

8. **Key Holding Allowance.**— The monthly Key Holding allowance presently payable to employees will be increased to Rs 1000 and Rs. 625 respectively. The allowance shall be paid to all categories of employees required to handle “cash safe keys”. Employees who are required to handle keys on 5 or more days in a month shall be entitled to Rs. 1000 and those who are required to handle keys on less than 5 days in month will be entitled to Rs. 625.

9. **Fuel Allowance.**— To those employees owning private vehicles and who have hitherto been entitled to a reimbursement of cost of fuel the Bank shall continue to reimburse them the cost of fuel on the basis set out hereunder:

* Junior Officer	-	25 litres petrol per mensem
* Officer Grade IV	-	30 litres petrol per mensem
* Officer Grade III	-	35 litres petrol per mensem
* Officer Grade II	-	40 litres petrol per mensem

10. **Entertainment Allowance.**— Grade II Officers will be paid and entertainment allowance of Rs. 1,250 per month.

11. **Special Payments.**—

(a) With effect from the date hereof when employees are required to work after normal working hours on any working day, they shall be entitled to the following payments.

For work Upto 2 hours	-	Rs. 150
For work Upto 3 hours	-	Rs. 200
For work Upto 4 hours	-	Rs. 250
For work in excess of 4 hours	-	Rs. 300

(b) When employees are required to work on any holiday they shall be entitled to a payment of Rs. 450 in respect of the first four hours worked on such holiday and Rs. 100 in respect of each additional hour worked.

(c) No employee shall work after normal working hours or on holidays unless requested to do so by the Bank.

12. **Promotion.**—

(a) For the promotion to the Grade II, III & IV mere length of service shall not be the sole criteria and the Bank shall be entitled to take into account other factors such as good conduct, efficiency, educational and professional qualifications and good character. All promotions from one grade to another shall be subject to availability of vacancies and suitability of the Officer and purely at the discretion and judgment of the Management. The decision of the Management in the exercise of such discretion shall be final and conclusive.

(b) For the promotion to the Grade IV: it is hereby agreed between the parties that Junior Officers will be considered for promotion to Officer Grade IV subject to the rules and regulations of the Bank and subject to the following criteria and terms and conditions :

(i) Record of conduct, work performance and attendance.

Only Junior Officers possessing a record of good conduct, excellent work performance and attendance will qualify for consideration

(ii) Eligibility for consideration: Only Junior Officers possessing the following basic criteria will be eligible for consideration:

<u>Experience in Service</u>	<u>Educational Qualifications</u>
08 Years as Junior Officer or Clerk if promotee	GCE O/L Examination with a Credit Pass in English
05 Years as Junior Officer or Clerk if promotee	Part I-AIB London or AIB Sri Lanka
04 Years as Junior Officer or Clerk if promotee	Diploma in AIB London or Diploma in AIB Sri Lanka
03 Years as Junior Officer or Clerk if promotee	University Degree with one of the subjects in Economics or Commerce

- (c) Selection Process.– Junior Officers who are eligible subject to the above mentioned basic criteria will be considered for promotion by the Management of the Bank, subject to the following conditions :
- (i) Subject to the availability of vacancies depending on the Bank's staffing needs from time to time, the eligible Junior Officers shall be required to put up, applications for consideration for promotion submitting required information regarding their career on set formats obtainable from the Bank.
  - (ii) All eligible applicants will be required to sit for a written test which will be prepared by the Bank and conducted in Colombo under the supervision of the Management.
  - (iii) All eligible applicants who have performed satisfactorily at the written test will be further subject to an interview by the Management of the Bank.
  - (iv) The Management's decision in respect of selection shall be final and conclusive and shall not be challenged.
- (d) It is further agreed between the parties that calling for application/test/interview process as referred to at (a), (b) and (c) above in respect of the consideration of Officers for each year's vacancies would commence in the month of September/October with a view to completing written tests and interviews, and submission of recommendations of successful applicants to Head Office shall be not later than 15th January of the following year for Head Office final approval.
- (e) On final selection after test, interview, recommendation and approval by Head Office, the selected candidates shall be promoted to Officer Grade IV in the scale herein above mentioned.

