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PART I : SECTION (I) – GENERAL

Government Notifications

My No.: CI / 487.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between, Bata Shoe Company of Ceylon Ltd., No. 100, General Sir John Kotalawala Road, Ratmalana of the one part and Wanija Ha Karmika Sewaka Sangamaya, No. 17, Barracks Lane, Colombo 02 of the other part on 14th December, 2006 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

Department of Labour,
Labour Secretariat,
Colombo 05.
27th February, 2008.

D. SOMAWEERA EDIRISINGHE,
Commissioner General of Labour.

Collective Agreement No. 55 of 2007

This Collective Agreement made this Fourteenth day of December two thousand and six, pursuant to the Industrial Disputes act between the Bata shoe Company of Ceylon Limited, having its registered office at No. 100, General Sir John Kotalawala Road, Ratmalana (hereinafter referred to as “the Company”) of the One Part and the Wanija Ha Karmika Sewaka Sangamaya, a Trade Union duly registered under the Provisions of the Trade Unions’ Ordinance Act and having its registered office at No. 17, Barracks Lane, Colombo 02. (hereinafter referred to as “the Union”), of the Other Part.

WITNESSETH and it is hereby agreed between the parties as follows : -

TITLE : This Agreement shall be known and referred to as the Bata Manual and labour workforce collective Agreement 2005.

PART – 1

Containing terms and conditions of Employment and matters incidental thereto or connected therewith :

1. **Employees' to be Covered and Bound.**– This Agreement shall cover and bind only members of the Union who are employed in a manual or labouring capacity by the Company but will not be applicable to employees employed in such capacities who are on probation or are employed by the day or by the job or by the journey.

2. **Date of Operation and Duration.**– This Agreement shall be effective as from the First day of August 2005 and shall thereafter continue in force unless it is determined by either party giving six months notice in writing to the other, provided that neither party shall give such notice to the other party before the first day of January 2008 and such notice shall not expire until 31 st July 2008.

3. **Authorised Version.**– In the event of any dispute regarding the interpretation of this Agreement as between the English and Sinhala versions, the English version shall prevail.

4. **Matters Covered and Variation of Terms and Conditions of Employments or Benefits.**– (a) This Agreement shall be in full and final settlement of all matters covered herein and in the event of any conflict or inconsistency between matters provide for in this Agreement and any pre-existing terms of practices, the terms of this Agreement shall prevail.

(b) The Union and its members shall not, during the continuance in force of this Agreement, seek to vary, alter or add to all or any of the terms and conditions of employment or benefits presently applicable to or enjoyed by any of the employees covered and bound by this Agreement, whether such terms and conditions are provided for in this Agreement or otherwise, other than by mutual Agreement.

(c) The Company agrees that during the continuance in force of this Agreement it shall not vary, alter or withdraw all or any of the benefits presently enjoyed by the employees covered and bound by this Agreement other than by mutual agreement, except to the extent that such benefits have been modified by the terms of this Agreement.

(d) Any dispute or difference under the provisions of sub-clause (b) or (c) but excluding a dispute arising from the termination of the Services of an employee may be resolved by voluntary arbitration only if both parties to this Agreement agree to submit such dispute or difference for settlement by voluntary arbitration. In the event of either party not agreeing to voluntary arbitration no application shall be made by either party to have any dispute referred for settlement under Section 4 (1) or (2) of the Industrial Disputes Act 1950 (as amended) in relation to any matter referred to in sub-clause (b) and (c) except a dispute arising from the termination of the service of any employee.

5. **Standing orders .**– On any matter not expressly provided in this Agreement, the employee shall be bound by the Standing Orders and Rules of the Company in force from time to time and such Standing Orders and Rules shall be deemed to form a part and parcel of the contracts of employment of each employee.

6. **Wages.** – (1) (a) The Company will continue to pay by results according to the prevailing system of standard production wage basis which contains incentives for employees and as from the first day of August 2005 shall pay in terms of Schedule A hereto.

