banking Advisors with the exception that all employees employed as Banking Advisors as at 31 October 2003 have the option of either continuing to participate in the PMF system or transferring to the IHP scheme.

When an employee elects to move from the PMF system to the IHP scheme, that employee may not subsequently revert to the PMF system unless the Bank revokes the IHP scheme or an individual Banking Adviser withdraws as at the end of December 2003 pursuant to clause 6.5 below.

Employees who are entitled to and who elect to join the IHP scheme will still receive performance assessments using the PMF system. However, those performance assessment results will only be used for assessing performance, not for any payment over and above the mid-point.

6.3 IHP structure

Total remuneration for Banking Advisers will be made up of “base salary” and also “variable incentive pay”. The main objective of the variable pay is to incent and reward employees for achieving revenue points and team targets.

In each quarter where a Valued Contributor rating is achieved, the employee will be entitled to participate in the variable incentive pay scheme. This enables those employees to receive variable remuneration that increases as revenue point’s increase over 100% of target. This will be based upon individual measures and also team measures.

The details of how variable pay will apply in practice are contained within the Guidelines. These 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 Guidelines.

Where an employee elects to be governed by the IHP scheme, this will be their sole performance recognition payment.

6.4 Payment frequency

Your revenue points will be assessed at the completion of each quarter and any variable pay will be made as soon as practicable thereafter.

6.5 IHP review

The parties recognise and agree that the IHP scheme will be reviewed after the first quarter (ie at the end of December 2003) and that results will be considered further. After consultation between the parties at that time, the Bank may withdraw the scheme. Similarly any Banking Adviser who commenced on the scheme from 1 October 2003 may withdraw at the end of December 2003. Should the Bank withdraw the scheme the employees who are on the IHP scheme will revert to the PMF variable scheme without penalty and any payments that employees have become entitled to under IHP will still be paid. Should an employee withdraw as at December 2003 they will not receive an IHP payment but will revert to the existing PMF system.

6.6 Exclusions

The 105% and 110% amounts specified in salary grades contained in clause 4, and clause 5.2 have no application to those employees participating in the IHP system.

7. PERFORMANCE RATING APPEALS

You should discuss with your manager when:

- Feedback and coaching are not being provided.
- You are dissatisfied with your performance evaluation and rating.

Note: Do not leave either until the end of the financial year.

In either situation, if the discussion does not resolve the issue, you may request a review with your evaluator's manager or a peer of your manager in a like job role. At this review an employee of your choosing or a union representative may assist you.

If you remain dissatisfied after this review you may request a meeting with the General Manager of People & Culture (or nominee) and the evaluator's manager to discuss your concerns. At this meeting you may request the attendance of your authorised representative.

8. PROMOTION AND RELIEF

Where an employee moves to a new position at a higher grade, the employee's salary will increase by a minimum of 3%. In any case, the fixed base salary for the new position shall be no less than the 90% level for the grade in which the new position is evaluated. This salary shall apply until such time as the employee is assessed as Developing or better at the next annual performance evaluation.

An employee relieving or acting in a higher graded position for any period of ten consecutive working days or longer shall be paid the greater of either the base rate for the higher grade or an increase to the employee's salary of 3% for the period in which she/he is so acting or relieving.

An employee shall not be required to act or relieve in a higher graded position for longer than four consecutive months or 110 working days in any twelve month period without promotion to that higher grade.

Note: Any period of less than ten consecutive working days shall not be included in the calculation of the 110 days.

9. REMUNERATION REVIEW

Each employee shall have her/his salary reviewed annually. This review will be based on the application of the mid-point review and the performance evaluation as set out in this clause. Note that an employee's fixed base salary can not be decreased at the annual remuneration review.

9.1 Mid-point review

Provided the employee receives a performance rating of or exceeding Valued Contributor, any increase to the mid-point salary for the employee's grade is applied to the employee as follows:

- Where the employee's fixed base salary is below the new mid-point salary for the employee's grade, the employee's fixed base salary shall be increased to the new mid-point salary.
- Where the employee's fixed base salary is over the new mid-point salary for the employee's grade, the employee shall receive a payment equivalent to the actual dollar increase in the mid-point salary.
- Where the increase required to lift an employee's fixed base salary to the new mid-point salary is less than the actual dollar increase in the mid-point salary, the employee shall receive a payment equivalent to the difference between the actual dollar increase applied to the employee's fixed base salary and the actual dollar increase in the mid-point salary.

9.2 “Developing” performance rating

Where an employee is rated “Developing” in the annual performance evaluation:

- Where an employee’s fixed base salary is above 95% but below 100% of the grade mid-point, the percentage increase of the grade mid-point will be applied to the employee’s salary. The fixed salary may only increase to 100% of the mid-point, therefore where an increase would take the employee’s salary above the mid-point, the balance would be paid as a one-time payment.
- Where the employee’s fixed base salary is set at 90% for the applicable grade, the employee’s fixed base salary will be increased to 95% for the grade.

