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PART I: SECTION (I) – GENERAL

Government Notifications

My No.: CI/1804.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

The Collective Agreement entered into between Haychem (private) Limited, No. 400, Deans road, Colombo 10 of the one part and the Inter Company Employees' Union, No. 12/2, Weera Mawatha, Sri Subootheripura, Battaramulla of the other part on 14th day of November 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 of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
13th December, 2012.

COLLECTIVE AGREEMENT NO. 43 OF 2011

This collective agreement made this fourteenth day of November Two Thousand and Eleven to take effect from the First day of November Two Thousand and Eleven Pursuant to the Industrial Disputes Act between

Haychem (Private) Limited, having its registered office at 400 Deans road, Colombo 10 (hereinafter referred to as the "Employer") of the

One part

and

The Inter Company Employees' union a registered Trade Union having its office at 12/2, Weera Mawatha, Sri Subootheripura, Battaramulla (hereinafter referred to as the Union) of the

Second Part

Witnesseth and it is hereby agreed between the parties as follows:

Title: This Agreement shall be known and referred to as the Haychem (private) Limited Manual Workers' Collective Agreement of 2011.

1A – G17072 – 355 (2012/12)

This Gazette Extraordinary can be downloaded from www.documents.gov.lk.

PART I

CONTAINING TERMS AND CONDITIONS OF EMPLOYMENT AND MATTERS INCIDENTAL THERETO AND CONNECTED THEREWITH

1. **Persons Covered and Bound.** - This Agreement shall cover and bind the Employer, the Union and the members of the Union who are employed by the Employer in a Manual or labouring capacity on monthly contracts of employment as at the date of signing this Agreement and for whom provision has been made in the wage scales set out in schedules 1 and 2 of this Agreement. For employees recruited to the permanent cadre after first June Two Thousand and Eight, provision has been made in the Wage Scales set out in Schedule 3 of this Agreement and Clauses 16 and 20 shall not apply to such new employees.

2. **Earlier Collective Agreement.** - The provisions of this agreement shall supersede and replace the provisions of the existing Collective Agreement between the same parties.

3. **Date of Operation and Duration.** - This Agreement shall be effective as from the First day of November Two Thousand and Eleven and shall thereafter continue in force unless it is determined by either party giving notice in terms of the Industrial Disputes Act in writing to the other, subject to the following provisos:

- (a) That one party hereto shall not give such notice to the other party before the 1st day of November Two Thousand and Fourteen and no notice given before that date shall be regarded as valid,
- (b) That in the event of a reduction in the par value of the Sri Lankan Rupee under any provision of law, a party shall be at liberty to abrogate this Agreement by giving on month's notice in writing to the other in terms of the Industrial Disputes Act.

4. **General Terms and Conditions of Employment.** - During the continuance in force of this agreement the terms and conditions of this Agreement shall be deemed to be included in each contract of service between the Employer bound by this agreement and an Employee covered and bound by this agreement, whether such contract of service be written or oral, which was subsisting on the date hereof or which shall come into being at any time after the date hereof during the continuance in force of this Agreement.

5. **New Employees.** - The Company will be entitled to recruit employees to the permanent cadre after the date hereof and place them on a suitable point in the Wage Scale set out in Schedule 3, if required. Such new employees will not be covered by clauses 16 and 20 of this Agreement. The Wage Scale set out in Schedule 3 hereto includes the Statutory Allowances as at the date of this Agreement.

6. **Probation.** - Every Employee recruited by the Employer shall serve a period of probation of not more than six (6) months, provided however, that if during the six (6) months probationary period the Employer is not satisfied with the progress of such Employee, the probationary period may be extended for a further period of three (3) months and in that event the Employer shall indicate to the Employee in writing the reasons why the probationary period has been extended. During the period of probation or extended probation the Employer shall have the right to terminate the services of the Employee without notice.

7. **Attendance.** -

- (1) Unless otherwise specifically instructed by his Employer, an Employee shall present himself for work on every day (other than a holiday) at the usual starting time of the store, factory, mill or job and shall there remain available for work throughout the normal working hours.
- (2) If, at a store, factory, mill or job, work is temporarily not available for an Employee in his own occupation he shall be deemed to be ready and willing to perform work within the capacity and skill in any other occupation at any other work site of the Employer where work is available.
- (3) Irregular attendance or unpunctuality of an Employee shall constitute neglect of duty for which he shall be liable to appropriate disciplinary action.

8. **Hours of Work.** - The hours of work on a normal working day or on a shift shall be nine and one half (9 1/2) hours inclusive of a half (1/2) hour interval for lunch and two fifteen minutes intervals for tea. (Please note that the decision to work a five day week was arrived at consequent to the Fuel Conservation Law of 1973 and the request made by the employees to continue with the same work arrangements after the repeal of the Law. Therefore, currently the employees enjoy the benefit of an additional holiday on the short working day which is - presently on Saturday).

9. **Forfeiture of Wages.**– Unless for good cause shown to the satisfaction of the Employer, an Employee fails to hold himself available for work throughout the normal working hours of each working day he shall forfeit and the Employer shall be entitled to deduct his wages for the period from the time at which such failure occurs until he is again available for work.

10. **Overtime.**–

- (1) If required by his Employer, an Employee shall work reasonable overtime which has been authorized by the Employer. Refusal to work reasonable overtime in the absence of a satisfactory explanation which is acceptable to the Employer shall constitute neglect of duty for which an Employee shall be liable to appropriate disciplinary action.
- (2) Overtime work (that is work performed in excess of normal working hours) shall be remunerated at one and one half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of clause 19 (a) hereof.

11. **Weekly Holiday.**–

- (1) In respect of each week every Employee shall be allowed a paid holiday on a Sunday in that week as the weekly holiday provided however, that if an Employee has not worked for a period of at least twenty eight (28) hours exclusive of any period of overtime work during that week, he shall be liable to forfeit and his Employer shall be entitled to deduct one day's wage in respect of the weekly holiday for that week computed in accordance with the provisions of Clause 19(b) hereof.
- (2) In computing the period of twenty eight (28) hours referred to in sub-clause (1) the Employer shall include –
 - (a) Every holiday allowed by the Employer to Employee as Annual holiday;
 - (b) Every public holiday granted by the Employer in terms of Clause 13 hereof; and
 - (c) Everyday's absence on any ground approved by the Employer;
- (3) The Employer may employ any Employee on a weekly holiday subject to the following conditions:
 - (i) a day within the six days next succeeding such weekly holiday shall be allowed to that Employee as a holiday with remuneration. Provided however, that if any Employee who is employed on a weekly holiday is liable to forfeit and the Employer is entitled to deduct one day's wage in respect of that weekly holiday as provided in Sub-clause (1) then and in such event that Employee shall forfeit and the Employer shall be entitled to deduct one day's wage computed in accordance with the provisions of Clause 19(b) hereof in respect of the holiday which shall be allowed to that Employee within six (6) days of that weekly holiday. Provided further, that in respect of not more than two (2) such weekly holidays in any one calendar month the Employer may with the consent of the Employee –
 - (a) instead of allowing an alternate holiday within six (6) days of the weekly holiday in respect of which that Employee shall not be liable to forfeit and the Employer shall not be entitled to deduct one day's wage as aforesaid, pay him one day's wage computed in accordance with the provisions of Clause 19(b) hereof in lieu of such alternate holiday, or
 - (b) in case that Employee is entitled to an alternate holiday within six (6) days of the weekly holiday as aforesaid in respect of which alternate holiday he shall be liable to forfeit and the Employer shall be entitled to deduct a day's wage as aforesaid, employ that Employee on the alternate holiday.
 - (ii) that in respect of work done on such weekly holiday the Employee shall be paid as remuneration –
 - (a) one and half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of Clause 19(a) hereof for the No. of hours worked during the first nine (09) hours (exclusive of one (01) hour for a meal); and
 - (b) at double the normal hourly rate ascertained in accordance with the provisions of Clause 19(1) hereof for each subsequent hour of work.

The provisions of this Sub-clause shall not apply to employees engaged on work outside the business premises of the Employer for periods exceeding twelve (12) hours in respect of the duration of each such period.

- (4) Saturday shall be a non-working day and where an employee does not qualify for a paid weekly holiday in terms of this Clause, he shall forfeit three fifth of his pay for Saturday if he has worked only 2 days in the week; four fifth of his pay for Saturday if he has worked only one day in the week and shall receive no pay for the Saturday if he has not worked on any day in the week. For the purpose of this Sub-clause days worked will be reckoned in terms of Sub-clause 2 above.

12. **Annual Holidays.**— An employee will be entitled to a maximum of fourteen (14) days earned annual leave in accordance with the practice of the Company.

13. **Public Holidays.**—

- (1) Public holidays shall be allowed to an Employee in accordance with the practice of the Company provided however, that an Employee may be employed on a public holiday in accordance with practice of the Company.
- (2) If any public holiday which an Employee is eligible to under the provisions of Sub-clause (1) falls on a Sunday, a day either in the six (6) days immediately preceding or in the six (6) days immediately succeeding such public holiday shall be granted to the Employee as a weekly holiday in accordance with the provisions of Clause 11 hereof.
- (3) If any public holiday to which an Employee is eligible under the provisions of Sub-clause (1) falls on a Saturday the number of hours constituting the normal working day on the day immediately preceding such public holiday shall be four and one half (4 1/2) hours and no interval for a meal shall be granted.

14. **Casual Leave.**—

- (1) In respect of each year of employment during which any Employee has been continuously in employment that Employee shall be entitled to take on account of private business or other reasonable cause including ill health if that Employee's entitlement to sick leave has been fully utilized, leave (hereinafter referred to as 'Casual Leave') with remuneration for the period or an aggregate of periods not exceeding seven (7) days and the Employer shall allow such Casual Leave and shall be liable to pay such remuneration. Provided however, that not more than two (2) days Casual Leave shall be taken at any time save and except upon the ground of ill health. Provided further that any Employee shall not be entitled to take Casual Leave immediately preceding or immediately following any period of annual holidays. Provided further that in respect of any Employee's first year of employment including any period of probation he shall be entitled to Casual Leave for that year computed on the basis of one day for each complete period of two months' service.
- (2) Casual Leave will normally be granted on application without the Employee being required to state the reason for the application. Where an Employer finds it difficult to grant an application for Casual Leave his difficulty shall be notified to the Employee as soon as possible after the application is made and in such case the Employee may be required to state the reason for the application in order that the Employer may decide whether it is reasonable in the circumstances to grant him Casual Leave.

15. **Sick Leave.**—

- (1) In any year an Employee covered by the Wage Scales set out in Schedules 1 and 2 of this Agreement shall be entitled to Sick Leave not exceeding 21 days provided that
 - (a) his illness is supported by a medical certificate from a registered medical practitioner (unless waived by his Employer) and
 - (b) the Employee shall not be on probation within the meaning of Clause 6 hereof, Provided however, that an Employee who has been on probation shall as from the date of confirmation in respect of the remainder of the first year of employment be entitled to Sick Leave not exceeding ten (10) days if he is confirmed after six (6) months' probation and Sick Leave not exceeding five (5) days if he is confirmed after nine (9) months' probation.
- (2) In any year an Employee covered after First June Two Thousand and Eight and covered by the Wage Scale set out in Schedule 3 of this Agreement shall be entitled to Sick Leave not exceeding 7 days provided that
 - (a) his illness is supported by a medical certificate from a registered medical practitioner (unless waived by his Employer) and
 - (b) the Employee shall not be on probation within the meaning of Clause 6 hereof. Provided however, that an Employee who has been on probation shall as from the date of confirmation in respect of the remainder of the first year of employment be entitled to Sick Leave not exceeding five (05) days if he is confirmed after six (6) months' probation and Sick Leave not exceeding three (03) days if he is confirmed after nine (9) months' probation.

16. *Monthly consolidated wages in lieu of CCPI consolidation.*

- (1) Subject to the provisions of Clause 17 hereof each Employee shall be paid upon and subject to the other terms and conditions herein contained, a monthly consolidated wages on the basis of the scales of consolidated wages set out in Schedules 1 and 2 hereto.
- (2) The scales of consolidated wages set out in Schedules 1 and 2 hereto include the Statutory Allowances as at the date of this Agreement.
- (3) The wages of employees who are in employment as at the date of this Agreement and for whom provision has been made in the wage scales set out Schedules 1 and 2 of this Agreement will be revised as follows
 - (a) A sum of Rs. 500/- would be added to the wages payable to each employee with effect from the first day of September 2011.
 - (b) A Sum of Rs. 600/- would be added to the wages payable to each employee with effect from the first day of September 2012.
 - (c) A Sum of Rs. 600/- would be added to the wages payable to each employee with effect from the first day of September 2013.
 - (d) A Sum of Rs. 600/- would be added to the wages payable to each employee with effect from the first day of September 2014.

4. Employees recruited to the permanent cadre after 1st June 2008 and for whom provision has been made in the Wage Scale set out in schedule 3 hereto, shall not be covered by the provisions of this clause and therefore would not be entitled to the aforementioned payments.

17. *Conversion to Scales of Monthly Consolidated Wages:*

1. For the purpose of ascertaining the wage which an Employee shall receive with effect from the First day of November Two Thousand and Eleven on the basis of scales of consolidated wages set out in the Schedules 1, 2 and 3 hereto the following provisions shall apply.

- (i) To the wage payable to an employee as at the Thirty First day of October Two Thousand and Eleven an amount equivalent to 12.5% shall be added subject to a minimum of Rs. 1700/-

2. Each employee shall thereafter be placed at the corresponding point on the wage scales set out in schedules 1, 2 and 3 and 3 here to in the grade applicable to him. If there is no corresponding point, he shall be placed on the next higher point on the same grade in monetary terms.

3. If during the continuance in force of this Agreement the Government of Sri Lanka.

- (a) Prescribes increases in wages by any written law applicable to categories covered by this Agreement legally obliging the Employer to make such payment, the employer shall pay such increases in wages prescribed by such written law and in terms of such written law;
 - (b) Recommends increases in wages such recommendations will not be applicable to the Employer, irrespective of whether or not such recommendations are applicable to categories covered by this Agreement.
4. (a) As a matter of goodwill it is agreed that an employee who is in employment as at the date hereof shall receive an ex-gratia payment of a sum representing an amount equal to 12.5% of the wage payable to an employee as at Thirty First October Two Thousand and Eleven subject to a minimum of Rs. 1700/- multiplied by 3.
- (b) The lump sum payment by way of notional arrears shall not constitute a part of an employee's earnings for any purpose whatsoever and shall not attract any consequential payments such as overtime, Provident Fund, Trust Fund etc.

