

(8) No employee shall be entitled to any gratuity or terminal benefits in addition to the terminal benefits provided for in this clause or by any written law as the case may be.

22. **Bonus.** - (1) The Employer will make a payment of bonus to each employee covered and bound by this Agreement on the following basis during the period of this Agreement, provided however only employees who have completed 12 months service at the time of payment of bonus will qualify for payment in terms hereof and an employee who has not completed 12 months in service at such time will be entitled to receive only a proportionate payment of the bonus having regard to his period of service.

- (i) A payment of bonus equivalent to one month's monthly salary will be paid on 15th December, 2004.
- (ii) A payment of bonus equivalent to one month's monthly salary will be paid on 15th March, 2005.  
(Based on December, 2004 monthly salary)
- (iii) A payment of bonus equivalent to one month's monthly salary will be paid on 15th December, 2005.
- (iv) A payment of bonus equivalent to one month's monthly salary will be paid on 15th March, 2006.  
(Based on December, 2005 monthly salary)

23. **Annual Increments.** - The annual increments provided in each grade of the scales of consolidated salaries in the First Schedule hereto shall be automatic unless as a matter of punishment for general inefficiency including irregular attendance or un-punctuality 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 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.

24. **Warning.** - 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.

25. **Suspension.** - (1) An employee may be suspended without pay by the 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 the business of the Employer;
- (c) as a punishment for misconduct for a period not exceeding seven (7) 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 employer 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 26* hereof.

26. **Disciplinary Action.** - WHERE THE EMPLOYER PROPOSES TO PROCEED AGAINST AN EMPLOYEE THEN.- (1) irrespective of whether an employee has been suspended under *Clause 25* 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 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 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 circumstance 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 an 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 25(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 it is necessary and desirable that the matter be referred to the Police or other authorities for further investigation or inquiry 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 had been previously referred to the Police or other authorities for investigation or inquiry 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 of his normal remuneration for the period of thirty (30) days from the date of such 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) 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 request 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 expectation that the fact that the inquiry had not commenced within fourteen (14) working days after receipt of the employee's explanation shall not be material or relevant.

27. **Retirement.**- On reaching the age of sixty (60) 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. The employee however has the option to retire at the age of fifty five (55) years or thereafter by giving three months notice to the Employer.

28. **Disputes Procedure.**-(a) The procedure to be followed for the settlement of a dispute shall be as set out in *sub-clauses (b), (c) and (d)* hereof.

(b) Where a dispute is between an employee and the Employer, the Employee shall, in the first instance, raise the matter through the branch union with the Employer and both parties shall endeavour to effect an amicable settlement.

(c) In the event of a dispute not being settled under *sub-clause (b)* above or, in the case of a dispute between the Union and the Employer, the Union or the Employer may raise the matter with the Employer or the Union as the case may be and shall endeavour to effect an amicable settlement.

(d) In the event of a dispute not being resolved or settled under the preceding *sub-clause (b) or (c)*, and if the Union of the Employer requests a reference of the dispute under Section 3 (1) (d) of the Industrial Disputes Act for settlement by arbitration, the other party shall consent to such reference. Parties may, by mutual agreement also, decide to refer the dispute to a Mediator or body of Mediators for possible settlement through Mediation prior to a reference to arbitration.

29. **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 representatives of the Employer and the union of which the employee is a member and if the matter cannot be settled by negotiation the matter shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations made thereunder.

30. **Trade Union Action.**— The Union and its members 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/or the Union and/or its members and/or any employee or employees covered and bound by this Agreement on the other hand, whether or not such dispute is relative to this Agreement, provided, however that this Clause shall not apply in respect of any dispute arising out of any breach by the Employer of the provisions of Clauses 26, 28 and 32 hereof.

31. **Variation of Terms and Conditions of Employment or 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 or 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, 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 the Employer will not seek to vary 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 negotiations under provisions of sub-clause (1) or (2) hereof 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.

32. **Unfair Labour Practice.**— (a) Any person bound by this Agreement shall not instigate, support or engage in any unfair labour practice.

(b) The Employer will not take any action which is calculated to undermine the existence of the Union in the establishment of the Company.

33. **Retrenchment.**— Without prejudice to the right of the Employer to introduce voluntary separation schemes subject to requirements of the company, the employer will not, during the pendency of this Agreement, retrench employees unless with the consent of the union. Any variation of the manning levels in any operation in the Employer's factory will be made in consultation with the union and by mutual agreement.

## 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 the Union shall commit a breach of any of the terms of this Collective Agreement, then and in any such event the Union committing such breach 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 26 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 such Union (hereinafter referred to as "Observer" to be present as an Observer without loss of salary for absence from work.
- (b) If the employee 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 question 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 findings pursuant thereto.

