



# ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය The Gazette of the Democratic Socialist Republic of Sri Lanka

අති විශේෂ EXTRAORDINARY

අංක 1536/22 – 2008 පෙබරවාරි 14 වැනි බ්‍රහස්පතින්දා – 2008.02.14

No. 1536/ 22 – THURSDAY, FEBRUARY 14, 2008

( Published by Authority )

## PART I : SECTION (I) – GENERAL Government Notifications

My No. : CI/586.

### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Coca Cola Beverages Sri Lanka Limited, Tekkawatta, Biyagama of the one part and Ceylon Mercantile, Industrial and General Workers' Union (CMU), No 03, 22nd Lane, Colombo 03 of the other part on 19th October, 2007 is hereby published in terms of Section 6 of the Industrial Dispute Act, Chapter 131 Legislative Enactments of Ceylon (Revised Edition 1956).

D. SOMAWEERA EDIRISINGHE,  
Commissioner - General of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 05.  
25th January, 2008.

### Collective Agreement No. 48 of 2007

COLLECTIVE AGREEMENT

BETWEEN

COCA-COLA BEVERAGES SRI LANKA LIMITED

AND THE CEYLON MERCANTILE, INDUSTRIAL & GENERAL WORKERS' UNION (CMU)

OF 2007 (STAFF)

This Collective Agreement made on this Nineteenth day of October Two Thousand and Seven pursuant to the Industrial Disputes Act, between Coca-Cola Beverages Sri Lanka Limited, a public limited liability Company and having its registered Office at Tekkawatta, 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, 22 nd Lane, Colombo 03, (hereinafter referred to as 'The Union') which term shall mean and include the said The Ceylon Mercantile, Industrial & 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 the 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 & General Workers' Union (CMU) on the 01st November 2004 and the said Agreement shall stand terminated with effect from 30 th June 2006.

3. **Date of Operation and Duration.**– Unless otherwise expressly stated herein, This Agreement shall be effective as from the First day of July 2007 (01.07.2007) and shall thereafter continue to be 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 Thirtieth day of November 2009 (30.11.2009) and the Agreement shall not terminate before the thirty first day of December 2009 (31.12.2009).

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 (06) months, provided further that if during the said probationary period of six (06) months, the Employer is not satisfied with such employee, the Employer may extend the probationary period for a further period of not more than (03) three 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 Company 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 at a store, 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 and working arrangements. -**

- I 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, and would include a three shift operation (6.00 am to 2.00 pm, 2.00 pm to & 10.00 pm to 6.00 am) according to company exigencies.
- II In addition to the above General stores, Engineering stores and post mix filling will be operated on a two shift work arrangement (6.00 am to 2.00 pm, 2.00 pm to & 10.00 pm).
- III Office Assistants/ Peons/ Lab Attendants  
Existing structure in regard to the above positions in Engineering, quality Assurance and Production Departments will be operated henceforth with One Office Assistant on day shift for Quality Assurance and one office assistant per shift for Demand.

**8. Forfeiture of Salaries. -** Unless for 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 his 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 reasonably 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 half (1½) times the normal hourly rate ascertained in accordance with the provisions of 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 a 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 holidays, the employee shall be paid as remuneration -
    - (a) One and a half (1 1/2) times the normal hourly rate ascertain in accordance with the provisions of Clause 17(a) hereof for the number of hours worked during the first nine (9) hours (inclusive of one hour for a meal); *and*
    - (b) At double the normal hourly rate ascertain in accordance with the provisions of *Clause 17 (a)* hereof for each subsequent hour of work.

The provisions of this *sub - clause* 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 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 I hereof against his annual leave entitlement.

12. **Statutory Holidays .–**

(1) The following holidays shall be allowed each year as paid holidays:

Thai Pongal Day  
Independence Day  
Sinhala & Tamil New Year (2 Days)  
May Day  
The day following Wesak  
Prophet Mohamed's Birthday  
Christmas Day  
Good Friday.

(2) If any of the above days is a statutory holiday and if 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 (06) days preceding or in the six (06) 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 treated 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 to 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 reason 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 on the following basis.