9.3 “Not Evaluated” performance rating

Where an employee is rated “Not Evaluated” in the annual performance evaluation:

- Where the employee’s fixed base salary is below the new mid-point salary for the applicable grade, the percentage increase of the mid-point will be applied to the employee’s salary. The fixed salary may only increase to 100% of the mid-point, therefore where an increase would take the employee’s salary above the mid-point, the balance would be paid as a one-time payment.
- Where the employee’s fixed base salary is over the new mid-point salary for the employee’s grade, the employee shall receive a payment equivalent to the actual dollar increase in the mid-point salary.
- Where the increase required to lift an employee’s fixed base salary to the new mid-point salary is less than the actual dollar increase in the mid-point salary, the employee shall receive a payment equivalent to the difference between the actual dollar increase applied to the employee’s fixed base salary and the actual dollar increase in the mid-point salary.

9.4 “Unsatisfactory” evaluations

Where an employee is rated Unsatisfactory in the annual performance evaluation increases to the mid-point will not be applied.

9.5 Maximum salary levels

The mid-point will be the maximum to which fixed base salary can be moved except where an employee is already paid in excess of his/her grade mid-point as at the commencement date of this remuneration system. Such employees will not have their salary reduced, and their total current salary will be designated as fixed base salary.

Where a part-time employee’s salary is over the new mid-point salary for the employee’s grade, the employee shall receive a payment equivalent to the actual dollar increase in the mid-point salary pro-rated for the number of ordinary hours worked in the preceding twelve months.

SCHEDULE B - 8 HOUR SHIFT PROVISIONS

The following provisions apply to designated 8 hour shift employees.

1. HOURS OF WORK

Shifts may be scheduled as required by the Bank. Ordinary hours of work shall not exceed 8 hours per shift or 40 hours per week and shall be fixed by a roster which will not be varied more than once in a five day shift period, unless in an emergency.

Rosters will be posted in an accessible position at least fourteen days prior to the shift being worked.

Except in the case of emergencies or if you agree to an alternative, your rostered days off will fall consecutively.

2. SHIFT ALLOWANCES

- Day Shift 5%
- Twilight Shift 13%
- Midnight shift 20%
- Regular and continuously evenly rotating 3 shift roster 20%

You will receive a shift allowance as a percentage of the daily amount of salary for working a rostered shift. Note you will only receive the day shift allowance when the shift forms part of a regular and continuous cycle of rotating shiftwork.

3. SHIFTWORK TERMS

“Day Shift” means a shift where more than half of the working hours fall between 8am. and 4pm.

“Twilight Shift” means a shift where more than half of the working hours fall between 4pm. and midnight.

“Midnight Shift” means a shift where more than half the working hours fall between midnight and 8am.

Where the working hours of a rostered shift fall equally between a day and/or twilight and/or midnight shift the higher shift allowance shall be paid.

- You will be provided a paid meal break of half an hour within each shift after 5 hours continuous work unless you would cease work within the following 30 minutes.

- Where you work in excess of 1 hour's overtime following the completion of a shift or for more than 4 hours continuous overtime on a rostered day off or recognised public holiday you will be:
 - provided with a suitable meal by the Bank, or
 - paid a meal allowance of \$9.34, or
 - paid the actual cost of a meal up to \$16.80 provided a meal is purchased and you are required to continue working after your meal break.
- Where you work in excess of 8 hours per shift, 40 hours per week or on a rostered day off, you will be paid at the rate of time and a half, provided that all overtime worked on a Sunday shall be paid at the rate of double time. Alternatively by agreement with your manager, you will be entitled to time off in lieu subject to the following criteria:
 - For each hour of overtime worked you will receive a credit of 1 hour.
 - Time off in lieu is to be taken within twelve months of it being earned and at a mutually acceptable time. Any time off accrued and not taken within twelve months shall be paid to you on the same basis as it was originally credited to you. Upon termination of employment you will be paid for any untaken time in lieu.
- When you are required to start or finish work between 11 pm. and 6 am. or required to work on a Saturday, Sunday or public holiday, the Bank will at its own expense convey you to and from home. Alternatively, you may use your own motor vehicle and be paid a reimbursing allowance according to the stepped rate as approved by the Inland Revenue Department from time to time up to a 33 kilometre radius from the appropriate centre in Auckland and Wellington and a 16.5 kilometre radius from the appropriate centre in other areas. Note the journey must be by the most direct road route.
- Where you work a shift on a Saturday or Sunday as part of your ordinary hours you will receive an additional payment at ordinary rates for each hour worked.
- After you have completed twelve months continuous 8 hour shift work you will be entitled to an additional weeks annual leave for that year and each subsequent year that you continuously perform 8 hour shifts. Where you work less than twelve but greater than three months on shiftwork you will receive a pro-rata entitlement of the additional leave.

