

# ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය The Gazette of the Democratic Socialist Republic of Sri Lanka

අති විශේෂ EXTRAORDINARY

අංක 1717/39 – 2011 අගෝස්තු 04 වැනි බ්‍රහස්පතින්දා – 2011.08.04

No. 1717/39 – THURSDAY, AUGUST 04, 2011

(Published by Authority)

## PART I: SECTION (I) – GENERAL

### Government Notifications

My No.: CI/1407.

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

The Collective Agreement entered into between the Nestle Lanka PLC (Kurunegala Factory) 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 2 of the other part on 15th November, 2010 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 General of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 5.  
16th May, 2011.

Collective Agreement No. 09 of 2011

#### COLLECTIVE AGREEMENT

between

NESTLE LANKA PLC, KURUNEGALA FACTORY

and

ALL CEYLON COMMERCIAL AND INDUSTRIAL WORKERS' UNION

#### CONTENTS

Article

#### PART I – GENERAL

1. Title
2. Date of Operation and Duration
3. Earlier Collective Agreements

4. Persons Covered and Bound
5. General Terms and Conditions
6. Variation of Terms and Conditions of Employment or Benefits
7. Check Off
8. Union Meetings/Duty Leave
9. Trade Union Action

## **PART II – PROBATION**

10. Probation on Recruitment

## **PART III – WORKING HOURS**

11. Working Hours

## **PART IV – WAGE ADMINISTRATION AND ALLOWANCES**

12. Initial Salary Points
13. Salaries
14. Non - Recurring Cost of Living Gratuity
15. Performance Based Payment
16. Overtime
17. Weekly Holidays
18. Statutory Holidays
19. Festival Advance
20. Uniforms
21. Bonus
22. Shift Allowance
23. Free Tea / Coffee

## **PART V – LEAVE**

24. Annual Leave
25. Casual Leave

## **PART VI – SICK LEAVE AND MEDICAL BENEFITS**

26. Sick Leave
27. Medical Benefits / Hospitalisation

## **PART VII – RETIREMENT AND TERMINAL BENEFITS**

28. Age of Retirement
29. Provident Fund
30. Employees' Trust Fund

## **PART VIII – ATTENDANCE AND CARRYING OUT EMPLOYER'S INSTRUCTIONS**

31. Attendance
32. Carrying Out Employer's Instructions

## **PART IX – SUSPENSION, DISCIPLINARY PROCEDURE AND GRIEVANCE AND DISPUTE PROCEDURE**

33. Suspension
34. Disciplinary Procedure / Domestic Inquiry
35. Grievance and Disputes Procedure

## **APPENDICES**

- Appendix I - Initial salary points of all employees  
Appendix II - Overtime payment Schedule

**COLLECTIVE AGREEMENT**

**between**

**NESTLE LANKA PLC, KURUNEGALA FACTORY**

**and**

**ALL CEYLON COMMERCIAL AND INDUSTRIAL WORKERS' UNION**

This Collective Agreement made and entered into on the 15th day of November, Two Thousand Ten 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, 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 2010".

2. **Date of Operation and Duration.**—This Agreement shall come into force with effect from 1st December, 2010 and shall be in force up to the 30th day of November in the year 2013, 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 31st May, 2013.

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 Limited, Kurunegala Factory Collective Agreement of 2007", 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 hereafter 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 bearers 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 dispute/s 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 (6) months that may be extended by three (3) 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 8.00 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 Ten, 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 Ten, the monthly salaries of the employees shall be revised as set out hereunder:

- 13.1 With effect from 1st December, 2010, the Monthly Basic Salary as at 30th November, 2010 drawn by each employee will be increased as follows:-

<i>Salary Group</i>	<i>Percentage Increase</i>
Below, Rs. 41,000.00	11.5%
Rs. 41,000.00 and above	10.0%

The Basic Salary as at 30th November, 2010 is taken for the above purposes. All employees earning a Monthly Basic Salary below Rs. 41,000.00 as at 30th November 2010 will not exceed Rs. 45,100.00 with this increase.

- 13.2 With effect from 1st December, 2011, the Monthly Basic Salary of an employee as at 30th November, 2011 will be increased as follows:-

<i>Salary Group</i>	<i>Percentage Increase</i>
Below, Rs. 41,000.00	10.0%
Rs. 41,000.00 and above	09.0%

The Basic Salary as at 30th November, 2011 is taken for the above purposes. All employees earning a Monthly Basic Salary below Rs. 41,000.00 as at 30th November, 2011 will not exceed Rs. 44,690.00 with this increase.

- 13.3 With effect from, 01st December 2012, the Monthly Basic Salary of an employee as at 30th November 2012 will be increased as follows.

<i>Salary Group</i>	<i>Percentage Increase</i>
Below Rs. 41,000.00	9.0%
Rs. 41,000.00 and Above	7.5%

The Basic Salary as at 30th November 2012 is taken for the above purposes. All employees earning a Monthly Basic Salary below Rs. 41,000.00 as at 30th November 2012 will not exceed Rs. 44,075.00 with this 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) months 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 2010, in respect of the preceding twelve (12) months (hereinafter referred to as the "Qualifying Period") commencing from 01st December 2010, 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 Consumers' 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 not in the Employer's 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.-**

- 15.1 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 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 ground 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 falls on a weekly half day, and 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 year.