13. **Provident Fund.**–(a) RATE OF CONTRIBUTION.– The rates of contribution to the Provident Fund by the Bank as from 01.04.2003 shall be:

Bank's contribution	12% (twelve percent) of salary
Employee's contribution	8% (eight percent) of salary

Provident Fund Contributions shall be on the consolidated salary referred to at Clause 5 hereof and the amount paid for that month as cost of living allowance subject to the Rules of the Provident Fund.

(b) INTEREST ON PROVIDENT FUND CONTRIBUTIONS HELD BY BANKS.–Whereas Provident Fund monies are invested in the respective Banks, the Bank shall continue to pay the rate of interest paid on 12 months' fixed deposits for sum of Rs. 100,000/- published by the N. S. B. prevailing as at 1st January for the first half of the year and on the rate prevailing on 1st July for the second half of the year on the net Provident Fund monies invested at such respective Bank.

14. **Gratuity.**– An employee shall upon retirement on reaching the age of 55 years or on duly authorised medical grounds, after completing a period of fifteen (15) years service in the Bank or after completing 20 years continuous service, be entitled to gratuity calculated at the rate of one month's terminal salary for each completed year of service rendered by such employee. For the purpose of calculating gratuity "terminal salary" shall mean the basic salary *i.e.* the salary point an employee is placed on the salary scale applicable to him plus the cost of living allowance.

15. **Death Gratuity.**–On the death of an employee who has been confirmed and is in the permanent employment of the Bank, the Bank will make a compassionate payment of two month's gross salary for each year of completed service subject to a minimum of six months' gross salary to the legitimate dependents of the deceased employee, as may be determined by the Bank at its sole discretion on the basis of information supplied to them. In the case of the death of an employee who is not confirmed in employment the amount payable will be 50% of that payable to a confirmed employee provided that in the case of an employee who has not been confirmed consequent upon a promotion to a higher grade, the gratuity payable will be calculated as in the case of a confirmed employee. The gross salary for this purpose shall be the last drawn salary plus Cost of Living Allowance.

Provided, however, that in the event of death arising out of and in the course of employment, the dependents shall be entitled to and receive either the death gratuity referred to herein or payment by way of compensation under any laws in force at the time on account of Employees' Compensation or under any other law or an Award of Court, whichever is higher. Provided further that in the case of an employee whose death occurred in consequence, the pre-acceptance of death gratuity as provided herein shall not restrict the right of such dependents in subsequently claiming any balance compensation due to them under any written law.

16. **Retirement.**–(a) The age of retirement shall be 55 years and on reaching the age of 55 an employee shall ipso facto retire and cease to be employed by the Bank and there shall be no obligation on the Bank to give such employee any notice of such retirement.

(b) An employee may also be retired and be eligible for retirement benefits if he is not less than 50 years and has 10 or more years of service, subject to mutual agreement between the employee, his union and the employer that he should be given such concession and subject to the condition that the refusal by any party to agree to such premature retirement shall not constitute an industrial dispute.

17. **Release of Parent Union Office Bearers.**— (a) One Office Bearer of the union shall be released for union work without payment of salary or any other allowances whatsoever for a period not exceeding two years on a single occasion during a period of six years provided the union so requests and subject to the condition that at any given time only one employee of the Bank whether covered or not by this Agreement shall be so released.

(b) On resumption of work by an Office Bearer who has been released for union work, he shall receive incremental credit for the period of his absence from work and such absence shall not affect his rights under Caluses 14, 15 and 16 hereof.

18. **Concessions to Branch Union Office Bearers and General Council Members.**— (a) The Bank shall at its discretion permit the release of not more than two Branch Union Office Bearers at any one given occasion without loss of pay exclusively to enable such Branch Union Office Bearers to be present at inquiries before the Labour Department, Labour Tribunal, Arbitrations, Industrial Courts and with their respective Bank Managements - exclusively on matters pertaining to such particular Bank to which such Branch Union Office Bearers are attached.

(b) It is agreed that Central Committee Members will be permitted to leave at 12.30 p.m. on 12 days in a year for meetings. In the case of outstation General Council Members, they would be permitted leave for the whole day for 12 General Council Meetings in a year.

(c) It is agreed that a day's paid leave shall be granted on two occasions per year to Central Committee to attend Parent Union General Council Meetings.

(d) It is agreed that Executive Committee members will be released at 3 p.m. for meetings of the Executive committee of the Union. These meetings will not usually be more than on a monthly basis.