Where the Bank temporarily ceases a three shift roster to rotate evenly or the Bank requires you to temporarily cease shift work your entitlement to additional leave shall not be reduced.

- Where you have been employed on continuous shiftwork for in excess of three months you shall be paid for each days leave or holiday entitlement at the rate of 10% of your basic fortnightly salary plus shift allowances averaged over the two pay periods preceding the leave.
- Shift allowances do not apply for the calculation of overtime, penal rates or days in lieu.
- Within each shift breaks will be provided as follows:

Duration of Shift	Break Entitlement
2.5 hours up to 5 hours	One paid 10 minute break
More than 4 hours	Two paid 10 minute breaks

Remote fix - When you are called out and required to fix the problem using dial-up facilities you will be paid for a minimum of 2 hours. Such payments shall be at 1.5 times your ordinary hourly rate when called out:

- Monday to Friday 0700-2200
- Saturday 0700-1700

Callouts outside these hours or on a public holiday will be paid at the rate of twice your ordinary hourly rate. In addition if you are called out on a public holiday and that day would otherwise be a normal working day for you, you will be entitled to an alternative day's holiday.

If you are called out again during the minimum period you will not receive an additional payment.

3. 8/12 HOURS SHIFT EMPLOYEES

The following provisions apply whilst you are designated an 8/12 hour shift employee.

3.1 Definitions

"Shiftwork" means all regular and continuing periods of rostered duty.

"Roster" means a schedule of duty times showing in advance the days of the week and/or shifts when an employee is due to work and be off work respectively, rostered has a corresponding meaning.

"Day shift" means a shift where more than half of the working hours fall between 08:00 and 16:00.

"Twilight shift" means a shift where more than half of the working hours fall between 16:00 and midnight.

"Midnight shift" means a shift where more than half of the working hours fall between midnight and 08:00.

"Weekend shift" means a shift commencing between 00:00 Saturday and 24:00 Sunday.

3.2 Allowances

The following allowances will apply:

- You will receive a shift, meal, and travel allowance of \$576.57 per fortnight whilst working rostered shifts.

The Bank may make a rateable adjustment to your allowance for any period exceeding seven calendar days where you are assigned to a position other than on seven day shift work. Such deductions will be made within the fortnight in which the absence from shiftwork occurred or to the allowance paid in the following fortnight.

Hand over allowance

- If you are required to be responsible for the effective handover to the following shift, a hand over allowance of \$7.93 per shift will be paid in recognition that this will require additional time beyond the finish of your shift. Overtime will not be applicable for any additional time required to handover the shift beyond the finish of your shift where you are in receipt of this allowance.

3.3 Hours of work

Shifts will be scheduled as required by the Bank. Shift rosters shall be posted in an accessible position to all staff at least fourteen days prior to the commencement date of the shift. However, this shall not prevent amendments to shift rosters in emergencies or unforeseen circumstances.

Shifts may not be swapped without prior approval of management.

Ordinary hours of work shall not exceed:

- 8 per “day”, “twilight”, or “midnight” shift;
- 12 per “weekend day” or “weekend night” shift;
- 36 per week when averaged over the period covered by the shift roster.

You will be provided a paid meal break of half an hour within each shift after 5 hours continuous work unless you would cease work within the following 30 minutes.

Within each weekend day and weekend night shift a second paid meal break of half an hour shall be allowed after 5 hours continuous work following the first meal break unless you would cease work within the following 30 minutes. Meal breaks may be rostered as required by the Bank.

Two 10 minute breaks will be provided within each complete shift. A third 10 minute break will be provided within each ‘weekend shift’.

3.4 Penal rates

Where you work a ‘weekend shift’ or statutory holiday as part of your ordinary hours you will receive an additional payment at ordinary rates for each hour worked.

Where a statutory holiday follows a weekend or another statutory holiday following a weekend, employees shall be entitled to an additional payment at your ordinary hourly rate for each hour worked between 00:00 and 08:00 on the following day.

For the purposes of calculating penal payments your ordinary hourly rate of pay shall be derived by dividing your salary by 1872.

3.5 Overtime

Where you work in excess of your ordinary shift hours on any one day or on a rostered day off you shall be paid at the rate of time and a half for any such hours worked between 08:00 Monday and 24:00 Friday. Any overtime worked outside these hours or on a statutory holiday

shall be paid at the rate of double time. Overtime worked following a weekend shift will be paid at the rate of double time.

