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THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Coca-Cola Beverages Sri Lanka Limited, Tekkawatte, Biyagama of the one part and Ceylon Mercantile Industrial and General Workers' Union (CMU) No. 3, 22nd Lane, Colombo 03 of the other part on 01st November, 2004 is hereby published in terms of Section 6 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

MAHINDA MADIHAHEWA,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05,
20th January, 2005.

Collective Agreement No. 45 of 2004

COLLECTIVE AGREEMENT BETWEEN COCA-COLA BEVERAGES SRI LANKA LIMITED AND THE CEYLON MERCANTILE, INDUSTRIAL AND GENERAL WORKERS' UNION (CMU) OF 2004 (STAFF)

This Collective Agreement made on this *First Day of November Two Thousand and Four* pursuant to the Industrial Disputes Act, between *Coca-Cola Beverages Sri Lanka Limited*, a public limited liability Company and having its registered office at Takkawatte, Biyagama (hereinafter referred to as "*The Employer*") which term shall where the context so requires or admits mean and include the said *Coca-Cola Beverages Sri Lanka Limited* of the one part and the *Ceylon Mercantile, Industrial and General Workers' Union (CMU)* duly registered under the Trade Unions Ordinance and having its registered office at No. 3, 22nd Lane, Colombo 03. (hereinafter called and referred to as "*The Union*") which term shall mean and include the said The Ceylon Mercantile, Industrial and General Workers' Union (CMU) of the *Other part* witnesseth and it is hereby agreed between the parties as follows:

1. **Parties to be Covered and Bound.** – This Agreement shall cover and bind the Employer, The Union and members of the Union who are employed by the Employer as at date hereof on monthly contracts in the Clerical and Allied Grades for which salary scales are set out in the salary schedules annexed hereto.

2. **Earlier Collective Agreement.** – The provisions of this Agreement shall supersede and replace the provisions of the collective Agreement entered into between the Company and the Ceylon Mercantile, Industrial and General Workers' Union (CMU) on the 6th march 2003 and the said Agreement shall stand terminated with effect from 30th June 2004.

3. **Date of Operation and Duration.** – Unless otherwise expressly stated herein, this agreement shall be effective as from the *First day of July Two Thousand and Four* and shall thereafter continue in force unless it is determined by either party giving one month's notice in writing to the other party, provided however, that neither party shall give such notice to the other party before the *Thirty first day of May Two Thousand and Six* and the Agreement shall not terminate before the Thirtieth day of June Two Thousand and Six.

4. **General Terms and Conditions of Employment.** – (1) The terms and conditions of this Agreement shall from the date hereof and during the continuance in force of this Agreement, be deemed to be included in all the contracts of service between the Employer bound by this Agreement and employees covered and bound by this Agreement, as well as other employees who are employed by the Employer on permanent monthly contracts of service in Clerical and Allied capacity whether such contracts of service be written or oral, which are subsisting as at the date hereof or which come into being during the continuance in force of this Agreement.

(2) Where the existing terms and conditions of employment of an employee covered and bound by this Agreement are more favorable than the terms and conditions provided for in this Agreement then nothing in this Agreement shall in any way affect or prejudice such existing terms and conditions of employment and such terms and conditions of employment shall continue to exist notwithstanding anything to the contrary contained herein.

(3) Where an employee was immediately prior to the date hereof entitled or becomes entitled on or after that date under or by virtue of any law or under any contract, agreement, award or custom to any rights or privileges more favourable than those to which he would be entitled under this Agreement, nothing in this Agreement shall be deemed or construed to authorize or permit the Employer to withhold, restrict or terminate such rights or privileges.

5. **Probation.** – (1) The employer may require any employee who is engaged for employment to serve a period of probation of not more than six (6) months. Provided further that if during the said probationary period of six (6) months, the Employer is not satisfied with

such employee, the Employer may extend the probationary period for a further period of not more than three (3) months, and in that event the Employer shall communicate to the employee, in writing, the reason for such extension.

