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The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

අංක 1557/26 - 2008 ජූලි 11 වැනි සිකුරාදා - 2008.07.11
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PART I : SECTION (I) — GENERAL
Government Notifications

My No. : CI/1494.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Sri Lankan Airlines Limited, Level 19-22, East Tower, World Trade Center, Echelon Square, Colombo 01, of the one part and The Flight Attendants Union, No. 4A, Peterson Court Merrigold Apartment, Peterson Lane, Colombo 06 of the other part on 27th February, 2008 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

D. S. EDIRISINGHE,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
30th June, 2008.

Collective Agreement No. 10 of 2008

1. ARRANGEMENT AND INDEX

This Agreement is arranged as follows :

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2. TITLE

This document is the “Flight Attendants Union Collective Agreement (2007)”, and is known as the “Agreement”.

3. NAMES OF THE PARTIES COVERED AND BOUND.

- 3.1 This Agreement is effective from 01st June, 2007 between the parties listed in Sections 3.2 to 3.4 below. In this Agreement, the terms “Employees” and “Cabin Crew” shall mean all those Employees covered by Sections 3.3 to 3.4 in this Agreement below.
- 3.2 Sri Lankan Airlines Limited, a Company incorporated in Sri Lanka with it's official registered office address as Level 19–22. East Tower, World Trade Centre, Echelon Square, Colombo 01, Sri Lanka, hereinafter called the “Company” (Which expression wherever the context so admits shall include and mean it's successors and assigns).

This agreement shall cover and bind Sri Lankan Airlines Limited and the Flight Attendants Union, a registered Trade Union registered in Sri Lanka under Registration Number 6350, with its official registered office address as No. 4A, Peterson Court, Merrigold Apartment, Peterson Lane, Colombo 06, Sri Lanka, herein called the “FAU” (which expression wherever the context so admits shall mean and include its successors, assigns, replacement and all Cabin Crew who are members of the “FAU” and who are employed in a permanent capacity in Grades C1-C5 who possess a valid cabin crew certificate/licence issued by the Civil Aviation Authority and covered and bound by this Agreement).

- 3.3 Other individual Employees who are employed in permanent capacity in a Grades C1-C5 of the Cabin Crew grade structure and possess a valid cabin crew certificate /licence issued by the Civil Aviation Authority and who are not members of the FAU but who nevertheless wish to accept the terms and conditions of this Agreement by signing on an individual basis.
- 3.4 This Agreement shall cover and bind the FAU and all Cabin Crew employed in a permanent capacity in Grades C1 - C5 inclusive of the Cabin Crew grade structure who are fully paid-up members of the FAU and who possess a valid cabin crew certificate /licence issued by the Civil Aviation Authority.

4. SHORT RECITAL AND GENERAL TERMS

- 4.1 Whereas demands and requests were made by the FAU for a revision of terms and conditions of employment of employees employed by the Company (noting that the existing terms and conditions of employment of Cabin Crew were previously recorded in the Terms and Conditions which was valid from 1st June, 2002 and expired on 31st May, 2007.).
- 4.2 And whereas the FAU can verify to the satisfaction of the Company that it represents at least 40% of the Cabin Crew employed in a permanent capacity by the Company in Sri Lanka in Grades C1- C5 of the Cabin Crew grade structure of Sri Lankan Airlines and holding a valid cabin crew certificate /licence issued by the Civil Aviation Authority.
- 4.3 And whereas having received the demands and requests from the FAU, the Management of the Company discussed and negotiated with the FAU, and during the process of negotiations were able to finally reach agreement on the matters raised during the Collective Agreement negotiations contained herein, on the understanding that any and all other matters raised would be regarded as having been withdrawn in favour of this finalised Agreement called the “Flight Attendant’s Union Agreement 2007”.
- 4.4 And whereas the intention of both parties was that this Agreement would ensure operational and industrial peace and harmony, improved overall efficiency of the Company, an improvement in overall performance and productivity, co-operation between the Employer and Employee, and a contented and highly motivated workforce. The parties to this Agreement have a common objective in ensuring the proper and successful functioning of the Company, as only this can safeguard the welfare of both the Company and all the Employees.
- 4.5 And whereas the parties have agreed that there would be strict compliance with all procedures, terms and conditions agreed in this Agreement, and it is agreed by the parties that they would honour and abide by their respective obligations, respecting the rights of each other as set out in this Agreement.
- 4.6 This Agreement is as a result of said discussions, and mutual terms and conditions set out in this Agreement, the FAU and the Company have reached this Agreement, which includes clauses for the enhancement of salaries and various allowances to further improve the employment conditions offered by the Company.

- 4.7 The Parties have agreed that there would be compliance with all existing procedures, processes and regulations that are not otherwise specified in this Agreement, and both parties agree that the Company may in due course publish an Employment Manual which would set out all major policies and regulations of the Company, some of which may be set out in this Agreement as the intended policies of the Company. In the Event of any conflict or inconsistency between the terms and conditions of this Agreement and that of the Employment Manual, the Terms and Conditions set out in this Agreement shall prevail.
- 4.8 And that this Agreement covers all the demands and claims of the FAU contained in their original requests and demands and other issues brought for negotiations and discussions during the course of bargaining of the said demand in full and final settlement thereof, and that all demands, claims and requests raised by the FAU are hereby withdrawn or settled or satisfied in terms of and/or in consideration of this Agreement.
- 4.9 In consideration of this Agreement, parties bound by this Agreement, shall not during the continuance of this Agreement seek to vary, alter or add to, all or any of the terms and conditions of employment or benefits contained as provided for this Agreement, other than by mutual agreement.
- 4.10 And that the terms, and conditions of this Agreement effective from 1st June, 2007 shall be deemed to be included in all the contracts of employment between the company and all Employees covered and bound by this Agreement, whether such contract of employment be written or not, and which was subsisting as at 1st June, 2007 or shall come into being any time thereafter during the continuance of this Agreement.

5. DURATION OF AGREEMENT

- 5.1 This Agreement shall come into effect on 1st June, 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 one party hereto shall not give notice to the other party before 1st day of May, 2008 and such notice shall not expire before the 31st day of May, 2008. This shall not preclude discussions taking place and commencing at any time after 1st January, 2008 between parties for a revision of the Agreement to be effective from 1st June, 2008.
- 5.2 Subject to section 4.7 earlier, this Agreement replaces in fully any other prior agreements, and replaces all prior working practices, and replaces all prior terms and conditions of employment for Employees employed in a permanent capacity in grade C1-C5 of the Cabin Crew garde structure and who possess a valid cabin crew certificate/licence issued by the Civil Aviation Authority.

6. RECOGNITION

- 6.1 The Company recognises the right of the FAU to represent the interests, of, and when required negotiate on behalf, all Cabin Crew that are classified in grade C1 - C5 inclusive of the Cabin Crew grading structure in Sri Lanka who are fully paid-up members of the FAU and who possess a valid cabin crew certificate/licence issued by the Civil Aviation Authority.
- 6.2 The Company recognises the right of the FAU to exercise the FAU function in accordance with the laws of Sri Lanka, and to manage the FAU affairs without interference.
- 6.3 Such recognition by the Company of the FAU shall continue as along as FAU holds the status of Collective Bargaining Agent of the Cabin Crew in grade C1-C5 inclusive of the Cabin crew grading structure of the Company, and who possess a valid cabin crew certificate /licence issued by the Department of Civil Aviation and can verify that at least 40% of all locally employed Employees in grades C1-C5 inclusive are fully paid-up members of the FAU and who possess a valid cabin crew certificate/licence issued by the Civil Aviation Authority.

