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PART I : SECTION (I) – GENERAL

Government Notifications

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THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Nestle Lanka PLC. Factory, located at Pannala in the District of Kurunegala, having its registered office at No. 440, T. B. Jayah Mawatha, Colombo 10 of the one part and the All Ceylon Commercial and Industrial Workers' Union, No. 457, Union Place, Colombo 02 of the other part on 17th day of January, 2014, is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

V. B. P. K. WEERASINGHE,
Commissioner of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05,
08th April, 2014.



Collective Agreement No. 04 of 2014

COLLECTIVE AGREEMENT

BETWEEN

NESTLE LANKA PLC. KURUNEGALA FACTORY

AND

ALL CEYLON COMMERCIAL AND INDUSTRIAL WORKERS' UNION

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COLLECTIVE AGREEMENT

BETWEEN

NESTLE LANKA PLC. KURUNEGALA FACTORY

AND

ALL CEYLON COMMERCIAL AND INDUSTRIAL WORKER’S UNION

THIS COLLECTIVE AGREEMENT made and entered into on the 17th day of January, Two Thousand and Fourteen between Nestle Lanka PLC. Factory, located at Pannala, in the District of Kurunegala, having its registered office at No. 440, T.B. Jayah Mawatha, Colombo 10 (hereinafter referred to as the ‘Employer’) of the one part and the All Ceylon Commercial and Industrial Workers’ Union, being a Trade Union duly registered under the Trade Unions’ Ordinance and having its registered office at No. 457, Union Place, Colombo 2 (hereinafter referred to as the ‘Union’) of the Other Part :

Witnesseth. – whereas the Union has shown to the satisfaction of the employer that it represents a majority of the employees.

Therefore, in consideration of the above premises and the mutual terms and conditions hereinafter set out, the Union and the Employer agree as follows :

PART I - GENERAL

1. **Title.** – This Agreement shall be known and referred to as “Nestle Lanka PLC. Kurunegala factory collective agreement of 2013”.

2. **Date of Operation and Duration.** – This Agreement shall come into force with effect from 1st December 2013 and shall be in force up to 30th day of November in the year 2016, but shall continue to remain in force thereafter, until such time as valid notice of termination of the agreement is given by either party. No notice will be valid unless given in writing by either party and is of at least six (6) calendar months duration. The earliest date at which such notice could validly terminate the contract is 31 st May 2016.

3. **Earlier Collective Agreements.** – The provisions of this Agreement shall supersede and replace the provisions of any earlier Collective Agreement including the provisions of the “The Nestle Lanka PLC, Kurunegala Factory Collective Agreement of 2010” which shall stand terminated with effect from the date on which this Agreement takes effect.

4. **Persons Covered and Bound.** – This Agreement shall cover and bind the Employer, the Union, employees who are members of the Union and all the employees who are employed on permanent monthly contracts of employment by the employer.

5. **General Terms And Conditions.** – The terms and conditions of this Agreement shall as from the date here after and during the continuance in force of this Agreement be deemed to be included in all contracts of employment between the Employer and the Employees covered and bound by this Agreement.

6. Variation of Terms and conditions of Employment or Benefits.-

- 6.1 The Employer, the Union and its members, and employees covered and bound by this Agreement, agree that, during the continuance of this Agreement, that neither party will seek to vary or add to any of the terms and conditions of employment, and benefits presently covered and bound by this Agreement and existing benefits and privileges not specified in the agreement.
- 6.2 Any variations or additions required to any of the terms and conditions and benefits covered and bound by this Agreement should only be done by mutual agreement.

7. Check-off.-

- 7.1 The Employer agrees to deduct Union subscriptions from the salaries of Union members and remit such subscriptions monthly to the Union provided prior consent in writing is received by the Employer from each member.
- 7.2 The above membership deductions under sub-clause 7.1 would be subject to the Union having a minimum membership of 40% of the employees in categories covered by this Collective Agreement.

8. Union Meetings/Duty Leave.-

- 8.1 The Union or the Branch Union may with the agreement of the Employer hold Committee meetings and General meetings of the union within the Employer's premises at such places and times as agreed by Management. No person who is not in the employment of the Employer shall attend such meetings without the written agreement of the Employer.