(b) All standard production wages are determined by the Company using scientific work study methods and it is agreed that all such figures and the Company standard production wages rates shall be treated at all times as Company's confidential information which shall not be divulged to outsiders.

(c) As all standard production wages have been determined with reference to the present methods of work, present machinery and equipment, the same may be changed by the Company when there is a change in the content of work, in machinery, material used, in equipment, in work layout, supply of work handled or other circumstances under which the employee can deliver the required output.

(d) When an employee is put on a new operation, the employee affected will be guaranteed his past average earnings for the next four weeks during which period the employee is required to achieve the standard output as per training programme. The past average earnings mean : earnings for the last four weeks immediately preceding, excluding overtime and other extra payments. If the earnings are below his minimum basic wage he will be paid between the Minimum and the Maximum as an average.

(e) Employees who as at the date of this Agreement are on weekly fixed wage scales, shall as from the first day of August 2005 be paid on the wages scales setout in schedule B hereto.

- (f) Employees who as at the date of this Agreement are on monthly fixed wage scales shall as from the first day of August 2005 be paid on the wages scales setout in schedule C hereto. Employees in the Engineering Grade who as at the date of this Agreement are on monthly fixed wage scales shall as from the first day of August 2005 be paid on the wage scales setout in Schedule D hereto with the relevant conditions laid in the Schedule DD.
- (g) If as a result of power failure, machine breakdown or lack of raw materials which is not the direct or indirect result of the action or conduct of any employee or an employee on standard production wages or otherwise is unable to achieve his basic minimum wage, his earnings will be made up to his daily minimum basic wage. The Company shall guarantee basic minimum wage, except in the event of trade union action, such as strikes or go - slow, refusal to work, disrupting work whether such action is on written notification or otherwise and the employees in such situations will only be entitled to a basic minimum wage calculated up to the actual number of hours they have worked.
- (h) Every employee is expected to achieve the Standard Output in terms of the Standard Production Minutes System which is part and parcel of the contract of employment.
- (ii) (a) To correct any incorrect standard production minutes of any operation, prevailing at present, the Company will use work study methods to establish Standard Production Minutes. In the event of the established Standard Production Minutes cannot be achieved with the combined or single operations, with maximum production done in that department so far, the maximum production done in that department or other department for same or similar operations will be considered to establish standard production minutes.
- (b) All employees, if they so wish will be allowed to earn up to 120% standard production wage basic.
- (c) In the event of an employee earning over 120% of standard production wage basis he/ she shall not be entitled to any payment for production over the 120% limit and the standard production minutes of the operation will be identified by the Company to be wrongly established. The Company shall re-study such operations with the view to establishing and implementing correct standard production minutes.
- (d) The above shall constitute the usual production process in the Company and not be subject to any negotiation or review in future.
- (e) It is agreed between parties that with the wages and production process being amended as aforesaid the red circle rates will be eliminated.
- (iii) **Shift Allowance.** -
- (a) The shift allowance payable to employees who work on shifts shall be 12 1/2% of their earnings for the second shift and 15% of their earnings for the third shift.
- (b) Earnings for this purpose shall mean an employee's earnings in terms of Schedules A, B, C and D hereof as the case may be.

7. Non - Recurring Cost of Living Gratuity. - (a) Each employee covered and bound by this Agreement shall be paid a Non - Recurring Cost of Living Gratuity in April each year in respect of the preceding twelve months (1st April to 31st March hereinafter referred to as the "Qualifying period") commencing from April 2006 ascertained in accordance with the under - noted formula :

THE FORMULA

- (a) If the average of Colombo consumers price index figure for the qualifying period exceeds 750.0 points in the first year, second year and the third year in the case of employees paid in accordance with Schedule 'A' and 850.0 points in the first year, second year and the third year in the case of employees paid in accordance with schedules B, C & D a sum computed at Rupees 2/- (two) for each completed point (ie 1.0).
- (b) The Non - Recurring Cost of Living Gratuity shall also be payable to an employee who is in employment only during part of the qualifying period, either by virtue of the fact that he joins the Company's services during the qualifying period or is not in the Company's services when the Non-recurring Cost of Living Gratuity becomes payable in April of any year. In the case of such employees their Non- Recurring Cost of Living Gratuity shall be calculated on the basis of Rupees Two (Rs. 2/-) for each completed point by which the average exceeds the base index figure 750.0 first year second year and third year or 850.0 first year, second year and third year during the months in which such employees were in employment.

