

- (a) Instead of allowing an alternate holiday within six (06) 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 20 (b) hereof in lieu of such alternate holiday, or
- (b) In case that an employee is entitled to an alternate holiday within six (06) 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 from 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 one-half (1.5) times the normal hourly rate ascertained in accordance with the provisions of Clause 20 (a) hereof for the number of hours worked during the first nine (9) hours (exclusive of one hour for a meal), and
  - (b) at double the normal hourly rate, ascertained in accordance within the provisions of Clause 20 (a) hereof for each subsequent hour of work.

12. **Annual Holidays.**— Annual Holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Board. Provided, however, that if an Employee is not covered by the decisions of any Wages Board annual holidays shall be allowed to that Employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.

13. **Statutory Holidays.**— (1) Statutory Holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Board, provided however, that if an Employee is not covered by the decisions of any Wages Board holidays shall be allowed to that Employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.

(2) The Employer will be entitled if the occasion warrants to require an Employee to Work on a statutory holiday in which event that Employee will be employed on the statutory holiday in accordance with the decisions of the relevant Wages Board. Provided however, that if an Employee is not covered by the decisions of any Wages Board statutory holidays shall be allowed to that Employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.

(3) If any statutory holiday to which an Employee is eligible under the provisions of sub-clause (1) falls on a weekly holiday, a day either in the six (06) days immediately preceding or in the six (06) 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.

(4) If any statutory holiday to which an Employee is eligible under the provisions of sub-clause (i) falls on a short working day, the number of hours constituting the normal working day (exclusive of one hour for a meal) on the day immediately preceding such public holiday shall be five (5) hours.

14. **Statutory and Customary Holidays.**—

- (1) The following holidays shall be allowed each year as paid holidays:

New Year's Day  
Thai Pongal Festival Day  
Sinhala and Tamil New Year (Two Days)  
Good Friday  
May Day  
The day following Wesak  
Prophet Hohamed's Birthday  
Christmas Eve (Half Day)  
Christmas Day  
Boxing Day

(2) (a) If any of the above days is a statutory holiday and if it falls on a weekly half holiday, an additional half holiday shall be granted on the working day immediately preceding it; and if it falls on a weekly full holiday, substitute holiday shall be granted on a working day either in the six (06) days preceding or in the six (06) days succeeding such weekly full holiday. No substitute holiday shall be allowed for any day specified above, which is not a statutory holiday, if such day falls on a weekly half holiday or a weekly full holiday.

(b) If any of the above days is a statutory holiday and some other day not specified above is declared a statutory holiday in substitution for such day, then such day shall be treated as a normal working day.

15. **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 month's service.

(2) Casual Leave will normally be granted on application without the Employee being required to state the reason for the application. Where the 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.

16. **Sick Leave.**-(1) In any year an Employee shall be entitled to sick leave not exceeding twenty-one (21) days, provided that :

- (a) His illness is supported by a certificate from a registered medical practitioner (unless waived by the 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 (06) months' probation and sick leave not exceeding five (5) days if he is confirmed after nine (9) months' probation.

17. **Salaries** - 1. With effect from the First day of August Two Thousand and Three, Employees covered and bound by this Agreement shall be paid salaries in accordance with the salary scales set out in Schedule 1 hereof. The annual increments payable to Employees shall also be in terms of these scales. The salaries have been consolidated taking into account all statutory and other allowances due as at date hereof.

(2) To ascertain the stage on which an Employee will be placed with effect from 1.8.2003, on the salary scale set out at schedule 1 hereof, the following method of conversion shall apply.

- (a) The salary paid to an employee as at July 2003 will be increased by a sum equal to 15% (Fifteen percent) of same.
- (b) The employee shall thereafter, be placed on the corresponding point on the grade applicable to him in the salary scale set out in schedule 1 hereto. In the event of there being no corresponding point, he shall be placed on the next higher point in monetary value on the grade applicable to him.
- (3) (a) At the expiry of the twelve month period, commencing 1st April 2004, the scales of consolidated wages set out in the 1st schedule hereto shall be revised by the addition to and consolidation with the salary at each stage of each grade an amount in rupees equal to the number of complete points by which the Colombo Consumers' Price Index has increased during such twelve month period, multiplied by two and the salary payable to each employee shall accordingly be increase by a like amount with effect from the 1st day of April 2004.
- (b) During the pendency of this Agreement at the expiry of each twelve month period commencing from the 1st day of April 2004, the scales of consolidated wages revised in the manner prescribed at (a) above shall be revised in like manner as from the 1st day of April of the succeeding year by addition to and consolidation with the wage at each stage and grade of the consolidated wages in force in the twelve month period immediately preceding an amount equal to the number of complete points by which the Colombo Consumers' Price Index has increased during such preceding twelve month period multiplied by two and the salary of each employee as from 1st April of the succeeding year shall be increased by like amount.