6.4 All parties recognise the right of the Company to plan, organise and manage the operation of each location in a manner, which is not inconsistent with this Agreement in order to achieve maximum safety, efficiency and profitability in the operation. This right includes, *inter-alia*, the recruitment, engagement, training, control, discipline, termination, upgrading, promotion, demotion, transfer and dismissal of Employees (always in accordance with the laws of Sri Lanka and the procedures and manuals of the Company.) This right also includes, *inter-alia*, the use of Employees on fixed term contracts from time to time as operationally required. This right also includes, *inter-alia*, the determination of the rosters, working patterns and times, methods and manner of working, the introduction of technical improvements, and the decisions to modify, extend, curtail or cease operations, and all safety aspects of the operation. The Company will always exercise the above mentioned rights *bona-fide*, reasonably and fairly within the limits prescribed under this Agreement, and all applicable procedures and manuals of the Company, and all applicable laws.

Provided however in respect of termination, upgrading, promotion, demotion, transfer and dismissal on employees, working patterns, and times, methods and manner of working, redundancy due to operational reason, the Fight Attendants union may if it is of such opinion, make representations to the management in accordance with the grievance/dispute procedure stipulated herein and/or in accordance with the law.

7. JOB CLASSIFICATIONS AND CABIN CREW GRADING STRUCTURE

7.1 Job classification and grading structure for Cabin Crew who are in service as at the date of the signing the agreement are as follows :-

<i>Grade</i>		<i>Current Title</i>	<i>Proposed Title</i>
C1	-	Flight Steward/ss	Flight Attendant
C2	-	Flight Steward/ss	Flight Attendant
C3	-	Seniior Flight Steward/ss	Senior Flight Attendant
C4	-	Leading Flight Steward/ss	Cabin Services Supervisor
C5	-	Purser/Senior Purser	Purser/Senior Purser - (Personal to Holder)

7.2 The Career progression Criteria for Cabin Crew will be as follows :

- Upgrade to C2 as Flight Attendant on permanent basis, will occur after completion of 2 years in grade C1 on contract basis subject to performance.
- Promotion to C3 as Senior Fight Attendants will occur after completion of at least 1 year in grade C2 subject to performance
- Promotion to C4 as Cabin Services Supervisor will occur after completion of at least 1 year in grade C3 subject to job vacancies and selection process.
- Promotion to C5 as Purser will occur after completion of at least 5 years in grade C4, subject to job vacancies and selection process.
- Promotion to Senior Inflight Executive will occur after completion of at least 3 years as a senior Purser/Purser, subject to job vacancies and selections process.

Performance will be based on the last completed appraisal, and staff should have obtained performance rank of eight A, B, or C Exceptional/outstanding performer, Consistent over achiever/performer, consistent performer/ meeting all job requirements), to be eligible for (b) and (c) above.

- 7.3 Those who are currently designated as Senior Purser will continue to be in the same capacity. There will be no new appointments as “Senior Purser” in the future.
- 7.4 Working outside the JD in a higher capacity - If requested by the Company, the Crew working in ranks/areas other than their stipulated job functions, will continue to enjoy the same benefits applicable to the higher grade.
- 7.5 If an Employee is promoted or upgraded to the next higher grade, the Employee will receive an increase of 6.0% on their existing monthly basic salary. However, if after this 6.0% increase the resulting basic salary is still lower than the minimum of the salary scale for the new grade, then the basic salary shall be further increased to that minimum level.

8. MONTHLY BASIC SALARY SCALES

Applicable for Cabin Crew who are in service as at the date of the signing the agreement.

- 8.1 The monthly basic salary scales effective from 1st June, 2007 until 31st May, 2008 expressed in Sri Lankan Rupees (Rs.) per month are :

<i>Grade</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>
C1	16,255	23,547	30,840
C2	17,580	25,465	33,350
C3	18,525	26,832	35,140
C4	27,165	39,347	51,530
C5	31,765	43,107	54,450

Pursers/Senior Pursers in grade C5 who have completed 5 years as at 01st June, 2007, will be placed on basic salary point of Rs. 35,460. For this category the maximum of the salary scale would be Rs. 60,790.

- 8.2 Under to circumstances may the monthly basic salary of a permanent employee be below the minimum or exceed the prescribed limit maximum basic salary of their grade. The employees already on personal differential allowances, their personal differentials will be totally/partially absorbed to the salary depending on the salary scale structure. Thereafter these personal different allowances will not be increase, and nor will any new personal differential allowance be created.
- 8.3 The above salary scales will be applicable to those who are in employment as at the date of signing this agreement.
- 8.4 PERSONAL DIFFERENTIAL ALLOWANCE
Personal differential allowance is considered for 13th month, EPF, ETF, Gratuity, and Attendance incentive.
- 8.5 1st June, of every year Pursers who have completed 05 years in grade C5 will be placed in the higher scale of C5 grade.
- 8.6 The cabin crew who are employed on fixed term contract will be entitled to the terms and conditions specified by the management and agreed upon. The staff on contractual basic will be issued with the staff identify card with “C” number which denotes “Contract”. (Please refer annexure “A”).

9. BASIC SALARY INCREASES

9.1 ANNUAL INCREMENT ON 01ST JUNE, 2007.

The actual individual monthly basic salaries as at 31st May, 2007 of all Employees covered by this Agreement (except those under probation) will be increased by between 0.0% and 6.0% (with an average of 3.0%) , depending upon individual performance, effective from 1st June, 2007 as the annual increment. If an individual Employees is at (or will reach) the maximum of their basis salary scale, then the annual increment (or excess part) is not applicable, as under no circumstances may the monthly basic salary of an Employee exceed the prescribed limit maximum basic salary of their grade.

9.2 FIXED INCREASE FOR 01ST JUNE, 2007.

The actual individual monthly basic salaries as at 1st June, 2007 (after the Merit increase) of all Employees covered by this Agreement will be increased by 20.0% effective from 1st June, 2007. Thereafter there will be not further increases to actual individual basic salaries during 2007.

10. SPECIAL PREMIUM ALLOWANCE

10.1 The categories of Employees that are deemed by the Company to be eligible for monthly special Premium allowance effective from 1st June, 2007, are as follows :

<i>Grade</i>	<i>Allowance (Rs.) per month</i>
C1 Flight Attendant (less than 1 year)	NIL
C2 Flight Attendant (more than 1 year)	NIL
C3 Senior Flight Attendant	Rs. 5,000
C4 Cabin Supervisor	Rs. 7,000 (with less than 5 years experience) Rs. 10,000 (5 years - 10 years experience) Rs. 12,000 (with more than 10 years experience).
C5 Purser/Senior Purser	Rs. 18,000 (with less than 5 years experience) Rs. 22,000 (5 years - 10 years experience) Rs. 26,000 (with more than 10 years experience)

10.2 5 years/10 years experience of the C4/C5 (Cabin Supervisor, Purser/Senior Purser) will be calculated as at 01st June each year.

10.3 Special Premium Allowance is considered for 13th month, EPF, ETF, Gratuity, and Attendance Incentive.

11. 13TH MONTH INCENTIVE BONUS

11.1 A 13th month incentive bonus may be payable each year in the end-December payroll as per the rules and regulations that are announced each year at the sole discretion of the Board of Directors of the Company to all employees.

11.2 Subject to the rules and regulations announced as per section 11.1 above, each Employee is eligible to receive any such 13th month incentive bonus payment based upon their applicable monthly salary.

11.3 In the case of Cabin Crew covered and bound by this Agreement, the applicable monthly salary for any 13th Month incentive bonus shall be a combination of monthly basis salary as defined in section 8 of this Agreement plus any applicable personal differential allowance as defined in section 8.6 of this Agreement.

11.4 The 13th Month incentive bonus is only paid to those Employees who have completed nine months of service and are still in current employment with the Company on the payment date in December, Where service on the payment date is less than one year but more than nine months, then a pro-rata 13th month incentive bonus will be paid.

11.5 However, if employment has terminated prior to the payment date due to retirement or due to contract expiry, then the Employee will still be eligible and a pro-rate payment will be made.