8.2 Duty Leave.-

Without prejudice to the rights of the Employer, to refuse to grant permission if in his discretion the exigencies of the circumstances warrant refusal, the Employer will generally grant permission for not more than two (2) office bears of the Union to attend to the following matters in connection with the membership in the Company without loss of wages for such absence.

- 8.2.1 To be present at conferences to be held under the aegis of the Employer or the Employers' Federation of Ceylon or the Department of Labour in connection with a dispute between the Union and the Employer.

- 8.2.2 To attend inquiries before Industrial Courts, Arbitrators or Labour Tribunals.

- 8.3. The Employer will in his discretion grant leave without remuneration to an employee to attend a Trade Union course or seminar or conference, either in Sri Lanka or abroad. However, the employee concerned is entitled to make use of his annual leave or statutory holidays for the purpose.

9. Trade Union Action.- The Union and its members agree during the currency of this Agreement or modification or renewal thereof that they will not engage in any strike, go slow, demonstration or any other similar collective or trade Union action in respect of any dispute whether or not such dispute is related to the Collective Agreement or the Employer.

Any disputes arising during the currency of this Agreement, which cannot be resolved by negotiation between the Employer and the Union, should be dealt with in accordance with the Grievance and Disputes Procedure set out in clause 35 of this Agreement.

PART II - PROBATION**10. Probation on Recruitment.-**

- 10.1 All employees on first employment to the company shall be on probation for a period of six (06) months that may be extended by three (03) months if the employer is not satisfied with the progress of such employee.
- 10.2 On successful completion of the probationary period, the employee shall be advised in writing by the Employer of his confirmation.
- 10.3 During the Period of probation or extended probation, either party shall have the right to terminate the service without notice.

PART III - WORKING HOURS

11. **Working Hours.**— The hours of work shall be as stipulated below subject to any changes which may have to be effected as a result of the government or policy decision of the Company to meet any exigencies, However, any changes should be by mutual agreement between the two parties.

11.1 *General Office Staff.*— The normal hours of work will be from 8.a.m. to 5.00 p.m. from Monday to Friday each week.

11.2 *All Other Categories of Staff.*— The normal working hours per week shall be forty - four (44) hours excluding meal times. Schedules of working hours and rosters for shift employees shall be determined by the employer and these times shall be displayed on the notice boards.

PART IV - WAGE ADMINISTRATION AND ALLOWANCES

12. **Initial Salary Points.**— As from the First day of December, Two Thousand Thirteen the initial salary points applicable to the categories of employees covered and bound by this agreement shall be as set out in Appendix I hereof. Revision of initial salary points will be decided by the company based on required skills and market value.

13. **Salaries.**— As from the First day of December, Two Thousand Thirteen the monthly salaries of the employees shall be revised as set out hereunder;

13.1 With effect from 1st December 2013, the Monthly Basic Salary at 30th November 2013 drawn by each employee will be increased as follows :

| <i>Salary Group</i> | <i>Percentage Increase</i> |
|-------------------------|----------------------------|
| Below Rs. 60,000.00 | 12% |
| Rs. 60,000.00 and above | 10% |

The Basic Salary as at 30 th November 2013 is taken for the above purposes. All employees earning a Monthly Basic Salary below Rs. 60,000.00 as at 30th November 2013 will not exceed Rs. 66,000.00 with this increase.

13.2 With effect from 1st December 2014, the Monthly Basic Salary of an employee as at 30th November 2014 will be increased as follows:

| <i>Salary Group</i> | <i>Percentage Increase</i> |
|-------------------------|----------------------------|
| Below Rs. 60,000.00 | 9% |
| Rs. 60,000.00 and above | 8% |

The Basic Salary as at 30 th November 2014 is taken for the above purposes. All employees earning a Monthly Basic Salary below Rs. 60,000.00 as at 30th November 2014 will not exceed Rs. 66,000.00 with this increase.

