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## PART I: SECTION (I) – GENERAL

### Government Notifications

My No.: CI/1826.

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Addendum to the Collective Agreement entered into between American and Efird Lanka (Pvt) Ltd, No. 67, Avissawella Road, Welivita, Kaduwela of the one part and The Sri Lanka Nidahas Sewaka Sangamaya, No. 493/1, T. B. Jayah Mawatha, Colombo 10 of the other part on 07th day of May 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).

W. J. L. U. WIJAYAWEERA,  
*Acting Commissioner of Labour.*

Department of Labour,  
Labour Secretariat,  
Colombo 05.  
19th September, 2014.

#### COLLECTIVE AGREEMENT No. 24 OF 2014

COLLECTIVE AGREEMENT 2014 - 2016

Between

American and Efird Lanka (Pvt) Ltd

and

Sri Lanka Nidahas Sewaka Sangamaya

THIS COLLECTIVE AGREEMENT made and entered into on this 07th day of May, Two Thousand Fourteen between AMERICAN AND EFIRD LANKA (PVT) LTD., having its Registered Office at No. 67, Avissawella Road, Welivita, Kaduwela and bearing Company



Registered No. PV 2953 (hereinafter referred to as the “**Employer**”) of the **One Part** and the SRI LANKA NIDAHAS SEWAKA SANGAMAYA, being a Trade Union duly registered under the Trade Unions Ordinance and having its Registered office at No. 493/1, T. B. Jayah Mawatha, Colombo 10, (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 Operative Grade employees employed by the Employer.

AND WHEREAS it is the desire of both the Union and the Employer to enter into an Agreement, which will ensure the peaceful adjustment and settlement of all disputes which may arise between the Employer and its employees and / or the Union and the promotion of industrial peace, productivity, quality and attendance.

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

1. **Title:** This Agreement shall be known and referred to as “**THE OPERATIVE GRADE EMPLOYEES’ COLLECTIVE AGREEMENT 2014 - 2016**”.

2. **Date of Operation and Duration.**— This Collective Agreement shall be effective for a period of 3 years from 1.04.2014 and may be terminated by either party with one (01) month’s written notice to the other, provided however that neither party shall give such notice prior to 31.03.2017. Any notice of termination of this Agreement given by either party, prior to 31.03.2017, shall not be regarded as valid notice and shall be of no avail.

3. **Persons Covered and Bound.**— This Agreement shall cover and bind the Employer, the Union and all members of the union who are employed on permanent contracts of employment by the Employer in the manual / operative grades at the Employer’s plant at Kaduwela.

4. **Declaration of Principle.**—

- (a) Both employer and the Union accept the principle that the special consideration affecting employer are such that the wage and salary rates are a proper subject for collective bargaining between the Employer and the Union, and that the actions of other employers including Government Corporations and the Government of Sri Lanka in their capacity as employers of labour, regarding the amount and timing of wage increases are not automatically relevant in the context of the Employer except where otherwise provided by legislation.
- (b) In cases in which Government does, provide by legislations for benefits including increases in wages,
  - (i) When such benefits are more favorable to the benefits stipulated only the difference between such benefits provided by such legislation and the benefits stipulated herein, shall be added to the said benefits stipulated herein,
  - (ii) When such benefits are equal or less favorable to the benefits stipulated herein, they shall not be added to or compounded with the said benefits stipulated herein,
- (c) The stipulations contained in Para (b) above are without prejudice to the principle contained in Para (a) above.

5. **General Terms and Conditions of Employment.**— The terms and conditions of this Agreement shall as from the date hereof and during the continuance in force of this Agreement be deemed to be concluded in all the contracts of employment between the employer and the employees covered and bound by this Agreement, whether such contract of employment be written or oral or whether employment was subsisting as at the date hereof or shall come into being at any time after the date hereof but during the continuance in force of this Agreement. Provided, that in the event of any conflict or inconsistency between the terms and conditions of this Agreement and any pre existing terms and conditions or practices, the terms and condition of this Agreement shall prevail.

6. **Variation of Terms and Conditions of Employment or Benefits.**—

- (a) The Union and its members and the Employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement, they will not seek to vary or add to all or any of the practices, terms and conditions or employment presently applicable to any of the employees covered and bound by this Agreement or all or any of the benefits presently enjoyed by any of the workers covered and bound by this Agreement, other than by mutual agreement in writing.
- (b) This Agreement shall be deemed to be a full and final settlement of all matters covered herein as well as all matters raised by the Union or incidental hereto and in respect of which negotiations took place between the parties before the conclusion of this Agreement.