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 –

- (1) his illness is supported by a certificate from a registered Medical Practitioner unless waived by the Employer, subject to existing practice.
- (2) The Employee shall not be on probation within the meaning of *Clause 5* hereof 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 as 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 salary of an employee in employment as at date hereof with effect from 1st July 2007 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 :

- 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.
- 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 2007.**—

- A sum equal to 15% of the salary payable to an employee as at June 2007, shall be added to the salaries of the employees covered and bound by this Agreement with effect from 1st July, 2007.
- 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.
- With effect from 1st July 2008, the Employer will increase the monthly salaries of the employees covered by this Agreement by a sum equal to 15% of the monthly salary drawn by each employee as at June 2008 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 02nd schedule hereof or the grade applicable to such employee.

iv. **Notional Arrears**

- Notional arrears for the period of 01.07.2006 to 31.12.2006 on account of the wage increase granted in 16 (i) above shall be paid but however it shall be limited to 5% only, taking into account the 10% wage increase already granted in January 2007 in view of the collective agreement signed on 16.01.2007, with the union in respect of manual categories pending the signing of this Agreement. (i.e. salary as June 2007  $\times$  5%  $\times$  6) This lump sum payment by way of notional arrears shall not constitute a part of an employee's earnings for any purpose whatsoever and shall not attract any consequential payments such as EPF, ETF, overtime etc.
- Notional arrears for the period of 01.01.2007 to 31.03.2007 on account of the wage increase granted in 16 (i) above shall be paid. This lump sum payment by way of notional arrears shall not constitute a part of an employee's earnings for any purpose whatsoever and shall not attract any consequential payments such as EPF, ETF save and except arrears of overtime payments for the said period.
- Arrears of the salary increase granted in 16 (i) above for the period of 01.04.2007 to 31.06.2007 shall be paid along with the arrears in respect of overtime. EPF and ETF contributions will also be made in respect of the said arrears for the period 01.04.2007 to 31.06.2007.

17. **Salary 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 :

- for one hour — the monthly salary divided by two hundred and forty (240)
- for one day — the monthly salary divided by thirty (30)
- for one and half day — a day's salary ascertained as above divided by two (02) (either morning or afternoon)
- for one week — a day's salary ascertained as above multiplied by seven (07)

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), an employee in service will be entitled to receive, in keeping with the existing practice, a Non-recurring Cost of Living Gratuity in respect of each preceding twelve (12) months, (hereinafter referred to as the 'qualifying period') commencing from the First day of July 2006 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 (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 the 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.

I. 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.

II. Opportunities will be made available to employees by the employer for self development in furtherance of (I) above.

III. The past practices relating to the consideration of the service too will be given.

20. **Provident Fund.**- (1) The Employer and an Employee shall contribute to the Provident Fund at 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 Provident Fund at rates more favourable than those prescribed by the Employee's 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) year 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 the 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 a year of service shall be a period of not less than six (06) 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 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/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 anyone or more of the nominees having pre-deceased the employee, or in the event of the 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/ entitled to the payment have established their claim in law and furnished proof thereof.
- (7) In the event of any written law providing for the payment of Gratuity or Terminal benefits the more favourable scheme shall apply but not both.
- (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.**— The Employer will make a payment of bonus to each employee covered and bound by this Agreement on the following manner during the period of this Agreement, provided however only employees who have completed 12 months service confirmed in employment at the time of payment of bonus will qualify for payment in terms hereof and provided also that an employee who has not completed 12 months in service and confirmed in services at such time will be entitled to receive only a proportionate payment of the bonus having regard to his period of service provided also that bonus will be paid only to employees who are in service on the date of payment. Provided also that the hitherto practice of deductions on the bonus payment on account of unauthorized absence and special no pay leave granted at the discretion of the management will continue.

- (i) A payment of bonus equivalent to one month's salary will be paid on 15th December, 2007.
- (ii) A payment of bonus equivalent to one month's salary will be paid on 15 th of January, 2008 provided that the Company achieves annual volumes and budgeted operating profits declared for the year 2007.
- (iii) A payment of bonus equivalent to one month's salary will be paid on 15 th of March, 2008.
- (iv) payment of bonus equivalent to one month's salary will be paid on 15 th December, 2008.
- (v) A payment of bonus equivalent to one month's salary will be paid on 15 th of January, 2009, provided that the Company achieves annual volumes and budgeted operating profits declared for the year 2008.
- (vi) A payment of bonus equivalent to one month's salary will be paid on 15 th of March, 2009.
- (vii) payment of bonus equivalent to one month's salary will be paid on 15 th December, 2009.