13.3 With effect from 01st December 2015, the Monthly Basic Salary of an employee as at 30th November 2015 will be increased as follows:

| <i>Salary Group</i> | <i>Percentage Increase</i> |
|-------------------------|----------------------------|
| Below Rs. 60,000.00 | 8% |
| Rs. 60,000.00 and above | 7% |

The Basic Salary as at 30th November 2015 is taken for the above purposes. All employees earning a Monthly Basic Salary below Rs. 60,000.00 as at 30th November 2015 will not exceed Rs. 64,084.00 with the increase.

13.4 For any employee to be entitled to the benefit of the full salary increases as set out in Clauses 13.1, 13.2, and 13.3. above should be upon successful completion of probationary period, such employee should as at the date of such increase, have been in employment with the employer during the preceding twelve (12) month period. An employee who has not been in

employment during the full preceding twelve (12) month period from the date of the salary increases to be granted in terms of Clauses 13.1, 13.2, and 13.3 above, shall be entitled to a prorated amount of the total increase to be granted having regard to the number of completed months he/she was in employment during such preceding twelve (12) month period. The Employees on probation will receive the agreed percentage increase on confirmation.

- 13.5 It is agreed and understood that the Monthly Basic Salary Stated above, clauses 13.1, 13.2, 13.3 and 13.4 are all-inclusive and shall not attract any additional amounts by way of annual increments on a salary scale or revision on account of cost of living based on a consumer price index.

14. *Non-Recurring Cost of Living Gratuity.-*

- 14.1 The payment of non recurring cost of living gratuity will be made every year based on the Colombo Consumers price Index (CCPI). An Employee shall be entitled to receive and the Employer is liable to pay a non recurring cost of living gratuity to employees in service in December 2014, in respect of the preceding twelve (12) months (hereinafter referred to as the “**Qualifying Period**”) commencing from 01st December 2013, ascertained in accordance with the under noted formula.

FORMULA

If the average of the Colombo Consumers' Price Index for the qualifying period exceeds Colombo consumers' Price Index of November 2009 a sum computed at the rate of Rupees Eighty Three and cents Seventy five (Rs. 83.75) for each complete point (i. e. 1.0) by which such average exceeds Colombo Consumer's Price Index of November 2009 in respect of each month of service during the qualifying period.

- 14.2 The non recurring cost of living gratuity shall be payable by the Employer to an employee by virtue of his service under the employer during a part of the qualifying year by reason of the fact that he is not in the Employer's service when the non recurring cost of living gratuity becomes due in December of any year or he joined the Employer's service during the course of the qualifying year. When the non recurring cost of living gratuity is paid at the end of the qualifying year, deductions are made there from on account of any period of absence without pay.

15. **Performance Based Payments-** It is agreed by and between parties that there shall be no fixed automatic increments applicable to any category of employees and whatever payments in the form of lump sum and / or increases during the period of this collective agreement shall be determined by the employer subject to a performance appraisal of each employee. The decision of the employer with regard to the grant / non- grant of this payment in the form a lump sum and / or increase shall be final and shall not be the subject of an industrial dispute.

16. *Overtime.-*

- 16.1 Overtime work shall mean work performed in excess of normal working hours.
- 16.2 If required by the Employer, due to exigency of the services, overtime work will be performed by the Employee as and when and for such period as the Employer may reasonably require. An employee shall have a good reason for such refusal to do any overtime work required by the Employer.
- 16.3 Work performed in excess of the normal hours shall be remunerated as per the over time schedule shown in Appendix II of this agreement.

17. **Weekly Holidays.** - In respect of each week every industrial Employee shall be allowed one (1) weekly holiday and every shop and office employee one and a half (1 1/2) days as weekly holidays. Provided that an Employee has worked for a period of at least twenty eight (28) hours, exclusive of any overtime work for that week and otherwise the Employer shall be entitled to deduct a day's wage in respect of the weekly holiday for that week.

- 17.1 In computing the period of twenty-eight (28) hours referred to, the Employer shall include :

- 17.1.1 Every holiday allowed by the Employer to the employee as the annual holiday.
- 17.1.2 Every Public holiday granted by the Employer.
- 17.1.3 Every day's absence on any grounds approved by the Employer.

18. **Statutory holidays.**–

18.1 Employee will be granted Statutory Holidays and Poya Holidays as determined by legislation subject to exigency of work.