2011 - Rs 15,000.00  
2012 - Rs 15,000.00  
2013 - Rs 15,000.00

This will be recovered ordinary in ten (10) monthly instalments 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) months' 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) months 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) months 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 day's work.

<i>Shift</i>	<i>From</i>	<i>To</i>	<i>Amount</i>
Morning	06.00 hrs	14.00hrs	Rs. 50.00
Afternoon	14.00 hrs	22.00hrs	Rs. 50.00
Night	22.00 hrs	06.00hrs	Rs. 175.00

Additionally with effect from January 2011 an Attendance incentive of Rs. 1.000.00 per month will be paid to employees who will be paid to employees who will attend all their restored night shifts in the given month. This payment will 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 period approval.

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 time 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 31st March	- 14 days
1st April and 30th June	- 10 days
1st July and 30th September	- 07 days
1st October and 31st December	- 04 days

25. **Casual Leave.**—

25.1 Employees are entitled to seven (07) working days casual leave per 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 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) days' 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 AND MEDICAL BENEFITS

##### 26. Sick leave.-

- 26.1. An employee shall be granted up to 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 within three (3) days.
- 26.5. An employee who takes less than Twenty one (21) days sick leave in any one calendar year, as allowed above (clause 26.1.) may avail himself of 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 in account of **Prolonged Illness, Hospitalisation, 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, employees will be allowed sick leave during that year up to 31st of December, computed on the basis of one and half (1 1/2) days for each month of employment.

##### 27. Medical benefits / Hospitalisation.-

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

2011	-	Rs. 25,000.00
2012	-	Rs. 25,000.00
2013	-	Rs. 25,000.00

The Employer agrees for the employee to accumulate to a maximum of Rs. 40,000.00 unutilised reimbursement 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 hospitalisation of the employee only.

Employee may cover the immediate family (Spouse and Children) at their 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 AND 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 AND 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 charges or charge 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 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 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.

34.7.1 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 workplace.

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 Recognising 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 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 in Colombo, the Union may request for a discussion with the Vice President - Technical and the Vice President 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, 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 Employers' Federation of Ceylon, in which event the procedure to be followed shall be as laid down in 35 and 35.7.

## APPENDIX I

## NESTLE LANKA PLC - KURUNEGALA FACTORY

## Initial Salary Points - All Employees

<i>Grade</i>	<i>Minimum</i>
Multi Skilled	Rs. 24,110.00 p.m.
Highly Skilled	Rs. 22,070.00 p.m.
Skilled	Rs. 20,220.00 p.m.
Semi Skilled	Rs. 18,660.00 p.m.

## APPENDIX II

## NESTLE LANKA PLC - KURUNEGALA FACTORY

## Overtime Payment Schedule

<i>Worked on</i>	<i>Office Staff</i>	<i>Other Industrial Employees Including Engineering Trade &amp; Drivers</i>
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 - 9 hrs @ 2 times Over 9 hrs. @ 3 times and 1/2 day's pay for work over 4 hrs.	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 days salary + 1 day's salary OR 1 day 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

IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Makandura, Gonawila ALOIS HAFBAUER, Managing Director of NESTLE LANKA PLC., SYED ISLAM, Finance Director of NESTLE LANKA PLC., SANT-LAL GIRDHAR, Vice President - Technical of NESTLE LANKA PLC., GONSALU KORALAGE SURENN DE CHICKERA, Vice President - Human Resources, NESTLE LANKA PLC. have set their hands for and on behalf of the said Company on the 15th day of NOVEMBER, TWO THOUSAND TEN.

IN WITNESS WHEREOF THE parties aforesaid have hereinto set their hands at Makandura, Gonawila HEWA AMARATHUNGA PIYADASA, General Secretary, All Ceylon Commercial and Industrial Workers' Union, JAYASINGHE ARACHCHIGE SAMPATH MAHINDA WEERASOORIYA President, All Ceylon Commercial and Industrial Workers' Union, NESTLE LANKA PLC. Kurunegala Factory Branch, Union, JAYAMANNA MOHOTTIGE SUNIL RAJAPAKSHA Secretary, All Ceylon Commercial and Industrial Workers' Union, NESTLE LANKA PLC. Kurunegala Factory Branch, Union, have set their hands for and on behalf of the said Union on the 15th day of November, TWO THOUSAND TEN.

**THE INDUSTRIAL DISPUTES ACT, CHAPTER 131**

The Collective Agreement entered into between the Nestle Lanka PLC (Colombo Head Office) 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 2 of the other part on 15th December 2010 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 General of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 5.  
16th May 2011.