12. ATTENDANCE INCENTIVE BONUS

12.1 an attendance incentive bonus will be payable to Cabin Crew based upon their individual attendance in the calendar year (with payment based on the actual basic salary at the end of that calendar year on 31st December being made at the beginning of the subsequent calendar year split equally between the end-February and the end-March payrolls) depending upon the number of days of sickness leave and casual leave unutilised during the calendar year as follows :

Days of sickness/casual leave Unutilised in the calendar year	Attendance bonus (calculated on basic salary only)
18 days or more	08 weeks
16—17 days	07 weeks
14—15 days	06 weeks
12—13 days	05 weeks
10—11 days	04 weeks
08—09 days	03 weeks
06—07 days	02 weeks
Less than 06 days	Nil

12.2 If an employee is marked as “unauthorised absence” then such days will also be included with the days of sickness leave and casual leave utilised for the purposes of calculating eligibility for this attendance incentive allowance.

12.3 For the avoidance of doubt, in the case of Cabin Crew covered and bound by this Agreement, the applicable monthly salary for any annual attendance bonus shall be monthly basic salary only as defined in section 8 of this Agreement.

12.4 The employees to be entitled for this payment, must still be in service and incurrent employment on the date of payment.

13. ALL OTHER ALLOWANCES

13.1 LONG-SERVICE ALLOWANCE

When an employee in grades C1-C5 has completed 10 years, 15 years and 20 years of continuous service they will receive a long-service allowance as follows :

	<i>June 2007</i>
	<i>Rs. (per month)</i>
Completed 10 years but less than 15 years	1000
Completed 15 years but less than 20 years	1350
Completed 20 years and above	1550

For the avoidance of doubt, these long-service allowances are not considered to be part of basic salary, but are separate stand-alone allowances intended to reward long-service. These allowances only apply to grade C1—C5 inclusive.

13.2 FLYING ALLOWANCE

With effect from 01st June 2007, all Cabin Crew covered by this Agreement who are on rostered duty pattern will receive a flying allowance for each duty-day actually worked, expressed in Sri Lankan Rupees (Rs.) per duty-day of :

<i>Grade</i>		<i>Flying Allowance (Rs.) per duty-day</i>
C1	—	200
C2	—	350
C3	—	500
C4	—	700
C5	—	900

This duty-day flying allowance applies to all types of duty, including flying duty operational duty, repositioning and dead-heading duty, training duty, stand-by duty and accident whilst on duty.

This duty-day flying allowance is only paid if either the duty allocated is performed in full (including all types of duty) or during annual leave (for every day of annual leave), but this duty-day flying allowances is not paid during sick leave or casual leave or any other type of leave or absence.

with effect from the date of signing this agreement, a duty day will mean, each 24 hour period commencing from 0001 hours and ending at 2359 hours. This will be applicable only for flying allowance payment.

Flying allowances earned in one calendar month will be paid in the payroll at the end of the subsequent calendar month.

13.3 LAUNDRY FACILITIES

This is to be revisited to improve the services currently being provided.

With effect from signing of the Agreement, the following will be made available with a laundering Contractor :

Females	—	10 pieces (Sarees, Jackets) to be Laundered per month
Males	—	12 pieces (Trousers, Shirts, Jackets) to be laundered per month

For each piece the crew member will have to make a payment of Rs. 25. The balance cost will be borne by the Company.

The current agreement will continue to be effective until 29 February, 2008. Thereafter, a new contract will be in place, which will not be less favourable than the current agreement.

13.4 TEA ALLOWANCE

With effect from 1st June, 2007 the tea allowance for cabin crew will be Rs, 350 per month.

13.5 MEAL ALLOWANCE WHILST ON LAYOVER TRIPS OR TURN-AROUND TRIPS(ALL FLEETS).

When Cabin Crew in Grades C1—C5 go on flying duties (regardless of whether or not a layover in a slip location is involved), meal allowances will be paid as follows (for all locations) : Meal Allowance will be paid in accordance with the monthly Company published Exchange rate).

<i>Allowance</i>	<i>Payment</i>	<i>Timing</i>
Breakfast	US\$ 20.00	07.30—8.30
Lunch	US\$ 20.00	12.30—13.30
Dinner	US\$ 20.00	19.30—20.30

All time schedules for applicability of meal allowances as listed above are shown in local times. Cabin Crew will be eligible for these meal allowances for their total time away from base, commencing from 01 hour and 20 minutes before scheduled time of departure (Ex Colombo) and finishing half an hour after actual time of arrival back at base.

In case where currencies are not accepted on Board, the rate will be published and displayed on the notice boards, and a copy of same will be given to all Pursers.

13.6 NIGHT STOP ALLOWANCE AND HOTELS

When Cabin Crew in grades C1—C5 go on flying duties involving a layover in a slip location, then for a flight departing from or returning to Colombo where a hotel stay is required at a slip location in a hotel whilst on-duty, then a night-stop allowance will be paid provided they are on-duty at 00.01 and layover involved as follows :

US\$ 15.00 per night (for all locations) for grades C1/C2/C3/C4

US\$ 18.00 per night (for all locations) for grades C5

Further, on scheduled and non scheduled turnaround flights, if the total block time is over 5 hours through midnight if on flying duties, overnight allowance will be paid. This applies to Cabin Crew on duty on turn around flights where Cabin Crew does not get HOTAC.

Further all hotels selected shall confirm to the Civil Aviation Authority regulations. It is agreed that the minimum guideline is to recognize four-star hotels.

The hotel room allocation policy is that the Cabin Supervisor and Pursers/Senior Pursers will be allocated a single room

All Cabin Crew in C3, C4 and C5 grades will be given single room accommodation at slip stations.

Cabin Crew in grade C1 and C2 will be allocated a room on shared basis. This conditions will apply until 31st May, 2009.

13.7 WARM-CLOTHING ALLOWANCE

With effect from 01st June, 2007, the warm-clothing allowance for Cabin Crew in grades C1—C5 who are required to perform duty-travel to overseas locations where warm-clothing is deemed necessary is US\$ 150 per year.

13.8 FOREIGN LANGUAGE ALLOWANCE

All Cabin Crew are required to be fully proficient in languages that are commonly used in Sri Lanka. For the purposes of defining a foreign language, Sinhala, Tamil, and English are considered as commonly used languages in Sri Lanka, and hence are not classified as foreign languages. Cabin Crew in grades C1—C5 who are fully proficient in, and required in their job to use, a foreign languages will receive a fixed monthly allowance of Rs, 5,000 per month per foreign language.

13.9 TRANSPORTATION

The Company will provide all Cabin Crew with a transportation pick-up and drop-off service from certain collection points and feeder locations defined by the Company for all duty requirements. The company-provided pick-up and drop-off service will be offered free of charge to all Cabin crew in grades C1—C5 so the transportation service will become zero-based (no allowance, no deduction).

Management will finalize the new peripheries on or before 01st April, 2008. The revised transport pick up and drop off service will not be less favourable than the current service.

13.10 HELP DESK

Dedicated staff on a 24-hour basis, in the Inflight Department, to address all issues pertaining to cabin crew. The assignment will be defined by Manager Inflight Service delivery.

13.11 OTHER ALLOWANCES

There are no other allowances or payments that apply to employees who are locally employed in grades C1—C5 inclusive of the Cabin Crew grade structure other than those listed in this Agreement.

13.12 CABIN CREW CASH INCENTIVE SCHEME

A revised incentive scheme which have been agreed between the FAU and Manager Inflight Service Support will be in force upon signing this Agreement.

14. CREW COMPLEMENT

- 14.1 As and when new aircraft types are introduced to the fleet the Management will discuss with the Executive Committee members of the FAU, on service procedures. However the decision regarding the crew complement/ all service procedures is at the discretion of the Company.

Reference decision regarding crew complement, it was agreed that the existing crew complement will not be reduced and that at least 95% of flights will operate with the required complement of crew.