18.2 If any of the Statutory Holidays fall on a weekly half day, an additional half - day shall be granted on the working day immediately preceding it and if it falls on a weekly holiday, a substitute holiday shall be granted on the working day immediately succeeding such weekly full holiday.

19. **Festival Advance.**– The employer agrees to pay an advance not exceeding the amount stated below, for the respective years, for one festival per year of the employee's choice, if the concerned employee does not have any unauthorised absence days accumulated to his/ her account for the previous Calendar year. In the event an employee has been on unauthorised absence during the Previous Calendar year this advance will be curtailed to Rs. 12,000/= per employee per festival per year.

2014 - Rs. 20,000

2015 - Rs. 20,000

2016 - Rs. 25,000

This will be recovered ordinarily in ten (10) monthly installments or where the employee leaves the Employer's employment, the full balance will be deducted from his balance salary/ final payment.

20. **Uniforms.**– The Employer provides free uniforms to those employees required to wear such uniforms according to the requirements of the Job. It is obligatory on the part of the employees to wear such uniforms.

21. **Bonus.**– The Employer agrees to pay a bonus to employees each year for the period of this Agreement on the following basis :

21.1 Two (2) month's salary each year.

For any employee to be entitled to the full benefit set out in Clauses 21.1 above, such employee should as at the date of such payment, have been in employment with the employer during the preceding twelve (12) month period. An employee who has not been in employment during the full preceding twelve (12) month period from the date of the payment to be granted in terms of Clauses 21.1, shall be entitled to a prorated amount having regard to the number of completed months he/ she was in employment during such preceding twelve (12) month period.

21.2 In addition to the bonus at 21.1, a half-month's salary. as bonus will be paid subject to a scheme for non-utilisation of 7 days of the Casual and/ or Sick leave, on this basis, for each day unutilised of these 7 days, he will be paid half-month's salary divided by 7. Any No pay leave (authorised or unauthorised) will also be set off against the seven days for the purpose of this scheme.

21.3 The payment of bonus under 21.1 and 21.2 may be stopped totally or partly for disciplinary reasons and unauthorised no pay absence.

22. **Shift Allowance.**– Employees required to work on shift will be paid a shift allowance on the following basis. Shift allowance will be paid, only for the days the employee presents himself for full days's work.

| <i>Shift</i> | <i>from</i> | <i>To</i> | <i>Amount</i> |
|--------------|-------------|-----------|---------------|
| Morning | 06.00 Hrs | 14.00 Hrs | Rs. 75.00 |
| Afternoon | 14.00 Hrs | 22.00 Hrs | Rs. 100.00 |
| Night | 22.00 Hrs | 06.00 Hrs | Rs. 250.00 |

Additionally with effect from January 2014 an Attendance Incentive of Rs. 2,000.00 per month will be paid to employees who will attend all their rostered night shifts in the given month. this payment will not be curtailed for employees should the company changes the night

shift roster and shall not be curtailed for those employees who are on long Annual Leave with prior approval and any exception will be granted with 07 days prior approval. Further, the payment will not be curtailed if maximum of one rostered night shift is missed during a given month.

23. **Free Tea/Coffee.**— The company will provide a cup of tea/coffee to all employees during the two-tea/coffee intervals.

PART V - LEAVE

24. *Annual Leave* .—

- 24.1 Employees are entitled to earned annual leave of a maximum of fourteen (14) working days per calendar year and such leave will be allowed at times convenient to the Employer and the employees subject to the condition that at least seven (7) days have to be taken consecutively on the basis of a roster prepared at the beginning of each leave year. However, any changes to this roster due to exigencies of work should be only by mutual agreement.

Annual leave has to be applied for and approved in advance. However, an employee may opt to set off absence due to ill health in excess of twenty-one (21) day's sick leave allowed under clause 26 against his Annual leave entitlement.