**Collective Agreement No. 09 of 2011****COLLECTIVE AGREEMENT****between****NESTLE LANKA PLC, COLOMBO HEAD OFFICE****and****ALL CEYLON COMMERCIAL AND INDUSTRIAL WORKERS' UNION****CONTENTS****Article****PART I - GENERAL**

1. Title
2. Date of Operation and Duration
3. Earlier Collective Agreements
4. Persons Covered and Bound
5. General Terms and Conditions
6. Variation of Terms and Conditions of Employment or Benefits
7. Check Off
8. Union Meetings
9. Trade Union Action

**PART II - WORKING HOURS**

10. Working Hours

**PART III - WAGE ADMINISTRATION AND ALLOWANCES**

11. Grading
12. Initial Salary Points
13. & 14 Salaries
15. Increments/One off payments
16. Non - Recurring Cost of Living Gratuity
17. Overtime
18. Holidays
19. Weekly Holidays
20. Festival Advance
21. Uniforms
22. Bonus
23. Lunch Subsidy

**PART IV – LEAVE**

- 24. Annual Leave
- 25. Casual Leave

**PART V – SICK LEAVE AND MEDICAL BENEFITS**

- 26. Sick Leave
- 27. Medical Benefits / Hospitalisation

**PART VI – RETIREMENT AND TERMINAL BENEFITS**

- 28. Age of Retirement
- 29. Provident Fund
- 30. Employees’ Trust Fund

**PART VII – ATTENDANCE AND CARRYING OUT EMPLOYER’S INSTRUCTIONS**

- 31. Attendance
- 32. Carrying Out Employer’s Instructions

**PART VIII – SUSPENSION, DISCIPLINARY PROCEDURE AND GRIEVANCE AND DISPUTE PROCEDURE**

- 33. Suspension
- 34. Disciplinary Procedure / Domestic Inquiry
- 35. Grievance and Disputes Procedure

**APPENDICES**

- Appendix I - Initial salary points of all employees
- Appendix II - Grading of all employees
- Appendix III - Overtime payment Schedule

**COLLECTIVE AGREEMENT**

**between**

**NESTLE LANKA PLC, COLOMBO HEAD OFFICE**

**and**

**ALL CEYLON COMMERCIAL AND INDUSTRIAL WORKERS’ UNION**

This Collective Agreement made and entered into on the 15th day of December, two thousand ten between Nestle Lanka PLC. Head office, having its registered officer 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 Union’ Ordinance, having its registered officer 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 referred to in Appendix I of this Agreement employed by the Employer.

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. Colombo Head Office Collective Agreement of 2011”.

2. ***Date of Operation and Duration.***—This Agreement shall come into force with effect from 1st January 2011 and shall be in force up to 31st day of December in the year 2013, unless terminated in writing by either party with six months calendar notice to the other, provided however that such written notice shall not be given prior to 30th June 2013 and the agreement shall not stand terminated prior to 31st December 2013.

3. ***Earlier Collective Agreements.***—The provisions of this Agreement shall supersede and replace the provisions of any earlier Collective Agreement and the provisions of the “The Nestle Lanka PLC, Colombo Head Office Collective agreement of 2009”, 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 in respect of its employees in its Colombo Head Office and who are covered by this agreement, the Union and employees who are members of the union and employed in the Colombo head Office of the employer in the categories of employment set out in Appendix 1 hereto on permanent monthly contracts of employment and herein after sometime referred to as employees.

5. ***General terms and conditions.***—The terms and conditions of this agreement shall as from the date hereafter 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 wages 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.***—

- 8.1 The Union 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 bearers 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 its 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 dispute/s 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 - WORKING HOURS

10. **Working Hours.**- The hours of work will normally be from 8.00 a.m. to 5.00 p.m. From Monday to Friday. When on shift work the hours of work will be eight (08) hours per day from Monday to Friday and four (04) hours on Saturday. For clerical employees, the hours of work will normally be from 8.30 a.m. to 5.00 p.m. From Monday to Friday.

However, the Management reserves the right to vary these times in the event of exigencies.

## PART III - WAGE ADMINISTRATION AND ALLOWANCES

11. **Grading.**- Employees covered and bound by this agreement shall be graded as shown in Appendix II.

### 12. **Initial Salary Points-**

- 12.1 This Collective Agreement, having made and entered into on the 15th day of December 2010, sets out the initial salary points applicable to the categories of employees referred to in Appendix I as at December 2010. As from the First day January, Two Thousand and Eleven, the initial salary points set out in appendix I will be increased by the same percentage (%) by which the Colombo Consumers' price Index figure stands increased during preceding twelve (12) month period.
- 12.2 At the expiry of the twelve (12) month period commencing from 01st January, 2011 the initial salary points of consolidated salaries set out in Appendix I will be increased by the same percentage (%) by which the Colombo Consumers' Price Index figure stands increased during such twelve (12) month period. Thereafter, during the pendency of this Agreement the initial salary points will be increased in similar manner at the end of each succeeding twelve (12) months period.
- 12.3 The increase in the initial salary points, as set out at clause 12.2 above shall not result in any corresponding increase in the monthly consolidated salaries applicable to individual employees.
- 12.4 The initial salary points as set out in Appendix I hereof and as may be increased in terms of clause 11.2 above, shall constitute the consolidated initial salary of new recruit. The consolidated salary shall include whatever statutory allowances, if any, applicable to employees.