- 14.2 A passenger seat will be allocated under the following circumstances

- (a) Bereavement of an immediate family member
- (b) A crew member returning to base on medical grounds
- (c) In the event of a medical emergency involving an immediate family member.
- (d) When the Company requires Cabin Crew to participate/represent the Company in promotional activities, (Crew members participating in promotional activity shall not be a part of the operating crew).
- (e) SNY/Dead heading crew will be provided with a passenger seat other than on SNY flights for training.

- 14.3 In the event of bereavement or a medical emergency involving an immediate family member, the crewmember would be brought back to the base direct or via another station on Sri Lankan or any other carrier which ever is faster. The cost will be borne by the Company.

Definitions of Supernumerary (SNY)/Dead heading — refer Cabin Crew Safety Manual

For this purpose immediate family member will include Spouse, Children, Mother, father, Mother-in-Law, Father-in-Law, Brother and Sister.

14.4 Rosters and Roster Audit Committee

An audit to determine equal distribution of flights will in be place with inputs received form the FAU Committee.

This Committee will look into procedure that will maintain transparency in equal distribution of flights, permitting access to all rosters.

The committee will comprise of members from Crew Scheduling, Inflight Services and FAU.

15. INCOME TAX AND STATUTORY DEDUCTIONS

15.1 It is agreed by all parties that the individual Employee is at all times fully responsible for their own income tax liabilities and payments and for payment of any other statutory Employee contributions and deductions.

15.2 The Company will endeavour to process all payments to Employees in the most tax-effective manner possible within the applicable laws and income tax regulations.

16. UNIFORMS

16.1 Employees who are required to wear a uniform during duty hours must do so, and the Employee must ensure that the uniform is worn in compliance within the standards set by the Company. Uniforms will be issued according to Company requirements and regulations (and all Cabin Crew will be provided with 5 sets of uniforms per annum). Uniforms will remain at all times the property of the Company. All uniforms are issued by the Company free of charge. Employees are fully responsible for keeping their uniform clean, presentable and in good conditions at all times.

17. LETTERS OF APPOINTMENT

17.1 Upon successfully completing a medical examination conducted by a registered medical practitioner recognized/nominated by the Company, and upon successfully completing all other pre-employment formalities, each newly appointed Employee shall be issued with a letter of appointment in duplicate, Both parties will be required to sign in this letter, and a copy shall be kept by each party for their individual records.

17.2 This letter of appointments shall state, *inter-alia*, the job title, grade, salary, and other terms and conditions of employment including the probationary period. It will also state that the Employee concerned will only be confirmed in their employment after the satisfactory completion of the necessary probation period.

17.3 In the event if the Company has to recruit non nationals as Cabin Crew, the same terms and conditions of this Collective Agreement applicable to local Cabin Crew would apply to such non national Cabin Crew.

17.4 The terms and conditions of this agreement effective from 1st June, 2007 shall be deemed to be included in all the contracts of employment between the company and all employees covered and bound by this Agreement.

18. PROBATIONARY PERIOD OF JOINING

For permanent Employees the period of probation of joining the Company is six months, Employment may be determinated by either party at any time during the period of probation without notice and without any reason in accordance with the provisions of the applicable Labour Laws of Sri Lanka.

19 NOTICE PERIOD FOR TERMINATION OF EMPLOYMENT

For all Employees (except Employees under probation) the period of notice to terminate employment is one month for all Cabin Crew in grades C1—C5 inclusive from either party).

20. FLIGHT TIME LIMITATIONS AND ROSTERS

As per current practices.

21. LEAVE ENTITLEMENTS.

21.1 DEBIT SYSTEM FOR ALL TYPES OF LEAVE.

Due to the unusual and highly variable working roster pattern of Cabin Crew, all policies for the various types of leave are simply expressed in calendar days. If a Cabin Crew takes one calendar day off from roster (regardless of the nature of assignment of that calendar day on their roster) then it is simply debited as one calendar day for various types of leave.

21.2 ANNUAL LEAVE

The paid annual leave entitlement for all Cabin Crew employed on permanent terms in grades C1–C5 is 21 calendar days of paid annual leave per calendar year. The entitlement to annual leave applies to the calendar year. Each Cabin Crew is required to utilise at least 50% of their annual leave entitlement in one continuous block, and this period will be defined as the annual long-leave book.

For the purposes of calculating annual leave debits for Cabin Crew, the total period of annual leave will be determined in calendar days, and this total period will commence from the time that the Employee commences annual leave and will end at the time that the Employee reports back after annual leave to be available for rosterable work. If this total period of annual leave includes what would otherwise have been some rostered day-off, then those will also be fully included in this total period of annual leave calculated in calendar days.

Annual leave requests for at least 14 days for the following calendar year should be submitted to the Company no later than the end of the eleventh month of the previous calendar year. In the event of a request for annual leave not being made, then the company may allocate the leave entitlement as operationally required. Annual leave not utilised in one year may be rolled-over to the next year only, and thus the maximum accrual of paid annual leave shall not exceed 42 calendar days. Annual leave may not be encashed if unused. Where a request for leave is denied for operational reasons, then the Employee has the right to roll-over that denied leave without any penalty or forfeiture or limit.

21.3 CASUAL LEAVE

For all Cabin Crew in grades C1—C45 inclusive, the paid casual leave entitlement per calendar year is 7 working days. The entitlement to casual leave applies to the calendar year. Casual leave not utilised in one year may not be rolled-over, and nor may it be encashed if unused.

For all Cabin Crew in grades C1—C5 inclusive, the debit system of casual leave will be based on the rule that one working day of casual leave is defined as one duty-day.

21.4 LEAVE FOR ACCIDENTS OCCURRING WHILST ON DUTY.

In the event of an accident whilst on duty which renders the employee unable to perform their duties, then subject to evaluation by the Safety Section and approved medical certification by the Company Medical officer (CMO), paid accident leave of up to 3 calendar months may be granted by the Company.

This paid accident leave will be paid on the basis of a combination of monthly basic salary as defined of Section 8 of this Agreement plus any applicable personal differential allowance as defined in section 8.6 of this Agreement, premium allowance as defined in the section 10 of this Agreement and flying allowance due to accident whilst on duty. However, if there are any payments under the accident insurance policy (as defined in section 28 later) then such insurance payments will be deducted from the accident leave pay to be paid by the Company.

At the discretion of the Company, accident leave may be extended beyond 3 calendar months based upon a medical review by a specialist doctor and the Company Medical officer (CMO), and will continue to be paid. However in no circumstances will be Company extend the total leave for accident whilst on duty 12 calendar months in total.

In this context if an accident occurs whilst traveling from residence to work or vice-versa, then such an accident will be treated in accordance with this section as an accident whilst on duty, only in instances where staff meet with an accident whilst traveling in Company transport. In the event of staff meeting with an accident whilst traveling in a vehicle, which is not a Company transport, then, the compensation will be made under Accident Insurance (clause 28) or Workmen's Compensation (Clause 32) as determined by the Senior Manager Insurance.

Further, in the event of staff meeting with an accident whilst traveling in a vehicle, which is not a Company transport, a committee comprising of the President or the Secretary of the FAU, Human Resources Manager (Personnel Relations) and a representative from the Inflight Management will determine, if the employee was traveling to work from home or vice versa, and if so, whether the accident could be treated in accordance with this section as an accident whilst on duty.

During any approved period of accident leave, all associated medical expenses will be borne in full by the Company after evaluation by the company Medical Officer (CMO). Such accident medical expenses are to be treated separately and outside from the limits of the medical benefits scheme detailed in section 27 of this Agreement.

21.5 TWO-YEARS NO-PAY LEAVE.

The Company will permit a period of upto two-years no-pay leave for the following purposes :

- (a) To pursue further training or a course of studies where such training or course of studies is relevant to the field of work in which in Employee is engaged, provided that the Departmental Manager recommends that the Employee can be released for the period of no-pay leave without replacement, and the Head of Service Delivery approves the recommendation.
- (b) For any other reasonable purpose, including overseas employment (but not for employment in Sri Lanka), if the Departmental Manager recommends that the Employee can be released for the period of no-pay leave without replacement, and the Head of Service Delivery approves the recommendation.