3. **Union Meetings.** - (1) THE FOLLOWING PROVISIONS SHALL APPLY TO MEETINGS OF THE BRANCH UNION. - (a) In respect of each meeting which the Branch Union desires to hold at the Employer's premises, a written 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 the Employer shall be present at a meeting of the Branch Union.
- (ii) On occasions such as the Annual General Meeting of the Branch Union, office bearers of the Union may, with the previous approval of the Employer, attend.
- (iii) Fix a time limit within which a meeting of the Branch Union shall be concluded or adjourned.

(c) It shall be the duty of the Branch Union and its office bearers to ensure that the terms on which permission to hold a meeting of the Branch Union is granted, are duly complied with.

(d) It shall be the duty of the Branch Union and its office bearers to ensure that no damage is caused in the cause of, or in connection with, a meeting of the Branch Union to the Employer's property or any other persons at the Employer's premises and the Branch Union shall indemnify the Employer and keep the Employer indemnified against any such damage.

2. THE FOLLOWING PROVISIONS SHALL APPLY TO MEETINGS OF THE GENERAL COUNCIL OF THE UNION. - (a) (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 to a member of the General Council of the Union in order to attend a meeting of the General Council, to leave office not earlier than 3 O' clock in the afternoon on not more than one occasion in a month without loss of salary for such absence if a written application for permission to attend is made at least forty eight (48) hours before the time appointed for holding the meeting of the General Council.

(b) For the purpose of *paragraph (a)* above the Union shall forthwith furnish the Employer in whose service there are members of the General Council of the Union with a list of such members and keep the Employer informed of all changes therein which may be made from time to time.

3. The provisions of the preceding sub-clauses (i) and (ii) shall not be in derogation of any existing concessions or facilities granted by the Employer to a Branch Union regarding union meetings.

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 their 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 Employers' 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 Courts, Arbitrators or Labour Tribunals without loss of wages for such absence.

(2) The Employer, will in his discretion, grant leave without remuneration to an employee to attend a Trade Union Course of Seminar or Conference either in Sri Lanka or abroad unless the employee concerned is entitled to annual, customary or statutory holidays which he wishes to utilize for the purpose.

5. **Check Off.** - (1) The Employer shall, on the written request of an employee, deduct from the salary due to such employee 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.

(2) Every employee who agrees to the deduction of union dues from his salary shall sign a statement to that effect in the form set out in Form No. 1 hereinafter referred to as an "Authorization".

(3) 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".

(4) As far as practicable deductions under an authorization shall commence from the salary due immediately after the date of receipt of such authorization and shall continue thereafter until the authorization is cancelled by a revocation.

(5) As far as practicable deductions under an authorization shall cease from the date of receipt of a revocation canceling such authorization. Provided however -

- (a) 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 by way of check off will together with all other deductions from the employee's salary in that month exceed the deductions permitted by law.

(6) The Employer shall not later than the tenth day of each month remit the Union dues deducted from the salaries of the employees in the month immediately preceding, to the Treasurer of the Union concerned in accordance with the tenor of each authorization by a cheque payable to the Treasurer thereof and crossed "Account Payee".

(7) The cheques shall be sent by Registered Mail to the Treasurer at the Registered office of the Union at the risk of the Union and employees concerned by Post in a prepaid envelope addressed to the Treasurer of the Union at its address for the time being.

(8) The Treasurer of the Union shall promptly acknowledge receipt of the cheque.

(9) The Employer shall not be liable to pay the Union or to the Treasurer on its behalf, as aforesaid, any sum other than the Union dues actually deducted.

FORM No: 1

Name of Employer:-

#### AUTHORIZATION

As I am an employee covered and bound by this Collective Agreement affecting employees employed in the ..... Trade bearing No:..... and I desire to avail myself of the facility for check off contained in the Collective Agreement of which I am eligible as a member of the ..... Union, please deduct from my salary each month a sum of Rupees ..... (Rs ..... ) in respect of my current monthly membership dues to the said Union and remit the same to the said Union on my behalf. The first payment should please be made from my salary next due immediately following the date hereof.

.....  
(Date of Signing)

.....  
(Signature of Employee)

.....  
Full Name of Employee

RECEIVED ON.....  
(To be filled by the Employer)

FORM No: 2

Name of Employer:

#### REVOCATION

With reference to the authorization submitted by me, please cease to deduct from my salary any further membership dues in favour of ..... Union with effect from the salary next due to me immediately following the date hereof.

.....  
(Date of Signing).

.....  
(Signature of Employee).

.....  
Full Name of Employee.

RECEIVED ON.....  
(To be filled by Employer)