(2) During the period of probation or extended probation as the case may be, where the Employer is not satisfied with the employee, the Employer may terminate the employment of the employee without notice.

(3) Where the employment of an employee is not terminated during the period of probation or extended probation, as the case may be, and the employee has not been expressly confirmed by the Employer, the employee shall be deemed to be confirmed in employment with effect from the day after the day on which the period of probation or extended probation, as the case may be, ended.

(4) On confirmation, the period of employment of an employee shall be deemed to date from the day on which such employee was initially employed in terms of *Sub-paragraph (1)* hereof.

6. **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, the 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 the same work site or at any other work site of the Employer where work is available.

7. **Hours of Work.** - The normal working hours shall be those hours which are customarily worked at a Store, Factory, Mill or Job in the establishment of the Employer bound by this Agreement.

8. **Forfeiture of Salaries.** - Unless of 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 salary for the period from the time at which such failure occurs until he is again available for work.

9. **Overtime.** - (1) Overtime work will be worked by an employee as and when and for such period as the Employer may reasonable require, provided there is no good reason for refusal by such employee.

2. Any work which is 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 *Clause 17(a)* hereof.

10. **Weekly Holidays.** - THE FOLLOWING PROVISIONS SHALL GOVERN THE WEEKLY HOLIDAYS: (1) The weekly holidays (weekly full holiday and half holiday) shall be granted as prescribed by the Act.

(2) The Employer may employ any employee on his weekly holiday as and when required, provided there is no good reason for refusal by such employee subject to the following conditions:-

(i) A day within the six days next succeeding such weekly holidays be allowed to that employee as a holiday with remuneration. Provided however that if any employee who is employed on his 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 the employee shall forfeit and the Employer shall be entitled to deduct one day's wage computed in accordance with the provisions of *clause 17(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 holidays 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 17 (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 One half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of *Clause 17(a)* hereof for the number of hours work during the first nine (9) hours (inclusive of one hour for a meal); and

(b) At double the normal hourly rate ascertained in accordance with the provisions of *Clause 17 (a)* hereof for each subsequent hour of work.

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

11. **Annual Holidays.**— Annual holidays shall be as prescribed by the Act and an employee may opt to set off absence due to ill health in excess of the entitlement provided under *Clause 14* of part (a) hereof against his annual leave entitlement.

12. **Statutory Holidays.**— (1) The following holidays shall be allowed each year as paid holidays—

Thaipongal Day
Independence Day
Sinhala and Tamil New Year (2 Days)
May Day
The Day following Vesak
Prophet Mohamed's Birthday
Christmas Day
Good Friday

(2) If any of the above days is a statutory holiday and 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, a substitute holiday shall be granted on a working day either in the six (6) days preceding or in the six (6) days succeeding such weekly full holiday. No substitute holiday shall be allowable 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.

(3) 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 created as a normal working day.

13. **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 of 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 one time. Provided further that any employee shall not be entitled to take casual leave immediately preceding or immediately following any period of annual holidays.

(2) Casual Leave will normally be obtained with prior approval and will normally be granted on application without the employee being required to state the reasons 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 casual leave.

(3) Provided further that any employee shall be entitled to casual leave on the basis of one (1) day for each completed period of two (2) months service during his probationary period. After confirmation he shall be entitled to casual leave for the remainder part of that calendar year as shown below.

Period of Service		Entitlement
1	Month	Nil
2 to 3	Months	1 Day
4 to 5	Months	2 Days
6 to 7	Months	3 Days
8 to 9	Months	4 Days
10 to 11	Months	5 Days
12	Months	7 Days

14. **Sick Leave .**— In any year an employee shall be entitled to sick leave not exceeding Twenty One (21) days provided that:

- his illness is supported by a certificate from a Registered Medical Practitioner unless waived by the Employer, subject to existing practice.
- the employee shall not be on probation within the meaning of Clause 5 hererof provided however that an employee who has been on probation shall as from the date of confirmation in respect of the remainder of that calendar year be entitled to sick leave as shown below.