13. **Salaries** - As from the First day of January, Two Thousand and Eleven the monthly salaries of the employees shall be revised as set out hereunder.

- 13.1 With effect from 01st January 2011, the consolidated salary as at 31st December 2010 drawn by each employee will be increased by an amount equal to 8.5%.
- 13.2 With effect from 01st January 2012, the consolidated salary as at 31st December 2011, drawn by each employee will be increased by an amount equal to 8.0%.
- 13.3 With effect from 01st January 2013, the consolidated salary as at 31st December 2012, drawn by each employee will be increased by an amount equal to 8.0%.
- 13.4 For an employee to be entitled to the benefit of the full salary increase as set out in Clause 13.1 and 13.2 above such employee should as at the date of such increase, have been in employment of the company during the immediately preceding twelve (12) months period. An employee who has not been in employment during the full preceding twelve (12) months period from the date of the salary increases to be granted in terms of Clause 13.1, 13.2 and 13.3 above, shall be entitled to apportioned 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) months period.

14. The amounts referred to at clause 13.1, 13.2 and 13.3 of Nestle Lanka PLC. Colombo Head Office Non - Clerical Staff Collective Agreement of 1999 in respect of value of one increment and addition of a sum of Rs. 1000/= to the salaries of drivers of the Management Team shall be deemed incorporated in the monthly salaries payable to employees in terms of clause 13 of this agreement and the said drivers will continue to perform the functions relating to the washing and cleaning of company vehicles without any claim for additional payments.

15. **Increments / one off payment** - With the introduction of the initial points as provided as clause 12 hereof, 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 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. Non-Recurring Cost of Living Gratuity.-**

- 16.1 The initial salary points of the consolidated salaries set out in Appendix I have been fixed on the basis of the New Colombo Consumers, Price Index of December 2010. 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 before 10th of January 2011, in respect of the preceding twelve (12) months (hereinafter referred to as the "Qualifying Period") commencing from 01st January 2011, ascertained in accordance with the under noted formula.

**FORMULA**

If the average of the New Colombo Consumers' Price Index for the qualifying period exceeds New Colombo Consumers' Price Index of November 2009 a sum computed at Rupees sixty seven (Rs. 83.75) for each complete point (i.e. 1.0) by which such average exceeds the New Colombo Consumers' Price Index of November 2009 in respect of each month of service during the qualifying period.

- 16.2 When at the expiry of each twelve (12) months period commencing on the first day of January 2011, the initial salary points of the consolidated salaries have been revised in the manner set out in clause 12 of this Agreement; the base index figure in the formula for the purpose of calculating the non-recurring cost of living gratuity shall thereafter be increased by the number of points by which the Colombo Consumers' Price Index has risen during the twelve (12) months periods as specified in clause 12 during the continuance in force of this agreement.
- 16.3 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 January of any year or he joined the Employer's service during the course of the qualifying year.

**17. Overtime.-**

- 17.1 Overtime work shall mean work performed in excess of normal working hours.
- 17.2 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.
- 17.3 Work performed in excess of the normal hours shall be remunerated as per the over time schedule shown in Appendix III of this agreement.

**18. Holidays.-**

- 18.1 Employees will be granted the statutory holidays and Poya holidays as determined by legislation.
- 18.2 If any of the Statutory Holidays fall on a Saturday, an additional half (1/2) day shall be granted on the working day immediately preceding it and if it falls on a Sunday, a substitute holiday shall be granted on the working day immediately succeeding such weekly full holiday.

19. **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.

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

- 19.1.1 Every holiday allowed by the Employer to the employee as the annual holiday.
- 19.1.2 Every Public holiday granted by the Employer.
- 19.1.3 Every day's absence on any grounds approved by the Employer.

20. **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.

For the year 2011	-	Rs. 15,000.00
For the year 2012	-	Rs. 15,000.00
For the year 2013	-	Rs. 15,000.00

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

21. **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.

22. **Bonus.**— The employer agrees to pay a bonus to employees each year for the period of this Agreement on the following basis:

22.1 Two and half (2 1/2) months' salary each year.

22.2 Half month's salary of the Bonus at 22.1 above will be subject to a scheme for non-utilisation of some part of casual and sick leave. If an employee has a saving of 14 days of the casual and sick leave quota of 28 days, he will receive the full half-month's bonus. On this basis for each day unutilised of these 14 days, he will be paid half month's bonus divided by 14. This will not apply to employees granted sick leave for **hospitalisation or infectious diseases**. Such leave should be supported by a Medical Certificate.

22.3 The payment of bonus may be stopped totally or partly for disciplinary reasons.

23. **Lunch Subsidy.**— The non clerical employees will receive a lunch subsidy of Rupees Fifty (Rs. 50) for each full day present at work.

#### PART IV - 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.

24.2 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 24 against his Annual leave entitlement.