- 24.2 **New Employees** shall be granted Annual leave during the following year on a proportionate basis as follows :

Employees joining between -

| | |
|--------------------------------|-----------|
| 1st January and 31 st March | - 14 days |
| 1st April and 30 th June | - 10 days |
| 1st July and 30 th September | - 7 days |
| 1st October and 31 st December | - 4 days |

25. *Casual Leave* .—

- 25.1 Employees are entitled to seven (7) Working days casual leave per calendar year. The employee has to notify his immediate superior of his intention of taking such casual leave. Such casual leave will normally be granted on application without the employee being required to state the reason. When the Employer finds it difficult to grant, such casual leave requested for, such difficulty shall be notified to the employee as soon as possible. After the application is made and in such circumstances, the employee may be required to state the reason for the leave requested for and the Employer may decide whether it is reasonable in the circumstances to grant him casual leave.

When an employee due to unforeseen circumstances is unable to apply for casual leave in advance, he shall notify the Company at the earliest opportunity and state the reason for his absence upon his return to work. The Employer will assess the reason for such an application and decide whether it is reasonable in the circumstances to grant him casual leave. The decision of the Employer to grant or not to grant such casual leave is final.

- 25.2 Employees shall be entitled to take casual leave on account of private business or other reasonable cause including ill health, if that employee's twenty-one (21) days sick leave allowed under clause 26 has been fully utilised. In such instances the Employer shall allow such casual leave with remuneration for a period, or an aggregate of periods, not exceeding seven (7) days.
- 25.3 Provided however, that not more than two (2) day's casual leave shall be taken at any one time except upon grounds of ill health.
- 25.4 Provided further that an employee shall not be entitled to take casual leave immediately preceding or immediately following any period of annual leave.
- 25.5 A New **Employee** in his first year of employment including any period of probation shall be entitled to casual leave for that year computed on the basis of one day for each completed period of two (2) months' service.

PART VI - SICK LEAVE & MEDICAL BENEFITS

26. *Sick Leave* .—

- 26.1 An employee shall be granted up to a maximum of Twenty one (21) working days leave on full pay in any one calendar year in the case of sickness.

- 26.2 The Employer may request an employee to support his/ her sickness with a medical certificate from a Sri Lanka Medical Council Registered Medical Practitioner.
- 26.3 The Employer will be entitled to refuse to grant pay for any days of absence on grounds of sickness not supported by a certificate from any Medical Practitioner registered in the Medical Council of Sri Lanka or Ayurvedic Medical Council of Sri Lanka.
- 26.4 An employee shall inform the Company immediately of such sickness or at least within two (2) days and produce a Medical Certificate with in three (3) days.
- 26.5 An employee who takes less than Twenty one (21) days sick leave in any one calender year, as allowed above (clause 26.1) may avail himself of on the balance sick leave by accumulation to a maximum of Ninety (90) days with pay in any one-year. The accumulated sick leave shall only be on account of Prolonged illness, Hospitalistion, Infectious Diseases or similar circumstances, and such sick leave should be supported by a medical certificate from a Sri Lanka Medical Council Registered Medical Practitioner/ Consultant Physician or Surgeon and should be approved by the Company Medical Officer unless this requirement is waived by the employer. An employee shall in the first instance avail himself of the accumulated sick leave before utilising his twenty one (21) days sick leave in respect of that year.
- 26.6 During the period of probation employees are not entitled to any sick leave. However, after confirmation in respect of the first year of employment employee will be allowed sick leave during that year up to the 31st of December, computed on the basis of one and a half (1 1/2) days for each month of, employment.

27. Medical Benefits/ Hospitalisation.-

- 27.1 The Employer agrees to reimburse medical expenses in terms of the Company Medical Scheme on the following basis :

2014 - Rs. 30,000.00

2015 - Rs. 35,000.00

2016 - Rs. 35,000.00

The Employer agrees for the employee to accumulate to a maximum of Rs. 50,000.00 unutilised reimbursements of medical expenses.

- 27.2 Medical expenses are reimbursed only for employees and their immediate families. Immediate families are defined as Husband/ Wife and dependent legitimate children of employees. This is on condition that the Husband/ Wife is not covered by another Medical Benefits Scheme of their employer ; and in such case the Employer does not allow duplication.
- 27.3 **Hospitalisation.-** For hospital treatment, employees are granted a Medical Insurance Scheme through a reputed Insurance Company of Sri Lanka. Both the employee and the Employer pay 50 % of the insurance premium each. This scheme covers hospitalization of the employee only.