Period of Service		Entitlement
2	Months	1 Day
3	Months	3 Days

4	Months	5	Days
5	Months	7	Days
6	Months	9	Days
7	Months	11	Days
8	Months	13	Days
9	Months	15	Days
10	Months	17	Days
11	Months	19	Days
12	Months	21	Days

15. **Monthly Consolidated Salaries.**— (i) Subject to the provisions of clause 17 hereof, the monthly consolidated salary of an employee in employment as at date hereof with effect from 1st July Two Thousand and Four (2004) shall be in terms of the salary scales set out in the First Schedule hereof which have been consolidated at the Colombo Consumer Price Index Figure of 3000.

(ii) If during the continuance in force of the agreement the Government of Sri Lanka:

- (a) prescribes increase in salary by any written law applicable to categories covered by this agreement legally obliging the Employer to make such payment, the Employer will pay such increase in salary in accordance with the law.
- (b) recommends increase in salary, such recommendations will not be applicable to the employer whether or not such recommendations are applicable to categories covered by this agreement.

16. **Conversion to the salary scale set out in the First Schedule with effect from 1st July 2004.**— (i) A sum equal to 10% of the salary payable to an employee as at June 2004 shall be added to the salaries of the employees covered and bound by this Agreement with effect from 1st July 2004.

(ii) An employee shall thereafter be placed on the corresponding point in the grade applicable to him in the salary scales set out in the 1st schedule hereof or in the event of there being no corresponding point on the next higher point in monetary terms in the said grade and the scale.

(iii) With effect from 1st July 2005, the Employer will increase the monthly salaries of the employees covered by this Agreement by a sum equal to 5% of the monthly salary drawn by each employee as at June 2005 and thereafter place each employee on the corresponding point, or if there is no such corresponding point on the next higher point on the salary scales given in the 2nd schedule hereof or the grade applicable to such employee.

17. **Salaries for Periods Less than One Month.**— For the purpose of this Agreement the salary of any employee for periods less than one month shall be computed in the manner following:—

- (a) For an hour — the monthly salary divided by Two Hundred and Forty (240)
- (b) For one day — the monthly salary divided by Thirty (30)
- (c) For one-half day — a day's salary ascertained as above divided by two (2) (either morning or afternoon)
- (d) For one week — a day's salary ascertained as above multiplied by seven (7)

18. **Non-Recurring Cost of Living Gratuity.**— (1). As the scales of consolidated salaries set out in the First schedule have been determined on the basis of the Colombo Consumers' Price Index of 3000 (Base Index) with effect from 1st July, 2004, an employee in service will be entitled to receive, in keeping with existing practice, a Non-Recurring Cost of Living Gratuity in respect of each preceding (12) months (herein after referred to as the qualifying period) commencing from the First day of July, 2004 ascertained in accordance with the undermentioned formula.

THE FORMULA.— If the average of the Colombo Consumers' Price Index for the qualifying period exceeds the base index on which the salary scales have been determined a sum computed at Rupees Two and Fifty Cents (Rs. 2.50) for each complete point (i.e. 1.0) by which the average exceeds the base index in respect of each month of service during the qualifying period.

(2) The Non-Recurring Cost of Living Gratuity shall be payable by the Employer to an employee who is eligible to receive same by virtue of his service under the Employer during a part of the qualifying period 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 July of an year or he joined the Employer's service during the course of the qualifying period.

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

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

19. **Promotions.**— The following shall be the principles which will guide the Employer in respect of promotions.