19. **Annual, Medical and Casual Leave.**— (a) ANNUAL LEAVE.—

(i) **ENTITLEMENT** - In respect of each year of employment (which means the period January to December) during which an employee has been in continuous employment he shall be entitled to take in the following year 21 working days paid leave. He shall avail himself of at least 7 days out of the 21 days on successive days and shall in respect of each year avail himself of not less than 14 days out of the said 21 working days.

(ii) At the end of the first year of employment the employee qualifies for proportionate leave as follows :

(a) The full annual holiday of 21 days if his employment commenced on or after 1st January but before 1st April;

(b) A holiday of 15 days if his employment commenced on or after 1st April but before 1st July;

(c) A holiday of 11 days if his employment commenced on or after 1st July but before 1st October; and

(d) A holiday of 6 days if his employment commenced on or after 1st October.

(iii) **AVAILMENT** - The availment of all annual leave shall be by prior authorisation of the Bank upon the employee's application, giving sufficient notice to the Bank, so as to ensure availment at times mutually convenient.

(iv) **ACCUMULATION** - Annual leave may be accumulated by an employee exclusively for the following purposes :

(a) for availment in full, immediately preceding retirement by mutual arrangement, with the Bank,

(b) for the purpose of attending on a family member who is seriously ill,

(c) for travel abroad for which purpose one month's prior notice shall be given,

(d) for marriage of the employee,

(e) prolonged illness of the employee,

(f) on account of the death of a family member provided that the employee has exhausted his current year's leave,

(g) for the purpose of nursing the 3rd and 4th children beyond the maternity leave entitlement.

Provided that in the case of (b) to (d) the approval of such leave shall be at the discretion of the management. Family member for purposes of (b) above shall mean spouse, children or parents.

Provided also that such accumulation will be restricted upto a maximum of seven (7) days per year and provided further that such total accumulation shall be restricted to a maximum of one hundred and twenty (120) days.

(b) MEDICAL LEAVE.-

(i) **ENTITLEMENT** - An employee shall be entitled to not less than twenty four (24) days leave exclusive of weekly or other holidays in any one year, in case of sickness on full pay, subject to the conditions in sub-clause (ii) hereof.

(ii) **AVAILMENT**- A Bank will be entitled to refuse to grant pay for any days of absence on grounds of sickness **not** supported by a Certificate from a Registered Medical Practitioner :

(a) where such period of absence exceeds two consecutive days including weekly or other holidays, or

(b) where the number of days already allowed on full pay on grounds of sickness, uncertified by a Medical Practitioner, is in excess of twelve (12) days.

(iii) **ACCUMULATION** - An employee who takes less than his entitlement in any one year as prescribed above shall be entitled to avail himself of the balance of his entitlement for such year in any succeeding year or years, subject to the following provisions :

(a) in no case shall the entitlement to medical leave on full pay, by reason of such accumulation, exceed ninety (90) days, and

(b) the accumulated medical leave may only be availed of on account of prolonged illness, hospitalization or similar circumstances, supported by a Certificate from a Registered Medical Practitioner,

(c) where an employee has exhausted his current year's sick leave as a result of prolonged illness such as an infectious disease or prolonged hospitalization an employer may permit him to set off any further absence on grounds of ill health against such accumulated sick leave up to the extent of the leave taken for such earlier prolonged illness.

(iv) The Bank will be entitled, after inquiry and advising the employee concerned, to refuse to pay and / or take any action as appropriate in situations where the absence on grounds of sickness **not** supported by a Certificate from a Registered Medical Practitioner, occurs in the following circumstances :

(a) Where the Bank has reasonable cause to suspect the *bona fides* of the application and / or reason for absence of an employee, or

(b) Where the absence of the employee on grounds of sickness immediately follows or precedes any weekly or other holiday and the Bank has reasonable cause to suspect the *bona fides* of the application and / or reason for absence of the employee.

(c) **CASUAL LEAVE**.- An employee shall be entitled to a maximum of seven (7) days casual leave in each year of employment whereof **not** more than two (2) days shall be taken at any one given time and such leave shall not precede or follow any period of annual leave. All casual leave shall be by prior approval of the Bank, unless the reason for such absence is justified to the satisfaction of the Bank as being in circumstances that could not have been foreseen by such employee.