23. **Annual Increments.**— The annual increments provided in each grade of the scales of consolidated wages in the First Schedule hereto shall be automatic unless as a matter of punishment for general inefficiency including irregular attendance or unpunctuality 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 the 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) A pending an inquiry to beheld such Employer on a charge or charges of misconduct which warrants dismissal;
  - (b) in order to avoid a breach of 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 employee with a written order of suspension specifying the reasons for such suspension and there after 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 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 finding 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 investigations 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 has been previously referred to the Police or other authorities for investigations 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 and 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 employees explanation shall not be material or relevant.

27. **Retirement.** - The retirement age of all employees covered by this Agreement shall be sixty years (60) and all employees shall *ipso facto* retire at the age 60 years and there shall be no obligation on the employer to give the employee any notice of such retirement provided however, that if a retirement age is stipulated in the contract of employment of any employee such stipulated age or retirement shall prevail.

28. **Disputes Procedure.** -

1. The procedure to be followed for the settlement of a dispute shall be as set out in *sub-Clauses (2), (3) and (4)* hereof.
2. 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.
3. In the event of a dispute not being settled under *sub-Clause (2)* 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.
4. In the event of a dispute not being resolved or settled under the *preceding sub-Clause (2) or (3)*, and if the union or 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 the 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 *Clause 26, 28, and 32* hereof.

31. **Variations 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) Subject to the terms of this Collective Agreement, the Employer agrees that it will not seek to vary 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, 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-clauses (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.-**

1. Any person bound by this Agreement shall not instigate, support or engage in any unfair labour practice.
2. 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 Employers 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 25* 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.-** 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, an 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 under noted 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, 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 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 course 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 three (03) o'clock in the afternoon on not more than one occasion in a month without loss of salary for such absence if an 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 each, Employer in whose service there are members of the General Council of the Union with a list of such members and keep such Employer informed of all charges therein which may be made from time to time.
3. The provisions of the preceding *sub - clauses (1) and (2)* 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 Employer's Federation of Ceylon or the Department of Labour, in connection with a dispute between such 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 or 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 deduction under and 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 form 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 wages of the Employees in the month immediately preceding, to the Treasurer of the Union in accordance with the tenor of each authorization by a cheque payable to the Treasurer thereof and crossed "Account Payee".
7. The cheque shall be sent at the risk of the Union and the employees by post in a pre-paid envelope, addressed to the Treasurer of the Union concerned at its address for the time being.
8. The Treasurer of the Union concerned 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 effecting 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 wages 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 wages next due immediately following the date hereof.

.....  
(Date of Signing)

.....  
(Signature of Employee)

.....  
(Full Name of Employee)

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

#### FORM No. 2

Name of Employer :

#### Revocation

With reference to the Authorization submitted by me, please cease to deduct from my wages any further membership dues in favour of ..... Union with effect from the wages 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)

PART III

CONTAINING DEFINITIONS OF CERTAIN WORDS

Parts I and II of this Agreement unless excluded by the Subject or context, the following words shall have the meaning set opposite to them.

<i>Words</i>	<i>Meaning</i>
Industrial Disputes Act	The Industrial Disputes Act No. 43 of 1950
The Act	The Shop & Office Employees (Regulation of Employment and Remuneration) Act No. 19 of 1954
The Federation	The Employers' Federation of Ceylon.
The Union	The Ceylon Mercantile, Industrial & General Workers' Union (CMU)
Branch Union	The Branch Union of the Ceylon Mercantile, Industrial & General Workers' Union (CMU) in the establishment of an Employer.
Employer (For convenience sometimes referred to as 'he' or its grammatical variations)	The Employer bound by this Agreement
Employee (For convenience sometimes referred to as 'he' or its grammatical variations)	The employee covered and bound by this Agreement.
Week	The period between midnight on any Saturday Night and midnight on the Succeeding Saturday night.
Weekly full holiday in respect of any week	Shall have the meaning as "weekly holiday" under the Shop & Office Employees Act.
Two such weekly holidays	Two full holidays or four half holidays or any combination of full or half holidays which does not exceed two full holidays.
Salary	The monthly Salary according to the scales of consolidated salaries in the First Schedule hereto.
Normal Incremental date	The date on which the employee would normally receive an increment.
Dispute	A dispute or difference between the Employer and employee or between a Branch Union and the Employer or between the Union and the Federation on any matter covered by this Agreement or affecting the employees covered by this Agreement in relation to their employment under the Employers covered by this Agreement.
Check Off	The act of the Employer deducting, at the request of the Union, subscriptions payable to the Union by an employee from the latter's pay with his concurrence.