Employee may cover the immediate family (Spouse and Children) at there own discretion under the said Insurance Scheme, the employee and the Employer pay 50 % each of the insurance premiums for this purpose.

PART VII - RETIREMENT AND TERMINAL BENEFITS

28. **Age of Retirement.** - On reaching the age of Fifty five (55) years an employee shall *ipso facto* retire and cease to be employed by the Employer. There shall be no obligation on the Employer to give the employee any notice of such retirement. In the event of an employee being offered employment after retirement, such employee shall not be covered by this Agreement.

29. **Provident Fund.-** Contributions to Provident Fund will be at the rate of 12% by the employer and 8% by the employee of the consolidated monthly salary as prescribed by legislation.

30. **Employees' Trust Fund.-** The Employer shall contribute to the Employees' Trust Fund at the rates prescribed by legislation.

PART VIII - ATTENDANCE & CARRYING OUT EMPLOYER'S INSTRUCTIONS

31. **Attendance.**— Unless otherwise specifically instructed by Management, an employee shall present himself/herself for work on every day (other than holidays) at the usual starting time for the job and shall remain there available for work throughout the normal working hours.

32. *Carrying out Employer's Instructions.*—

- 32.1 If an employee considers any duty, which he/she is required to perform by the Employer, does not fall within the scope of his/her employment under the Employer, he/she shall be entitled to bring this matter to the notice of the employer. If notwithstanding such notification the Employer requires the employee to carry out such instructions, then the employee shall be entitled to request the Employer to give him/her such instructions in writing.
- 32.2. If the Employer gives the employee such instructions in writing, the employee shall carry out the same but without prejudice to the rights of the Union on his/her behalf to dispute such matters with the Employer thereafter as provided in this Agreement.
- 32.3. If the Employer refuses to give such instructions in writing, the employee shall be entitled not to carry out such instructions and in such event the Employer shall have no right of action against the employee.
- 32.4 If the Employer gives such instructions in writing but the employee fails to carry out the same, the Employer shall be entitled to suspend the employee immediately without pay and to take disciplinary action against him/her without prejudice to the rights of the employee or the Union on his/her behalf to dispute such suspension or such disciplinary action as may be taken against the employee as provided in this agreement.
- 32.5 Irregular attendance or un-punctuality of the employee shall constitute neglect of duty for which the employee is liable for appropriate disciplinary action.

PART IX – SUSPENSION, DISCIPLINARY PROCEDURE AND GRIEVANCE & DISPUTES PROCEDURE

In case of misconduct, the Employer is entitled to start DISCIPLINARY ACTION, which is detailed hereunder.

DISCIPLINARY ACTION

33. *Suspension.*—

- 33.1 An employee may be suspended without pay by the Employer ;
 - 33.1.1 Pending an inquiry to be held by the Employer on a charge or charges of misconduct which are appeared to be against the company,
 - 33.1.2 In order to avoid a breach of the peace or damage to property or disturbance of the business of the employer,
 - 33.1.3 In case of fraud, theft, misappropriation or like offence by the employee in the course of his employment,
 - 33.1.4 In case of abuse, threat or gross insubordination by the employee to a member of the Management Staff of the Employer,
 - 33.1.5 For failing to carry out Employer's instructions in terms of clauses 31 and 32.
33. 2 At the time of suspension or within twenty-four (24) hours the Employer shall provide the employee with a written order of suspension specifying the reasons for such suspension.

34. *Disciplinary Procedure/ Domestic Inquiries.*— Where the Employer proposes to proceed against an employee then:-

- 34.1 Irrespective of whether an employee has been suspended under clause 33 hereof or not, an employee shall be furnished with a show cause notice, which shall set out the particulars of the charges of misconduct alleged against such employee. Such show cause notice shall give the employee not less than Three (3) clear working days within which to give the answer.