18. *Productivity Bonus Scheme.*— Effective from the First day of November Two Thousand and Eleven the Employer will pay a productivity bonus in accordance with the productivity Bonus Schemes set out in Schedules 4 and 5 of this agreement. The norms mentioned in Schedule 4 will be the level of production to be achieved by the employees on a daily basis during normal working hours.

19. **The Wages For Periods Less Than One Month.**— For the purpose of this Agreement the wages of any employee for periods less than one month shall be computed in the manner following:

- | | | |
|-----|--|---|
| (a) | for one hour | The monthly wage divided by two hundred and forty (240) |
| (b) | for one day | the monthly wage divided by thirty (30) |
| (c) | for one half day
(either morning
or afternoon) | a day's wage ascertained as above divided by two (2) |
| (d) | for one week | a day's wage ascertained as above multiplied by seven (7) |

20. **Annual Lump Sum Payment in Lieu of Non Recurring Cost of Living Gratuity.**—

- (1) A lump sum payment on an ex-gratia basis would be made to the employee for whom provision has been made in the wages scales out in Schedules 1 and 2 on the following basis.
 - (a) A sum of Rs. 14,000/- payable in November 2011 for the period 1st September 2010 to 31st August 2011.
 - (b) A sum of Rs. 14,000/- payable in September 2012 for the period 1st September 2011 to 31st August 2012.
 - (c) A sum of Rs. 14,000/- payable in September 2013 for the period 1st September 2012 to 31st August 2013.
 - (d) A sum of Rs. 14,000/- payable in September 2014 for the period 1st September 2013 to 31st August 2014.
- (2) No Provident Fund, Trust Fund, Overtime or any other payment shall be due or calculated on these ex-gratia payments.
- (3) Employees recruited to the permanent cadre after 1st June 2008 and for whom provision has been made in the Wage Scale set out in Schedule 3 hereto, shall not be covered by the provisions of this Clause and therefore would not be entitled to the aforementioned payments.

21. **Provident Fund.**— The Employer and an Employee shall contribute to the Provident fund at rates prescribed by the Employee's Provident Fund Act No. 15 of 1958.

22. **Terminal Benefits.**— The Employer will pay terminal benefits to Employees in accordance with the Gratuity Act No. 12 of 1983.

23. **Bonus.**—

- (1) Without prejudice to existing bonus schemes and without prejudice to the Employer's claim that bonus payment in the past and as provided in this Agreement are ex-gratia, the Employer will, subject as hereinafter provided, continue to pay to each of his employees a bonus which will not be less than the sum of money paid to him as his bonus for the year immediately preceding the signing of the Agreement. If in any year the Employer, in his discretion reduces the bonus to an amount less than the sum of money paid to each of his Employees as bonus for the year immediately preceding the signing of this Agreement the Union may canvas such reduction of bonus with the Employer concerned. If the Union is not satisfied by the Employer in the matter, the Union may pursue this matter with the Employers Federation of Ceylon. If the dispute as to the reduction of bonus is not settled with the Federation, the same shall be referred to a committee of three (3) persons (hereinafter referred to as a 'Bonus committee') which shall be constituted in accordance with the provisions of sub-clause 2 for settlement in the manner hereinafter set forth.
- (2) At the written request of the parties to the dispute as to the reduction of the bonus the Commissioner General of Labour will constitute a Bonus Committee which shall consist of three (3) senior accountants nominated by the Council of the Institute of Chartered Accountants of Sri Lanka. The said Chartered Accountants shall be persons with at least ten (10) years' post qualification experience. The selection of the three Chartered Accountants will be communicated by the Institute of Chartered Accountants to the Commissioner General of Labour, the Employer, the Union and to the Federation. Thereupon the Commissioner General of Labour will communicate in writing to each member of the Bonus Committee so constituted a statement of principles and procedures by which the members of the Bonus Committee shall be bound in settling the dispute as to the reduction of Bonus.

- (3) Upon receipt of the submissions and the statement of the principles and procedures from the Commissioner General of Labour the Bonus Committee shall in accordance with the said principles and procedures decide whether the reduction of the bonus by the Employer was justified and if the reduction was not justified to what extent, if any, the bonus should be reduced. The Bonus Committee shall communicate its decision in writing to the Employer, the Union the Federation and the Commissioner General of Labour. If the decision of the Bonus Committee is unanimous, such decision shall be final and binding on the parties to the dispute and the Union and/or its members shall not pursue the matter further by any form of Trade Union action or otherwise during the continuance in force of this Agreement. If however, the Bonus committee is divided in its decision then the decision of the commissioner General of Labour on the matter shall be final and binding on the parties to the dispute and the Commissioner General's decision shall be communicated in writing to the Employer, the Union and to the Federation, and the Union or its members shall not pursue the matter further by any form of Trade Union action or otherwise during the continuance in force of this Agreement.
- (4) The Bonus committee shall not be entitled not be competent to decide that in any year the Employer should pay his Employees a bonus exceeding the sum of money paid as bonus as in the year immediately preceding the signing of this Agreement.
- (5) The fees payable to the members of the Bonus committee shall be borne equally by the parties to the dispute as to the reduction of bonus and be payable on demand by the Commissioner General of Labour.
- (6) The payable of a bonus exceeding the sum of money paid as bonus to employees in the year immediately preceding the signing of this Agreement shall be in the sole discretion of the employer and shall not be called in question by the union and/or its members nor shall the employer's failure or refusal to pay such bonus be the subject of any dispute.
- (7) The provisions of sub-clauses (1) (2) (3) (4) (5) and (6) shall mutatis mutandis apply to existing bonus scheme.
- (8) At the request of the commissioner General of Labour the council of the Institute of Chartered Accountants of Sri Lanka will nominate three (3) chartered accountants with not less than ten (10) years of post qualification experience drawn from professional accountancy firms to serve on the Bonus committee.

24. Annual Increments.–

- (1) The annual increments provided in each grade of the scales of consolidated wages in Schedules 1, 2 and 3 shall be automatic, unless as a matter of punishment for general inefficiency including irregular attendance or unpunctuality or disciplinary action on account of serious misconduct an increment is suspended, stopped or deferred in which case where an increment is–
 - (a) deferred, the loss of increment shall be continuous throughout the year.
 - (b) stopped, the loss of increment shall only be for the period of stoppage during the year;
 - (c) suspended, the increment is suspended pending a decision to defer or stop an increment, such decision being dependent upon a consideration of the factors giving rise to the suspension. Where on such decision an increment is neither stopped nor deferred, then the suspension on shall be treated as waived and the full increment from the date of suspension thereof shall occur to the employee concerned.

Deferment, stoppage or suspension of an increment shall only be effected in cases where the Employee has been notified, in writing of a complaint against such Employee and has been found guilty after due inquiry of inefficiency, fraud or misconduct which in the circumstances does not merit termination of employment.

- (2) With effect from first November Two Thousand and Eleven (2011) the incremental rates as stipulated in respect of the consolidated scales of wages set out in Schedules 1, 2 and 3 hereof and/or may be revised thereafter in terms of clause 16(3) and shall stand increased in the manner set out hereunder.

Schedule 1

Grade III	10	x	Rs. 100/-
	10	x	Rs. 105/-
	129	x	Rs. 115/-
Grade II	149	x	Rs. 80/-
Grade I	149	x	Rs. 65/-

Schedule 1

Skilled	99	x	Rs. 125/-
Semi-skilled	99	x	Rs. 105/-
Unskilled	99	x	Rs. 65/-

Schedule 1

Class B	149	x	Rs. 105/-
Class G	149	x	Rs. 65/-

Schedule 2

Grade 3	10	x	Rs. 100/-
	10	x	Rs. 105
	79	x	Rs. 115/-
Grade 2	99	x	Rs. 80/-
Grade 1	99	x	Rs. 65/-

Schedule 3

Grade 3	10	x	Rs. 100/-
	10	x	Rs. 105
	79	x	Rs. 115/-
Grade 2	99	x	Rs. 80/-
Grade 1	99	x	Rs. 65/-

(3) This Agreement shall not have the effect of changing the incremental date of an Employee.

25. **Warnings.**— If in the opinion of the Employer an offence warrants a warning the same shall be conveyed to the Employee, by a letter, a duplicate of which shall be signed by the Employee. If the Employee refuses to sign the duplicate the warning may be given to the Employee orally by the Employer in the presence of two witnesses.

26. **Suspension.**—

(1) An employee may be suspended without pay by his Employer –

- (a) Pending an inquiry to be held by the Employer on a charge or charges of misconduct which warrants dismissal;
- (b) In order to avoid a breach of the peace or damage to the property or disturbance of business of the Employer;
- (c) As a punishment for misconduct for a period not exceeding seven (7) working days after the inquiry;

(2) At the time of suspension under sub-clause (1)(a) or within twenty four (24) hours thereof the Employer shall provide the Employee with a written order of suspension specifying the reasons for such suspension and thereafter, hold an inquiry into the charge or charges in terms of clause 27 hereof.

27. **Disciplinary Action.**— Where the Employer proposes to proceed against an Employee then –

- (1) Irrespective of whether an Employee has been suspended under clause 26 hereof or not, the Employee shall be furnished with a show cause notice which shall set out the particulars of the charge or charges of misconduct alleged against such Employee and such show cause notice shall give the Employee not less than five (5) clear working days in which to give the answer or explanation to the charge or charges preferred.
- (2) Within five (5) clear working days after the date of the show cause notice, the Employee shall furnish in writing to the Employer the answer or explanation to the charges preferred against such Employee. Provided however that if in the circumstances it is reasonable, the Employee may ask the Employer for an extension of time within which to furnish a written answer or explanation to the show cause notice and where such request is made by the Employee to the Employer, the Employer shall grant such request for such further period of time as is deemed necessary in the circumstances of the case.
- (3) If the Employer is satisfied with the written answer or explanation of the Employee the Employee shall, if he is under suspension forthwith be reinstated and shall be paid all wages and entitlements due for the period of such suspension.
- (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 fourteen (14) working days from the date of receipt by him of the written answer or explanation to the show cause notice.
- (5) After holding such inquiry the Employer shall notify the Employee of the findings on each of the charges in the show cause notice and the punishment, if any, imposed by the Employer. Provided that if the Employer fails to make an order except for reasons beyond the control of the Employer on the charges in the show cause notice within thirty (30) working days from the conclusion of the inquiry into such charges, the Employee shall not be liable to be punished thereafter in respect of such charges and no inference adverse to the Employee in respect of such charges shall be drawn from such charges.
- (6) If the employee is under suspension and the Employer after such inquiry makes order that–
 - (a) The employee shall not be dismissed then the Employee shall resume employment forthwith and shall subject to the provisions of sub-clause 26(1)(c) hereof be paid all wages and entitlements due for the period of suspension irrespective of such other punishment less than dismissal that may be imposed by the Employer on the findings as to the charges in the show cause notice;
 - (b) the employee shall be dismissed, the Employee's dismissal shall take effect from the date of the Employee's suspension and accordingly the Employee shall not be paid for the period of such suspension;
 - (c) in view of the serious or involved nature of the charges in the show cause notice against the Employee, the Employer is unable to make a final order as is necessary and desirable that the matter be referred to the Police or other authorities for further investigations or inquiries and the matter be therefore referred to the Police or other authorities or if in view of the serious or involved nature of the charges preferred against the Employee the matter had been previously referred to the Police or other authorities for investigations or inquiries that the outcome of such investigations or inquiries be awaited, then in either of such circumstances the employee may remain suspended without pay.
- (7) If in any case where an Employee is suspended as provided for herein the Employer fails to make order under paragraphs (a) to (c) of the preceding sub-clause for any reason other than that of the Employee's own seeking within thirty (30) working days from the date of the Employee's suspension, the Employee shall be entitled to half his normal remuneration for a period of thirty (30) days from the date of such suspension and to his full remuneration for the period of suspension in excess of thirty (30) days up to the date on which the Employer makes an order under paragraphs (a) to (c) of the preceding sub-clause, irrespective of the outcome of the inquiry.
- (8) In any case where the employee is suspended as provided herein, the Employer shall make an order under paragraphs (a) to (c) of sub clause 6 within ninety (90) days of the date of suspension of the Employee unless he is prevented from so doing by reason of the Employee's own seeking or for reasons beyond the control of the Employer or it is agreed between the Employer and the Union that in the circumstances of the case the period of ninety (90) days be extended for such further time as may be agreed.
- (9) The Employer shall not be required to hold an inquiry as referred to in sub-clauses 4 and 5 hereof where the Employer proposes to warn the Employee or where the Employee admits to the charge or charges. Provided however, that if the Union disputes the warning or punishment imposed on the Employee by the Employer and requests the holding of an inquiry the Employer shall comply with such request and the provisions relating to the holding of an inquiry shall then apply subject to the exception that the fact that the inquiry had not commenced within fourteen (14) working days after the receipt of the Employee's explanation shall not be material or relevant.

- (10) The Employer may, as an alternative to more serious disciplinary action, recover from an employee the cost of damage to or loss of the Employer's goods or property, or a percentage thereof, caused through the negligence of the employee as determined at a domestic inquiry or on the admission of the Employee.

28. **Retirement.**— On reaching the age of fifty five (55) years an Employee shall *ipso facto* retire and cease to be employed by the Employer and there shall be no obligation on the Employer to give the Employee any notice of such retirement. Provided however, that an Employee who has retired may, in the discretion of the Employer, be employed after his retirement on a temporary basis on such terms as may be mutually agreed.

29. **Termination of Services.**—

- (1) Every contract, whether oral or written, for the hire of any Employee by the Employer except for work usually performed by the day, or by the job, or by the journey, shall (subject to the provisions of clause 6 hereof or unless otherwise expressly stipulated) be deemed and taken in law to be a contract for hire and service for the period of one month and to be renewable from month to month and shall be deemed and taken in law to be so renewed, unless one month's previous notice be given by either party to the other of his intention to determine the same and such month has expired.
- (2) Where an Employee is engaged for a particular job or period such as casual or temporary work, he shall be informed thereof at the commencement of his employment and his contract of service will terminate on the completion of the job or period or the failure of the Employee to complete the job within reasonable time.

30. **Union Recognition.**— The Union shall be competent to make representations on behalf of any of its members who is employed in any workplace of the Employer bound by this Agreement. In regard to issues of general application or to the effect of principle such as matters affecting general terms and conditions of employment either in the workplace or the trade as a whole, the following provisions shall apply.