Words importing the singular number shall include the plural and *vice versa*.

Words importing the masculine gender shall include the feminine.

In witness/hereof parties have hereunto set their hands on this *Nineteenth day of October 2007* at Colombo.

19/10/07  
Mr Basil Gadzio  
Country Manager  
For & on behalf of  
Coca-Cola Beverages Sri Lanka Limited

19/10/07  
Mr P B Tampoe  
General Secretary  
For & on behalf of  
The Ceylon Mercantile Industrial & General  
Workers Union (CMU)

Witnesses to the above signature  
COCA-COLA BEVERAGES SRI LANKA LIMITED

1.  
Name : Janaka Samarakone  
Designation: Industrial Relations Advisor  
Employers' Federation of Ceylon  
19/10/07

1.  
Name : J.M.W.B.Gonawala  
Designation : Branch Secretary

2.  
Name: S N Jayasinghe  
Designation : Country Human Resources Manager

2.  
Name : D.Wickremanayake  
Designation : Branch President

## FIRST SCHEDULE

SALARY SCALES APPLICABLE WITH EFFECT FROM 01.07.2007 TO 30.06.2008

### CLERICAL & ALLIED - STAFF

GRADE	:E	12624/-	146 x 83	- 24742/-
GRADE	:D	13225/-	207 x 83	- 30406/-
GRADE	:C	14137/-	260 x 83	- 35717/-
GRADE	:B	15050/-	319 x 83	- 41527/-
GRADE	:A	15807/-	379 x 83	- 47264/-
GRADE	:S	16828/-	425 x 83	- 52103/-



**FACTORY PRODUCTION - STAFF**

GRADE	:E	12624/-	146 x 83	- 24742/-
GRADE	:D	13225/-	207 x 83	- 30406/-
GRADE	:C	14137/-	260 x 83	- 35717/-
GRADE	:B	15050/-	319 x 83	- 41527/-
GRADE	:A	15962/-	379 x 83	- 47419/-
GRADE	:S	16875/-	425 x 83	- 52150/-

**MARKETING - STAFF**

GRADE	:E	12624/-	146 x 83	- 24742/-
GRADE	:D	13225/-	207 x 83	- 30406/-
GRADE	:C	14437/-	260 x 83	- 36017/-
GRADE	:B	15356/-	319 x 83	- 41833/-
GRADE	:A	16269/-	379 x 83	- 47726/-
GRADE	:S	17181/-	425 x 83	- 52456/-

**DATA PROCESSING - STAFF**

GRADE	:4	13525/-	286 x 83	- 37263/-
GRADE	:3	14438/-	379 x 83	- 45895/-
GRADE	:2	15356/-	478 x 83	- 55030/-
GRADE	:1	16269/-	565 x 83	- 63164/-
GRADE	:S	17181/-	658 x 83	- 71795/-

**SECOND SCHEDULE**

**SALARY SCALES APPLICABLE WITH EFFECT FROM 01.07.2008 TO 30.06.2009**

**CLERICAL & ALLIED - STAFF**

GRADE	:E	12624/-	168 x 95	- 28584/-
GRADE	:D	13225/-	238 x 95	- 35835/-
GRADE	:C	14137/-	299 x 95	- 42542/-
GRADE	:B	15050/-	367 x 95	- 49915/-
GRADE	:A	15807/-	436 x 95	- 57227/-
GRADE	:S	16828/-	489 x 95	- 63283/-

**FACTORY PRODUCTION - STAFF**

GRADE	:E	12624/-	168 x 95	- 28584/-
GRADE	:D	13225/-	238 x 95	- 35835/-
GRADE	:C	14137/-	299 x 95	- 42542/-
GRADE	:B	15050/-	367 x 95	- 49915/-
GRADE	:A	15962/-	436 x 95	- 57382/-
GRADE	:S	16875/-	489 x 95	- 63330/-

**MARKETING - STAFF**

GRADE	:E	12624/-	168 x 95	- 28584/-
GRADE	:D	13225/-	238 x 95	- 35835/-
GRADE	:C	14437/-	299 x 95	- 42842/-
GRADE	:B	15356/-	367 x 95	- 50221/-
GRADE	:A	16269/-	436 x 95	- 57689/-
GRADE	:S	17181/-	489 x 95	- 63636/-

**DATA PROCESSING - STAFF**

GRADE	:4	13525/-	329 x 95	- 44780/-
GRADE	:3	14438/-	436 x 95	- 55858/-
GRADE	:2	15356/-	550 x 95	- 67606/-
GRADE	:1	16269/-	650 x 95	- 78019/-
GRADE	:S	17181/-	757 x 95	- 89096/-

02 - 777

**THE INDUSTRIAL DISPUTES ACT, CHAPTER 131**

My No. CI/1396.

