

- 26.3 During the period of probation employees are not entitled to any sick leave. However, in respect of the first year of employment after confirmation, the employer may grant sick leave during that year up to the 31st of December, computed on the basis of one and a half (1 1/2) days for each month of such employment.
- 26.4 An employee shall endeavour to inform the Company immediately of such sickness or at least within two (2) days and produce a Medical Certificate within three (3) days.

27. Medical Benefits –

- 27.1 The Employer agrees to reimburse medical expenses in terms of the Company Medical Scheme on the following basis:
2005 - Rs. 10,500/-
2006 - Rs. 10,500/-
2007 - Rs. 11,000/-
The Employer agrees for the employee to accumulate to a maximum of Rs. 27,000 unutilized reimbursement of medical expenses.
- 27.2 Medical expenses are reimbursed only for employees and their immediate families. Immediate families are defined as husband/wife and dependant legitimate children of employees.
- 27.3 **Hospitalisation.**– For hospital treatment, employees are granted a Medical Insurance Scheme through the Insurance Corporation of Sri Lanka. The Scheme provided for this purpose by the Corporation is applicable and both the Employee and the Employer pay 50% each of the insurance premium.
Employees may cover the immediate families at their own discretion under the Insurance Scheme. For this purpose as well both the Employee and the Employer pay 50% each of the Insurance Premium.

PART – VI

RETIREMENT AND TERMINAL BENEFITS

28.Age of Retirement.– On reaching the age of fifty-five (55) years and employee shall ipso facto retire and cease to be employed by the Employer. There shall be no obligation on the Employer to give the employee any notice of such retirement. In the event of an employee being offered employment after retirement, such employee shall not be covered by this Agreement.

29.Provident Fund.– Contributions to Provident Fund will be at the rate of 12% by the employer and 8% by the employee of the consolidated monthly salary as prescribed by legislation.

30.Employees' Trust Fund.– The Employer shall contribute to the Employees' Trust Fund at the rates prescribed by legislation.

PART – VII

ATTENDANCE & CARRYING OUT EMPLOYER'S INSTRUCTIONS

31.Attendance.– Unless otherwise specifically instructed by Management, an employee shall present himself/herself for work on every day (other than holidays) at the usual starting time for the job and shall remain there available for work throughout the normal working hours.

32. Carrying Out Employer's Instructions –

- 32.1 If an employee considers any duty, which he/she is required to perform by the Employer, does not fall within the scope of his/her employment under the Employer, he/she shall be entitled to bring this matter to the notice of the Employer. If notwithstanding such notification the Employer requires the employee to carry out such instructions, then the employee shall be entitled to request the Employer to give him/her such instructions in writing.
- 32.2 If the Employer gives the employee such instructions in writing, the employee shall carry out the same but without prejudice to the rights of the Union on his/her behalf to dispute such matters with the Employer thereafter as provided in this Agreement.
- 32.3 If the Employer refuses to give such instructions in writing, the employee shall be entitled not to carry out such instructions and in such event the Employer shall have no right of action against the employee.
- 32.4 If the Employer gives such instructions in writing but the employee fails to carry out the same, the Employer shall be entitled to suspend the employee immediately without pay and to take disciplinary action against him/her without prejudice to the rights of the employee or the Union on his/her behalf to dispute such suspension or such disciplinary action as may be taken against the employee as provided in this Agreement.

PART - VIII

**SUSPENSION, DISCIPLINARY PROCEDURE AND GRIEVANCE AND DISPUTES
PROCEDURE**

* In case of misconduct, the Employer is entitled to start disciplinary action, which is detailed hereunder.

DISCIPLINARY ACTION**33. Suspension**

33.1 An employee may be suspended without pay by the Employer;

33.1.1 Pending an inquiry to be held by the Employer on a charge or charges of misconduct which warrant dismissal,

33.1.2 In order to avoid a breach of the peace or damage to property or disturbance of the business of the employer,

33.1.3 In case of fraud, theft, misappropriation or like offence by the employee in the course of his employment.

33.1.4 In case of abuse, threat of gross insubordination by the employee to a member of the Management Staff of the Employer.

33.1.5 For failing to carry out Employer's instructions in terms of clauses 31 and 32.

33.2 At the time of suspension or within twenty-four (24) hours the Employer shall provide the employee with a written order of suspension specifying the reasons for such suspension.

34. Disciplinary Procedure.— Where the Employer proposes to proceed against an employee then:—

34.1 Irrespective of whether an employee has been suspended under clause 33 hereof or not, an employee shall be furnished with a show cause notice, which shall set out the particulars of the charges of misconduct alleged against such employee, Such show cause notice shall give the employee not less than three (3) clear working days within which to give the answer.