If you are required to work a period of overtime which does not immediately precede or follow a rostered shift and which requires a separate journey to and from your place of residence you shall be paid a minimum of 2 hours at the appropriate overtime rate.

If you are required to attend a training course on a rostered day off you shall be paid, in addition to your ordinary wages, a payment in respect of time worked on the course, at the rate of ordinary time.

Shift allowances will not apply for the calculation of overtime, penal rates, or days in lieu.

Where you are required to work overtime on a Saturday, Sunday, statutory holiday or between the hours of 23:00 and 06:00, the Bank will at its expense, convey you to and from home; or you may use your own motor vehicle and be paid a reimbursing allowance according to the stepped rate as approved by the Inland Revenue Department from time to time, up to a 33 kilometre radius from your place of work.

3.6 Statutory holidays

Where a statutory holiday falls on, or is transferred to a day other than a Saturday or Sunday the shift roster may cease to operate for a 24 hour period from 08:00 on the holiday. Where this occurs the Bank shall determine the roster to apply during the period. You will be given the first option of being rostered to work if, but for this provision, you would have been rostered to work during the 24 hour period.

Where you work on a statutory holiday you shall be granted a separate day off on pay to be taken on a date to be agreed within the following twenty eight days.

3.7 Salary divisor

Your hourly rate of pay shall be derived by dividing your salary by 1872.

3.8 Annual holidays

After you have completed twelve months continuous 8/12 hour shift work you will be entitled to an additional weeks annual leave during that year and each subsequent year that you continuously perform 8/12 hour shifts. Where you work less than twelve but greater than three months on shiftwork you will receive a pro-rata entitlement of the additional leave.

Where because of a requirement by the Bank you temporarily cease shift work, you shall maintain your entitlement to the additional week of annual leave.

Upon completion of three months continuous shiftwork you will be paid for each days leave or holiday entitlement at the rate of the previous four weeks gross earnings (being salary, penal time and allowances but excluding overtime) divided by 20.

3.9 Standby

- The Bank may schedule a standby roster, for callout purposes.
- When you are rostered to be on standby you are required to remain within direct telephone contact of the Bank during those rostered hours. Where practicable, and at the Bank's

option, you may be provided with a paging unit to allow a greater degree of flexibility while on standby.

- Where you are on standby and you are required to come into work, the Bank will, at its expense, convey you to and from home; or you may use your own motor vehicle and be paid a reimbursing allowance according to the stepped rate as approved by the Inland Revenue Department from time to time, up to a 33 kilometre radius of your place of work.
- If you are required to be rostered on Standby you will be paid a daily allowance as follows:
 - \$34.03 gross per week day
 - \$54.43 gross per weekend day.

3.10 Callout

The following callout arrangements apply:

- A callout is deemed to have occurred from the time of your departure from home.
- When you are called out and required to come into work you will be paid for a minimum of 3 hours at the appropriate overtime rate.

3.11 Redundancy

In the event your employment is terminated due to Redundancy whilst you are engaged on 8/12 shifts, for the purposes of calculating redundancy “one weeks salary” means 50% of basic fortnightly salary, plus any shift or penal payments where applicable, averaged over the two pay periods worked immediately prior to the date of termination of employment.

SCHEDULE D - CUSTOMER SOLUTIONS ADVISORS FOR THE CUSTOMER CONTACT CENTRE

1. INTRODUCTION

This schedule and the terms and conditions within it cover the work carried out by permanent (part-time and full-time) employees of the Bank who are employed as Customer Solutions Advisors (“CSAs”) and Customer Solutions Advisors - Email (“CSAEs”) at Bank of New Zealand Customer Contact Centres as part of the Direct Banking Team.

This schedule does not cover those whose work falls outside the scope of the preceding paragraph.

2. WORK SCHEDULE

2.1 Ordinary hours

Employees’ ordinary worked hours are those worked up to 37.5 per week, or 7.5 per day Monday to Friday or Tuesday to Saturday for CSAs employed in the day teams, or up to 7.5 per day Monday to Friday for CSAs in the evening teams. For employees employed in the weekend team their hours will be 37.5 per week worked over four days as set out below.

The ordinary worked hours will be worked within 8 or 10 hour spans but based on a 37.5 ordinary hour week, inclusive of the breaks in clause 2.3.

Start and finish times will be agreed between each employee and their manager and will be worked within one of the following shift patterns provided that:

- There is at least a 10 hour break between working days
- Employees will be paid a minimum of 4 hours at the appropriate rate of pay on any day they are required to work.

At the request of an employee, the Bank may agree to a change of ordinary hours to a new pattern. This pattern may include arrangements where ordinary hours on any one-day are worked in a span exceeding 8 or 10 hours. This clause cannot be used to increase an employee’s ordinary hours worked beyond either a maximum 8 or 10 hours in any one-day or 37.5 hours in any one week.