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

Employees joining between -

1st January and 31st March	—	14 days
1st April and 30th June	—	10 days
1st July and 30th September	—	7 days
1st October and 31st 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) days' 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 V - SICK LEAVE AND 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 subject to the sub clauses herein under.
- 26.2 The Employer may request an employee to support his sickness by a medical certificate from a Registered Medical Practitioner where necessary.
- 26.3 During the period of probation employees are not entitled to any sick leave. However, in respect of the first year of employment after confirmation, the employer may grant 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 such employment.
- 26.4 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.
- 26.5 An employee shall endeavour to inform the Company immediately of such sickness or at least within two (2) days and produce a Medical Certificate within three (3) days.

##### 27. *Medical Benefits/Hospitalisation.*-

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

2011	-	Rs. 25,000.00
2012	-	Rs. 25,000.00
2013	-	Rs. 25,000.00

The Employer agrees for the employee to accumulate to a maximum of Rs. 35,000.00 unutilised reimbursement 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 the Insurance Corporation of Sri Lanka. The Scheme provided for this purpose by the Corporation is applicable and both the employee and the Employer pay 50% of the insurance premium each. This scheme covers hospitalisation of the employee only.

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

#### PART VI - 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 VII - ATTENDANCE & CARRYING OUT EMPLOYER'S INSTRUCTIONS

31. **Attendance.**— Unless otherwise specifically instructed by Management, an employee shall present himself/herself for work on everyday (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.

#### PART VIII - 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 warrant dismissal
  - 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.**— 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.
- 34.7.1. 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 categorised in Appendix II, shall be present at the inquiry without loss of wages due to absence from the workplace.
- 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 be 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. Recognising 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.
- 35.3. An employee may present his grievance or complaint to the Divisional Manager. The employee may be accompanied by his Branch Union representative.
- 35.4. The Branch union may present the grievance or complaint in writing to the Vice President Human Resources. The written submissions shall be replied by the Vice President Human Resources. If the Branch Union is not satisfied with the written explanation of the Vice President Human Resources the Branch union may request for discussion between the Divisional Manager, the Vice President Human Resources and the Branch Union.
- 35.5. If the Branch Union and the employees are not satisfied with the outcome of the discussion with the Divisional Manager and the Vice President Human Resources, the Branch Union may make a written submission to the Managing Director. If the Branch union is not satisfied with the written explanation given by the Managing Director, the branch union may request for a discussion with the Managing Director.
- 35.6. If the Branch Union is not satisfied with the outcome of the discussion with the Managing Director, the Branch Union, may refer the matter to the Union. The Union may take written submissions to the Vice President Human Resources with a copy to the Managing Director. If the Union is not satisfied with the written explanation given by the Vice President Human Resources or the Managing Director, the Union may request for a discussion with the Divisional Manager and Vice President Human Resources, in the first instance, and if the Union is not satisfied with the outcome of the discussion with the Divisional Manager and Vice President Human Resources, the Union may request for a discussion with the Managing Director.
- 35.7. If the Union is not satisfied with the outcome of the discussion with the Managing Director, 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.
- 35.8. 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.
- 35.9. 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 Employers' Federation of Ceylon, in which event the procedure to be followed shall be as laid down in 35.7 and 35.8.
- 35.10. In the event the Union is of the Opinion that in view of the urgency and importance of a dispute there is need for quick settlement for such grievance or dispute, the Union may refer the matter directly to the Managing Director to bring about a speedy solution.

#### APPENDIX I

#### NESTLE LANKA PLC. - HEAD OFFICE

#### INITIAL SALARY POINTS - ALL EMPLOYEES

<i>Grade</i>	<i>Minimum</i>
Multi Skilled	Rs. 24,110.00 p.m.
Highly Skilled	Rs. 22,070.00 p.m.
Skilled	Rs. 20,220.00 p.m.
Semi Skilled	Rs. 18,660.00 p.m.

## APPENDIX II

## NESTLE LANKA PLC.-HEAD OFFICE

<i>Grading of Employees</i>	<i>Multi Skilled</i>	<i>Highly Skilled</i>	<i>Skilled</i>	<i>Semi Skilled</i>
Clerical		<ul style="list-style-type: none"> <li>Coordinator Regions</li> </ul>	<ul style="list-style-type: none"> <li>Office Helper</li> <li>Mail / Invoice Assistant</li> <li>Peon</li> </ul>	
Non Clerical			<ul style="list-style-type: none"> <li>Driver</li> <li>Promotions Assistant</li> </ul>	

## APPENDIX III

## NESTLE LANKA PLC.-HEAD OFFICE

## OVERTIME PAYMENT SCHEDULE

<i>Worked On</i>	<i>Office Staff</i>	<i>Other Industrial Employees</i>
Over Normal Working Hours.	1 1/2 times the normal hourly rate.	1 1/2 times the normal hourly rate.
Saturdays	<b>1 - 4 hrs.</b> @ 1 1/2 times <b>4 1/4 - 7 hrs</b> @ 2 times <b>Over 7 hrs.</b> @ 3 times and 1/2 day's pay for work over 4 hrs.	@ 1 1/2 times
Sunday and Statutory Holiday	<b>1 - 4 hrs:</b> 1 day's salary + (1/2 day's salary or 1/2 day's lieu leave.)  <b>4 1/4 - 8 hrs:</b> 2 day's salary + (1 day's salary or 1 day's lieu leave.)  <b>Over 8 hrs:</b> 2 days salary + (1 day's salary or 1 day lieu leave) and treble the hourly rate for each additional hour from 09th hour.	<b>1 - 4 hrs.</b> @ 1 1/2 times + 1/2 day's salary  <b>4 1/4 - 8 hrs.</b> @ 1 1/2 times + 1 day's salary *  <b>Over 8 1/4 hrs.</b> @ 2 times + 1 day's salary.

