

## Collective Agreement No. 14 of 2005

This Collective Agreement made under The Industrial Disputes Act this 16th Day of February Two Thousand and Five to take effect from the First Day of January Two Thousand and Five.

between

Ceytra Limited, a Company having it's Registered Office at 36, D. R. Wijewardena Mawatha, Colombo 10 (Hereinafter referred to as "the employer") of the One Part and Inter Company Employees' Union, a Trade Union duly registered under the Trade Unions' Ordinance, and having it's Registered Office at 470, Kandy Road, Kelaniya (Hereinafter referred to as "the union") of the Other Part.

Witnesseth, and it is hereby agreed between the parties referred to above, as follows:

### TITLE

This Agreement shall be know and referred to as The Ceytra Manual Workers' Collective Agreement of 2005.

### PART I

1. **Persons Covered and Bound.**— This Agreement shall cover and bind the Employer, the Union and all Manual Workers who are members of the Union and are employed on monthly contracts of employment.

2. **Date of Operation and Duration.**— This Agreement will be effective from the First day of January Two Thousand and Five, and shall thereafter continue in force until it is determined by either party giving one month's notice in writing to the other, subject at the proviso that one party hereto shall not give such notice to the other party to commence before the first day of December Two Thousand and Seven and such notice shall not expire before the Thirty First Day of December Two Thousand and Seven.

3. **Earlier Agreement.**— This Agreement shall supercede and replace the provisions of the Ceytra Manual Workers' Collective Agreement 2002.

4. **General Terms and Conditions of Employment.**— During the continuance in force of this Agreement the termes and conditions of the Agreement shall deem to be included in each Contract of Service between the Employer and the Employee covered and bound by this Agreement, whether such Contract of Service be written or oral which was subsisting on the date hereof or which shall come into being any time after the date hereof during the continuance in force of this Agreement.

### 5. Union-Management Co-operation.—

(i) The Union and Employees agree that the following matters are the rights and responsibilities of the Management.

Selection, placement, deployment, transfer and promotion of staff, determination of shifts and working hours; Planning and controlling of all operations; Introducing new products or machinery; Up-grading of existing facilities; Change of production methods and systems; Expansion or reallocation of production facilities; Establishment of quality standards and production norms; Maintenance and improvement of productivity / efficiency and the consequences thereof and maintenance of discipline in the work place.

(ii) The Union and Employees will co-operate with the Employer in the aforesaid matter.

(iii) Without prejudice to the Employer's rights in this regard, the Employer will discuss the aforesaid matters with the Union if latter so desires.

### 6. Mobility of Labour and Productivity.—

(i) Employees will work to machine capacity in order to achieve optimum productivity.

(ii) If at the Factory, Store, Mill or job, work is temporarily not available for an employee (Male or Female) in his/her occupation, he/she will deem to be ready and willing to perform work within his/her capacity or skill in any other occupation where work is available.

(iii) Employees will carry out any ancillary work such as cleaning of machines, cleaning of work areas, cleaning of equipment/ tools used in day to day work.

**7. Working Hours.-**

(i) Normal working hours will not exceed:

- (a) Forty five hours per week,
- (b) Nine Hours on five days of a week inclusive of a meal interval of one hour.
- (c) Six hours on the sixth day inclusive of a meal interval of one hour.

(ii) An employee will not cease work until the designated official closing time except during designated intervals.

8. **Probation.-** Every employee recruited by the Employer will serve a period of probation of six (06) months. The period of probation may be extended. During the period of probation or extended probation, the Employer will be entitled to terminate the services of the Employee without notice.

**9. Overtime.-**

(i) If required by the Employer, an Employee will work reasonable overtime authorized by the Employer. Refusal to work reasonable overtime in the absence of a satisfactory explanation acceptable to the Employer will render the Employee liable to disciplinary action.

(ii) Work in excess of normal working hours will be remunerated at one and a half times the normal hourly rate.

**10. Attendance.-**

(i) Unless otherwise specifically instructed by the Employer, an Employee will present himself/herself for work on every day (other than a holiday or on a day he/she is on approved leave) at the usual starting time of the factory, store, mill and will remain available for work throughout the normal working hours.