Day teams	Monday to Friday	5 days (37.5 hours)	Start times between 6.30am – 11am	Finish times between 2.30pm – 7pm
	Tuesday to Saturday	5 days (37.5 hours)	Start times between 6.30am – 11am	Finish times between 2.30pm – 7pm
Evening teams	Monday to 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 7am – 11am	Finish times between 5pm – 12am

Employees may request a variation to their start/finish times on a temporary basis. All requests should be made to their manager, who will not unreasonably decline such a request provided a suitable swap can be made with another team member. All permanent requests for changes to an employee's agreed shift pattern and/or start/finish times will be considered in light of other employees who have already indicated their preference for a similar shift pattern.

In all other circumstances an employee's work schedule can only be altered with their consent.

2.2 Overtime

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

Should an employee agree to work overtime any payments will be made at one and a half times the employee's ordinary hourly rate for any time so worked.

The ordinary hourly rate for the purposes of this agreement is derived from an employee's base salary by dividing their annual salary by 1950.

2.3 Breaks

The timing of breaks should reflect our commitment to maintaining adequate service levels for our customers. Unless otherwise agreed work breaks will be as follows:

Daily work period (excluding meal breaks)	Break entitlement
Up to 5 hours	One paid 15 minute break Half an hour unpaid meal break
More than 5 hours	Two paid 15 minute breaks Half an hour unpaid meal break

2.4 Meal allowance

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

- provided with a suitable meal by the Bank, or
- paid a meal allowance of \$9.33, or
- paid the actual cost of a meal up to \$16.79, provided a meal is purchased and they are required to continue working after their meal break.

2.5 Attendance book

Each employee must sign an attendance book that records the times of commencing and ceasing duty. This cannot be altered by anyone except the employee.

3. REMUNERATION

The provisions of clauses 3.1 to 3.7 shall not apply to –CSAE's. Their remuneration will be determined as clause 7 of this Schedule D of this agreement.

3.1 Remuneration philosophy

The Bank's approach to remuneration is based on the following principles:

- We value individual and team performance
- We want to attract, retain and develop the best people so that we can achieve our short and long term organisational goals
- We pay competitively in the market, so that we can recruit, retain our best people
- We need a performance-based culture to achieve our organisational goals.

3.2 Definitions

"*Base salary*" is defined as an employee's basic fortnightly salary which excludes other variable elements of remuneration such as allowances, overtime and variable pay as set out in this clause.

"*Ordinary*" rate of pay for the purposes of this agreement is defined in clause 2.1.

"*Variable Pay*" is defined in clause 3.5.

3.3 Remuneration Structure

To support the above principles an On Target Earning (OTE) remuneration structure applies and is demonstrated in the diagram below. Employees' total OTE remuneration is made up of two components, namely "base salary" and "variable pay".

Total Remuneration

Base salary 80% OTE (On Target Earnings) 80% of total remuneration	Variable 20% OTE (On Target Earnings) 20% of total remuneration
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When 100% of target is achieved total remuneration will consist of:

- Base Salary – fixed component – 80% of OTE remuneration.
- Variable Pay– 20% of total OTE remuneration.

For employees covered by this agreement who commence employment with the Bank after 1 June 2001 the standard base salary is \$36,791 until 31 October. From 1 November 2006 until 31 October 2007 the standard base salary will be \$ 38,263.

Between 1 November 2005 and 31 October 2006 if 100% of target is achieved total remuneration will be \$45,989 i.e. base salary of \$36,791 and variable pay of \$9,198. This is demonstrated in the diagram below.

Total Remuneration

Base salary 80% OTE (On Target Earnings)	Variable pay 20% OTE (On Target Earnings)
\$36,791	\$9,198

Between 1 November 2006 and 31 October 2007 if 100% of target is achieved total remuneration will be \$47,829 i.e. base salary of \$38,263 and variable pay of \$9,566. This is demonstrated in the diagram below.

Total Remuneration

Base salary 80% OTE (On Target Earnings)	Variable pay 20% OTE (On Target Earnings)
\$38,263	\$9,566

The Bank agrees that a mechanism will be available for employees to earn the variable pay component of the total OTE remuneration referred to in this clause. The details of that mechanism will be contained in the Customer Contact Centre Incentive Scheme Guidelines for Direct Banking CSAs ("the Guidelines"). The only exception to this will be the subsequent incomplete month for those employees who have completed their formal CSA training period, or when pro-rated provisions apply in accordance with the Guidelines.

3.4 Base salary

(Employees who commenced on or prior to 1 June 2001 with the Customer Contact Centre)

For employees whose current term of employment commenced prior to 1 June 2001 the employee's base salary will remain unchanged, unless they elect to move to the standard base salary for CSA's as outlined above. Their total OTE remuneration will be based on \$45,989 if 100% of target is achieved.