20. **Medical Benefits**.- (i) **REIMBURSEMENT OF MEDICAL EXPENSES FOR NON-HOSPITALISATION**.- The Bank will reimburse an employee up to a maximum of such employee's monthly salary per annum in respect of medical expenses incurred by him on his own behalf, on behalf of his spouse or unmarried legitimate children under the age of 18 years in respect of routine non-hospitalisation and non-surgical expenditure subject to the following. "Salary" for this purpose shall be the salary point on which an employee is placed in terms of Schedule I hereof.

(a) All medical claims shall be supported by valid and relevant prescriptions, bills and receipts.

(b) Prescriptions or Doctor's bills are from a Registered Medical Practitioner.

(ii) **SPECIAL NON-HOSPITALISATION AND NON-SURGICAL EXPENDITURE**.- The Bank will reimburse an employee on a non-cumulative basis a further sum up to a maximum of Rs. 4,500 per annum on account of special non-Hospitalisation and non-surgical expenses covering the following items only incurred on behalf of the employee only and not on behalf of his family members :

- (a) Spectacles
- (b) Dentures
- (c) Hearing Aides

Subject to valid documentation as in the case of (i) above and subject to the provisions that no claim is made in relation to any particular item more than once in three years and in the case of spectacles the expenditure on account of the spectacle frame shall not exceed Rs. 2,250 and in any event it must be supported by a prescription from a Medical Eye Specialist.

(iii) **SURGICAL AND HOSPITALISATION EXPENDITURE.**— Employees will be reimbursed on account of surgical and hospitalisation (whether Government or Private) expenses incurred on behalf of the employee, his spouse or unmarried legitimate children under 18 years of age, subject to the production of valid documentation covering every claim or expenditure, up to the following limits per annum:

- (a) Hospitalisation or Nursing Home maintenance charges :
  - Daily Limit Rs. 1,950
  - Government hospital allowance Rs. 750
- (b) Emergency treatment travel expenses (Maximum) Rs. 1200  
(Rs. 25 per Km. or actual cost whichever is less)
- (c) Overall limit for any one event Rs. 78,000
- (d) Overall limit for any one year Rs. 93,750

Provided however that in the case of a recurrent illness, i.e. of the same kind, the Bank will make payments on this account only once in a period of three years.

The Second Schedule hereto sets out the terms on which reimbursement of medical expenditure will be effected.

(iv) **MATERNITY GRANT.**— An employee who is married will be permitted a once and for all grant of Rs. 7,500 in respect of each of two births of children after 1.4.2003. If both spouses are employed in the Bank only one such claim shall be entertained.

In the cases of reimbursement under surgical and hospitalisation expenses, the maximum deduction for normal child birth shall be Rs. 7,500.

21. **Bonus.**— The Bank will pay each year to every employee a bonus of three (3) months basic salary on the salary as drawn by such employee in the month of January of such year. The bonus will be paid in three monthly instalments in keeping with normal practice.

22. **Suspension.**— (i) Where an employee is suspended pending a disciplinary inquiry on investigations, he will, subject to the provisions of sub-clause (ii) and (iii) below, receive half his salary from the date of suspension up to six months and full pay thereafter, subject to the condition that the delay was not due to the employee concerned.

(ii) Where the suspension is on account of charges involving financial dishonesty such as fraud or misappropriation, the employee will not be entitled to any salary during the period of suspension unless the inquiry is not concluded within six months of the date of suspension in which event he will receive half his salary (salary plus cost of living allowance) during his suspension beyond the said six months period. Provided that if the delay beyond six months is due to the employee's own conduct or due to the employee being in custody or remand thereby making it impossible for the Bank to hold or conclude the inquiry, half such salary as aforementioned will not be payable.

(iii) In cases not involving financial dishonesty as aforementioned, where the employer is prevented from concluding the inquiry within six months of suspension for reasons beyond the employer's control such as where the employee makes repeated requests for postponements or where he is remanded or in Police custody or where the matter is under investigation by the Police, the employee will continue to receive half his salary and will not receive full pay in these circumstances.

23. **Disciplinary Procedure.**— Where the Bank proposes to take disciplinary action against an employee except, however, in the case of oral warning, letters of advice, caution or warnings for minor offences, the following procedure shall apply:

- (a) Irrespective of whether such employee has been suspended, the employee shall be furnished with a show cause letter which shall set out the particulars of the charges against such employee and such show cause letter shall give the employee not less than ten (10) calendar days within which to tender his explanation in writing to the charges preferred.