- (1) When the Union is representative of not less than forty per cent (40%) of the employees whose membership subscription is not in arrears, the Employer of such employees will recognize the Union for the purpose of general claims and matters and negotiate with it on that basis. If there is any other Union which is also representative of not less than forty percent (40%) of such employees the Employer will be at liberty to require that general claims and matters be discussed and negotiated with the Union competent to make general demands by virtue of the requisite membership and not separately with each such Union.
- (2) When the Employer carries on more than one type of business or has more than one workplace and the claim or matter is restricted to one type of business or one workplace but is applicable or capable of being applicable to other Employees in the service of the Employer, the competence of the Union to make such claims or raise such matter shall be determined by reference to the duly qualified members of such Union in proportion to the total number of Employees in the service of the Employer in Sri Lanka.
- (3) If it becomes necessary to decide the question whether at the establishment of the Employer the Union is, competent to make general claims or raise general matters, the same shall be determined by a referendum which shall be held by the Department of Labour and the result of such referendum shall be binding on the Employer and the Union and the parties hereto.

31. **Disputes Procedure.**—

- (1) In the first instance the Union shall submit any demand on behalf of its members to the Employer of such members and give the Employer at least ten (10) working days time within which to reply. If in the Union's opinion the Employer's reply is unsatisfactory the Union and the Employer shall explore the possibility of reaching a settlement.
- (2) When the union concludes that negotiations with the Employer and the Employers' Federation of Ceylon have been abortive it shall ask the Department of Labour to intervene and give the Department not less than ten (10) working days to arrange conference and / or discussions with a view to a settlement of the dispute. Negotiations under the aegis of the Department of Labour shall then proceed until the Department of Labour reports failure.
- (3) Subject to the provisions of clause 33 hereof all disputes between the Union and the Employer or between the parties hereto shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations made thereunder.
- (4) Any party to this Agreement shall not instigate, support or engage in any unfair labour practice during the currency of this Agreement.

32. **How Anomalies in the Course of Implementing this Agreement Shall be Dealt with.**— Any anomaly, arising from the implementation of this Agreement shall be settled by negotiation between the Employer and the Union and if the matter cannot be settled by negotiation, it shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations made thereunder.

33. **Trade Union Action.**— The Union and the Employees 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 Union or the Employees and the Employer, whether or not such dispute is related to the Agreement, except where such dispute has been caused by an act of the Employer which in the opinion of the controlling body (by whatsoever name called) of the Union is mala fide or vindictive or calculated to threaten or undermine the existence or the legitimate activities of the Union and / or its members or is grossly unfair or seriously detrimental to the interest of the Union and / or its members. Provided however that at least seven (7) days notice in writing shall be given by the Union to the Employer, the Federation and the Commissioner General of Labour before the date of commencement of any intended strike or other form of trade union action consequent upon and act of the Employer which in the opinion of the controlling body (by whatsoever name called) of the Union is mala fide or vindictive or calculated to threaten or undermine the existence or the legitimate activities of the Union and / or its members is grossly unfair or seriously detrimental to the interest of the Union and / or its members.

34. **Variation of Terms and Conditions of Employment and Benefits.**—

- (1) The Union and the Employees jointly and severally agree with the Employer that during the continuance in force of this Agreement they will not seek to vary, alter or add to all or any of the terms and conditions of employment presently applicable to any of the Employees covered and bound by this Agreement as amended or altered in terms of this Agreement, or all or any of the benefits presently enjoyed by any of the Employees covered and bound by this Agreement other than by mutual agreement.
- (2) The Employer agrees with the Union and the Employees that the Employer shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the Employees other than by mutual agreement.
- (3) Any dispute or difference arising from negotiations under the provision of sub-clauses 1 or 2 may be resolved by voluntary arbitration but only if all the parties, concerned agree to submit such dispute or difference for settlement by voluntary arbitration.

Part II

Containing the Facilities and Concessions Granted by the Employer to the Union.

1. **Breaches of Collective Agreement.**— If in the opinion of the Employer and the Federation, the Union shall commit a breach of any of the terms of this Agreement, then and in any such event the Union shall cease to be entitled to enjoy the facilities and concessions granted by the Employer in the succeeding clauses of this Part and same shall stand withdrawn without prejudice to the Employer's right to restore such facilities and concessions upon such terms and conditions as the Employer may decide.

2. **Domestic Inquiries.**— If an employee who is furnished with a show cause notice in terms of Clause 27 is a member of the Union, the following provisions shall apply to the inquiry held by the Employer pursuant to such show cause notice.

- (a) The Employer will, subject as hereinafter provided, allow another member of the Union (hereinafter referred to as 'an Observer') to be present as an observer without loss of wages for absence from work.
- (b) If the Employer who is served with a show cause notice desires an 'Observer' to be present at the inquiry to be held pursuant to such show cause notice, he shall forty eight (48) hours at least before the time appointed for the commencement of the inquiry submit to the Employer the name of such Observer.
- (c) An Observer may answer any questions which the person who conducts the inquiry may ask him, but an Observer shall not be entitled to represent the Employee who is served with a show cause notice or otherwise partake in the inquiry.
- (d) The person who conducts an inquiry shall be entitled to require an Observer who obstructs such inquiry, in any manner whatsoever to withdraw therefrom and an Observer shall forthwith comply with such requirement.
- (e) The absence of an Observer from the whole or part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings there at, nor the findings pursuant thereto.

3. **Union Meetings.**— The following provisions shall apply to meetings of the Union.

- (a) In respect of each meeting, which the Union desires to hold at the Employer's premises, an application for permission shall be previously made to the Employer.
- (b) If the Employer decides to grant permission, the Employer shall be entitled to impose inter-alia, one or more of the undernoted conditions.
 - (i) that no person other than an employee in the service of that Employer shall be present at a meeting of the Union;
 - (ii) on occasions such as the Annual General meeting of the Union, office bearers of the Parent Union may, with the previous approval of the Employer, attend;
 - (iii) fix a time limit within which a meeting of the Union shall be concluded or adjourned.
- (c) It shall be the duty of the Union and its office bearers to ensure that the terms on which permission to hold a meeting of the Union is granted are duly complied with.
- (d) It shall be the duty of the Union and its office bearers to ensure that no damage is caused in the course of the, or in connection with a meeting of the Union to the Employer's property or any other person at the Employer's premises and the Union shall indemnify the Employer and keep the Employer indemnified against any such damage.

4. **Duty Leave**

- (1) The following provisions shall apply to duty leave.—

Without prejudice to the right 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 less than two Office Bearers of the Union —

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

Or

- (b) to attend inquiries before Industrial Court, arbitrators or Labour Tribunals - without loss of wages for such absence.
- (2) The Employer shall provide the President and the Secretary one day's duty leave per month to attend meetings at the Union Headquarters in connection with Union activities if required to do so by the Union. The Employer shall be informed of such meetings at least 48 hours before the meeting and written approval should be obtained from the management.
- (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 unless the Employee concerned is entitled to annual or other holidays, which he wishes to utilize for the purpose.
- (4) The Employer shall grant a day's duty leave for the Branch Committee (not exceeding fourteen (14) employees) to attend the Annual Convention of the Parent Union. However, the Employer shall be informed of such meetings at least 48 hours before the meeting and written approval should be obtained from the management.

5. **Check-off**

- (1) The facility of check-off shall be granted, subject to Clause I of Part II hereof only so long as the Union represents no less than forty (40) percent of the Employees covered and bound by this Collective Agreement.
- (2) The Employer shall on the written request of an employee deduct from the wages due to such Employees the current monthly Union dues as are specified by the Employee to be payable monthly by the Employee to the union and remit the amount so deducted to the Union in accordance with the procedure and upon and subject to the conditions hereinafter set forth.

- (3) Every employee who agrees to the deduction of union dues from his wages shall sign a statement to that effect in the form set out in Form No. 1 referred to as an 'Authorization'.
- (4) Every employee shall be entitled to withdraw his agreement to check-off at any time by signing a statement to that effect in the form set out in Form No. 2 hereinafter referred to as a 'Revocation'.
- (5) As far as practicable deduction under an authorization shall commence from the wages due immediately after the date of receipt of such authorization and shall continue thereafter until the authorization is cancelled by a revocation.
- (6) As far as practicable deductions under an authorization shall cease from the date of receipt of a revocation canceling such authorization. Provided however-
- (a) that the Employer shall not be liable in any manner whatsoever to the Union or the Employee concerned for failure to comply with sub-clause 5 or 6;
- (b) that at his discretion the Employer shall be entitled not to make deductions by way of check-off in any month in which the deductions from the Employee's wages in that month exceed the deduction permitted by Law;
- (7) The Employer shall not later than the tenth (10th) day of each month remit the Union dues deducted from the wages of the Employees in the month immediately preceding, to the Treasurer of the Union in accordance with the tenor of each authorization by a cheque payable to the Treasurer thereof and crossed 'Account Payee'.
- (8) The cheque shall be sent at the risk of the Union and the Employees concerned by post in a prepaid envelop addressed to the Treasurer of the Union at its address for the time being.
- (9) The Treasurer of the Union shall promptly acknowledge receipt of the cheque.
- (10) The Employer shall not be liable to pay to the Union or the Treasurer on its behalf as aforesaid any sum other than the Union's dues actually deducted.

FORM NO. 1

Name of Employer: Haychem (Private) Limited

AUTHORIZATION

As I am an Employee covered and bound by the HAYCHEM (PRIVATE) LIMITED COLLECTIVE AGREEMENT 2011 and I desire to avail myself of the facility for check-off contained in the Collective Agreement to which I am eligible as a member of the INTER COMPANY EMPLOYEES' UNION, please deduct from my wages each month a sum of Rupees..... (Rs.) in respect of my current monthly membership due to the said Union and remit same to the said Union on my behalf. The first payment should please be made from my wages due immediately following the date hereof.

.....
(Date of signing)

.....
(Signature of Employee)

.....
(Full name of Employee)

.....
Checkroll Number

Received on.....
(To be filled by the Employer)

FORM No. 2

Name of Employer: **HAYCHEM (PRIVATE) LIMITED**

REVOCATION

With reference to the authorization submitted by me, please cease to deduct from my wages any further membership dues in favour of INTER COMPANY EMPLOYEES union with effect from the wages next due to me immediately following the date hereof

..... (Date of Signing) (Signature of Employee)
..... (Full name of Employee) Checkroll Number

Received on
(To be filled by the employer)

PART III

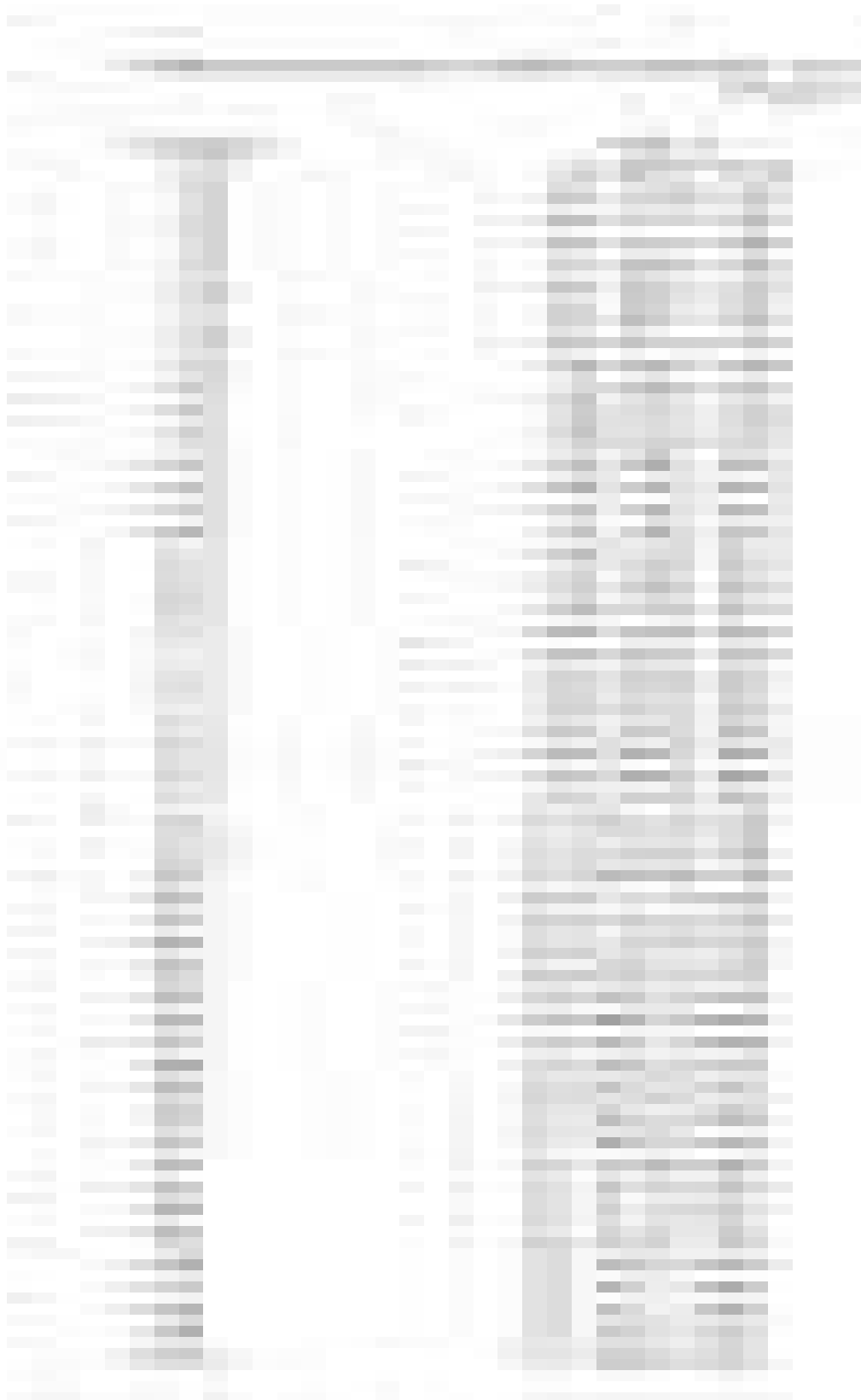
CONTAINING DEFINITIONS OF CERTAIN WORDS

In parts I II of this agreement unless excluded by the subject or contest, the following words shall have the meaning set opposite to them.