If an employee retains their current base salary, their total available variable pay for 100% of target will comprise the difference between their current base salary and \$45,989.

Employees have the opportunity at the end of each month to transfer to the standard salary base of \$36,791 plus the variable pay of up to \$9,198 for 100% of target. If an employee elects to do this the employee cannot subsequently elect to move back to that employee's previous base salary.

From 1 November 2006, the salary rates outlined above will increase by 4%. This means that \$36,791 will increase to \$38,262, and \$9,198 will increase to \$9,566 and total OTE will be \$47,829.

3.5 Variable pay

The main objective of the variable pay is to incent and reward employees for reaching 100% of target.

The details of how variable pay will apply in practice are contained within the Guidelines. These Guidelines are part of Bank policy and not part of this collective agreement. The Bank reserves the right to, from time to time, review, amend, revise and, if necessary, cancel any matter contained in the Guidelines. However, the Bank recognises the development and application of these Guidelines impacts on employees' potential earnings.

Accordingly, the Bank acknowledges that employees should have an opportunity for input into potential changes to the operation of the Guidelines where they have an impact on employees' potential earnings. Where at all possible, this will be provided before any decision is made about any change, cancellation or amendments to the Guidelines.

Variable pay will be the sole pay for performance recognition mechanism. Employees are not eligible for PMF Performance Payments or High Achiever Payments.

3.6 Payment frequency

Base salary will be paid fortnightly by direct credit to the employee's bank account. Fortnightly base salary is derived by dividing an employee's annual base salary by 26.07 (pro-rated for part-time employees).

Variable pay will be paid each month to provide immediate reward for effort and achievement.

3.7 Remuneration review

Total OTE will be reviewed annually. This has already occurred and has been agreed for the 2006 and 2007 financial years. The details of this are set out above in clauses 3.3 and 3.4.

For employees who commenced employment as a CSA in the Direct Banking team prior to 1 June 2001 and elected to retain their base salary, applicable as at 1 June 2001, and that salary exceeds 80% of \$45,089 the dollar value of any general remuneration increase agreed to the Total OTE earnings figure will be applied to their variable pay only. This will continue until their base salary reaches 80% of the total OTE remuneration at the level of 100% of target.

When an 80/20% mix is reached any subsequent agreed remuneration increases to the Total OTE earnings figure will be applied to both base salary and variable pay so as to retain the 80/20% mix.

3.8 Deductions

On receipt of an appropriate written authority from an employee, the Bank will make reasonable deductions from the employee's salary and make a corresponding payment to the business or organisation nominated by the employee.

The Bank may make a deduction from fortnightly base salary for unpaid time off.

3.9 Expenses

Employees will be reimbursed for authorised incidental expenses that are incurred in the course of their duties as laid down in the Bank's policy or as set out in this agreement. Reimbursement of motor vehicle expenses shall be in accordance with the stepped rate as approved by the Inland Revenue Department from time to time.

4. REDEPLOYMENT AND REDUNDANCY

Definitions

“Redundancy” means a situation where an employee’s employment is terminated by the Bank, the termination being attributable wholly or mainly to the fact that the position filled by them is, or will become, superfluous to the needs of the Bank, because of the cessation of the whole or any part of the Bank’s operation or where their position is no longer required. If an employee was engaged for a fixed term of employment they shall not be deemed to be redundant at the scheduled completion of that period of employment.

“A directly comparable position” shall mean a position:

- with the same salary,
- with the same 100% earnings capacity,
- in the same location or at another location within reasonable commuting distance of their place of residence,
- that does not involve a change in duties significant enough as to be unreasonable in the circumstances of their skills, abilities and work history,
- that does not involve a change in working hours which would place an unreasonable imposition on them in terms of their personal circumstances;

For example, their responsibility for the care of children or dependants.

This shall be assessed on a case by case basis.

“Date of termination of employment” shall mean the last day that they are required by the Bank to attend the workplace and perform the services under this agreement, and this date shall not be extended by any payment in lieu of notice, or by any period of unused leave.

“One weeks salary” means 50% of fortnightly base salary, plus any allowances where applicable, averaged over the three pay periods worked immediately prior to the date of termination.

If an employee’s position is or will be surplus to the Bank’s requirements because of the cessation of any part of the Bank’s operation, or where their position is no longer required, the employee is entitled to the following:

4.1 Redeployment

Before they are given notice of termination, the Bank will examine all suitable redeployment opportunities available at that time.

The Bank reserves the right to fill vacancies on merit. However the Bank will assist the employee, where possible, to identify vacant positions that may suit their skills, experience and abilities. The Bank will continue to examine alternatives to redundancy during any notice period.