Normal hourly rate = salary / 240

*Note:* Only for two consecutive Sundays, lieu leave would be paid.



IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Colombo, ALOIS HOFBAUER Managing Director of NESTLE LANKA PLC., GONSALU KORALAGE SURENN DE CHICKERA, Vice President - Human Resources, NESTLE LANKA PLC., SYED ISLAM, Vice President - Finance & Control, NESTLE LANKA PLC., have set their hands for and on behalf of the said Company on the 15th day of December, TWO THOUSAND AND TEN.

IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Colombo HEWA AMARATHUNGA PIYADASA, General Secretary, All Ceylon Commercial and Industrial Workers' Union, PIYASIRI BADDEGAMA Secretary, All Ceylon Commercial and Industrial Workers' Union, NESTLE LANKA PLC. Colombo Head Office Branch, Union, VIDYANANDA KUMARAGE, President, All Ceylon Commercial and Industrial Workers' Union, NESTLE LANKA PLC. Colombo Head Office Branch, Union, have set their hands for and on behalf of the said Union on the 15th day of December, TWO THOUSAND AND TEN.

**THE INDUSTRIAL DISPUTES ACT, CHAPTER 131**

THE Collective Agreement entered into between the Piramal Glass Ceylon PLC, No. 148, Maligawa Road, Ratmalana of the one part and Inter Company Employees Union, 12/2, Weera Mawatha, Subootheripura, Battaramulla of the other part on 15th day of February 2011 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 - General of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 05.  
27th June, 2011.

**Collective Agreement No. 14 of 2011****Collective Agreement**

This Agreement entered into by and between PIRAMAL GLASS CEYLON PLC, a Company duly incorporated in Sri Lanka and having its registered office at No. 148, Maligawa Road, Ratmalana, (hereinafter referred to as "the Employer") and the INTER COMPANY EMPLOYEES UNION, a Trade Unions duly registered in Sri Lanka, having its Registered office at No. 12/2, Weera Mawatha, Subootheripura, Battaramulla (hereinafter referred to as "the Union").

WITNESSETH and it is hereby agreed between the parties as follows :-

**Title.** - The Collective Agreement shall be known and referred to as the Piramal Glass Ceylon PLC Collective Agreement 2010.

1. **Parties Covered and Bound.** - This Agreement shall cover and bind the Employer, the Union and all permanent employees who are members of the Union and are in employment at the date of signing this Agreement.

2. **Date of Operation and Duration.** - This Agreement shall be effective as from the 1st April, Two Thousand Ten and shall thereafter continue in force unless it is determined by either party giving one month's notice, in writing, to the other provided, however that neither party hereto shall give such notice to the other party, until 28th February 2013.

3. **Repudiation of Previous Collective Agreements.** - This Agreement shall supersede and replace the provisions of the previous Collective Agreements signed between the parties and all such previous Collective Agreements shall stand terminated with effect from the date on which this Collective Agreement comes into force.

4. **Salaries.** - The Employer agrees to grant the following increases of salaries to all permanent employees covered and bound by this Agreement, on the following basis, during the pendency of this Agreement. The following revision shall be subject to employees being in service as at 1st April 2010:-

**(i) Period from 1st April 2010 to 31 st March 2011**

- (a) With effect from 01st April, 2010 a sum of 2,000/- or an amount equivalent to 11% of the basic salary of an employee, whichever is higher, will be added to the basic salary as at 1st April 2010.
- (b) Thereafter, a further sum of Rs. 335/- been the rupee value of 5 points in the Colombo Consumer Price Index (CCPI) (New) calculated at the rate of Rs. 67/- per point, will be added to the basic salary of each employee covered and bound by this agreement as at 01 st April 2010.
- (c) Accordingly, the employees will be entitled to a sum of Rs. 88,000/- for the period referred to above subject to the appropriate deductions. Out of the total amount of Rs. 88,000/-, an amount of Rs. 4,000/- shall be paid monthly and a total of Rs. 48,000/- will be deducted from the total amount, and the remaining amount of Rs. 40,000/- will be paid during the month of April 2011.

Parties agree that the above payments made under 4 (i) (c), will not attract EPF/ETF or any other statutory or consequential benefits.

The arrears as per 4 (i) above will be paid subject to the relevant deductions.