A maximum of 4 Cabin Crew in permanent employment in grades C1—C5 inclusive will be permitted at any one time to be on no-pay leave as per the conditions of this section. In order to be considered for no-pay leave, an Employee must have competed at least ten years of continuous service with the Company, and consideration for such no-pay leave will only be given once per employment lifetime per Employee.

During the period of no-pay leave, all benefits will be suspended as per the rules and regulations governing this policy for up to two-years no-pay leave. Also the period of no-pay leave will not be considered as being part of active service.

The maximum period of no-pay leave is two years, and under no circumstances will extensions be considered. Whilst on no-pay leave, the Employee will be required to sign a bond to the Company as per the rules and regulations governing this policy for upto two years no-pay leave.

21.6 SICK LEAVE

The sick leave eligibility for all Cabin Crew in grades C1—C5 covered and bound by this Agreement is upto 14 working days of paid sick leave per calendar year. In exceptional circumstances, subject to the approval by the Company Medical Officer (CMO), additional unpaid sick leave of upto a further 90 calendar days may be granted.

For the purposes of calculating sick leave debits in working days for Cabin Crew, the following procedure will apply :

- (a) First the total period of sickness will be determined in calendar days, and this total period will commence from the time that the Employee reports sick and will end at the time that the Employee reports fit. If this total period includes any rostered days-off then those days-off will also be fully included in this total period of sickness in calendar days.
- (b) Second, regardless of shift-type or shift-length in working hours, a pro-rata number of days-off will be deducted from this total period of sickness to aid the conversion of sick leave from calendar days to working days (based on the underlying philosophy for the regular day pattern that 7 calendar days equates to 5 working days). Thus the number of working days of sick leave that will be debited will be calculated as per the table below :

<i>Full Period of Sickness</i>	<i>Less Pro-Rata Days-Off</i>	<i>Debited Working Days</i>
1 calendar day	nil	debit as 1 working day
2 calendar days	nil	debit as 2 working days
3 calendar days	less 1 day-off	debit as 2 working days
4 calendar days	less 1 day-off	debit as 3 working days
5 calendar days	less 1 day-off	debit as 4 working days
6 calendar days	less 2 days-off	debit as 4 working days
7 calendar days	less 2 days-off	debit as 5 working days
8 calendar days	less 2 days-off	debit as 6 working days
9 calendar days	less 2 days-off	debit as 7 working days
10 calendar days	less 3 days-off	debit as 7 working days
11 calendar days	less 3 days-off	debit as 8 working days
12 calendar days	less 3 days-off	debit as 9 working days
13 calendar days	less 4 days-off	debit as 9 working days
14 calendar days	less 4 days-off	debit as 10 working days
15 calendar days	less 4 days-off	debit as 11 working days
16 calendar days	less 4 days-off	debit as 12 working days
17 calendar days	less 5 days-off	debit as 12 working days
18 calendar days	less 5 days-off	debit as 13 working days
19 calendar days	less 5 days-off	debit as 14 working days

- (c) notice therefore that this above method of determining the debit for sick leave in working days is irrespective of the length of the underlying rostered working day.

When a crew member reports sick for a duty turn, his or her published master roster shall not be amended, due to said utilisation of sick leave. This will apply only subject to conditions mutually agreed by both parties.

Any sick leave not utilised in a year may not be rolled-over and may not be accumulated. Nor may unutilised sick leave be encashed.

21.7 SICK LEAVE CERTIFICATION

On the first day of any illness it is the duty of the Employee to inform the Company of their absence due to sickness, the nature of their illness, and the expected duration of their absence.

On the first three occasions of sickness per annum, the first two days of sickness per occasion may be uncertified, but for each period of sickness exceeding two days an Employee is required to submit a medical certificate. On the fourth and subsequent occasion of sickness per annum a medical certificate is always required.

On the first three occasions of sickness per annum, if a medical certificate is required then it will be accepted from any recognised doctor. On the fourth and subsequent occasion of sickness per annum, only medical certificates issued by one of the doctors on the specified list of a panel of doctors will be accepted.

In areas of Sri Lanka where there is no appointed doctor on the panel of doctors reasonably accessible to the employee, the Company will accept medical certificates from any registered medical practitioner in that area. But in cases where the Company has reasonable doubt over the authenticity or credibility of a particular doctor, then the Company Medical Officer should refer to a company nominated specialist/consultant.

Whenever practically possible, all employees who need to take sick leave will provide prior notification and apply for such leave as much as possible in advance, unless the reason for the absence is one which could not have been foreseen.

22. MATERNITY LEAVE AND RETURN TO WORK POLICY AFTER MATERNITY LEAVE.

22.1 Criteria to return to work as a Cabin Crew Member when a female Crew member who has completed 3 years as a Cabin Crew member on permanent basis, becomes pregnant, subject to confirmation of pregnancy by the company doctor, she will have to cease all her flying duties and will have to choose one of the following options :

- Option 1 — transferred to Airport Service Delivery.
- Option 2 — Provided that there are vacancies or temporary assignments in any other department/division for a specific period, placement will be made solely at the discretion of the management, However, once the aforesaid assignments are over, they will be transferred and/or reverted back to Airport Service Delivery.
- Option 3 — 2 years no-pay leave will be granted as per Company policy, and there will be no bonding agreement involved. The no-pay period will not be taken for experience.

Following conditions will apply :

- * The Crew member shall return to her flying duties once the child attains the age of six months. (in case of staff opt to take the 2 year no-pay period, it will be on completion of the 2 year period) ;
- * To be within the height/weight ratio (using the current methodology) ;
- * The staff shall return to the original position held prior to pregnancy. She will be assigned to the first available Safety refresher programme ;
- * If the staff does not want to return back to flying duties, she will be permanently placed as a Airport Service Agent, or in any other area depending on the vacancies ;
- * When Cabin Crew are transferred to Airport Service due to pregnancy, they will be placed in the same grade, same designation ; but the job role will be that of an agent. However, their salary and non-flying benefits (this excludes flying allowance as well) will remain unchanged ;
- * An appropriate uniform will be given depending on the rank and file when grounded.

22.2 Cabin Crew who have not completed 3 years of service will be covered as per the Letter of Appointment.

23. RETIREMENT AGE

For all intents and purposes including the purpose of retirement, the date of birth given by the Employee at the time of appointment shall be the sole and conclusive date of their birth.

As per the Board decision dated 21st February, 2007, the retirement age for all cabin crew shall be 60 years provided the staff member is medically fit and his/her performance is satisfactory.

24. EMPLOYEE PROVIDENT FUND (EPF)

24.1 Contributions to the Central Government Employee Provident Fund (EPF) are mandatory for all Employees covered by this Agreement.

24.2 For locally employed Employees, the Company contribution rate shall be 15.0% of eligible monthly salary, and the Employee contribution rate shall be 10.0% of eligible monthly salary.

24.3 For the purposes of EPF contributions, eligible monthly salary for all Employees covered by this Agreement is a combination of monthly basic salary as defined in Section 8 of this Agreement plus any applicable personal differential allowance as defined in this Agreement and premium allowance as defined in Section 10 of this Agreement.

25. EMPLOYEE TRUST FUND (ETF)

25.1 Contributions to the Central Government Employee Trust Fund (ETF) are mandatory for all Employee covered by this Agreement.

25.2 For locally employed Employees the Company contribution rate shall be 3.0% of eligible monthly salary, and is non-contributory for the Employee.

25.3 For the purposes of ETF contributions, eligible monthly salary for all Employees covered by this Agreement is a combination of monthly basic salary as defined in Section 8 of this Agreement plus any applicable personal differential allowance as defined in this Agreement and premium allowance as defined in Section 10 of this Agreement.