Any offer of redeployment shall be in writing and shall include information on the location, grade and principal duties of the position.

If an employee receives an offer of redeployment they will have seven days to consider the offer. Where the offer requires a change of residence, this period will be fourteen days.

If the employee declines an offer of a directly comparable position, they may be made redundant and, if so, will not be entitled to any of the redundancy compensation provisions of this clause.

Where an alternative job option is offered which involves a reduction in grade or OTE, a change of residence, or a change in duties significant enough as to be unreasonable in the circumstances of their skills and ability, they shall be entitled to decline that offer without forfeiting their entitlement to the redundancy compensation provisions of this clause.

If an employee accepts a job option within the Bank which requires a change of residence, they will be entitled to the same provisions and benefits as an employee who is transferred at the Bank's request.

An employee may decline any redeployment offer made after notice of termination is given without forfeiting their entitlement to redundancy compensation.

4.2 Notice

If an employee's position becomes superfluous to the needs of the Bank they will receive a minimum of six weeks written notice of termination of their employment.

The Bank may elect to make payment in lieu of any period of unserved notice. The provision of all packaged benefits shall cease on the date of termination of employment.

If an employee receives notice of termination and then finds an alternative position during the period of notice, they may, with the consent of the Bank, which shall not be unreasonably withheld, terminate their employment prior to expiry of the notice period, without forfeiting entitlement to redundancy compensation. The unworked portion of notice will not be paid.

4.3 Redundancy compensation

Subject to clause 4.2 above, any payment of redundancy compensation shall be contingent on the employee remaining at work and performing their assigned duties as required until the expiry of the period of notice.

In the event that an employee is made redundant, they will be entitled to receive:

- Seven weeks salary for the first year of service, pro rated if the employee has less than one year of service.
- Plus four weeks' salary for each of the second to tenth consecutive years of continuous service.
- Plus three weeks' salary for each of the eleventh to sixteenth years of continuous service.
- Plus two weeks' salary for each subsequent consecutive year of continuous service to a maximum of twenty five years including the first.
- Plus a pro rated payment for each completed month of service in the final part year of service.

4.4 Unused leave

Payment will be made for any outstanding annual leave and long service leave entitlement, if applicable. The fact of payment in lieu will not be deemed to extend the date of termination of employment.

4.5 Staff loans

If an employee is made redundant and they have an existing staff loan on concessional terms, those concessional staff 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 staff advances will also apply during this nine month period.

At an employee's request, the Bank will refinance these loans subject to current customer lending criteria. Loans are to be repaid or refinanced by the expiry of the nine month period.

4.6 Superannuation

Where an employee is made redundant and they are a member of Bank of New Zealand Officers' Provident Association, they are entitled to the vesting/deferred pension provisions provided under the rules of this superannuation scheme.

4.7 Health insurance

If an employee is made redundant and they are a member of a staff health insurance scheme, they are entitled to claim any admissible medical expenses incurred up to the date of termination of employment.

4.8 Leave without pay

If an employee is on parental leave, or other leave of absence, and they have previously been advised that a position will be held open, and:

- They advise the Bank that they wish to return to work at the conclusion of that leave and;
- The Bank advises that a position will not be available for him / her due to redundancy, the provisions of this clause will apply.

4.9 Employee Protection Provision

If the business or part of the business is to be sold, transferred or contracted out to another person ("the new employer") with the effect that your work (or work substantially similar to your work) is to be performed by employees of the new employer, the Bank will:

- Meet with the new employer to discuss how the sale, transfer, or contracting out relates to your employment; and
- Negotiate with the new employer as to whether you would transfer to the new employer and if so whether this would be on the same terms and conditions of employment.

You will not be entitled to any redundancy compensation if the business or assets (or part thereof) are to be sold, transferred or contracted out, and you are offered alternative employment by the Bank or by the new employer on the same or no less favourable terms and conditions of employment in a position that is the same or no less favourable to your current position. This will be determined on a case by case basis but will include considering redundancy provisions and superannuation.

If the new employer does not offer you employment on terms and conditions that are same or no less favourable to those you are currently employed under, or does not recognise your service as continuous, and no redeployment is available, you will be offered redundancy compensation calculated in accordance with 12.5.6.

If you decline an offer of employment by the Bank or the new employer on same or no less favourable terms to those you are currently employed under, you will not be entitled to redundancy compensation.

5. HEALTH AND SAFETY

5.1 Occupational Overuse Syndrome prevention training

The Bank will ensure that employees receive training in techniques on the prevention of Occupational Overuse Syndrome. Such training will be provided every six months.

6. TERMINATION OF EMPLOYMENT

“Date of termination of employment” shall mean the last day that an employee is required by the Bank to attend the workplace and perform their duties under this agreement, and this date shall not be extended by any payment in lieu of notice, or by any period of unused leave (except as required by law).