34.2 Within three (3) working days after the day of the show cause notice the employee shall furnish in writing to the employer the answer or explanation to the charges against such employee. The employee may request for an extension of time for reply. The Employer may grant such request for such further period of time if deemed necessary in the circumstances of the case.

34.3 If the employer is satisfied with the written answer or explanation of the employee, the employee shall, if he is suspended, be reinstated forthwith and be paid all entitlements due to him for the period of such suspension.

34.4 If the employer is not satisfied with the written answer or explanation of the employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within seven (7) working days from the date of receipt by him of the written answer or explanation to the show cause notice.

34.5 After holding such inquiry, the employee shall normally be informed of the findings of each of the charges in the show cause notice and the punishment, if any, within thirty (30) working days from the date of the conclusion of the inquiry. If the Employer fails to inform the employee, except for reasons beyond the control of the Employer, the employee shall not be liable to be punished in respect of the charges and no inference adverse to the employee in respect of such charges shall be drawn.

34.6 If the employee is under suspension and the Employer after inquiry decides that:

34.6.1 The employee is not guilty of the charges, the employee shall be reinstated immediately and all wages and entitlements paid.

34.6.2 The employee is guilty of one or more charges the employee shall be informed of the findings and the punishment imposed by the Employer.

If the punishment given to the employee is not dismissal, suspension without pay shall not exceed seven (7) working days. If the service of the employee is to be terminated, such termination shall take effect from the date of suspension of the employee and the employee shall not be paid for the period of suspension.

34.7 If in the opinion of the Employer the nature of the charges is serious and the case has been referred or is to be referred to the police or other authorities for investigation, and the Employer is unable to inform the employee of the outcome of the inquiry, the employee shall remain under suspension without pay until the investigations are completed and the Employer is able to decide on the outcome of the inquiry.

34.7.1 If the Employer fails to inform the employee of the outcome of the inquiry within thirty (30) working days due to reasons beyond the control of the employer, the employee shall be paid half his monthly wages for the first thirty (30) working days and full wages after thirty (30) days to the time a decision is taken regarding the outcome of the inquiry. This will not apply in cases where the inquiry is postponed or a decision is unable to be taken on the outcome of the inquiry for any reasons due to the employee's own seeking.

34.8 Domestic inquiries

34.8.1 An employee may request the Employer to allow an 'observer' to be present at the inquiry to be held into the charges. The 'observer' who shall be another employee categorized in Appendix I, shall be present at the inquiry without loss of wages due to the absence from the workplace.

34.8.2 The employee shall be inform the Employer the name of the observer one (1) working day before the commencement of the inquiry.

34.8.3 The observer shall not be entitled to represent the employee or otherwise participate in the inquiry,

34.8.4 If an observer obstructs such inquiry, the officer who conducts the inquiry shall be entitled to request the observer to withdraw from the inquiry immediately and the observer shall comply with such request.

34.8.5 The absence of an observer from whole or any part of an inquiry for any reason shall not change or nullify the inquiry, the proceedings or the findings.

34.8.6 The employee may make a written submission to the Employer within one (1) working day on conclusion of the inquiry on any special observations he wishes to make in the manner in which the inquiry was held or the evidence was recorded.

34.8.7 The Union may make written submissions to the Employer within one (1) working day on conclusion of the inquiry regarding the manner in which the inquiry was held or the evidence was recorded.

35. *Grievance & Disputes Procedure*

35.1 Recognizing the value and importance of full discussion in clearing up misunderstanding and preserving harmonious relations, every effort shall be made by the Employer and the Union to dispose of any inquiries, complaints, grievances or disputes as soon as possible. The following procedure shall be followed in respect of such matter and for any interpretation.

35.2 An employee may present his grievance or complaint to his immediate supervisor or to his head of department. The employee may be accompanied by his Branch Union representative.

35.3 An employee may present his grievance or complaint to the Divisional Manager. The employee may be accompanied by his Branch Union representative.

35.4 The Branch Union may present the grievance or complaint in writing to the Head Office Human Resources Manager. The written submissions shall then be replied by the Head Office Human Resources Manager. If the Branch Union is not satisfied with the written explanation of the Head Office Human Resources Manager, the Branch Union may request for discussion between the Division Manager, Head Office Human Resources Manager and the Branch Union.

35.5 If the Branch Union and the employees are not satisfied with the outcome of the discussion with the Divisional Manager and the Head Office Human Resources Manager, the Branch union may make a written submission to the Managing Director. If the Branch Union is not satisfied with the written explanation given by the Managing Director, the Branch Union may request for a discussion with the Managing Director.