26. END-OF-SERVICE GRATUITY.

26.1 All locally employed Employees are entitled to end-of-service gratuity benefits provided they complete five continuous years of service with the Company. No gratuity is payable if the Employee does less than five completed years of continuous service. Nor is any gratuity payable if the Employee has their services terminated for reasons of fraud, negligence or misconduct. The gratuity payment shall be in accordance with the Gratuity Act, No. 12 of 1983.

26.2 The end-of-service gratuity is 0.5 months of applicable salary for each completed year of service, and the applicable monthly salary is the final salary in issue on the last day of service, which shall be used to determine the full amount of the gratuity payable.

26.3 The applicable monthly salary for all Employees covered by this Agreement is a combination of monthly basic salary as defined in Section 8 of this Agreement plus any applicable personal differential allowance as defined in Section 8.6 of this Agreement and premium allowance as defined in Section 10 of this Agreement.

27. MEDICAL BENEFITS SCHEME.

27.1 All locally employed Employees are covered by medical benefits scheme which apply to all Cabin Crew in Grades C1—C5 inclusive, subject to the terms and conditions and exclusions of the medical benefits scheme as described in the medical benefits handbook, which may be amended at any time at the discretion of the Company and the Company will ensure that any changes are not less favourable.

27.2 The medical benefits scheme covers the Employee and Family, where Family coverage is defined to be for spouse and unlimited children who are unmarried and un-employed up to their 24th birthday.

27.3 Contributions per person covered are :

- (a) Employee : Rs. 100 per month
- (b) Spouse : Rs. 100 per month
- (c) Child : Rs. 100 per month.

However, the maximum contribution per person covered is Rs. 100 per month except for staff who are less than 10 years in service, staff has to pay and additional of Rs. 50 per month per family. Due to this additional payment of Rs. 50 per month, there will be no change to the current Hospitalisation package.

27.4 The main benefits of the medical scheme for all Cabin Crew are as follows :

(i) *Company Clinic Benefits :*

The Employee only (and not Family dependants) may use the company clinic free of charge without limit, and all medicines from the clinic are free-of-charge for the Employee.

(ii) *Panel of Doctors.*

The Employee and Family dependants may get consultations free-of -charge from the specified list of a panel of doctors, but any medicines from this panel of doctors is deducted from the limit for out-patient benefits. They should produce the Staff Company ID card or the Medical ID card issued by the Medical Centre for dependants.

(iii) *Out-Patient Treatment :*

For an employee with less than seven years of completed continuous service, the coverage for out-patient treatment is an annual overall total of Rs. 3,000 per annum per family.

For an employee with more than 7 years of completed continuous service the coverage for out-patient treatment is an annual overall total Rs, 3,000 per person, per annum.

For an employee with more than 25 years of completed continuous service, the coverage for out-patient treatment is an annual overall total of Rs. 4,000 per staff only. For qualifying family members coverage will be Rs. 3,000 per family member.

Benefits of one Family member may be used by another covered Family member within this overall limit per family per annum.

However any high-cost special investigations performed as an out-patient would be fully reimbursed by deducting instead from the limit for in-patient benefits.

(iv) *Dental Care :*

Included in the limit for out-patient benefits are treatments for dental care. This includes consultations free-of-charge from the Company-appointed dentist for the Employee and Family members, but any medicines and any costs of procedures will be deducted from the limit for out-patient benefits.

(v) *In-Patient Treatment :*

Coverage for in-patient treatment including hospitalisation for staff, is as follows :

For un-married staff — Rs. 100,000 per annum (For staff member only)

For married staff — Rs. 85,000 per annum (For staff member)

With regard to married employees, coverage for family members (spouse and children) is as follows :

Spouse — Rs. 65,000 per annum

Upto three (3) Children — Rs. 45,000 per annum per child

4th Child — Rs. 40,000 per annum.

The benefits of one Family member may be used by another covered Family member after appropriate medical evaluation by the Company Medical Officer (CMO).

For an Employee (and their Family) with less than ten years of completed continuous service, all in-patient bills are reimbursed at 80% within the limit for in-patient benefits.

For an Employee (and their Family) with more than ten years of completed continuous service, all in-patient bills are reimbursed at 100% in full within the limit for in-patient benefits.

However if the hospitalisation is in a Government hospital, then a supplemental allowance of Rs. 150 per day is paid for each day of such hospitalisation, and the cost of drugs and required investigations that are not available in the hospital will be paid up to the specified limits.

Further, if receiving inpatient treatment in a Government hospital paying section, the entire bill will be reimbursed within the maximum entitled limit for inpatient treatment. (To be discussed with the Company Medical Officer).

Standard Rooms — If standard room is not available, the existing conditions will be extended up to 48 hours.

(vi) *Maternity Benefits for Normal Births :*

A reimbursement of up to Rs. 5,000 for maternity expenses will be made to the spouse of an Employee for the first two births if the hospitalisation is in a Government hospital.

A reimbursement of up to Rs. 8,500 for maternity expenses will be made to the spouse of an Employee for the first two births if the hospitalisation is in a private hospital.

Above would be available only for the first 2 normal deliveries.

(vii) *Optical Care :*

Coverage for optical care benefits is Rs. 3,000 every two years for each person covered, which provides 100% full reimbursement for approved spectacles frames and lenses within this limit. Benefits of one Family member may not be used by another covered Family member.

(viii) *Medical Screening :*

On the request of the employee, who is 35 years of above, company will make arrangements to perform a comprehensive medical screening, free of charge at the Nawaloka Hospital or the Sri Jayawardenapura Hospital or any other hospital decided by the Company Medical Officer. This facility will be available only to the staff member (and not for any family members.).

(ix) *Critical care.*

Only for staff members a once if life time payment of up to Rs. 250,000 will be made for critical illnesses related to cardiac, renal and cancers. this payment will not be made to any other illness, and the Company Medical Officer will be the sole authority to decide the eligibility of any staff for this payment.

Once decided to make the payment, this amount will be released with or without clubbing the total family hospitalisation quota at the discretion of the staff member.

(x) *Laboratory Investigations.*

Expenses incurred against a single laboratory investigation of Rs. 1,500 or above, will be settled from the Hospitalisation quota.

A collection of laboratory investigations adding upto Rs. 2,500 or above in one invoice, will also settled from the Hospitalisation quota.

(xi) *Bills reimbursement period.*

The present procedure will remain un-changed as 31st January each year.

27.5 The Company is firmly committed to improving safety and to ensuring that safe work practices are in place to protect its employees, its customers and its equipment, and committed to an increased focus in this important area of safety and to providing the necessary training and awareness to all Employees, including advice on regular medical check-ups and advice on proper nourishment as prescribed by industrial medicine qualified doctors.

28. ACCIDENT INSURANCE BENEFITS

28.1 All locally employed Employees are insured by the Company through an existing insurance policy with the Sri Lanka Insurance Corporation Limited under a very comprehensive "Group Personal Accident/Illness and Travel Policy", for a capital-sum insured as follows :

<i>Grades</i>	<i>Capital-sum Insured</i>
C 4 - C 5	US \$ 30,000
C 3	US \$ 25,000
C 1 - C 2	US \$ 20,000
C 1 - C 2	US \$ 25,000 (w.e.f. 01 October 2008)

This coverage is subject to the terms and conditions and exclusions governing the policy. This policy may be amended at any time at the discretion of the Company, in consultation with the insurer, and the company will ensure that any changes are not less favourable.

28.2 The global coverage which operates 24 hours per day for accident insurance benefits is as follows :

(i) *Death*

Coverage for death from an accident is 100% of the capital sum-insured.

(ii) *Permanent Total Disablement*

Coverage for permanent total disablement resulting from an accident is 100% of the capital sum-insured.