- 34.2 Within Three (3) working days after the day of the show cause notice the employee shall furnish in writing to the employer, the answer or explanation to the charges against such employee. The employee may request for an extension of time for reply. The Employer may grant such request for such further period of time if deemed necessary in the circumstances of the case.
- 34.3 If the Employer is satisfied with the written answer or explanation of the employee, the employee shall, if he is suspended, be reinstated, forthwith and be paid all entitlements due to him for the period of such suspension.
- 34.4 If the employer is not satisfied with the written answer or explanation of the employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within Seven (7) working days from the date of receipt by him of the written answer or explanation to the show cause notice.
- 34.5 After holding such inquiry, the employee shall normally be informed of the findings of each of the charges in the show cause notice and the punishment, if any, within thirty (30) working days from the date of the conclusion of the inquiry. If the Employer fails to inform the employee, except for reasons beyond the control of the Employer, the employee shall not be liable to be punished in respect of the charges and no inference adverse to the employee in respect of such charges shall be drawn.
- 34.6 If the employee is under suspension and the Employer after inquiry decides that;
- 34.6.1 The employee is not guilty of the charges, the employee shall be reinstated Immediately and all wages and entitlements paid.
- 34.6.2 The employee is guilty of one or more charges, the employee shall be informed of the findings and the punishment imposed by the Employer.
- If the punishment given to the employee is not dismissal, suspension without pay shall not exceed seven (7) working days. If the service of the employee is to be terminated, such termination shall take effect from the date of suspension of the employee and the employee shall not be paid for the period of suspension.
- 34.7 If in the opinion of the Employer the nature of the charges is serious and the case has been referred or is to be referred to the police or other authorities for investigation, and the Employer is unable to inform the employee of the outcome of the inquiry, the employee shall remain under suspension without pay until the investigations are completed and the Employer is able to decide on the outcome of the inquiry.
- If the Employer fails to inform the employee of the outcome of the inquiry within thirty (30) working days due to reasons beyond the control of the Employer, the employee shall be paid half his monthly wages for the first thirty (30) working days and full wages after thirty (30) days to the time a Decision is taken regarding the outcome of the inquiry. This will not apply in cases where the inquiry is postponed or a decision is unable to be taken on the outcome of the inquiry for any reasons due to the employee's own seeking.
- 34.8 *Domestic Inquiries.-*
- 34.8.1 An employee may request the Employer to allow an '**observer**' to be present at the inquiry to be held into the charges. The '**observer**' who shall be another employee, shall be present at the inquiry without loss of wages due to absence from the workplaces.
- 34.8.2 The employee shall inform the Employer the name of the '**observer**' one (1) working day before the commencement of the inquiry.
- 34.8.3 The '**observer**' shall not be entitled to represent the employee or otherwise participate in the inquiry.
- 34.8.4 If an '**observer**' obstructs such inquiry, the officer who conducts the inquiry shall be entitled to request the '**observer**' to withdraw from the inquiry immediately and the '**observer**' shall comply with such request.
- 34.8.5 The absence of an '**observer**' from whole or any part of an inquiry for any reason shall not change or nullify the inquiry, the proceedings or the findings.
- 34.8.6 The Employee may make a written submission to the Employer within one (1) working day on conclusion of the inquiry on any special observations he wishes to make in the manner in which the inquiry was held or the evidence was recorded.

34.8.7 The Union may make written submissions to the Employer within one (1) working day on conclusion of the inquiry regarding the manner in which the inquiry was held or the evidence was recorded.