**(ii) Period from 01st April 2011 to 31st March 2012**

- (a) With effect from 01st April 2011, a sum of Rs. 1,600/- will be added to the basic salary as at 01st April 2011.
- (b) Thereafter, a further sum of Rs. 335/- been the rupee value of 5 points in the Colombo Consumer Price Index (CCPI) (New) calculated at the rate of RS. 67/= per point, will be added to the basic salary of each employee covered and bound by this agreement as at 01st April 2011.
- (c) Accordingly, the employees will be entitled to a sum of Rs. 92,000/- for the period referred to above, subject to the appropriate deductions. Out of the total amount of Rs. 92,000/-, an amount of Rs. 4,000/- shall be paid monthly and a total of Rs. 48,000/- will be deducted from the total amount, and the remaining amount of Rs. 44,000/- will be paid during the month of April 2012.

Parties agree that the above payments made under 4 (ii) (c), will not attract EPF/ETF or any other statutory or consequential benefits.

**(iii) Period from 1st April 2012 to 31 st March 2013**

- (a) With effect from 01st April, 2012 a sum of 1,600/- will be added to the basic salary of such employee as at 01st April 2012.
- (b) Thereafter, a further sum of Rs. 335/- been the rupee value of 5 points in the Colombo Consumer Price Index (CCPI) (New) calculated at the rate of Rs. 67/- per point, will be added to the basic salary of each employee covered and bound by this agreement as at 01 st April 2012.
- (c) Accordingly, the employees will be entitled to a sum of Rs. 96,000/- for the period referred to above subject to the appropriate deductions. Out of the total amount of Rs. 96,000/-, an amount of Rs. 4,000/- shall be paid monthly and a total of Rs. 48,000/- will be deducted from the total amount, and the remaining amount of Rs. 48,000/- will be paid during the month of April 2013.

Parties agree that the above payments made under 4 (iii) (c), will not attract EPF/ETF or any other statutory or consequential benefits.

- (iv) Trade Union agrees not to make any further demands or raise issues/requests on matters relating to salaries/wages or salary increase of any Employees during the period covered by this agreement.

**5. Shift, Heat and Dust Allowance.**— The shift allowance payable for an 8 hour shift is as follows:—

<i>Shift</i>		<i>Amount</i>
Morning	—	Rs. 10/-
Afternoon	—	Rs. 20/-
Night	—	Rs. 35/-

Heat and Dust allowance payable for an 8 hour shift is as follows:—

Heat allowance	—	Rs. 10/-
Dust allowance	—	Rs. 9/-

The Management to take possible action to minimize the impact arising out of Heat, Dust and Sound.

**6. Subsistence Allowance.**— Subsistence allowance will be Rs. 100/-

**7. Welfare Activities.**— (i) In the event of a death of a permanent employee, who is covered and bound by this Agreement, the Employer shall make a payment of Rs. 40,000/- to the person nominated by the employee.

**(ii) Service Awards**

It is agreed between the parties that the following Service Awards will be granted when an employee completes the relevant service periods as indicated below:

- (a) An Employee who has completed 15 years of continuous service will receive a gold sovereign.

- (b) An Employee who has completed 25 years of continuous service will receive a 600 W. Music Centre (Sony/Akai/National/Aiwa/Phillips or LG) or a gift voucher equivalent to the value of the Music Centre to buy jewellery.
- (c) Employees who have completed 30 years of continuous service shall receive a 21" Colour TV (Sony/Phillips/National/Aiwa/LG) or a gift voucher to the value equivalent to the colour TV to buy jewellery.
- (d) The relevant service period shall be determined taking into consideration 01st April of each year as the base date.
- (e) Employees shall be entitled to the Service Award in the event of termination of their services on the following grounds and provided that other requirements, in granting the Service Award, have been fulfilled:-
  - \* Resignation from service
  - \* Voluntary Retirement
  - \* Reaching the age of retirement as per the letter of appointment.
- (f) The relevant period of service shall be determined by taking the last date of employment into consideration.
- (g) **EXEMPTIONS:**
  - (i) It is agreed to grant the 25 years service award to an Employee who has completed a continuous period of 20 years of service, at the time of his retirement, after receiving the 15 years service award.
  - (ii) It is also agreed to grant the 30 years service award to an Employee who has been in continuous service at least for a period of one year after becoming entitled for the 25 years service award and at the time of retirement.

8. **Insurance Scheme.**— The Employer shall contribute 60% of the premium while the Employee is required to contribute 40% of the premium for the said Insurance Scheme. The present maximum claim of Rs. 60,000/= per family per annum would be increased to Rs. 80,000/= per family per annum with effect from 01st of April, 2011. The sharing ratio (60:40) will remain the same during the pendency of this agreement.

9. **Medical Test.**— An appropriate Medical Test for the Employees deployed in the Batch House, Furnace and Hot End and in addition, Employees who are engaged in maintenance activities of IS Section, General Maintenance and Instrument Technicians in the Electrical Division shall be carried out on a Schedule to be made by the Employer. In addition, examination of eyes for all Employees at the Cold End shall also be carried out according to a Schedule made by the Employer.

The above tests are mandatory and employees agree to make themselves available for the respective tests, according to the Schedule made by the Employer.