(ii) Irregular attendance or unpunctuality will constitute misconduct in respect of which an employee will be liable for disciplinary action.

**14. Leave and Statutory & Weekly Holidays .-**

(i) **Annual leave.-** Annual leave will be computed in accordance with the decisions of the Wages Board for the Rubber & Plastic Goods manufacturing Trade. Annual Leave may be taken on days mutually convenient with prior approval.

(ii) **Casual leave.-** In respect of each year of employment during which an employee has been continuously in employment he/she will be entitled to take a private business or other reasonable cause including ill health, if his/her entitlement of Sick leave has been fully utilized, 7 days Casual Leave with pay. Provided however, that not more than 2 days Casual leave will be taken at one time, except on grounds of ill health. Casual leave will not be granted immediately proceeding or immediately following any period of Annual Leave. In respect of the first year of employment an employee will be entitled to Casual Leave for that year computed on the basis of one day for each completed period of 2 months service. An year of employment will mean the period January to December. Casual Leave will normally be granted on prior application without the Employee being required to state reason for the application. Where the Employer finds it difficult to grant leave the difficulty will be notified to the Employee as soon as possible after the application is made. If due to unforeseen circumstances, the employee is unable to make prior application, and is also unable to report for work, the Employee must endeavour as far as practicable to inform the Employer on the very same day of his inability to attend work. If no information is received and the reasons for failure to notify are also unsatisfactory, the Employer is entitled to refuse an application made subsequent to the absence.

(iii) **Sick Leave.-** An employee who has or completed 5 (five) years of service will be entitled to 14 (fourteen) days Sick Leave per Calendar Year and other employees will be entitled to Seven (7) days Sick Leave per Calendar year provided ;

(a) Absence on grounds of ill-health is supported by a Medical Certificate from a registered Medical Practitioner, acceptable to the Management.

(b) The Employee informs the Employer his inability to attend work on the very same days of absence by telegram, telephone or any other means,

- (c) An Employee who has been on probation will as from the date of confirmation and in respect of the remainder of the year be entitled to Sick Leave pro-rates to the number of months in employment in that year.

(iv) **Statutory holidays.**-

- (a) Weekly Holidays and Statutory Holidays will be granted in accordance with the provisions in the Wages Board for Rubber & Plastic Goods manufacturing Trade.
- (b) An employee may be called upon to work on any weekly or statutory holiday and such work will be remunerated in accordance with the provisions in the Wages Board for Rubber and Plastic Goods Manufacturing Trade.

12. **Monthly Consolidated Wages From 01/01/2005 To 31/12/2007.** - The Employer agrees to revise the wages of employees covered and bound by this agreement in the following manner.

- (i) Employees with 1 to 2 years of service will be entitled to a wage increase of 8% (eight per centum) for each of the years, 01/01/2005 to 31/12/2005, 01/01/2006 to 31/12/2006 and 01/01/2007 to 31/12/2007.
- (ii) Employees with over 2 years of service will be entitled to a wage increase of 12% for 01/01/2005 to 31/12/2005, 9% for 01/01/2006 to 31/12/2006 and 9% for 01/01/2007 to 31/12/2007.
- (iii) During the pendency of this Agreement, other than the wage increases mentioned in sub clauses (i) and (ii) above, there will be no wage increase or adjustment by way of annual increments or allowances.
- (iv) The Wage increases in sub-clauses (i) and (ii) will be applicable only to permanent employees on the payroll as at 01/01/2005.
- (v) Probationers as at 01/01/2005 will be entitled to the wage increase referred to in sub-clause (i) above only from the full calendar month following the month in which the employee was confirmed in employment.
- (vi) There will be a change in the grades of employees and the four grades will remain unaltered i.e. Grade 1 - Unskilled, Grade 11 - Semi skilled, Grade 111 - Skilled and Special Grade. Criteria for selection/promotion from one grade to another will be solely determined by the Management. However, an aggrieved employee may seek redress under the grievance settlement procedure in Part 11 Clause 4 of this Agreement.
- (vii) If during the continuance in force of this agreement the minimum wages under the Wages Board for the Rubber & Plastic Goods Manufacturing Trade are revised or a wage increase is prescribed by law then such increase will be limited to the shortfall in the quantum of the wages received by an employee at that date and the quantum of increase, so prescribed.