- (a) Mere length of service shall not be the sole criterion for promotions from one grade to the next. The Employer shall be entitled to take into account skills, efficiency, performance, educational qualifications and other similar criteria and the cadre requirements in deciding on promotions.
- (b) In case of employees who satisfactorily complete Ten (10) years of service in Grade “E” if up to then otherwise not promoted, will automatically be promoted to Grade “D” in the appropriate category as provided in the First Schedule hereto. On promotion they shall receive the monetary value of the increment applicable to the grade to which they are promoted.
- (c) In case of employees who have satisfactorily completed Eight (8) years service in Grade “D” they shall if up to then otherwise not promoted automatically be entitled to promotion to Grade “C” in their respective category as provided in the First Schedule hereto. On promotion they shall receive the monetary value of the increment applicable to the grade to which they are promoted.
- (d) In case of employees who have satisfactorily completed six (6) years service in Grade “C” they shall, if upto then otherwise not promoted, automatically be entitled to promotion to Grade “B” in their respective category as provided in the First Schedule hereto. On promotion they shall receive the monetary value of the increment applicable to the grade to which they are promoted.
- (e) In case of employees who have satisfactorily completed eight (8) years service in Grade “B” they shall, if upto then otherwise not promoted, automatically be entitled to promotion to Grade “A” in their respective category as provided in the First Schedule hereto. On promotion they shall receive the monetary value of the increment applicable to the grade to which they are promoted.
- (f) In case of employees who have satisfactorily completed ten (10) years service in Grade “A” they shall, if upto then otherwise not promoted, automatically be entitled to promotion to Grade “S” in their respective category as provided in the First Schedule hereto. On promotion they shall receive the monetary value of the increment applicable to the grade to which they are promoted.
- (g) Promotions referred to under (b), (c), (d), (e) and (f) above will take effect from the month in which annual increments are granted.

20. **Provident Fund.**— (1) The Employer and the employee shall contribute to the Provident Fund at the rates prescribed by the Employees Provident Fund Act, No. 15 of 1958.

(2) Subject to the provisions of the Employees’ Trust Fund Act, No. 46 of 1980, where the Employer and employee as at the date hereof were contributing to a Provident Fund at rates more favourable than those prescribed by the Employees’ Provident Fund Act, the more favourable rates of contribution will continue.

21. **Terminal Benefits.**— (1) The Employer will subject as hereinafter provided pay terminal benefits to employees in accordance with the scheme of terminal benefits set out in this clause.

(2) As and by way of terminal benefits the Employer shall pay an employee a sum equivalent to half month’s salary for each year of service up to twenty (20) years and one month’s salary for each year of service over and above twenty (20) years of service. The employees who do not complete five (5) years of uninterrupted service are not entitled to terminal benefits under this provision.

(3) The salary on which the said terminal benefits under Sub-clause (2) hereof shall be payable will be last monthly salary receivable by an employee on which Provident Fund is payable and shall not include any Non-Recurring Cost of Living Gratuity.

(4) For the purpose of calculating terminal benefits under this Clause, an year of service shall be a period of not less than six (6) months.

(5) If at the date of cessation of an employee’s service there is due to the Employer from the employee any sum on account of fraud, misappropriation or any other account and the same cannot be recovered from the amount in the employee’s credit in the Provident Fund the same shall be recovered from the terminal benefits provided for herein.

(6) On the death of an employee whilst in service, who is eligible to receive terminal benefits under this clause, the Employer shall pay such terminal benefits in the manner and to the persons hereinafter set forth:

- (a) If there is a valid nomination in force for the purpose of the deceased Employee’s Provident Fund at the date of his death, to the nominee, or nominees of such Employee in conformity with the form of nomination where such nominee is surviving and of full age.
- (b) Where there is no valid nomination or in the event of the nominee of any one or more of the nominees having predeceased the employee, or in the event of a nominee being a minor at the time that the payment of the terminal benefits become due, the Employer shall make payment only after the person or persons entitled to the payment have established their claim in law and furnished proof thereof.

(7) In the event of any written law providing for payment of gratuity or terminal benefits the more favourable scheme shall apply but not both.