THE Collective Agreement entered into between Nisol Corrugated Cartons Ltd., No. 129, Reid Avenue, Colombo 04 of the one part and Ceylon Mercantile, Industrial and General Workers' Union (CMU), No 03, 22nd Lane, Colombo 03 of the other part on 20th July, 2007 is hereby published in terms of Section 6 of the Industrial Disputes Act, 131 Legislative Enactments of Ceylon (Revised Edition 1956).

D. SOMAWEERA EDIRISINGHE,  
Commissioner General of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 05.  
17th December, 2007.

## Collective Agreement No. 42 of 2007

### COLLECTIVE AGREEMENT

This Collective Agreement entered into between Nisol Corrugated Cartons Ltd., a company duly registered in Sri Lanka and having its registered office at No. 129, Reid Avenue, Colombo 4 (hereinafter referred to as "the Company" and the Ceylon Mercantile, Industrial & General Workers' Union (CMU) a trade union duly registered in Sri Lanka and having its registered office at No. 3, 22nd Lane, Colombo 3 (hereinafter referred to as "the Union") on this 20th day of July 2007 at Colombo.

WHEREAS,

1. The Union made proposals to the Company for the revision of terms and conditions applicable to their members in the factory of the Company situated at Ekala, hereinafter referred to as "the factory".
2. The Company and the Union after negotiations have arrived at an agreement with regard to the matters discussed.

It is agreed between the said parties as follows :

1. **Parties Covered and Bound:** This Agreement shall cover and bind the Company, the Union and the members of the Union employed on monthly contracts of employment by the Company in the manual grades of the Company's factory at Ekala, hereinafter referred to as "the employees".

2. **Salaries:** The Company agrees to grant a wage increase of Rs. 1,000/- with effect from 1st July 2007.

The Company also agrees to grant a minimum salary of Rs. 5,000/- to all employees recruited to the permanent cadre with effect from 1st July 2007.

The Grading Scheme will continue to be applicable during the period of this Agreement and the employees will continue to receive the annual salary increment granted in terms thereof, in accordance with the salary scale applicable to each employee and the seniority allowance in keeping with existing practice.

3. **Production Bonus Scheme:** The Company will pay a monthly production bonus to its employees in accordance with the production bonus scheme as set out in Schedule I hereto.

It is agreed between parties that subject to the availability of orders, production will be maintained so as to achieve a delivered tonnage of not less than 1100 MT per month.

4. **Monthly Productivity Bonus:**

The Company agrees to make payment of a monthly productivity bonus to all employees covered under this Agreement in terms of the revised scheme, more fully described in Schedule II hereto.

5. **Daily Attendance Incentive Payments :** The Daily Attendance Incentive payable to employees will be revised as follows :

- a) Attendance on all days of the month - Rs. 25/- per day. (This includes the employee utilizing a day's annual leave with prior permission from management).
- b) Attendance at work 20 or more days of the month - Rs. 18/- per day.
- c) Attendance at work less than 20 days a month - Rs. 12/- per day.

6. **Night Shift Allowance :** The payment of Night Shift Allowance will be revised as follows :

- a) 100% Attendance on the night shifts planned in a week - Rs. 75/- per night.
- b) Attendance only on one night shift per week planned or less than 100% attendance on more than one night planned - Rs. 65/- per night.

7. **Dispute Settlement Procedure :**

In the event of a dispute that may arise between parties the following procedure shall be followed for the resolution of such dispute :

- a) The branch committee of the Union will initially raise such dispute with the management and the parties shall endeavour to have such dispute resolved through discussions.
- b) In the event of no resolution of the matters in dispute the branch committee of the Union will refer the dispute to the Union and the Union will raise it with the management direct or with The Employers' Federation of Ceylon for resolution through discussions.
- c) In the event of no satisfactory resolution of the dispute after discussions in terms of (a) above, the Union or the Company may seek the intervention of the Department of Labour under the provisions of the Industrial Disputes Act for conciliation.
- d) Subject to clause 8 hereof, the Union and the employees agree that they shall not resort to any form of trade union action without having complied with the procedure set out above for the settlement of an industrial dispute and in the event of any trade union action the Company shall be given reasonable notice of such action.