10. The Trade Union and employees covered by the said Agreement agree to undergo training on Company's initiatives, such as Information Management System (IMS), International Organization for standardization (ISO), Occupational Health and Safety Assessment Series (OHSAS), Kaizen, 5S, Total Quality Management (TQM), Area Effective Teams (AET) Six Sigma, Parivartan, etc. The Union and the employees also agree to co-operate and support measures / initiatives and quality improvement by involving themselves in self-managed group activities, Idea Banks and also suggest schemes for productivity improvement. A Certificate / Letter of Participation will be issued to the employees on successful completion of structured Training programs. A letter for participation for structured training will be issued by the management.

11. In view of the continuous manufacturing process that is operative in the factory, the Union and the employees agree to co-operate to curb absenteeism.

12. The Management has the right to request employees to engage in reasonable overtime as and when needed, and the employees agree to engage in overtime work upon such reasonable request.

13. No employee shall leave his / her place of work / Department till his reliever arrives and reports for duty and hands over charge to the next person on the shift.

14. It shall be the responsibility of the Employee to observe asset care initiative by taking care of the tools, machines, spare parts and proper packing of shop floor materials.

15. Trade Union accepts the need of Hot End Sampling. However, as there are practical difficulties, Trade Union agrees to formulate a mechanism on this after discussing with the Employees, immediately.

16. Usage of Personal Protective Equipments (PPEs) and adhering to the requirements of ISO 9000 - 22000 are compulsory at the workplace. Management will monitor the quality level of PPE (Personal Protective Equipment) if any malfunction is reported.

17. Use of mobile phones at the workplace shall be strictly on prior approval and shall be under exceptional circumstances.

18. The Union members and Employees agree to effectively involve themselves in various Committees including Safety Committee, Canteen Committee, Welfare Committee etc.

19. The Employees agree that they are bound by the disciplinary standards/norms and work arrangements and prevailing procedures of the Company and the Company has the right to take appropriate disciplinary action against any misconduct/violation.

20. Any sabotage act of any Employees in any department which will have an adverse impact on productivity, efficiency and sales would be considered as violation of agreement under any circumstances.


21. 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 shall not engage in any strike or other form of Trade Union action against the Employer in respect of any dispute between the Employer on the one hand and the Union and/or its members and/or any Employees covered and bound by this Agreement on the other hand when such dispute is related to a matter covered by this Agreement.


22. **Grievance and Disputes Settlement Procedure.**– In the event of any dispute or grievance in relation to any kind of dispute/ disputes not covered under this Collective Agreement between an Employee or Employees/“Trade Union” and the Employer, the following procedure shall be followed for the settlement of such dispute or in resolving such grievance:

- (i) The Employee or the “Trade Union” representative shall in the first instance, raise the dispute or grievance with the Foreman/Sectional Manager/Departmental Head.
  - (ii) If the dispute or grievance is not satisfactorily resolved as referred to at 22(i) above, the Employee or the “Trade Union” representative shall then refer the matter to the Human Resource Manager/Personnel Manager, in writing and the Human Resource Manager/Personnel Manager shall discuss the matter with the Employee or the “Trade Union” representative and endeavour to bring about a settlement.
  - (iii) If no satisfactory solution is arrived at the discussions in 22(ii) above, then the issue in dispute shall be discussed by the Employee or “Trade Union” with the members of the senior management represented by the present designation of General Manager/Vice President.
  - (iv) If no satisfactory solution is arrived at the discussions in 22(iii) above, then the issue in dispute shall be discussed by the Employee or “Trade Union” with the CEO/President.
  - (v) If the dispute is not resolved as referred to at 22(iv) above, the Employee/“Trade Union” may pursue the matter with the Employers’ Federation of Ceylon of which the Employer is a member.
  - (vi) If after discussion the matter cannot be resolved by the intervention of EFC or under certain circumstances if the “Trade Union” decides not to agree for the intervention of the Employers’ Federation of Ceylon, after giving reasons to that effect and then conciliatory proceedings under the Industrial Disputes Act (IDA) should be followed.
  - (vii) (a) If the conciliation in the Department of Labour fails and the “Trade Union” contemplates stoppage of work or a strike Trade Union action, not less than 21 days written prior notice should be given to the Employer and to the EFC.  
(b) If any Trade Union action other than the action referred to under 22(vii)(a), is contemplated not less than the seven days, written prior notice should be given to the Employer and the EFC.
  - (viii) Without prejudice to the provisions above, the Employee or the “Trade Union” and its members hereby agree that it shall not resort to any Trade Union action in respect of any dispute covered under Paragraph 22 without having recourse to this Grievance and Disputes Settlement Procedure.
  - (ix) Management agrees to reply Trade Union letters on disputes within a period of 7 days.
23. (i) The term “Trade Union” shall include an Employee/Employees and/or Trade Union as well.  
(ii) “Salaries or Wages” mean consolidated salaries or wages.

In witness hereof, parties place their signatures on this 15<sup>th</sup> day of February, Two Thousand Eleven, at Colombo.

**On behalf of Trade Union**

1.   
**Janaka Adikari**  
**General Secretary - ICEU**

2.   
**K.P.S. Kumara**  
**President - Branch**  
**ICEU**

3.   
**R.D.R. Ranjith**  
**Secretary - Branch**