13. **Shift Differential.** - Each employee required to do a work shift on any working day which commence at 1400 hours or later shall be paid a shift differential of Rs. 35/= per day.

14. **Attendance Bonus.** - The Employer will pay in each succeeding month an Attendance Bonus computed as follows.

(a) No. of days present at work	Rate per day
01 - 19	Nil
20 - 22	Rs. 12/=
23 - 24	Rs. 25/=
25 or present on all working days of the month	Rs. 32/=

- (b) This payment will not attract consequential benefits
- (c) Only full working days are counted
- (d) Work on Public Holidays, Weekly Holidays or Poya Days are not counted as days worked.
- (e) Absence on sick leave approved on account of a factory accident will be counted as "present".

15. **Production bonus.**— The Employer will pay in each succeeding month a “Daily Production Incentive” computed as follows:—

(i) Daily / Monthly Production Bonus

(a) **For Rubber Band Production and Rubber Band Sorting & Packing Section.**

a - i. *Normal Production Bonus - Daily*

For all employees, the Basic Production Bonus would be as follows:

8 hours shift  $X * 0.035 / 2 * Q$

12 hours shift  $X * 0.035 / * Q$

X is the monthly consolidated basic salary.

Q is the percentage of salable quantity.

a - ii. *Additional Production Bonus - monthly*

Additional production bonus are proposed on the following production of salable quantities.

From 25.0 MT and above salable - at Rs. 50.00 per month for each additional 1.0 MT for each employee.

(b) **Moulded Rubber Production, Sorting and Packing Section.**

b - i. *Normal Production Bonus - Daily*

For all employees, Basic Production Bonus as follows:

8 hours shift  $X * 0.035 / 2 * Q$

12 hours shift  $X * 0.035 / * Q$

X is the monthly consolidated basic salary.

Q is the percentage of salable quantity.

b - ii. *Additional Production Bonus - monthly*

Proposed to pay based on the following production of salable quantities.

From 22.5 MTs and above salable - Rs. 50.00 per month

Each 2.5 MT per employee

(c) **Chemical and Raw Material Weighing Section.**— Similar to (a) Rubber Band Production, Sorting and Packing Section with the Same ‘Q’ factor.

(d) **Compounding.**— Similar to (a) Rubber Band Production, Sorting and Packing Sections with the same ‘Q’ factor.

(ii) Daily Production Norms

(a) For Rubber Band Production, Rubber Band Sorting and Packing, Chemical Weighing & Compounding Section will be as attached schedules (Ref. Schedules i, ii, iii and iv).

(b) For Moulded Rubber Production and Calendaring Section

Day, the Daily Production Norms will be displayed in the Notice Board for the information of the employees.

(iii) Employees in Sections Not directly Involved in Production

Normal Production Bonus — 8 hours  $0.0175 * X * Q$

— 10 hours  $0.025 * X * Q$

16. **Medical Expenses Reimbursement Scheme.**— The Medical expenses Reimbursement Scheme in respect of employees covered and bound by this Agreement will be as follows.

- (i) The limit of reimbursement per calendar year per employee will not exceed Rs. 1,400 / =
- (ii) The procedure for reimbursement of medical expenses will be drawn up by the Management and made known to the Union.

17. **Salary Advances**

17.1 Festival Advance

- i. The Company will grant an interest free Festival Advance to employees covered by this Agreement equivalent to maximum of a month's salary (rounded to the nearest Rs. 100 / =) subject to the following terms and conditions.
- ii. The Festival will be recovered in 10 monthly installments through the payroll.
- iii. The Festival Advance may be withheld for disciplinary reasons or for breach of contractual obligations.
- iv. Employees shall have the option to obtain the Festival Advance in either March or December of each year.
- v. The procedure for application and grant of the Festival Advance will be drawn up by the Management and made known to the Union.