**8. Trade Union Action :**

The Company, the Union and the employees covered and bound by this Agreement agree that no party shall attempt to amend, vary or alter the terms of this Agreement during its period of operation and the Union and the employees shall not resort to any form of trade union action whatsoever in relation to any matter covered by this Agreement or related to the remuneration package of employees.

**9. Period of Operation.-**

The provisions of this Agreement shall take effect from 1st July 2007 and shall continue in force unless determined by either party with one month's notice to the other, provided, however that neither party shall give such notice to the other before 01.06.2008 and such notice shall not expire before 30.06.2008.

**10. Work Arrangements.-**

In respect of work arrangements in the factory, the Company has reached an agreement with the employees and the branch of the Union and the terms thereof shall be confirmed in writing and signed between parties.

Any dispute arising in this regard will be dealt with in terms of clause 7 of this Agreement.

11. In respect of item Nos.(3) and (7) setout in the Union's letter of 4th May 2007, the agreement reached between the parties is more fully setout in the Agreement signed between the parties in terms of Clause 10 above.

In witness hereof parties hereto have set their hands on this 20th day of July 2007.

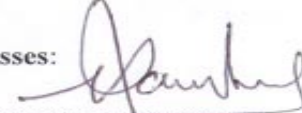


For and on behalf of:  
Nisol Corrugated Cartons Ltd.

Name: N. D. C. Austin

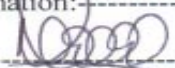
Designation: DIRECTOR

Witnesses:

1. 

Name: R. L. P. Peiris

Designation: DIRECTOR - GENERAL

2. 

Name: M. PERERA

Designation: DIRECTOR



For and on behalf of:  
Ceylon Mercantile, Industrial &  
General Workers' Union (CMU).

Name: Bela Jampae

Designation: General Secretary

1. 

Name: Dimutha

Designation: President

2. 

Name: H. D. Siriwardana

Designation: Branch Secretary

### SCHEDULE

#### Production Bonus Scheme

- (a) The employees will be entitled to payment as follows in respect of production tonnage delivered and accepted by the customers in respect of each month.

Delivered & Accepted Tonnage	Rate Payable	Rate payable (If total waste is 6.5% or below)
900 tons - 999 tons	Rs. 1.00 Per M/ton	
1000 tons - 1099 tons	Rs. 1.05 Per M/ton	
1100 tons - 1199 tons	Rs. 1.20 Per M/ton	
1200 tons - 1299 tons	Rs. 1.25 Per M/ton	Rs. 1.35 per M/ton
1300 tons and above	Rs. 1.30 Per M/ton	Rs. 1.50 per M/ton

- (b) Based on absence at work during a month, the following deductions will be made from the payments (above Rs. 750/-) payable in terms of the formula given above.

i. Up to 03 days leave	No deduction
ii. 04 days leave	15%
iii. 05 days leave	30%
iv. 06 days leave	50%
v. 07 days leave	75%
vi. 08 days leave and above	No Payment

Any period of unauthorized absence (no pay) during a month will disqualify an employee from receiving any payment under this scheme.

- (c) Subject to the availability of orders, production will be maintained so as to achieve a delivered tonnage of not less than 1100 MT per month.

#### MONTHLY PRODUCTIVITY BONUS SCHEME

### SCHEDULE II

This Revised Scheme will be effective from 1st July 2007.

UNIT OF MEASURE	Kilogrammes (Kg) Delivered per paid Manhour (Kgs./Mhr)
PAID MANHOUR	No. of Manhours paid for by the Company for the month
Kg DELIVERED	No. of Kgs Delivered and Accepted by Customers in a month.
PAYMENT COMPUTATION	Sum Payable based on Percentage Achieved of Target Kgs./Mhr. (Refer Table Below). All eligible Employees will receive the same amount in a month.
PENALTIES	No. Payment for Employees on No Pay.
CURRENT TARGET	21.5 Kgs./Mhr (100%)
AMOUNT PAYABLE	

Productivity % for the Month	Payment for the Month (Rs.)
60% - 64.99%	300.00
65% - 69.99%	600.00
70% - 74.99%	900.00
75% - 79.99%	1100.00
80% - 84.99%	1300.00
85% - 89.99%	1600.00
90% - 94.99%	1900.00
95% <	2100.00

PAYMENT DATE Payment to be made within 10 days in the next Month.



### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between De La Rue Lanka Currency & Security Print (Pvt) Ltd., Export Processing Zone, Biyagama, Malwana of the one part and Inter Company Employees Union, No. 158/ 18, E.D. Dabare Mawatha, Colombo 05 of the other part on 30th August, 2007 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131 Legislative Enactments of Ceylon (Revised Edition 1956).

D. SOMAWEERA EDIRISINGHE,  
Commissioner - General of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 05.  
04th December, 2007.

### Collective Agreement No. 44 of 2007

Whereas, the Inter Company Employees Union represents non executive employees of De La Rue Lanka Currency & Security Print (Pvt) Limited ; and

Whereas, the Inter Company Employees Union by its letter dated 13.03.2007 requested for, *Inter alia*, an increase of salaries and other perquisites and discussions took place between the Inter Company Employees Union, De La Rue Lanka Currency & Security Print (Pvt) Limited and The Employers' Federation of Ceylon relating to same, and this Collective Agreement is entered into incorporating the terms of settlement reached between the parties as a full and final settlement of all matters stated in the letter of the Union referred to above.

This Collective Agreement made on this Thirtieth day of August 2007 (30.08.2007) pursuant to the Industrial Disputes Act, between De La Rue Lanka Currency & Security Print (Pvt) Limited, a company incorporated under the laws of Sri Lanka having its principle place of business at Export Processing Zone, Biyagama, Malwana of one part and Inter Company Employees Union, a trade Union registered under the laws of Sri Lanka having its registered office at 158 / 18, E. D. Dabare Mawatha, Colombo 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 De La Rue Lanka Currency & Security Print (Pvt) Limited (hereinafter referred to as "the Employer"), the Inter Company Employees Union (hereinafter referred to as "the Union"), and Employees of the employer in non executive grades on permanent monthly contracts of employment (hereinafter referred to as "Employees"),

2. **Date of Operation and Duration.** - This Agreement shall be effective as from the First day of April 2007 (01.04.2007) and shall thereafter continue to be in force, unless it is determined by either party giving one month's notice in writing to the other, provided however, that neither party hereto shall give such notice to the other party before first day of March 2009 (01.03.2009).

3. **Wage increase.** -

3. The monthly basic wage of employees covered by this Agreement shall be increased by fifteen per centum (15%) with effect from 01.04.2007.

4. The monthly basic wage of employees covered by this Agreement shall be increased by fifteen per centum (15%) with effect from 01.04.2008.

5. Arrears of wages for the period between April 2007 to august 2007 shall be paid to all employees entitled to the aforesaid increases.

**Seniority Allowance.** -

6. All employees covered by this Agreement shall be paid a monthly seniority allowance calculated at the rate of Rs. 50/- per each completed year of service. On 01 st April each year, this Allowance shall be increased by Rs. 50/- . The Seniority Allowance shall be taken into account for the purpose of contributions to the employees' Provident Fund (EPF) and the Employees' Trust Fund (ETF), overtime, gratuity and bonus.



***Night Shift.-***

7. The Union and the Employees jointly and severally agree to the implementation of a night shift. The night shift will be carried out according to the shift roster agreed between the Union, the Employees and the Employer, set out in Annexure 1 to this Agreement. This Annexure will be part and parcel of this Agreement.

***Night Shift Allowance.-***

8. The Employer shall pay a night shift allowance of Rs. 600/- per shift to employees engage in the night shift. This payment will be made upon the implementation of the night shift.

***Bonus.-***

9. The Employer shall pay two month's salary as bonus. The hitherto practice with regard to the time of payment and deductions based on attendance, punishments made after a domestic inquiry, unauthorized absence shall continue. New employees shall enjoy the benefit of the bonus proportionately.
10. In addition to the payment referred to in the preceding clause the Employer will pay a further months, salary as bonus in the event the Company achieves productions targets of 1 billion notes for the year 2007/ 08 and 1.3 billion notes for the year 2008/ 09.

***Medical benefits.-***

11. ***OPD treatment.-*** With effect from 01. 04.2007 the Employer shall reimburse expenses incurred by employees in respect of OPD treatment to a maximum of Rs. 7,000/- per employee per annum.
12. ***Hospitalization.-*** With effect from 01.04.2008 the Employer shall reimburse employee in respect of hospitalization to a maximum of Rs. 50,000/- per employee per annum.
13. ***Critical Illness.-*** With effect from 01.04.2007 the Employer shall pay the premium for an insurance cover for critical illness to a maximum of Rs. 200,000/-.