35.6 If the Branch Union is not satisfied with the outcome of the discussion with the Managing Director, the Branch Union, may refer the matter to the Union. The Union may make written submissions to the Head Office Human Resources Manager, with copy to the Managing Director. If the Union is not satisfied with the written explanation given by the Head Office Human Resources Manager or the Managing Director, the Union may request for a discussion with the Head Office Human Resources Manager and the Divisional Manager, in the first instance, and if the Union is not satisfied with the outcome of the discussion with the Head Office Human Resources Manager and the Divisional Manager, the Union may request for a discussion with the Managing Director.

- 35.7 If the Union is not satisfied with the outcome of the discussion with the Managing Director, the Union may refer the matter to the Employers' Federation of Ceylon, who will endeavor to bring about an amicable settlement in the matter and, if desired, utilizing the offices of the Department of Labour.
- 35.8 In the event where the grievance or dispute is not resolved with the Employers' Federation of Ceylon, the matter by agreement shall be referred to an arbitrator or a panel of arbitrators jointly selected by the parties under section 3(1)(d) of the Industrial Disputes Act for settlement by arbitration. If the parties fail to agree on an arbitrator or a panel of arbitrators, such selection shall be made by the Commissioner of Labour. The decision and award of the arbitrator or the panel of arbitrators shall be final and binding on both parties.
- 35.9 In case the Employer or the Union is of the opinion that in view of importance of the dispute there is need for quick settlement of such grievance or dispute, either party may decide to refer the matter to the Employers' Federation of Ceylon, in which event the procedure to be followed shall be as laid down in 35.7 and 35.8.
- 35.10 In the event the Union is of the opinion that in view of the urgency and importance of a dispute there is need for quick settlement for such grievance or dispute, the Union may refer the matter directly to the Managing Director to bring about a speedy solution.

APPENDIX I

NESTLE LANKA LIMITED COLOMBO HEAD OFFICE

GRADING OF NON-CLERICAL & ALLIED STAFF

Category	'A'	Unskilled Labourers
Category	'B'	Promotional Activities Assistants
Category	'C'	Drivers

APPENDIX II

NESTLE LANKA LIMITED COLOMBO HEAD OFFICE

NON-CLERICAL & ALLIED STAFF INITIAL SALARY POINTS W.E.F. 01.01.2005

(Includes all legally and Statutorily paid allowances)

Category	'A'	Minimum Rs. 10555.00
Category	'B'	Minimum Rs. 10645.00
Category	'C'	Minimum Rs. 11050.00

The above Salary Scales are consolidated at C.O.L. Index 3969.3

IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Colombo, ALBERT RASAKANTHA RASIAH, Vice President Finance & Control of Nestle Lanka Limited, GONSALU KORALAGE SURENN DE CHICKERA Vice President Human Resource of Nestle Lanka Limited, SHARMINI SAMBANDAN Senior Human Resource Advisor Nestle Lanka Limited their hands for and on behalf of the said Company on the SEVENTH day of JANUARY, TWO THOUSAND AND FIVE.

ALBERT RASAKANTHA RASIAH

GONSALU KORALAGE
SURENN DE CHICKERA

SHARMINI SAMBANDAN

WITNESS TO THE SIGNATURE OF THE SAID :

ALBERT RASAKANTHA RASIAH, (Signed)

GONSALU KORALGE SURENN DE CHICKERA, (Signed)

SHARMINI SANBANDAN. (Signed)

IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Colombo, SIRIWARDENA ARACHCHIGE SOMA SIRIWARDENA, General Secretary, All Ceylon Commercial and Industrial Workers' Union, UDAGE ARACHCHIGE SOMARATNE, President, All Ceylon Commercial and Industrial Workers' Union, Nestle Lanka Limited Colombo Head Office Branch, PRIYANTHA RAJITH JAYASINGHE, Secretary, All Ceylon Commercial and Industrial Workers' Union, Nestle Lanka Limited Colombo Head Office Branch have set their hands for and on behalf of the said Union on the SEVENTH day of JANUARY, TWO THOUSAND AND FIVE.

SIRIWARDENA ARACHCHIGE
SOMA SIRIWARDANE

UDAGE ARACHCHIGE
SOMARATNE

PRIYANTHA RAJITH JAYASINGHE

Witness to the signature of the said SIRIWARDENA ARACHCHIGE, SOMA SIRIWARDANE, UDAGE ARACHCHIGE SOMARATNE, PRIYANTHA RAJITH JAYASINGHE.

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