WORDS	MEANING
Branch Union	The Branch Union at the factory
Check-off	The act of the Employer deducting in terms of Clause 5 of Part II the subscriptions payable to the Union by an employee from the latter's pay.
Dispute	Shall have the same meaning as in the Industrial Disputes Act.
Employee (For convenience sometimes referred to as 'he' or its grammatical variations)	An Employee covered and bound by this Agreement
Employer	Haychems (private) Ltd.
Federation	Employers' Federation of Ceylon
Industrial Disputes Act	The Industrial Disputes Act. No. 43 of 1950
Normal Incremental Date	The date on which an employee would normally receive an increment.
Relevant Wages Board	The wages board which covers the Trade in which the particular employee is employed in.
Union	Inter company Employees Union
Wage	The monthly wage according to the scale of wages set out in Schedules 1, 2 and 3 hereto.
Week	The period between midnight on any Saturday night and midnight on the succeeding Saturday night.
Year	A continuous period of twelve (12) months

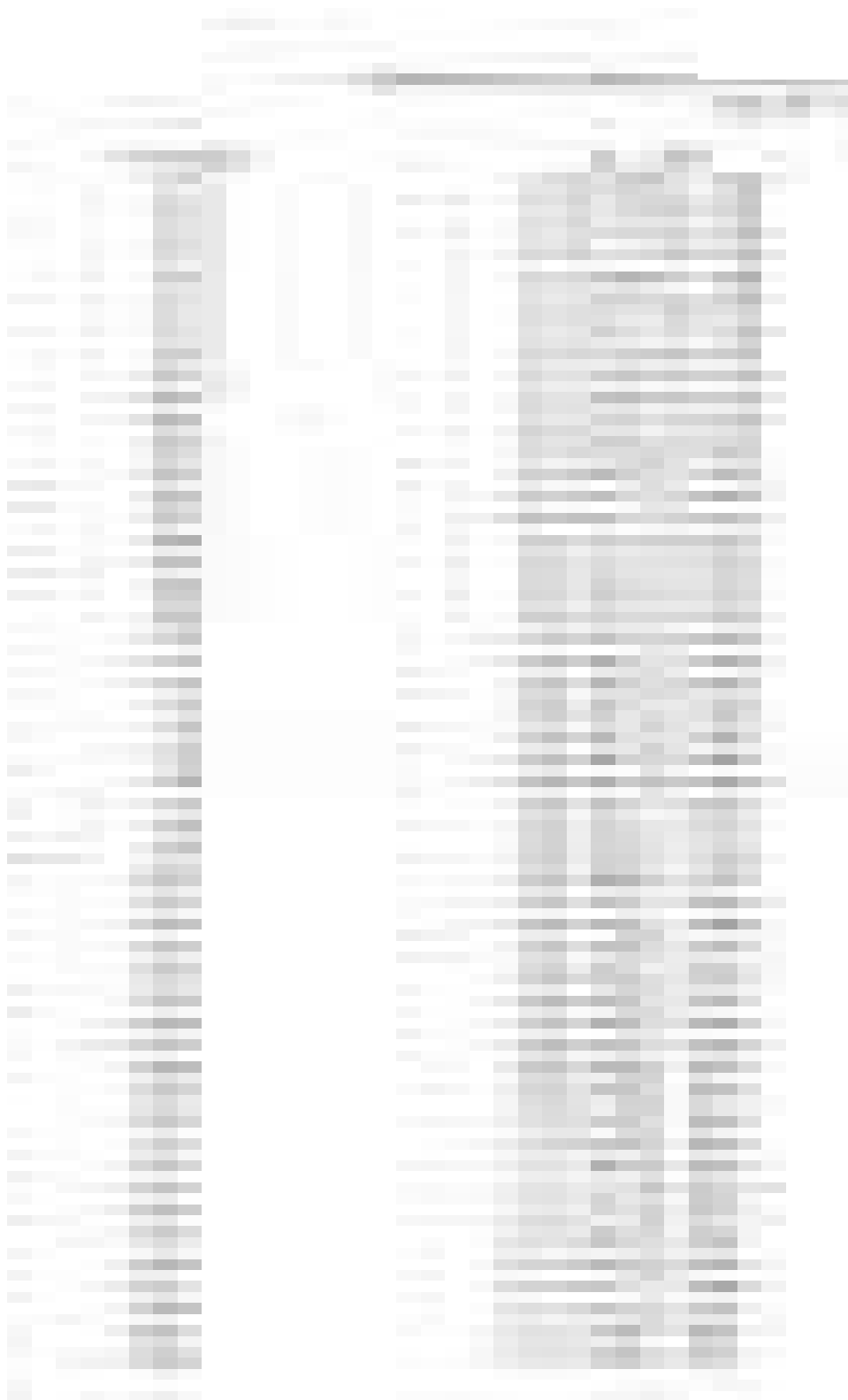
Words importing the Masculine gender shall include in feminine
Words importing the Singular number shall include the plural and Vice versa.