6.1 Resignation / termination

A minimum of two week’s notice of termination must be given by either the employee or the Bank and if this does not occur, two week’s salary may be forfeited in lieu of notice.

The Bank may at its discretion:

- elect to make a payment in lieu of notice, in which case termination will be deemed to have occurred summarily, and the termination date will be the employee’s last day at work or
- require the employee to remain in its employ for the duration of the notice period. In these circumstances the employee may not be required to attend the work place, and their normal pay will continue until the expiry of the notice period or
- require the employee to undertake such duties directly or indirectly related to their position, as the Bank may think fit.

Where the Bank elects to make a payment in lieu of notice, such payment shall not include any non-packaged benefits, for example. variable pay. The provision of all packaged benefits, including variable pay shall cease on the date of termination of employment.

Nothing in this clause shall in any way affect the right of the Bank to terminate an employee’s employment for serious misconduct or any breach of this agreement other than non performance, and such cases shall be handled in accordance with the Bank’s usual policies and procedures, as set out in the Bank’s Code of Conduct.

7. CUSTOMER SOLUTIONS ADVISERS - EMAIL

This clause only apply to those employed as Customer Solutions Adviser- E-mail (CSAE).

CSAEs will have the following remuneration. Clauses 3.1 through to 3.7 inclusive of Schedule D will not have any application to these employees. Instead the following will apply.

Between 1 November 2005 and 31 October 2006 those employed in the position of CSA E-mail will receive remuneration equivalent to the mid-point of Grade L, being \$40,656 per annum.

Grade	110%*	105%*	100% (mid-point)	95%	90%	85%	80%
L	\$4,066	\$2,033	\$ 40,656	\$ 38,623	\$ 36,590	\$ 34,558	-

*Performance Payments

Between 1 November 2006 and 31 October 2007 those employed in the position of CSA E-mail will receive remuneration equivalent to the mid-point of Grade L, being \$42,282 per annum.

Grade	110%*	105%*	100%	95%	90%	85%	80%
L	\$4,228	\$2,114	\$ 42,282	\$ 40,168	\$ 38,054	\$ 35,940	-

*Performance Payments

Each employee will have his/her salary reviewed annually. This review will be based on the application of the mid-point review and the performance evaluation as set out in this clause. Note that an employee's fixed base salary can not be decreased at the annual remuneration review.

7.1 Mid-point review

Provided the employee receives a performance rating of or exceeding Valued Contributor, any increase to the mid-point salary for the employee's grade is applied as follows:

- Where the employee's salary is below the new mid-point salary for the employee's grade, the employee's fixed base salary shall be increased to the new mid-point salary.
- Where the employee's salary is over the new mid-point salary for the employee's grade, the employee shall receive a payment equivalent to the actual dollar increase in the mid-point salary.
- Where the increase required to lift the employee's fixed base salary to the new mid-point salary is less than the actual dollar increase in the mid-point salary, the employee shall receive a payment equivalent to the difference between the actual dollar increase applied to the employee's fixed base salary and the actual dollar increase in the mid-point salary.
- Where an employee is rated Developing and is in receipt of a salary level above 95% but below 100% of the grade mid-point, the percentage increase of the grade mid-point will be applied to the employee's salary. The fixed salary may only increase to 100% of the mid-point, therefore where an increase would take the employee's salary above the mid-point, the balance would be paid as a one-time payment.
- Where a part time employee's salary is over the new mid-point salary for the grade, that employee shall receive a payment equivalent to the actual dollar increase in the midpoint salary pro-rated for the number of ordinary hours worked in the preceding twelve months.

7.2 Performance evaluation

The employee's performance evaluation, which immediately precedes the remuneration review, is applied in the following way:

- Where the employee's fixed base salary is set at the 90% level for that grade, and the employee's overall performance has been rated at Developing/Needs Improvement, the employee's fixed base salary shall be increased to the 95% level for that grade.
- Where the employee's fixed base salary is below the mid-point for her/his grade, and the employee's overall performance has been rated Valued Contributor, the employee's fixed base salary shall be increased to the mid-point 100% level.

7.3 Annual performance payments

- A one time performance payment equivalent to 1.25% of the employee's grade Valued Contributor.
- A one time performance payment equivalent to 5% of the employee's grade mid-point where the employee's overall performance has been rated Significant Contributor (a pro rata payment will be made to part time employees for ordinary hours worked in the previous twelve months).
- A one time performance payment equivalent to 10% of the employee's grade mid-point where the employee's overall performance has been rated Exemplary Contributor (a pro rata payment will be made to part time employees for ordinary hours worked in the previous twelve months).

Remuneration will be paid fortnightly by direct credit to the employee's Bank account.