35. *Grievance and Disputes Procedure.-*

- 35.1 Recognizing the value and importance of full discussion in clearing up misunderstanding and preserving harmonious relations, every effort shall be made by the Employer and the Union to dispose of any inquiries, complaints, grievances or disputes as soon as possible. The following procedure shall be followed in respect of such matter and for any interpretation.
- 35.2 An employee may present his grievance or complaint to his immediate supervisor or to his head of department. The employee may be accompanied by his Branch Union representative. If the employee is not satisfied with the answer he receives, he may then proceed to clause. 35.3.
- 35.3 An employee may present his grievance or complaint to the Factory Human Resources Manager. The employee may be accompanied by his Branch Union representative. If the employee is not satisfied, he, may then proceed to clause 35.4.
- 35.4 The Branch Union may present the grievance or complaint in writing to the Vice President - Technical the Vice President-Technical may consult the parties involved before submitting a reply in writing. If the Branch Union is not satisfied with the written explanation of the Vice President - Technical, the Branch Union may request for a discussion between the Vice President -Technical and the Branch Union.
- 35.5 If the Branch Union and the employees are not satisfied with the outcome of the discussion with the Vice President-Technical, the Branch Union may refer it to the Union. The Union may make a written submission to the Vice President - Technical with a copy to the Vice President Human Resources/ Head of Human Resources of the employer in Colombo. If the Union is not satisfied with the written explanation given by the Vice President- Technical or Vice President Human Resources/ Head of Human Resources in Colombo, the Union may request for a discussion with the Vice President - Technical and the Vice President Human Resources/ Head of Human Resources.
- 35.6 If the Union is not satisfied with the outcome of the discussion with the Vice President - Technical and the Vice President Human Resources/ Head of Human Resources, the Union, may refer the matter to the Employer's Federation of Ceylon, who will endeavour to bring about an amicable settlement in the matter and, if desired, utilising the offices of the Department of Labour.
- 35.7 In the event where the grievance or dispute is not resolved with the Employers' Federation of Ceylon, the matter by agreement shall be referred to an arbitrator or a panel of arbitrators jointly selected by the parties under section 3(1) (d) of the Industrial Disputes Act for settlement by arbitration. If the parties fail to agree on an arbitrator or a panel of arbitrators, such selection shall be made by the Commissioner of Labour. The decision and award of the arbitrator or the panel of arbitrators shall be final and binding on both parties.
- 35.8 In case the Employer or the Union is of the opinion that in view of importance of the dispute there is need for quick settlement of such grievance or dispute, either party may decide to refer the matter to the Employer's Federation of Ceylon, in which event the procedure to be followed shall be as laid down in 35.6 and 35.7.

APPENDIX I

NESTLE LANKA PLC. - KURUNEGALA FACTORY

INITIAL SALARY POINTS - ALL EMPLOYEES

| GRADE | MINIMUM |
|----------------|---------------------|
| Multi Skilled | Rs. 26, 440.00 p.m. |
| Highly Skilled | Rs. 24, 210.00 p.m. |
| Skilled | Rs. 22,180.00 p.m. |
| Semi Skilled | Rs. 20,470.00 p.m. |

APPENDIX II

NESTLE LANKA PLC. - KURUNEGALA FACTORY

OVERTIME PAYMENT SCHEDULE

| WORKED ON | OFFICE STAFF | OTHER INDUSTRIAL EMPLOYEES INCLUDING ENGINEERING TRADE & DRIVERS |
|--|--|---|
| Over Normal Working Hours | 1 1/2 times the normal hourly rate | 1 1/2 times the normal hourly rate |
| Weekly 1/2 Holiday or Short working day for the week | 1 - 4 hrs. @ 1 1/2 times 4 1/4 - 9hrs. @ 2 times Over 9 hrs. @ 3 times & 1/2 day's pay for Work over 4hrs. | over 4 hrs. @ 1 1/2 times |
| Weekly Holiday | 1 - 4 hrs. 1 day's salary + 1/2 day's salary OR 1/2 day's lieu leave. 4 1/4 - 9 hrs. 2 day's salary + 1 day's salary OR 1 day's lieu leave. Over 9 hrs. 3 day's salary + 1 day's salary OR 1 day's lieu leave. | 1-4 hrs. @ 1 1/2 times + 1/2 day's salary. 4 1/4 - 8 1/2 hrs. @ 1 1/2 times + 1 day's salary.* Over 8 1/2 hrs. @ 3 times + 1 day's salary. * Engineering trade employees for Sunday work, one day alternate holiday or 1 day's salary. |
| Statutory Holiday | 1 - 4 hrs. 1 day's salary + 1/2 day's salary OR 1/2 day's lieu leave. 4 1/4 - 9 hrs. 2 day's salary + 1 day's salary OR 1 day's lieu leave. | 1-4 hrs. @ 1 1/2 times + 1/2 day's salary. 4 1/4 - 8 1/2 hrs. @ 1 1/2 times + 1 day's salary. |
| Poya day | 2 1/2 times the normal hourly rate. | 2 1/2 times the normal hourly rate. |

The above Overtime payments are in addition to the monthly salary.

No overtime should be paid for Lunch/ Dinner breaks.

Normal Hourly Rate = salary / 240