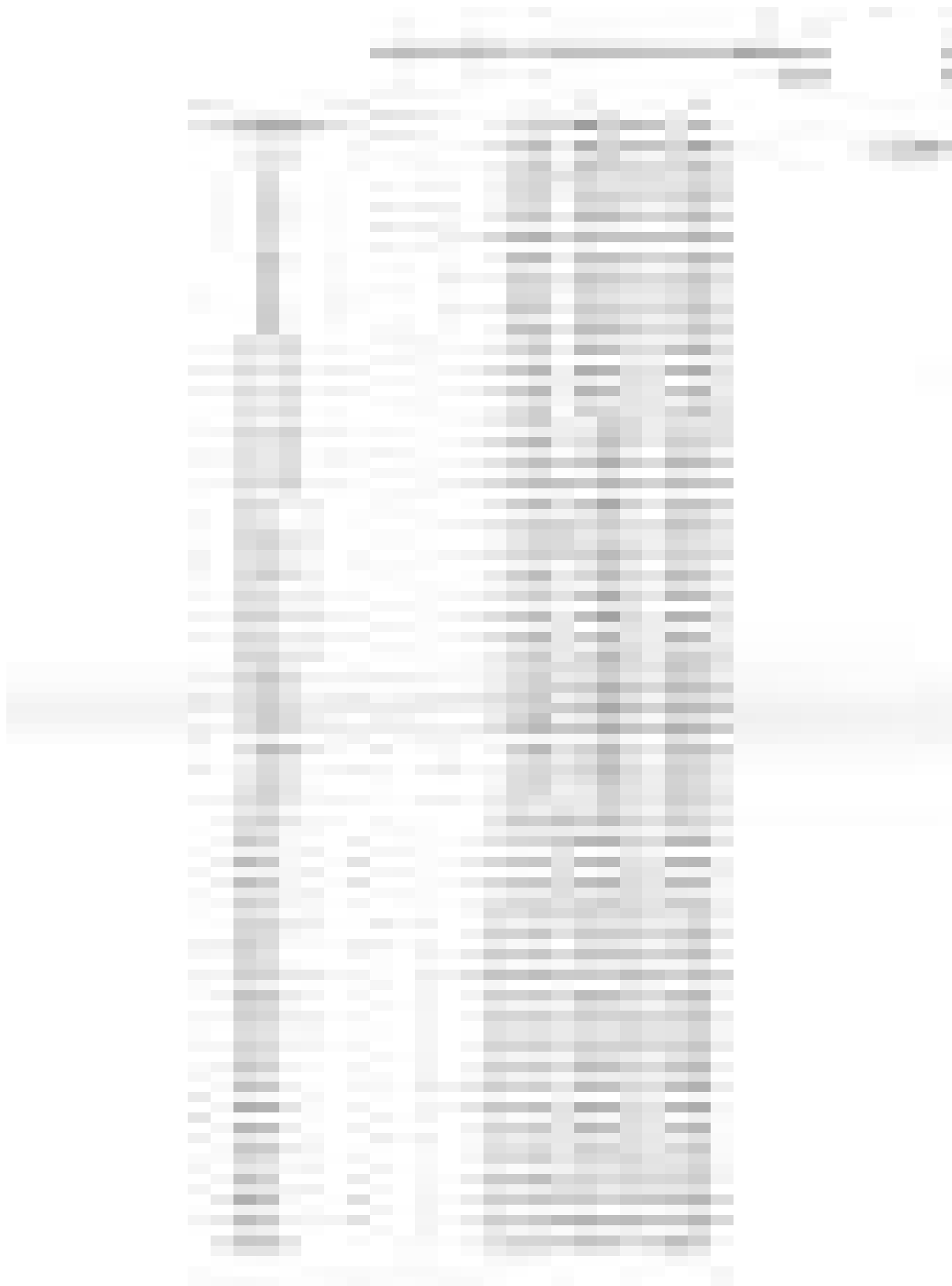














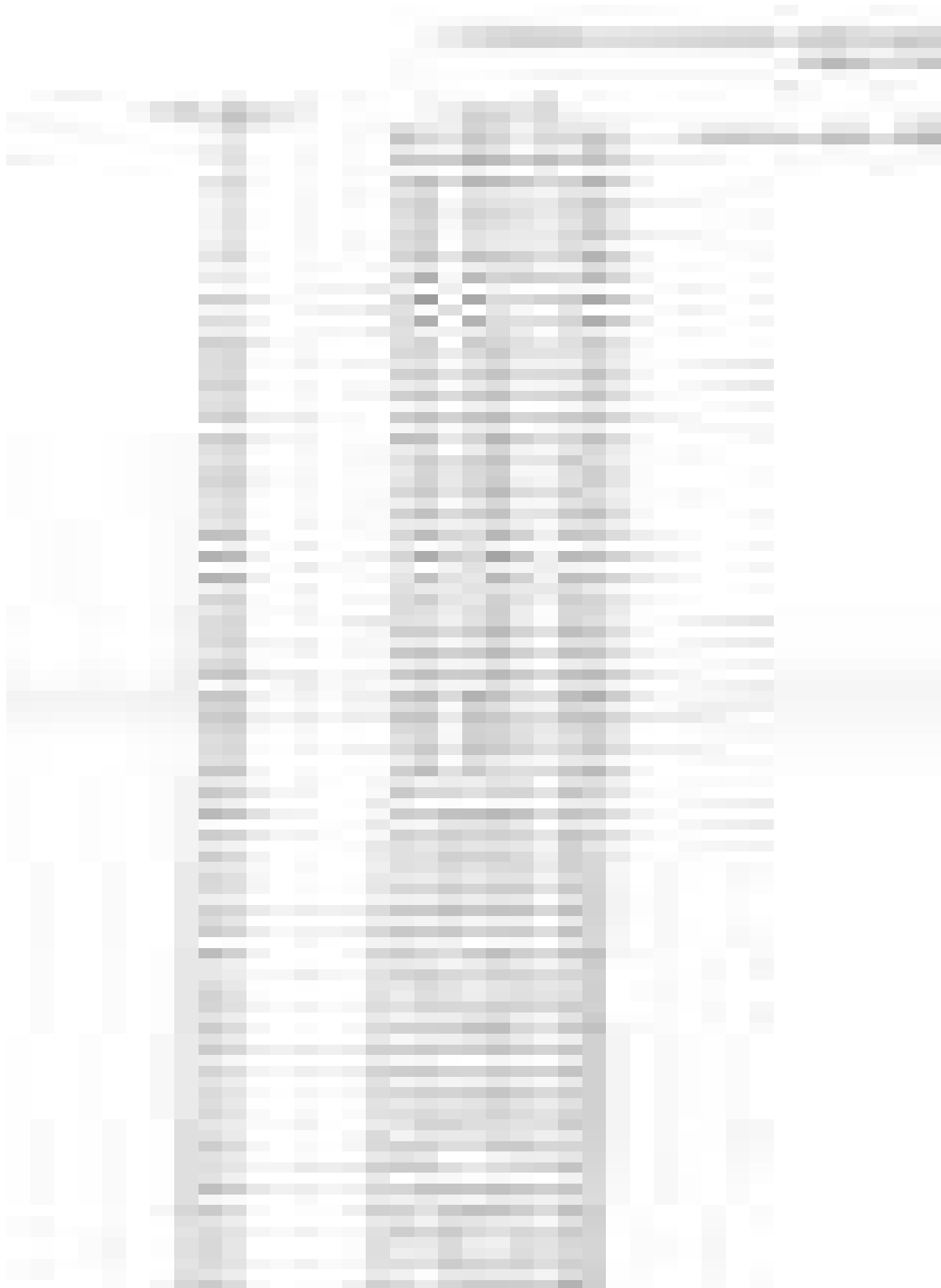




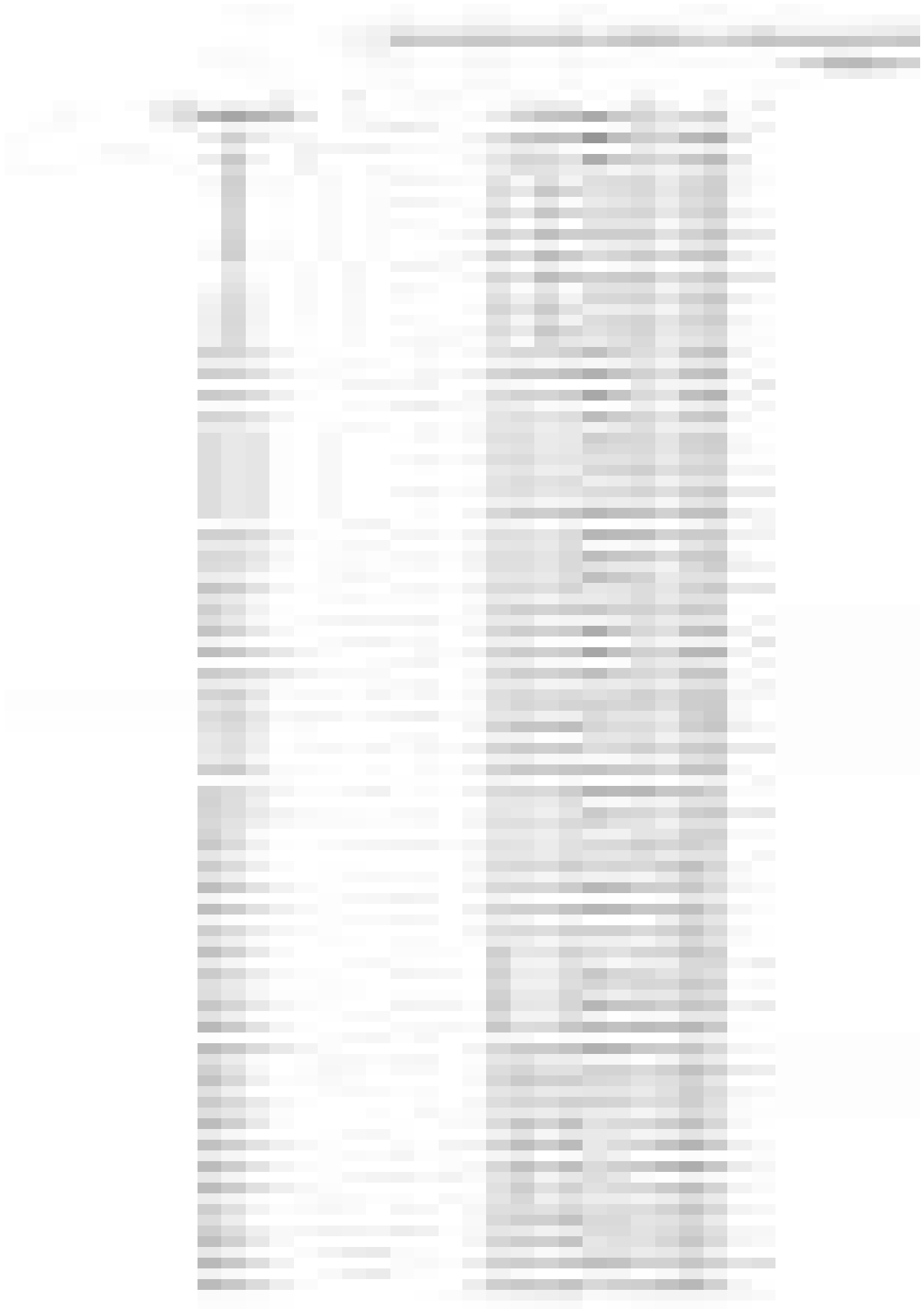




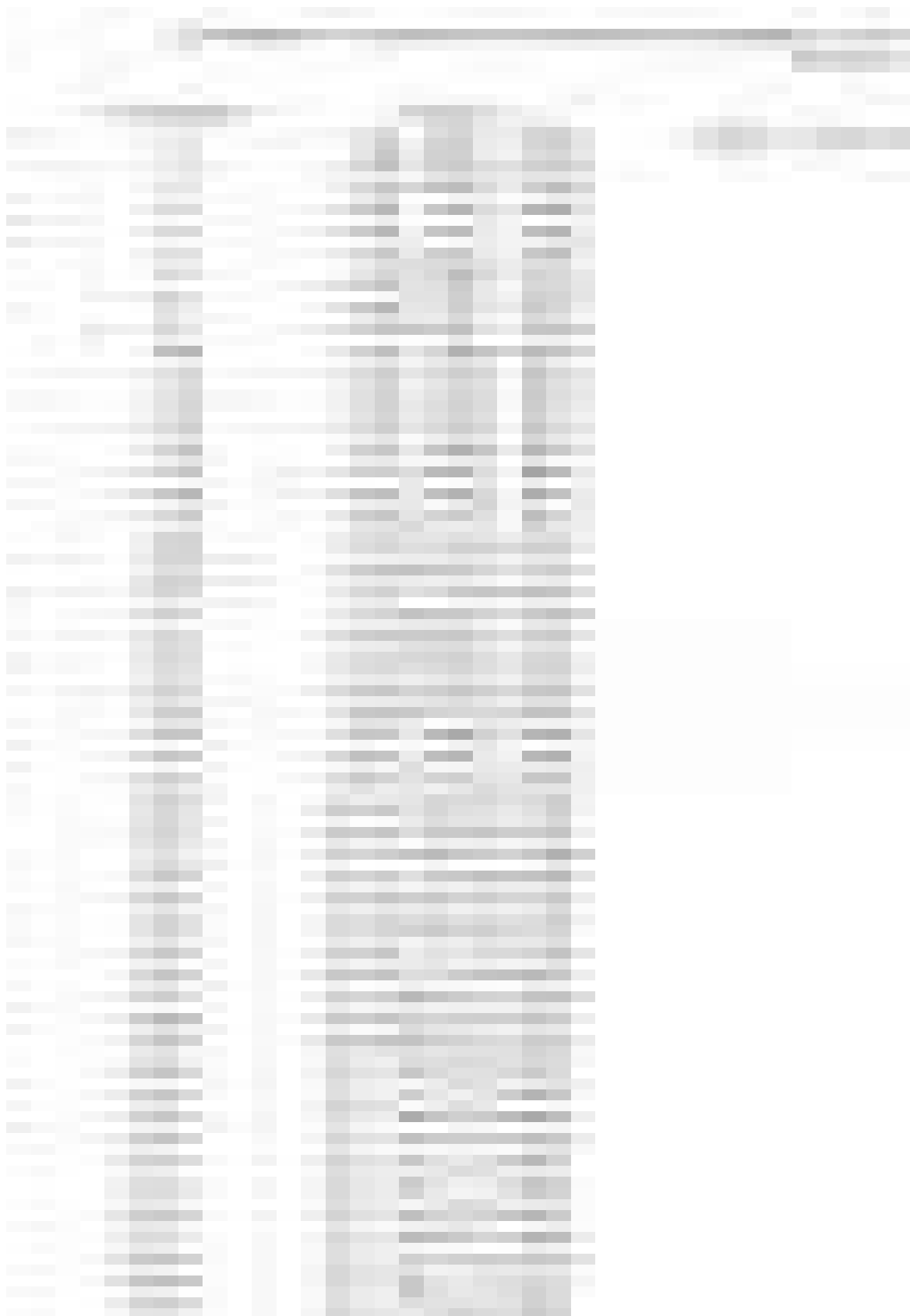


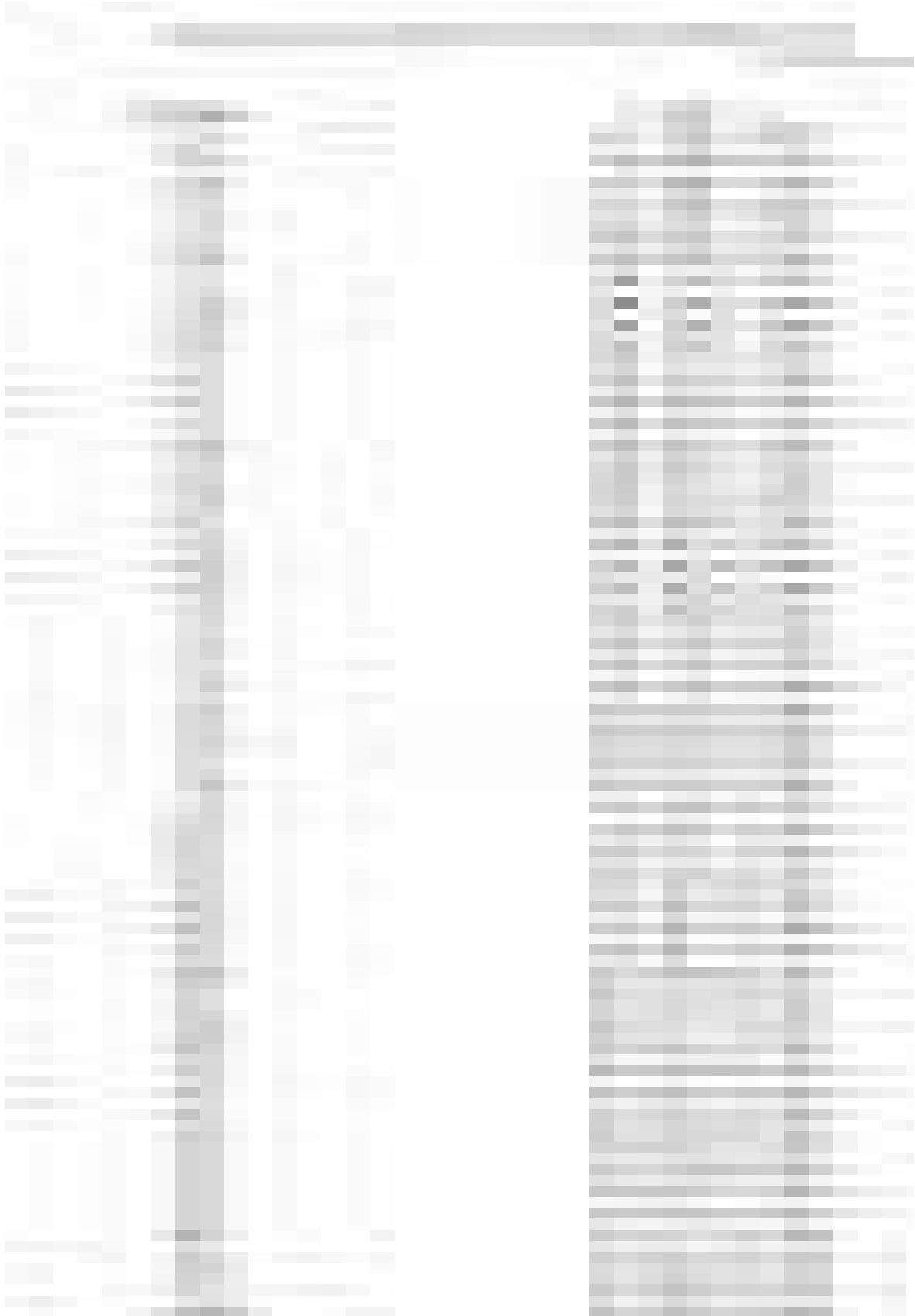


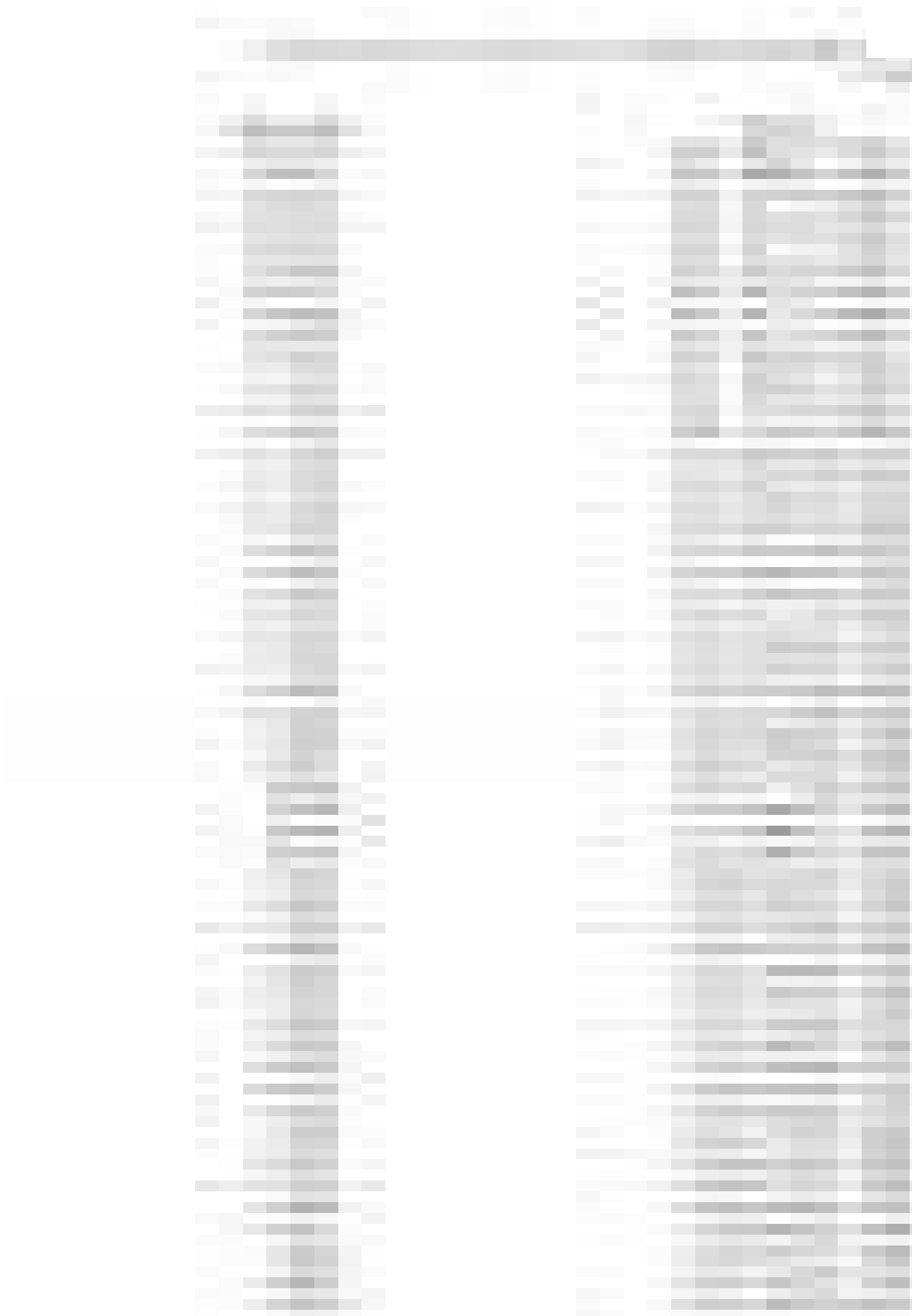






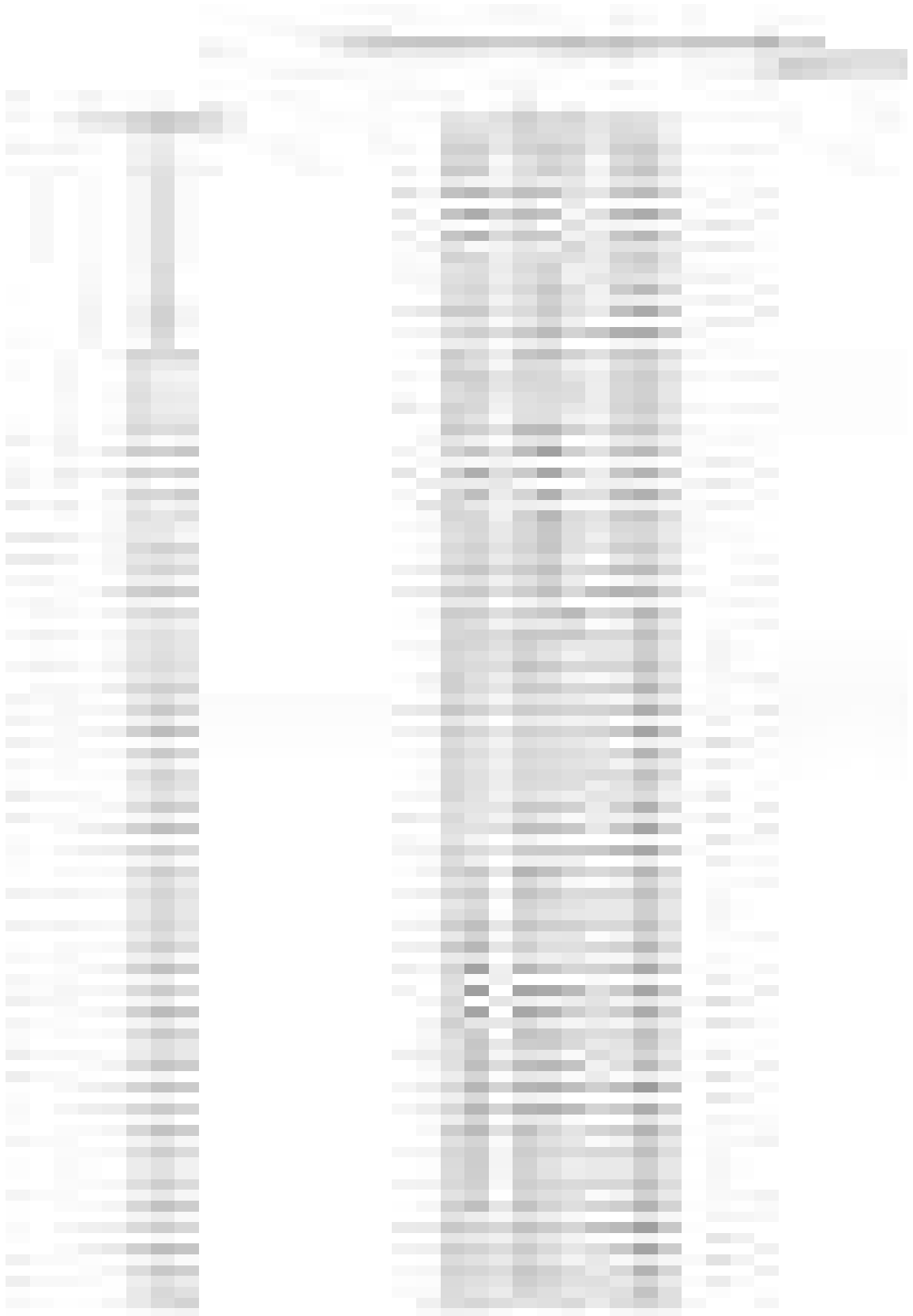




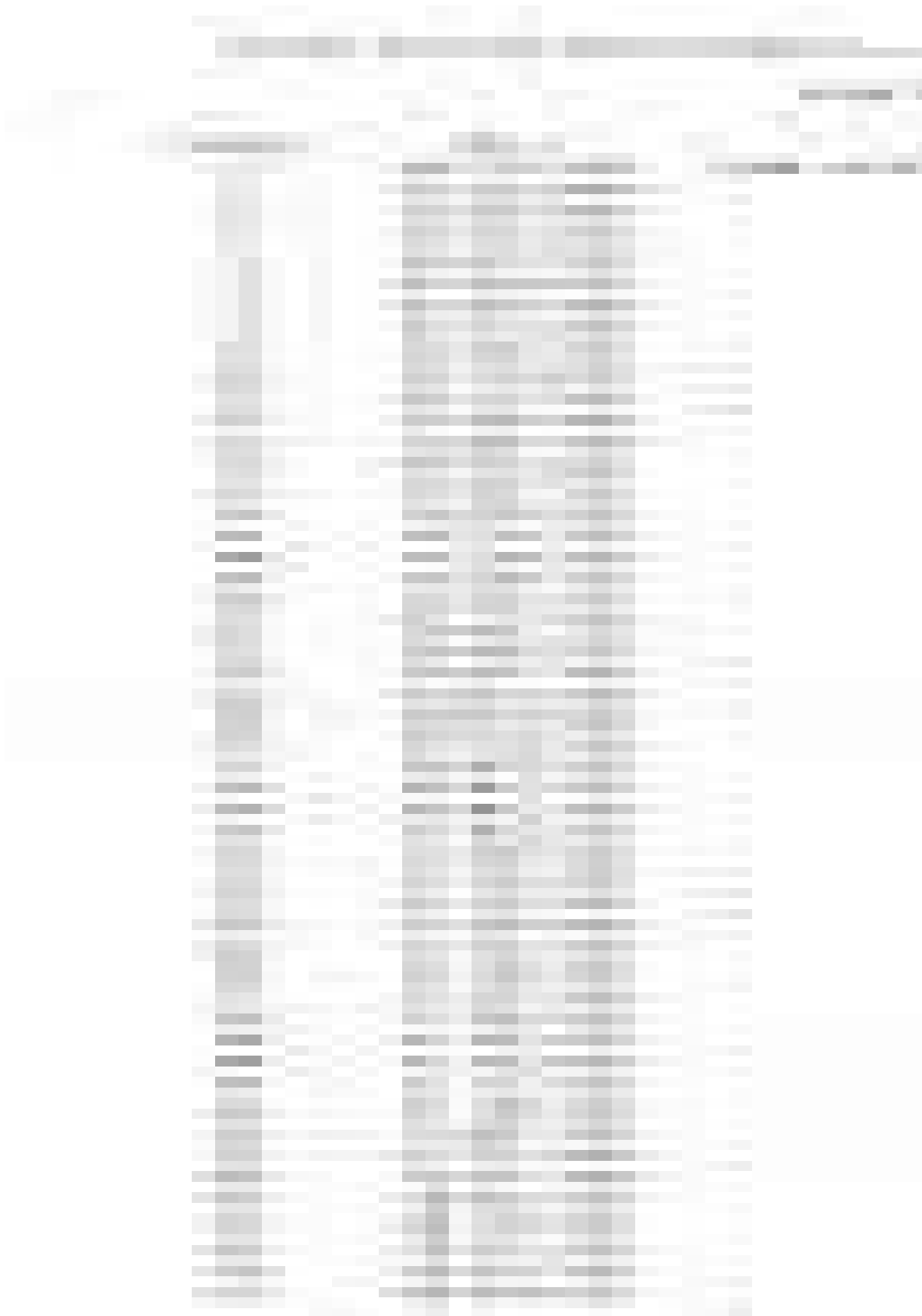


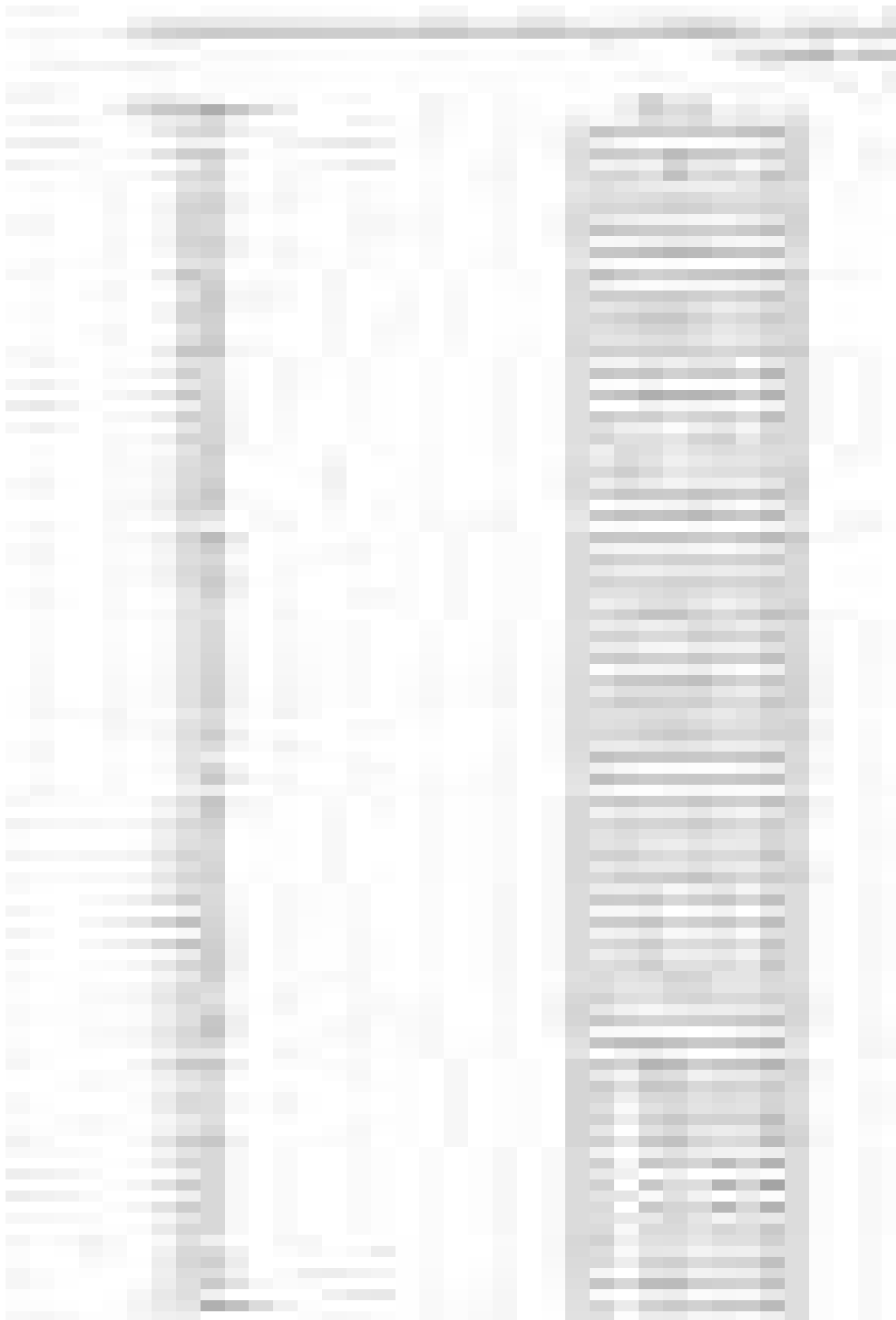






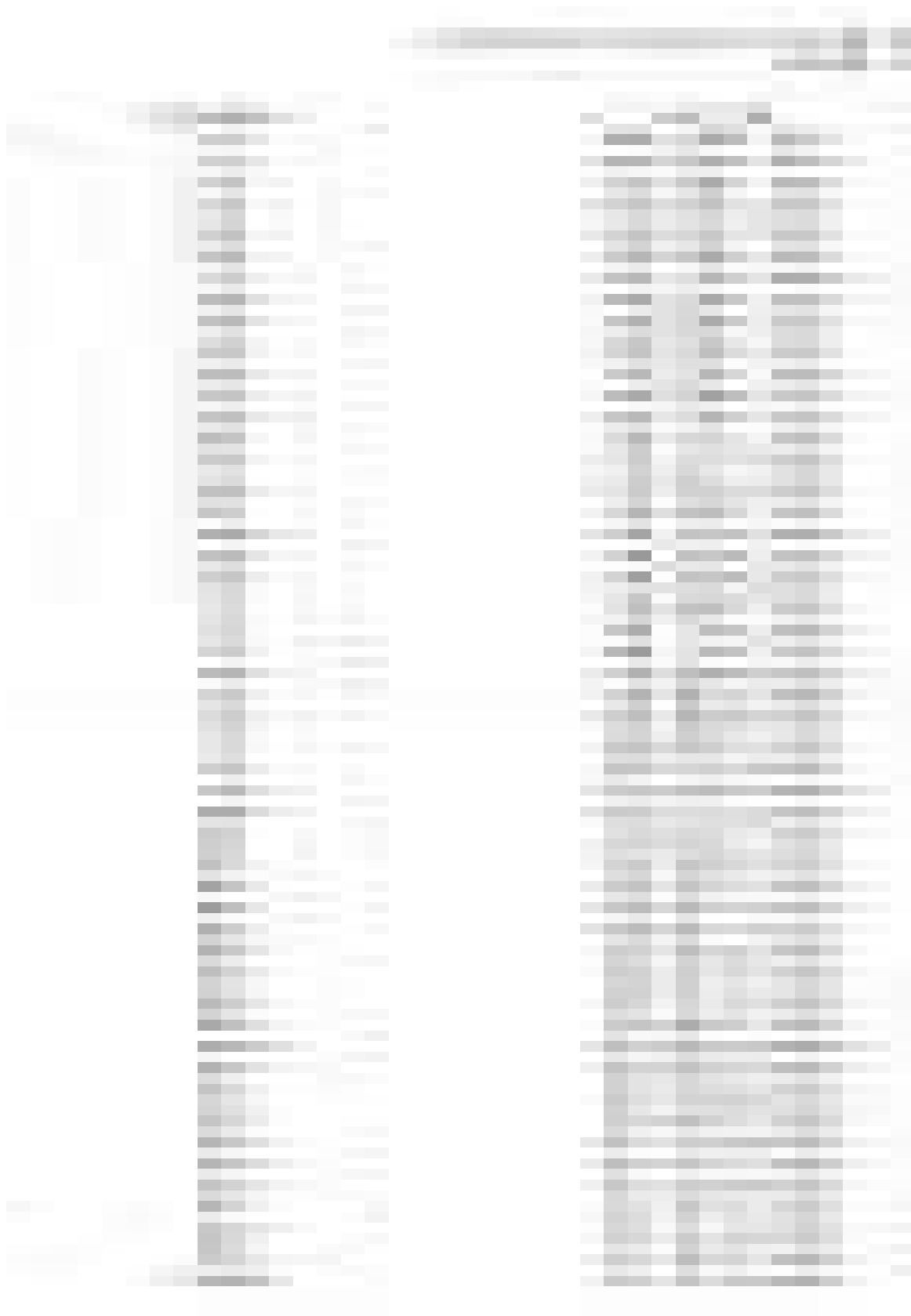


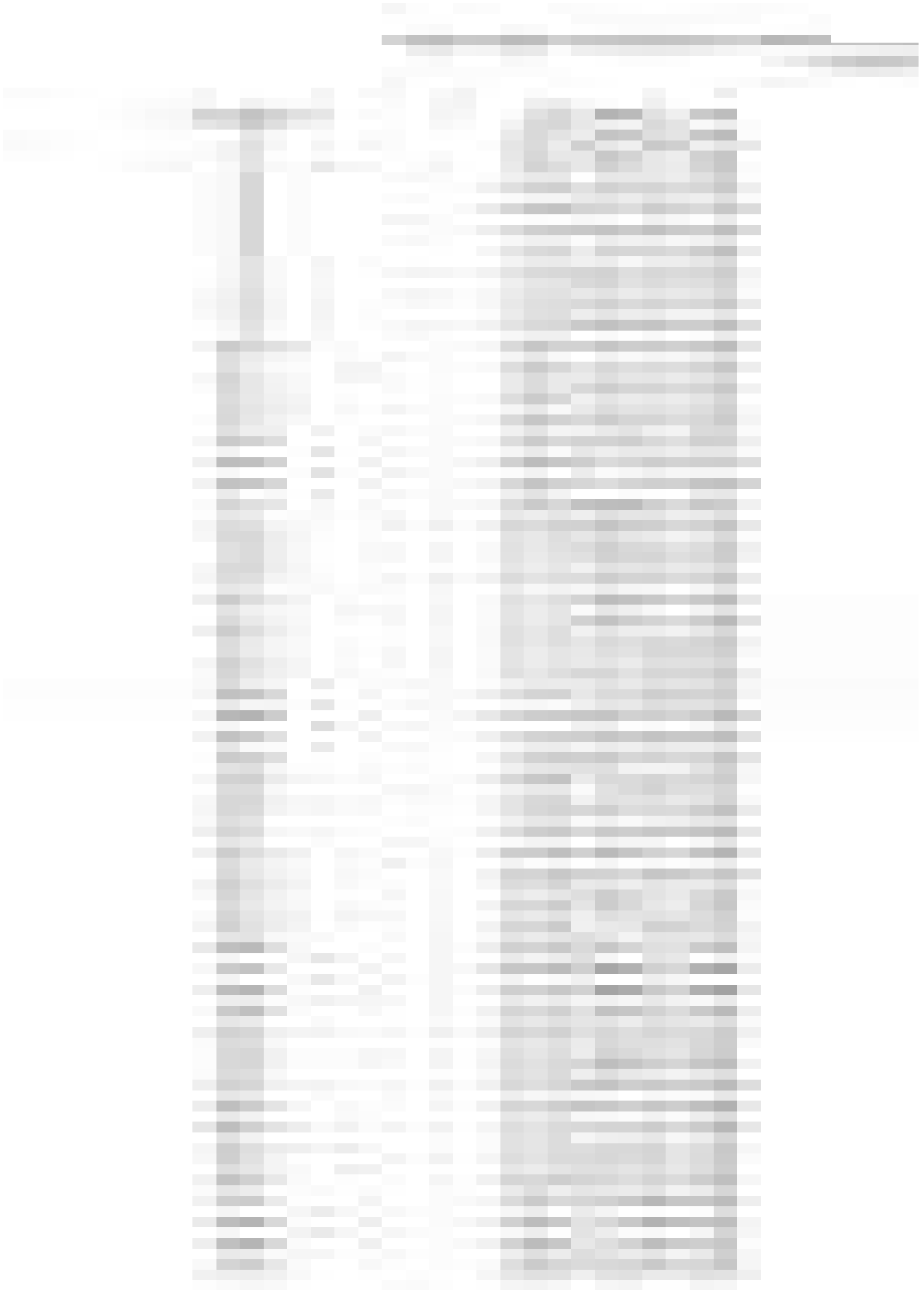




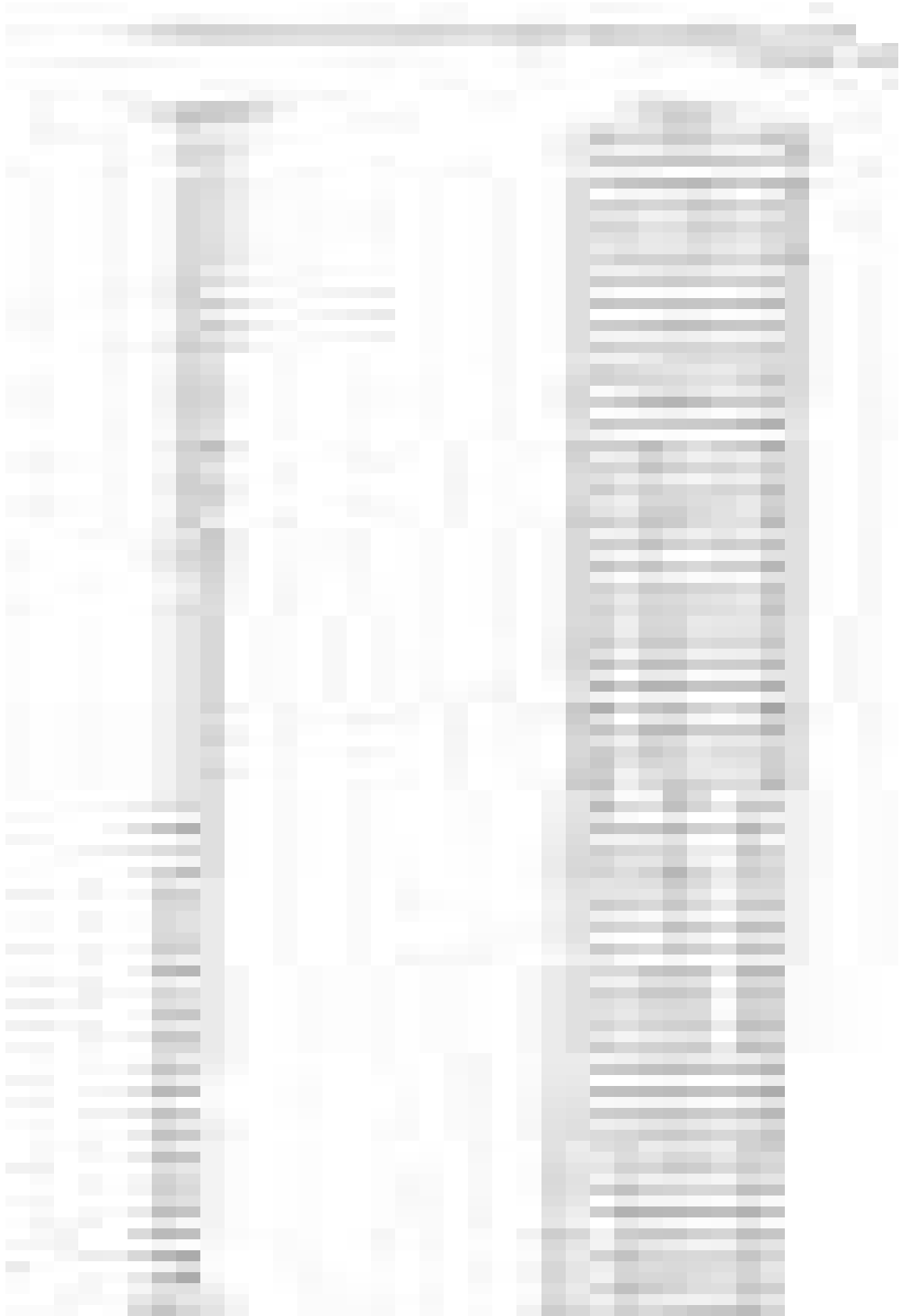












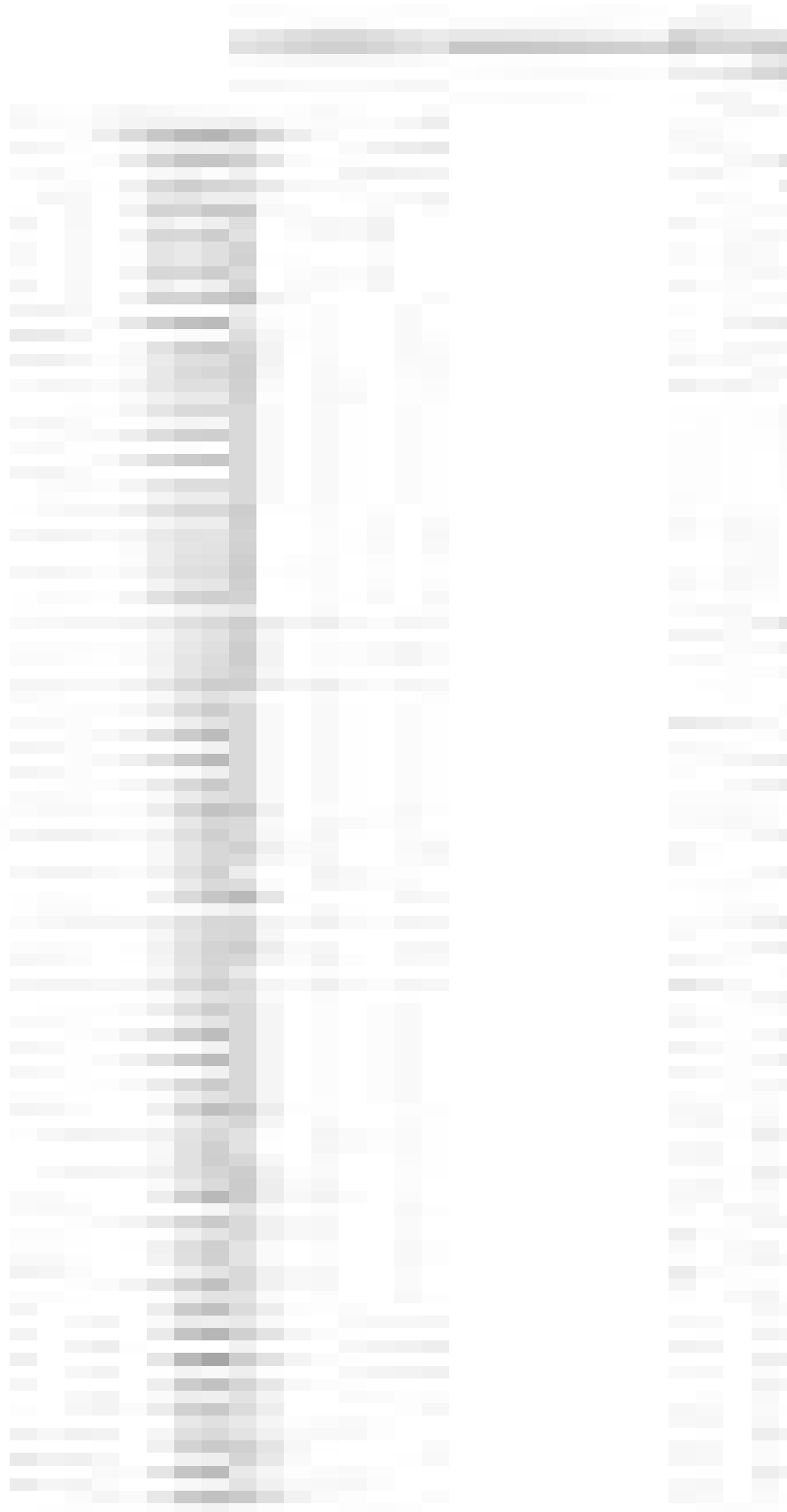




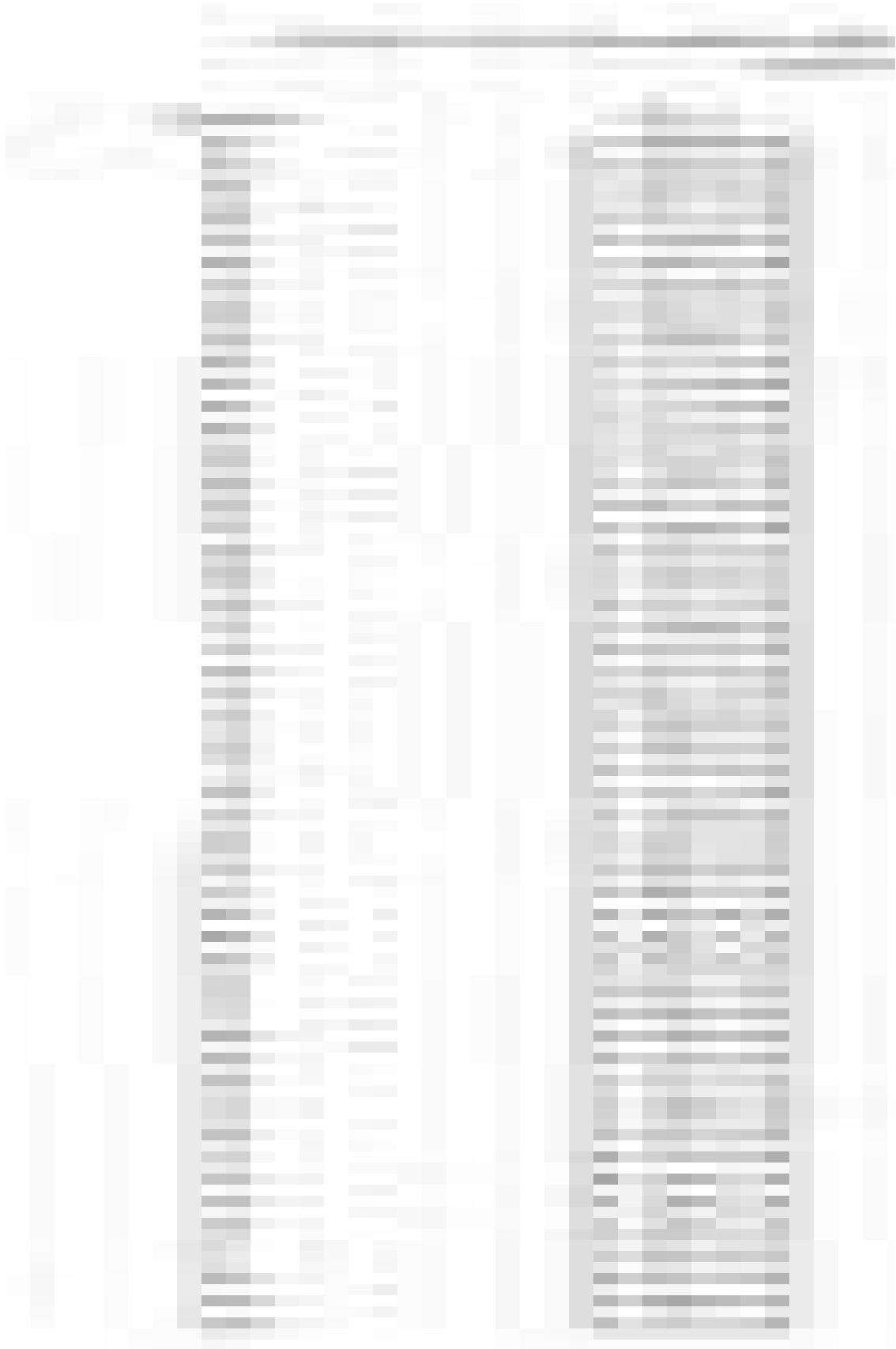