(iii) *Permanent Partial Disablement*

Coverage for permanent partial disablement resulting from an accident is 100% of the capital sum-insured only for specific purposes of :

- * total and irrecoverable loss of sight of both eyes
- * total and irrecoverable loss of sight of one eye
- * loss of two or more limbs
- * loss of one limb

(iv) *Temporary Total Disablement*

Coverage for temporary total disablement resulting from an accident is :

- * 0.6% of capital sum-insured per week
- * subject to a maximum of 100% of average weekly salary

In nearly all cases, the maximum limit of average weekly salary per week (100%) comes into effect.

This temporary total disablement insurance starts after 14 days, and continues thereafter until 104 weeks. Thus the first 14 days is covered by Company policy for sick leave, and then this insurance comes into effect for temporary total disablement.

(v) *Temporary Partial Disablement*

There is no coverage for temporary partial disablement resulting from an accident.

29. ILLNESS INSURANCE BENEFITS

29.1 All locally employed Employees are insured by the Company through an existing insurance policy with the Sri Lanka Insurance Corporation Limited under a very comprehensive "Group Personal Accident/Illness and Travel Policy", for a capital-sum insured as follows :

<i>Grades</i>	<i>Capital-sum Insured</i>
C 4 - C 5	US \$ 30,000
C 3	US \$ 25,000
C 1 - C 2	US \$ 20,000
C 1 - C 2	US \$ 25,000 (w.e.f. 01 October, 2008)

This coverage is subject to the terms and conditions and exclusions governing the policy. This policy may be amended at any time at the discretion of the Company, in consultation with the insurer, and the company will ensure that any changes are not less favourable.

29.2 The global coverage which operates 24 hours per day for illness insurance benefits is as follows :

(i) *Death*

There is no coverage for death from an illness. However, whilst death from illness is not covered, it is instead covered by a scheme that provides benefits in the event of death due to natural causes (including illness) as described in Section 30 of this Agreement.

(ii) *Permanent Total Disablement*

Coverage for permanent total disablement by paralysis from an illness is 100% of the capital sum-insured.

(iii) *Permanent Partial Disablement*

Coverage for permanent partial disablement resulting from an illness of any kind is 100% of the capital sum-insured only for the specific purpose of total and irrecoverable loss of sight of both eyes.

(iv) *Temporary Total Disablement*

Coverage for temporary total disablement resulting from an illness is :

- * 0.6% of capital sum-insured per week
- * subject to a maximum of 75% of average weekly salary

In nearly all cases, the maximum limit of average weekly salary per week (75%) comes into effect.

This temporary total disablement insurance starts after 14 days, and continues thereafter until 104 weeks. Thus the first 14 days of a major illness is covered by Company policy for sick leave, and then this insurance comes into effect for temporary total disablement.

(v) *Temporary Partial Disablement*

There is no coverage for temporary partial disablement resulting from an Illness.

30. BENEFITS IN THE EVENT OF DEATH DUE TO NATURAL CAUSES

30.1 All locally employed Employees are covered through a scheme that provides benefits in the event of death due to natural causes, which pays a capital sum of 60 months applicable salary in the event of death due to natural causes, and applies 24 - hours per day with global coverage, subject to the terms and conditions and exclusions governing the scheme. This scheme may be amended at any time at the discretion of the Company, and the company will ensure that any changes are not less favourable.

30.2 For the purposes of this scheme which provides benefits in the event of death due to natural causes, the applicable monthly salary for all Employees covered by this Agreement is a combination of monthly basic salary as defined in section 8 of this Agreement plus any applicable personal differential allowance as defined in Section 8.6 of this Agreement and premium allowance as described in Section 10 of this Agreement.

31. GROUP TRAVEL INSURANCE ON COMPANY BUSINESS

31.1 All locally employed Employees are insured by the Company through an existing insurance policy with the Sri Lanka Insurance Corporation Limited under a very comprehensive "Group Personal Accident/Illness and Travel Policy", subject to the terms and conditions and exclusions governing the policy. This policy may be amended at any time at the discretion of the Company, in consultation with the insurer, and the company will ensure that any changes are not less favourable.

31.2 This "Group Personal Accident/Illness and Travel Policy" provides group travel benefits for the Employees whilst travelling on business for and on behalf of the Company in respect of journeys which extend beyond the confines of Sri Lanka as follows :

- * medical expenses of upto US \$ 10,000
- * loss of money insurance of upto US \$ 1,000
- * personal liability insurance of upto US \$ 500,000
- * loss or destruction of or damage to baggage of upto US \$ 1,000
- * funeral and repatriation expenses of upto US \$ 350.

31.3 These group travel benefits also apply to Family members of the Employee including spouse and children (excluding children over age 16 years) and parents, whilst officially accompanying the Employee on business duty-travel at the specific and prior request of the Company.

32. WORKMEN'S COMPENSATION

32.1 All locally employ Employees have the benefit of the statutory "Workmen's Compensation Ordinance", subject to the terms and conditions and exclusions specified in the Ordinance.

32.2 However, where any payments are made to an Employee under the terms and conditions of the Workmen's Compensation Ordinance, then such payments will be deducted from any other payments due from the Company under other benefits and insurance policies described in Sections 28-29 inclusive of this Agreement.

33. STAFF TRAVEL BENEFITS AND CONCESSIONS

33.1a All Cabin Crew shall be entitled to one set of Privilege travel FOC Sub-load ticket on sub load basis for Employees and dependents per annum. (Set of ticket defined as 33.3)

33.1b All Cabin Crew shall be entitled to one set of Concessional travel FOC Sub-load ticket on sub load basis for Employees and dependents per annum

Unmarried staff - Self + 2 dependants

Married staff - Self + 3 dependants

33.2 All Cabin Crew shall be entitled to Concessional travel Sub-load ticket on the basis of ID90s for Employee and their registered dependents.

33.3 A set of tickets is defined for an Employee as :

- * For a single Employee it means the Employee plus two dependants
- * For employees with up 2 children it means Employee plus spouse plus 2 children
- * For employees with 3 or more children it means the Employee plus spouse plus 3 children

33.4 the standard list of qualifying dependants is :

- * Spouse
- * Children (under age 24, and should be un-employed)
- * Parents
- * Brothers or Sisters (under age 24, and should be un-employed)

33.5 Validity period of the privilege set of tickets granted to employees in a current year will be extended up to 31st December the next year. There will not be any further extension.

33.6 Staff who resign/retire after completing 13 years of continuous service in the company in permanent employment will be entitled to 5 sets of FOC tickets on UL services, one set of tickets per year. These tickets will not be allowed to carry forward.

33.6a Staff who resign/retire after completing 15 (or more) years of continuous service in the company in permanent employment will be entitled to free FOC tickets as per current staff travel policy.

33.7 *Travel for near relatives* - Company may time to time announce (usually during off-peak periods), UL sectors where seats are available to be utilised by near relatives of permanent employees. Near relatives are as defined in the company policy.

33.8 A detailed staff travel policy document has been circulated to all divisions and departments of the Company, and is available in the Company Internet. The Company will ensure that changes that are less favourable than the existing will not be made to the current staff travel benefits.

33.9 All staff in grade C5 (Purser/Senior Purser) who have served for 15 or more years as a cabin crew will be entitled to upgrading facility ("UPGRADE TO C/CL IF SEATS AVAILABLE"). This will apply to privilege/concessional FOC set of tickets for employees and their qualifying dependents.

All enhancements will be effected from the date of signing the Agreement.

34. FUTURE PROMOTIONS

34.1 It is intended that all future promotions will be job related subject to job vacancies, and selection of the person to be promoted will be based upon an appropriate combination of factors including seniority, qualifications, merit, performance and job requirements. This principle is accepted by all parties.

34.2 If an Employee is promoted to the next higher grade, the Employee will receive an increase of 4.0% on their existing monthly basic salary. However, if after this 4.0% increase the resulting basic salary is still lower than the minimum of the salary scale for the new grade, then the basic salary shall be further increased to that minimum level.

34.3 In order for an Employee to be considered for promotion to a higher grade, then the minimum job requirements of that higher grade must be met in keeping with the promotion and recruitment procedures of the Company. Any such promotions are subject to budget and/or operational requirements and availability of vacancies.