***Trade Union action.-***

14. The Union and the Employees jointly and severally agree that they shall not, during the operation of this Agreement, take or resort to any form of trade union action in respect of any matter covered by this Agreement.

***Dispute Settlement Procedure.-***

15. The Union and the Employees jointly and severally agree that any dispute/ problem/ issue that may arise between the parties, in respect of any matter not covered by this Agreement, to resolve such dispute/ problem/ issue in the manner provided in clauses 17 to 19 below.
16. Whenever there is a dispute, a written statement of the dispute should be forwarded by the Union's Branch Committee to the Employer, and at least two weeks given for the employer to resolve the dispute.
17. If no satisfactory solution is found, the matter should be referred to the Parent Union and to the Employers' Federation of Ceylon (EFC) for the purpose of attempting to resolve the dispute.
18. If after the discussion, the matter cannot be resolved by the intervention of the EFC and the Parent Union, the conciliatory proceedings under the Industrial Disputes Act should be followed.
19. If after conciliation has failed in the labour department, the union wishes to take trade union action, written notice should be given of not less than fourteen days (14) to the employer and the EFC regarding such trade union action.

***Co - operation between the parties.-***

20. The Employer agrees to continue with the facility of remitting check off directly to the Union.
21. The Employer will continue to grant the facility of permitting the President and the Secretary of the branch to attend monthly meetings of the union. The employer also agrees to release not more than two employees to attend to training programmes/ Seminars conducted by the union not more than twice in each calendar year provided however that the union requests in writing for this facility with sufficient notice to the employer.



22. Employees will extend their fullest co- operation in respect of any change in work arrangements and shift operations in the Security Finishing Department. The Employer agrees to discuss with the union and the employees proposed changes in work arrangements in advance.
23. Employees will extend their fullest co- operation to quality management, environment management, health and safety management, ISO implementation, continous improvement and training activities.
24. Employees shall also extend their co - operation with regard to handing over of work between shifts. In view of this undertaking, the employer will suspend the present practise of non - payment of wages for the first five minutes in the shift in the event the employee reports late.
25. Employees in the Maintenance Division shall extend thier co - operation in respect of breakdowns in order to minimize the impact on production.
26. This matters setout in this Agreement shall not in anyway prejudice or effect the existing benefits or terms conditions of employment of employees.

In witness whereof the parties aforesaid have hereunto set their hands at Colombo on this Thirtieth day of August Two Thousand and Seven .

  
.....  
**For & on behalf of De La Rue  
Lanka Currency & Security  
Print (Pvt) Limited**

Name: Albert Zammit


Designation: Director / General Manager

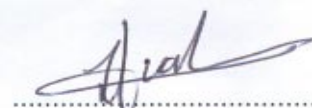
  
  
.....  
**For & on behalf of Inter  
Company Employees Union**

Name: B.I. Abdeen

Designation: Vice President

**Witnesses :**

  
.....  
Janaka R. Samarakone  
Industrial Relations Advisor  
The Employers' Federation of Ceylon.

  
.....  
Name: H. Anando  
Designation : President  
Branch Union

# ***PROPOSED SHIFT ROSTER 1***

ANNEXURE 1

DATE	1st SHIFT 6.00-14.00	2nd SHIFT 14.00-22.00	3rd SHIFT 22.00-6.00	
1	B	C	A	
2				
3				
4	A	B	C	
5	A	B	C	
6	A	B	Holiday	
7	C	A	B	
8	C	A	B	
9	C	A-OT	B-OT	
10	C-OT	A-OT	OFF	
11	B	C	A	
12	B	C	A	
13	B	C	Holiday	
14	A	B	C	
15	A	B	C	
16	A	B-OT	C-OT	
17	A-OT	B-OT	OFF	
18	C	A	B	
19	C	A	B	
20	C	A	Holiday	
21	B	C	A	
22	B	C	A	
23	B	C-OT	A-OT	
24	B-OT	C-OT	OFF	
25	A	B	C	
26	A	B	C	
27	A	B	Holiday	
28	C	A	B	
29	C	A	B	
30	C	A-OT	B-OT	
1	C-OT	A-OT	OFF	



Saturday



Sunday

A  
B  
C

CREWS

WORKING WEEKS

MON - 6.00 AM

SAT - 2.00 PM