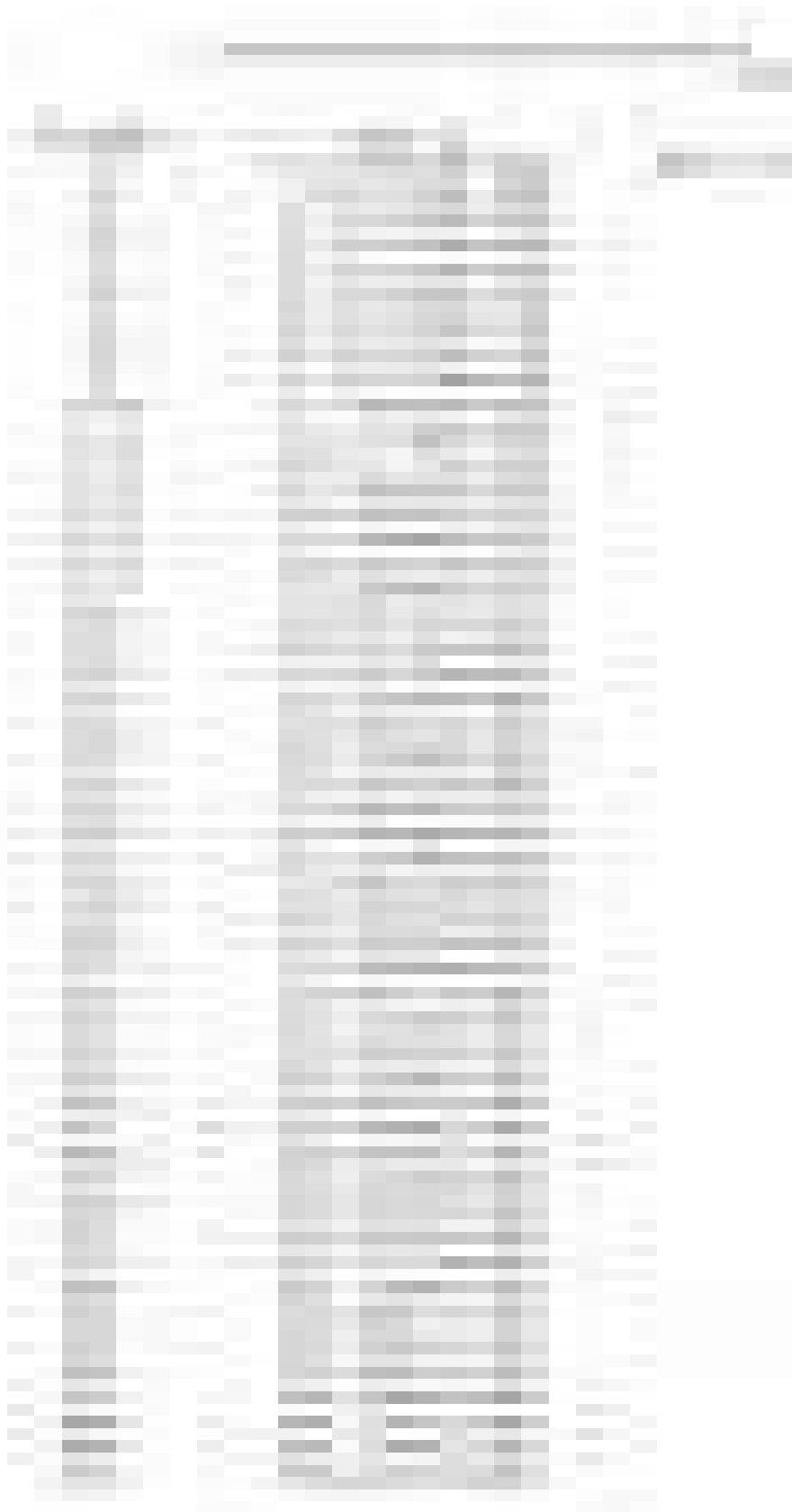


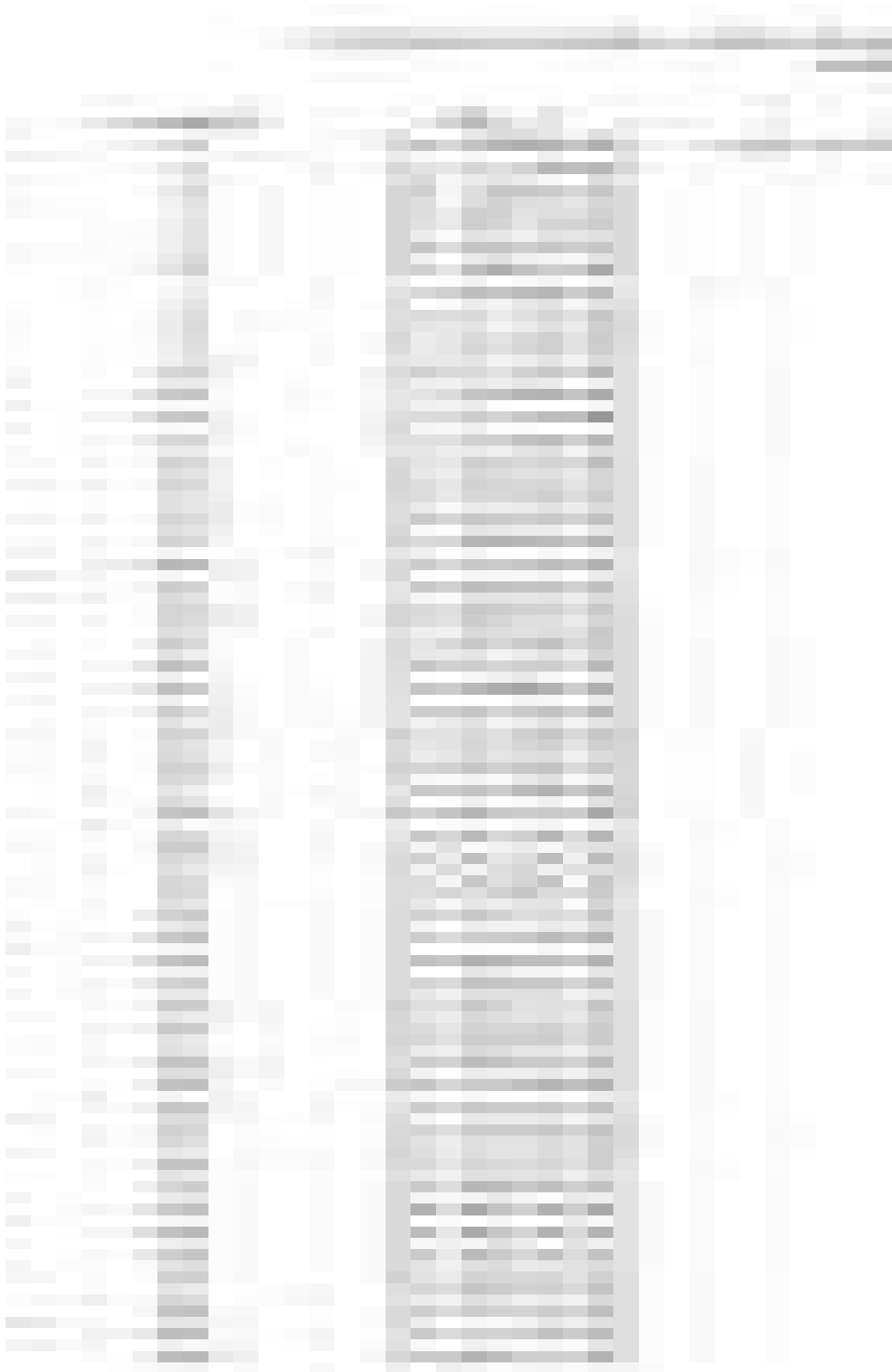




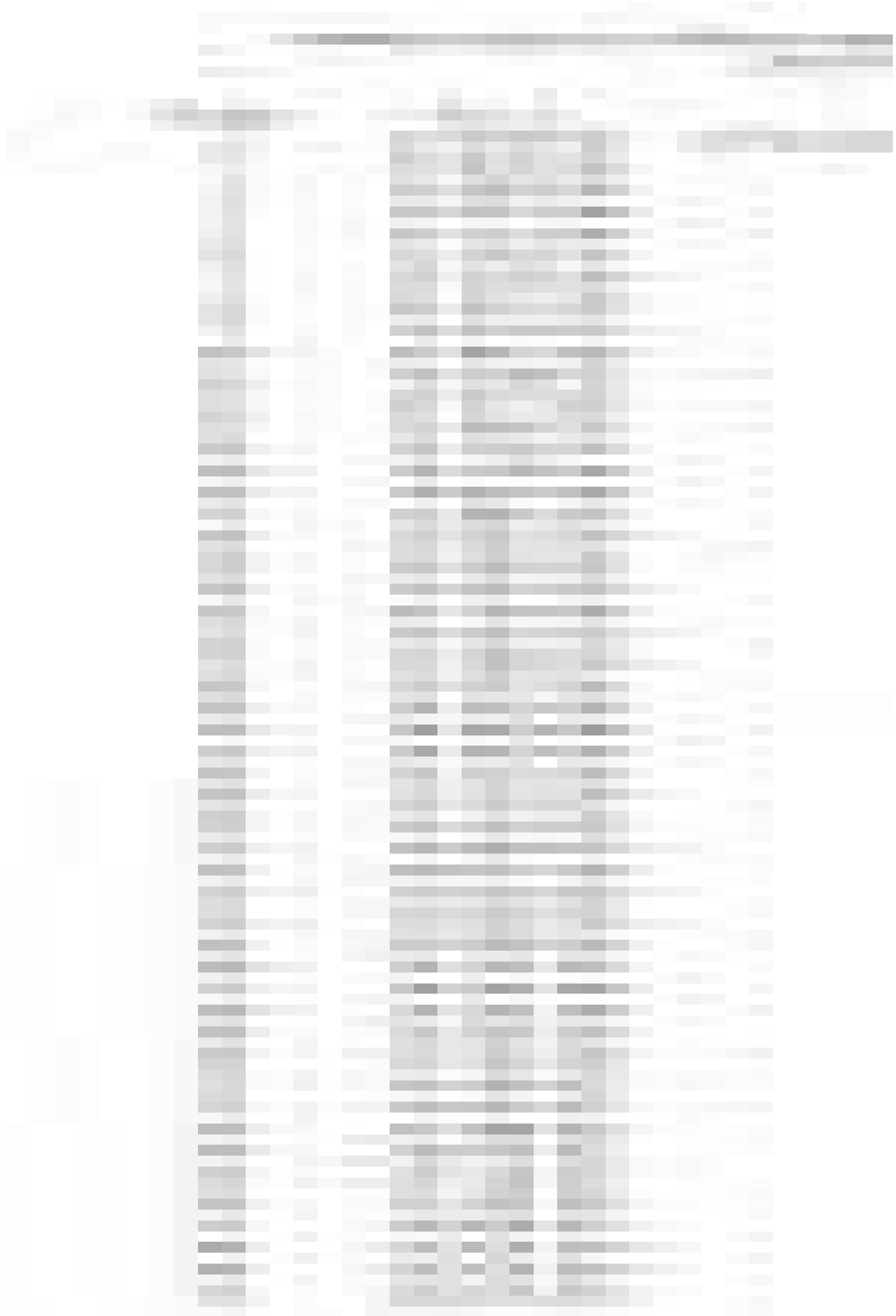


















Schedule 4

PRODUCTION NORMS

	<i>Type of Pack</i>	<i>Pack Sizes</i>	<i>Operation Units with Effect From 1st November 2011</i>
CATEGORY A	Glass Bottles	50 / 100ml	4030
		200ml	3360
		400 / 500ml	2890
	Poly Bottles	100ml	4310
		200ml	3750
		400 / 500ml	2890
	Poly Cans (Hand Filling)	1.0 ltr	648
		2.0 ltr	606
		3.0 / 4.0 ltr	514
CATEGORY B	Powder Products	50 / 100g (MF)	2500
		200g (MF)	2500
		500g (MF)	2000
		1.0 kg (MF)	1250
		5-25g (HF)	1500
		50 / 100g (HF)	1250