4. With effect from 1/4/2004, salaries of employees will be further revised by 10% and the employee shall be placed thereafter on the corresponding point on the scale.

5. With effect from 1/4/2005, salaries of employees will be further revised by 10% and the employee shall be placed thereafter on the corresponding point on the scale.

6. Upon completion of each 5 year period of employment up to the 25th year, an employee shall be entitled to receive a salary increase by way of a fixed number of increments on the scale applicable to him totaling to a sum of Rs. 100/=. In the event of a fixed number of increments not totaling to Rs. 100/=-, the amount shall be the figure immediately higher to Rs. 100/- on a fixed number of increments. For example, if the salary scale provides for increments of Rs. 30/=-, such employee shall receive an increase of Rs. 30/=- x 4 =Rs. 120/=-, if the salary scale provides for increments of Rs. 25/=- such employee shall receive an increase of Rs. 25 x 4 = Rs. 100/=-. The employee shall thereafter be placed on the corresponding point in the salary scale and grade applicable to him.

7. Upon the completion of 30 years in employment an employee shall be entitled to receive a salary increase by way of a fixed number of increments totaling to the value of Rs. 250/=-. In the event of a fixed number of increments not totaling to Rs. 250/=-, the amount shall be the figure immediately higher to Rs. 250/=- on a fixed number of increments.

18. **Non-recurring Cost of Living Gratuity.**-(a) An Employee shall subject to the provisions of the succeeding sub-clauses be entitled to receive and the Employer shall be liable to pay a Non-recurring Cost of Living Gratuity in April each year in respect of the preceding 12 months (1st April to 31st March, hereinafter referred to as the "Qualifying Period" commencing from the First Day of April Two Thousand Four in accordance with the undernoted formula.

FORMULA.- If the average of the Colombo Consumers' Price Index figure for the qualifying period exceeds 3080.0 (known as the base index figure), a sum computed at Rupees Two (Rs. 2/=-) for each complete point (i.e. 1.0) by which such average exceeds 3080.0 in respect of each month of service during the qualifying period.

(b) The non-recurring Cost of Living Gratuity shall be payable by an Employer to an Employee who is eligible to receive the same 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 Employers service when the Non-recurring Cost of Living Gratuity becomes due in March of any year or he joined the Employer's service during the course of the qualifying year.

(c) The Non-recurring Cost of Living Gratuity shall not be payable to an employee in respect of any period for which he received no wages for whatever reason.

(d) No Provident Fund, Trust Fund, Overtime or any other payment shall be due or calculated on the Non-recurring Cost of Living Gratuity.

(e) When at the expiry of each 12 month period commencing 01.04.2004, the scales of consolidated wages have been revised in the manner set out in Clause 17 (3) (hereof, 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 Figure has risen during each 12 month period as specified in Clause 17(3) hereof.

19. **Bonus.**-(i) Subject to what is stated at sub clauses (ii) and (iii) hereunder, the Employer will during the continuance in force of this agreement pay, subject to prevailing practice, Employees covered and bound by this Agreement who have completed twelve (12) months continuous service in the Company on the date of such Bonus payment and are in employment on such date a bonus calculated in terms of the undernoted formula:

FORMULA.- A sum equivalent to 3 months (three months)' of the annual salary paid to an Employee during the relevant financial year, i.e. 1st April to 31st March, for which such bonus is declared.

- (i) The full amount due on this formula to each Employee will be paid in two equal instalments in the months of December and April. For example, in respect of the financial year 1st April 2004 to 31st March 2005, the payment of bonus will be made in the month of December 2004 and April 2005.
- (ii) This payment will be extended on a pro-rata basis to any Employee who has retired on reaching the age of retirement during the period for which the bonus is declared.
- (iii) In the case of an Employee confirmed in employment after the successful completion of a period of probation, the employer will extend to him a prorated bonus payment notwithstanding such Employee having served less than 12 months.
- (iv) In respect of the financial years April 2004 to March 2005 and April 2005 to March 2006, the Employer will, taking into account the performance of the Company in such financial years, consider the grant of an ex gratia payment equal to half month's salary per employee, after the end of such financial years. In the event the Company decides to make such a payment, it is agreed that it would be paid on 30 May.
- (v) In the event of the Employer not granting a payment of bonus in terms of the above, the union reserves to itself the right to raise a dispute. Such dispute shall be dealt with under the disputes settlement procedure set out at clause 29 hereof.

20. 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 - a day's wage ascertained as above divided by two (2). (either morning or afternoon).
- (d) for one week - a day's wage ascertained as above multiplied by seven (7).