**7. Wages.–**

- (a) As from the first day of April 2014 the Employer shall revise the wages of employees covered and bound by 20% of the salary drawn as at 31st March 2014, It should be noted that out of this wage revision, 8% shall be regarded as a special once-and-for-all salary adjustment granted by the Employer.
- (b) As from 1st of April 2015, the employees covered and bound shall be eligible to receive from the Employer a sum of Rs. 1,500/- by way of a wage revision.
- (c) As from 1st of April 2016, the Employees covered and bound shall be eligible to receive from the Employer a sum of Rs. 1,500/- by way of a wage revision.

It is also agreed by parties that a fresh criteria of appraising performance of employees covered and bound shall be finalized in consultation with the union and its members, prior to the wage revision to be granted in the year 2017.

**8. Production Incentive.–** Employees covered and bound by this Agreement shall continue to receive a production incentive, in terms of the current scheme applicable to them.

**9. Employee Grievance Handling Procedure.–** In the event of an Employee grievance, the following procedure shall be followed in resolving such grievance.

- (a) The Employee will, in the first Instance discuss the grievance with the Departmental Executive.
- (b) If the grievance is not satisfactorily resolved, the Employee may then discuss the matter with the Departmental Manager, The Departmental Manager will, if necessary, in consultation with the Employer's Management endeavour to arrive at a satisfactory solution in respect of the grievance.
- (c) In the event of the grievance not being resolved at the level of the Departmental Manager, the issue in grievance will then be discussed by the Employee with the Employee Relations Manager/Human Resource Manager of the Employer.
- (d) If no satisfactory solution is arrived at then the issue in grievance will be discussed by the Branch Union and the Employer's Management. At such discussion, then number of representatives from each side shall not exceed four (4).

**10. Disputes Resolution Procedure.–** In the event of a dispute arising out of matters that are not covered under this Collective Agreement, both parties agree they shall refer such dispute for settlement in terms of the Dispute Settlement Procedure incorporated hereunder:

- (a) Whenever there is a dispute, a written statement of the dispute should be forwarded by the Union's branch committee to the employer. and at least two weeks given for the Employer to resolve the dispute.
- (b) If no satisfactory solution is found, the matter should be referred to the parent Union and to the Employers Federation of Ceylon (EFC), for the purpose of attempting to resolve the dispute.
- (c) If after the discussion, the matter cannot be resolved by the intervention of the EFC and the parent Union, the conciliatory proceedings under the Industrial Disputes Act should be followed.
- (d) If after conciliation has failed in the Labour Department, the Union wishes to take trade union action, written notice should be given of not less than 14 days to the employer and to the EFC.

**11. Trade Union Action.–** The Union and the Employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement they shall not engage in any form of trade union action in respect of any dispute related to matters covered by this Agreement.

**12. Consequences of Termination of Agreement.–** On the termination of this Agreement, facilities and concessions enjoyed by the Union under this Agreement shall *ipso facto* cease. Employee benefits as per the Collective Agreement will remain unchanged provided Employees continue with the agreed work practices, terms and conditions stipulated in this Agreement.

**13. Breaches of the Agreement by the Union and / or its Members.–** If in the Opinion of the Employers Federation of Ceylon, the Union or its members have committed a breach of this Agreement then and in such event the Employer reserves the right to withdraw all or any of the facilities or benefits granted to the Employees, or Union, seven (07) days after raising such breach with the Union in writing without prejudice to the Employer's right to restore such facilities or benefits upon such terms and conditions as the employer and the Employers' Federation of Ceylon may decide. The Union will be entitled to dispute the justification of such withdrawal.

If in the opinion of the Union, the Employer has committed a breach of this Agreement then and in such event, the Union would have the right to refer such matter to the Commissioner of Labour.

14. **Interpretation of Agreement.** - Any dispute over the interpretation of this Agreement shall be settled by voluntary arbitration under section 3(i)(d) of the Industrial Disputes Act (1950).

15. **Definitions.** - Unless the context otherwise requires the following words shall have the following meanings:-

- (a) **"EMPLOYEE" or "WORKMAN"** shall mean an employee, in the permanent establishment and covered and bound by this Agreement.
- (b) **"Dispute"** shall have the same meaning as an "Industrial Dispute" in the Industrial Disputes Act (1950) as amended or in any Act enacted by the Parliament to replace the Industrial Disputes Act subject to the proviso that it shall not include a dispute involving a variation of this Collective Agreement.

Words importing the masculine gender shall include the feminine gender.

Words importing the singular number shall include the plural number and vice versa.

**IN WITNESS HEREOF**, the parties have set their hands to this Collective Agreement on this 7th day of May 2014, at the EFC, Office in Rajagiriya;

  
For and on behalf of  
American & Ethel Lanka (Pvt)

Name: Izwan Sallay  
Designation: Sr. Manager

Witnesses:

  
Name: Prasad Dassanayake  
Designation: Operations Manager

  
Name: Kamalika Weerasinghe  
Designation: Deputy Director



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