		200g (HF)	1100
		500g (HF)	1025
		1.0 kg (HF)	600

FORMULATIONS

	<i>No. of Batches</i>
Curaterr 5% G	6 × 735 kg
Curaterr 3% G	8 × 625 kg
Insecticide	2 × 1200 kg
Weedicide	2 × 2500 kg
Powder and Baits	8 × 100 kg

Schedule 4 (Continued)

QUALIFYING LEVEL / QUANTITY FOR PAYMENT OF PRODUCTIVITY BONUS

<i>Pack Size</i>	<i>Productivity Level Starting from 1st November 2011</i>	<i>Qualifying level for Incentive payment</i>
50 / 100ml Glass	4030	5239
200ml Glass	3360	4368
400 / 500ml Glass	2890	3757
100ml Poly	4310	5603
200ml Poly	3750	4875
400 / 500ml Poly	2890	3757
1.0 Ltr Poly Can	648	842
2.0 Ltr Poly Can	606	788
3.0 / 4.0 Ltr Poly Can	514	668
50 / 100g Powder (MF)	2500	3250
200g Powder (MF)	2500	3250
500g Powder (MF)	2000	2600
1.0 kg Powder (MF)	1250	1625
5-25g Powder (HF)	1500	1950
50 / 100g Powder (HF)	1250	1625
200g Powder (HF)	1100	1430
500g Powder (HF)	1025	1332
1.0 kg Powder (HF)	600	780

PRODUCTIVITY BONUS PAYMENTS SCHEME

<i>% Productivity Level Over Norm</i>	<i>Payment (Rs.)</i>
10	Nil
20	Nil
30	59.50
40	87.50
50	285.00
60	320.00
70	380.00
80	460.00
90	560.00
100	760.00

IN WITNESS WHEREOF parties have hereunto set their hands on this Fourteenth (14th) day of November Two Thousand and Eleven (2011) at Colombo.