34.4. Recruitment policy of the company would be the guideline document for all promotions.

35. TRAINING

35.1 The Company will endeavour to ensure that all Employees are adequately and properly trained to perform all of their required job functions.

35.2 In addition, the Company will provide training opportunities wherever possible and operationally practical for career advancement. The philosophy of the Company is to give preference to internal candidates for promotional vacancies.

35.3 The selection of an Employee to attend a training course will be based upon an appropriate combination of factors including seniority, qualifications, merit, performance, current job requirements and future job/career requirements.

35.4 Training programmes will be published for a period of 14 days, prior to the training programme. In the event there is less than 14 days, Inflight Management will endeavour to inform all cabin crew members of the relevant category who are present in Colombo, by inserting necessary documents into their lockers, using notice boards and the crew web. In the event there are more candidates than the available slots, there after adhere to 35.3.

35.5 All existing applicable bonding policies of the Company will continue to apply to all Cabin Crew.

35.6 Purser and Cabin Supervisors to be granted a minimum of two (2) career development training per annum. This training will be in addition to the standard cabin crew annual training.

36. BONDING

36.1 At the discretion of the Company, if an Employee is trained by the Company then they may be required to enter into a bonding agreement which states, amongst other things, that they remain in the service of the Company for a stipulated period of time. The Employee may be asked to provide upto two guarantors to this bonding agreement.

36.2 If an employee is dismissed from service or resigns during the subsequent bonded period as specified in the bonding agreement, then the Employee or their guarantors will be liable to pay liquidated damages to the Company within 14 days of termination of employment.

36.3 If an Employee who has been dismissed or has resigned is subsequently unable to pay liquidated damages then there will be a surcharge by way of interest at the rate of 30% compound per annum for the period during which the sum due under the bonding agreement remains unpaid.

37. DISCIPLINARY INQUIRY PROCEDURE

All Cabin Crew will be governed by the Disciplinary Procedure of the Company. The Company shall endeavour to complete all disciplinary inquiries within a period of 3 months from the serving of the charge-sheet. This time-limit shall not apply to cases of fraud and such matters which need to be investigated by outside agencies, departments and such like.

A crew member will not be taken off flying duties unless he/she has been served with a charge sheet. All punishments meted to Cabin crew shall be in keeping with the Company Disciplinary Procedure.

Inflight Management will have the discretion to take off a staff member from flying duties depending on the nature of the incident and will be in a position to justify to the FAU, the reason for grounding.

38. GRIEVANCE AND DISPUTE PROCEDURE

In the event of any general dispute or general grievance between an Employee or Employees and the Company arising from the CBA document, the following procedure shall be followed for the settlement of such general dispute, or in resolving such general grievance.

- (a) The Employee (or a representative from the FAU) should normally, in the first instance, discuss the dispute or grievance with their immediate Manager or in their absence the Manager Inflight Service Delivery who will arrive at a satisfactory solution in respect of the grievance or dispute within a period of 14 days from the date of initial discussion. The outcome of the said discussion should be communicated in writing to the FAU and/or to the employee within the said period of 14 days.
- (b) If the grievance or dispute is not satisfactorily resolved, to the satisfaction of the employee, then the Employee (or a representative from the FAU) may discuss the matter with the Manager Inflight Service Delivery, and parties will endeavour to arrive at a satisfactory solution in respect of the grievance or dispute within a period of 07 days. The outcome of the said discussion should be communicated in writing to the FAU and / or to the employee within the said period of 07 days.
- (c) In the event of a grievance or dispute not being resolved at the level of the Manager Inflight Service Delivery, the issue in dispute will then be discussed by the Employee (or a representative from the FAU) with the Head of Human Resources (or his representative), and parties will endeavour to arrive at a satisfactory solution in respect of the grievance or dispute within a period of 07 days. The outcome of the said discussion should be communicated in writing to the FAU and/or to the employee within the said period of 07 days.
- (d) The Company shall at all times (in the meetings mentioned in a, b & c) be represented by person/s who will be vested with authority to take action and/or decision in relation to the matter in dispute.
- (e) If no satisfactory solution is arrived at, after following the steps outlined above then the issue in dispute will be discussed with the Senior Management. At such discussion, the number of representatives on each side shall not exceed four (4). The Head of Human Resources will arrange such discussions within three (3) days of a request made by the FAU. The Senior Management having regard to the outcome vested in them will arrive at a satisfactory solution in respect of the grievance or dispute within a period of 07 days. The outcome of the said discussion shall be communicated in writing to the FAU and/or to the employee within the said period of 07 days.

- (f) The FAU representation, which wishes to discuss any matter with the Head of Human Resources, will do so only by prior to appointment save and except where the matter is very urgent.
- (g) The Company when informing the Employee or the representative of the FAU with regard to the decision or the steps taken in relation to the matter in dispute will at all times material inform the FAU or the Employee concerned in respect of the steps taken to resolve the matter in dispute in its entirety or in part.
- (h) Both parties do hereby agree that steps set out in the above paragraphs shall be concluded within 45 days of the Grievance/dispute being raised and the said period of 45 days shall be considered a mandatory period to be followed.
- (i) Both parties do hereby agree that in the event the matter in dispute remaining unresolved even after affecting the steps set out in paragraphs (a) – (e) by consenses the said matter shall be by mutual consent, be referred to voluntary Arbitration in terms of Section 3 (1) d of the Industrial Disputes Act for Settlement. The FAU retains the right to be represented by an attorney-at-law at such arbitration proceedings.
- (j) If both parties agree to arbitration they shall agree on a statement of the matter in dispute and if there is no agreement on such statement they shall request the Commissioner of Labour to determine the statement of the matter in dispute after affording the parties an opportunity to state their case in regard to the statement of the matter in dispute. If the parties are unable to jointly nominate an Arbitrator he shall be nominated by the Commissioner of Labour.
- (k) An award made by an Arbitrator in a voluntary arbitration referred in Sub-section (i) above hereby shall be final and binding on the parties, save and except on the grounds that the finding is perverse or not consistent with the available evidence.
- (l) The above provisions will not preclude either part from seeking relief in a civil court even without any reference to what is set out in paragraphs (a) – (k).

39. SIGNATURES OF AGREEMENT

39.1 This settlement is signed in Colombo on 27th February, 2008 and witnessed as follows:—

39.2 *For and on behalf of the Company:*

Mr. VIPULA GUNATILLEKA,
Chief Financial Officer,
Sri Lankan Airlines Limited.

Mr. NIGEL O'SHEA
Head of Service Delivery.
Sri Lankan Airlines Limited.

PRADEEPA DAHANAYAKE,
Head of Human Resources.

Mr. M. M. ALI KAMIL
Senior Manager Human Resources

Mr. RASHMORE FERDINANDS,
Manager Inflight Service Delivery.

For and on behalf of the Union :

Mr. IAN ANANDAPPA,
President.

Mr. DION JANSZ,
General Secretary.

Mr. MOHAMED FALIH GAFOOR,
Treasurer.

Annexure "A"

BENEFITS GRANTED TO CABIN CREW ON CONTRACT BASIS

* Basic Salary	Rs. 16,255 p.m. (Minimum of C1 salary scale)
* Annual Increment	Same benefit as permanent staff
* Tea allowance	Rs. 350/- p. m.
* Warm Clothing allowance	USD 150 per year
* Foreign Language allowance	Rs. 5,000 p. m. per foreign language
* Leave entitlement per annum	

	<i>Annual Leave</i>	<i>Casual Leave</i>	<i>Medical Leave</i>
1st year	Nil	1/2 day per each completed month	14 days
2nd year	21 days	7 days	14 days

* Medical Benefits	As per permanent staff benefits
* Travel Benefits	One set of privilege FOC tickets on sub load basis One set of concessional FOC tickets on sub load basis
* Attendance Incentive	Not applicable

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