21. Provident Fund.- The Employer shall contribute to the Provident Fund 12% of the Employees' monthly salary and the Employee shall contribute a like sum to the Fund. The rates of contribution are liable to change subject to the requirements of the Employees' Provident Fund Act No. 15 of 1958.

22. Annual Increments.- The annual increments provided in each of the scales of consolidated wages in the Schedule hereto shall be automatic, unless as a matter of punishment for general inefficiency including irregular attendance or punctuality or disciplinary action on account of serious misconduct an increment is suspended, stopped, 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 shall be treated as waived and the full increment from the date of suspension thereof shall accrue 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.

23. **Warnings.** - If 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 and the fact that such written warning was refused to be taken by the Employee shall be recorded.

24. **Suspension.**- 1. An Employee may be suspended without pay by his employer :-

- (a) Pending an inquiry to be held by such Employer on a charge or charges of misconduct, which warrants dismissal,
- (b) in order to avoid a breach of peace or damage to the property or disturbance of the business of the Employer,
- (c) as a punishment for misconduct for a period not exceeding fourteen (14) working days after due 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 25 hereof.

25. **Disciplinary Action.**- Where the Employer proposes to proceed against an employee then-

1. irrespective of whether an Employee has been suspended under clause 24 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 three (3) clear working days in which to give answer or explanation to the charge or charges preferred.
2. within three (3) 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 charge or 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 the written answer or explanation to the show cause notice and where such request is made by an 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 enquiry within ten (10) 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 of 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 than the employee shall resume employment forthwith and shall subject to the provisions of sub-clause 24 (1) 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, than 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 it is necessary and desirable that the matter be referred to the Police or other authorities for further investigations or inquiries and that 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 has been previously referred to the Police or any other authorities for investigations or inquiries that the outcome of such 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 an 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 the 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 an 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 ninety (90) days be extended for such further time as may be agreed.
- (9) An Employer shall not be required to hold an inquiry as referred to in Sub-clause (4) and (5) hereof where the Employer proposes to warn the Employee of 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 ten (10) working days after receipt of the Employees explanation shall not be material or relevant.
26. **Retirement.** - In accordance with the existing practice, an Employee on reaching the age of sixty years (60) shall *ipso facto* retire and cease to be an Employee by the Employer and there shall be no obligation on the Employer to give the Employee notice of such retirement. Provided however, that if an Employee is found medically, physically unfit before he reaches the age of sixty (60) years, his services shall be terminated at that stage.
27. **Termination of Service.** - (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 he journey, shall (subject to the provisions of Clause six (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 (1) 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 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 on the failure of the Employee to complete the job within a reasonable time.

28. **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 the effect of principles such as matters affecting general terms and conditions of employment either in that work place or the trade as a whole the following provisions shall apply:

- (1) When the Union is representative of not less than forty percent (40%) of the workers whose membership subscription is not in arrears the employer will recognise that 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 workers the Employer will be at liberty to require that general claims and matters be discussed and negotiated with all the Unions competent to make general demands by virtue of the requisite membership and not separately with each such Union.
- (2) As the Employer carries on more than one type of business and has more than one workplace and if the claim or matter is restricted to one type of business or one work place but is applicable or capable of being applicable to other workers in the service of the Employer, the competence of the Union to make such claim or raise such matter shall be determined by reference to the duly qualified members of such Union in proportion to the total number of workers in the categories covered by this Agreement.
- (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 parties hereto.

4. **Dispute Procedure.**— (1) In the first instance, the Union shall submit any demand on behalf of its members to the Employer and give the Employer and at least ten (10) 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 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 a conference and / or discussion 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 29 hereof all disputes between the parties shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulation made there under.

4. Any party to this Agreement shall not instigate, support or engage in any unfair labour practice during the currency of this Agreement.

30. **Trade Union Action.**— 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 whether or not such dispute is related to this Agreement, except where such dispute has been caused by an act of an 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 of the legitimate activities of the Union and / or its members or 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 and the Commissioner of labour before the date of commencement of any intended strike or other form of trade union action consequent to an act of an 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 of 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.

31. **Benefits / Concessions.**— A list of Benefits / Concessions including the basis of payment of the Attendance / Punctuality Bonus is set out in Schedule 11 hereof.

32. **Variations of terms and conditions of Employment Benefits.**— (1) The Union and its members and the Employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement they will not seek to vary, alter or add to all or any of the terms and conditions on 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 its members and the Employees covered and bound by this Agreement that he shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the Employees covered and bound by this agreement other than by mutual agreement.

(3) Any dispute or difference arising from negotiation under the provisions of sub-clause (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.