17.2 General Purpose Advance

- i. The Company will grant an interest free General Purpose Advance of Rs. 4,000 / = to employees with over 5 years of service subject to the following terms and conditions.
- ii. The General Purpose Advance will be recovered in 10 monthly installments through the payroll.
- iii. The General Purpose Advance may be withheld for disciplinary reasons or for breach of contractual obligations.
- iv. The procedure for application and grant the General Purpose Advance will be drawn up by the Management and made known to the Union.

18. **Excursion Allowance and Advance**

- i. An excursion allowance of Rs. 1,300 / = will be paid to each employee who has more than 1 years' service in February of each year.
- ii. In addition, each employee, who has more than 1 years' service will be paid in February of each year as excursion advance of Rs. 2,000 / =
- iii. The excursion advance will be recovered in 10 monthly installments from the payroll.
- iv. The excursion advance may be withheld for breach of contractual obligations.
- v. The procedure for application and grant of the Exclusion Allowance and Advance will be drawn up by the Management and made known to the Union.

19. **Suspension.**—

- (i) An employee may be suspended from work without pay pending disciplinary action being taken against him on misconduct which is serious enough to warrant termination of services.
- (ii) An employee may be suspended from work without pay as a punishment for misconduct, after due inquiry, for a reasonable period of time.

20. **Warning.**— If in the opinion of the Employer an offence warrants a warning, the same will be conveyed to the Employee by a letter, the duplicate of which will be signed by the employee as proof of receipt.

21. **Retirement.**— Upon reaching the age of 55 years, an employee will *ipso facto* retire and cease to be employed thereafter. There will be no obligation on the employer to give notice of retirement.

22. **Settlement of Disputes and Trade Union Action.**

- (i) During the operation of this agreement, any dispute arising from matters relating to this Agreement or any dispute arising from matters not covered by this Agreement will be resolved through discussion and without resorting to any strike, go - slow, boycott, demonstration or restriction of overtime or any other form of Trade Union Action.
- (ii) In the first instance, the Branch Union will discuss the matters in dispute with the Management.
- (iii) If no settlement is possible, the matters in dispute will be discussed between the parent Union and the Management under the aegis of the Employers' Federation of Ceylon.
- (iv) If all such discussions fail, the matters in dispute may be referred to the Commissioner of Labour for conciliation.
- (v) If the matters in dispute are not resolved through conciliation, then the dispute may be referred to voluntary Arbitration.
- (vi) Nominating an Arbitrator and Terms of Reference will be agreed upon mutually by the Union and the Employer. If mutual agreement is not possible, the Commissioner of Labour will name the Arbitrator and the Terms of Reference.
- (vii) Provided however, that disciplinary action taken against an employee will not be a dispute within the meaning of this sub-clause for the purpose of voluntary arbitration.
- (viii) On any dispute which involves the interpretation of this Agreement, the decision of the Commissioner of Labour will be final and binding on both parties.

23. **Forfeiture of Wages.**— Unless for good cause shown to the employer's satisfaction, an Employee fails to hold himself/herself available for work throughout the normal working hours on each working day he/she and the Employer will be entitled to deduct from his/her wages for the period from the time at which such failure occurs until the time at which he is again available for work.

24. **Profit Sharing Bonus Scheme**

- (i) the company will allocate 10% of the Pre - Tax Profit for the financial year for distribution among all permanent employees in the Company as a "Profit Sharing Bonus".
- (ii) Audited accounts will be accepted by both parties in determining the quantum of pre-tax profit each year. The financial year of the company is 1st January, to 31st December.
- (iii) The Profit Sharing Bonus will be paid to employees in two (2) installments.
  - (a) an amount equivalent to one month's salary will be paid in December each year as an advance.
  - (b) The final net balance payment (after deducting the advance paid in (a) above) as computed in accordance with (iv) below will be made in April, by which time the audited accounts will be available.
  - (c) If there is no final payment due, the advance paid in (a) above will be written off and not recovered from the employees.