8. **Casual Leave.**—

- (a) An employee covered by this Agreement shall, in respect of each year of employment during which he has been continuously in employment, will be entitled to take on account of private business or other reasonable cause including ill - health, if the Employee's entitlement of sick leave has been fully utilized, seven (7) days casual leave with remuneration.
- (b) not more than two (2) days' casual leave shall be taken on consecutive days at any time except where such leave is on the grounds of ill- health. Any casual leave availed of on the ground of ill health shall be subject to the provisions relating to sick leave in this Agreement.
- (c) No employee shall be entitled to casual leave immediately preceding or immediately following any period of annual leave.
- (d) In respect of any employees first year of employment, excluding any period of probation, his casual leave shall be computed on the basis of one day for each completed period of two months service.
- (e) Casual leave will normally be granted on application without the Employee being required to state the reason for the application. Where the Company finds it difficult to grant an application for casual leave, its 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 Company may decide whether it is reasonable in the circumstances to grant him casual leave.
- (f) An employee shall make his application for casual leave 24 hours in advance.

9. **Sick Leave.** - (a) In any one year, an Employee shall be entitled to sick leave with remuneration not exceeding twenty one (21) days. Provided that -

- i. his illness is supported by a certificate from a registered medical practitioner and the leave is recommended by the Company Doctor ; and
- ii. the Employee has been in the company's service for not less than six months immediately preceding such leave.
- (b) In the first year of employment an employees sick leave entitlement shall be computed on the basis of two working days for each completed period of two months service.
- (c) An employee substituting for another employee who is on maternity leave shall whenever necessary be re - assigned to the work he/ she was performing before the assignment or work in a similar grade job on the return of the employee from maternity leave. On re - assignment of his/ her previous job, the employee will be paid the standard production wage rates earned.
- (d) An employee will be permitted to avail himself of Sick Leave unsupported by a Medical Certificate subject to the following provisions :
 - i. The period in respect of which such unsupported Sick leave will be allowed shall not exceed one day.
 - ii. The number of occasions on which such unsupported Sick Leave shall be allowed in any one year shall not exceed five occasions.
 - iii. Where an employee has on five occasions in an year availed himself/ herself of Sick Leave unsupported by a Medical Certificate, any further Sick Leave in that year shall be covered with a Medical Certificate and he shall inform the company of his inability to report for work before the end of his shift (other than third shift employee who shall inform of his inability to report for work before the end of the general shift immediately following) if this procedure is not followed either in respect of the submission of a valid Medical Certificate or informing the Company as aforementioned, his absence will be unauthorised and will be without pay.

10. **Annual Leave.** -

- (a) An employee will be entitled to annual leave in terms of the decisions of the Wages Board for the Tanning, Footwear and Leather Goods manufacturing Trade subject to the *sub - clause (b)* hereunder.
- (b) The Company shall be entitled to calendar 10 days of the said annual leave on consecutive working days during any year depending on the need to do so.
- (c) The balance annual leave, if any, may be availed of by an employee at times convenient to both the employee and the Company.

11. **Holidays.** -

- (a) The holiday with remuneration allowed each year shall be those listed in the Company's Standing Orders and Rules and/or prescribed by the Wages Board decision for the Tanning, Footwear and Leather Goods Manufacturing Trade.
- (b) The Company will be entitled to call upon an employee to work on any such Holiday and the employee shall be liable to perform such work unless he/she furnished the company with a reasonable excuse personal to him.

12. **Provident Fund.** -

- (a) The Company shall contribute 12 percent and each employee 8 percent of an employee's earnings each week or month, as the case may be, to the Provident Fund.
- (b) Earnings' for this purpose shall mean only the earnings of an employee in terms of Schedule A, B, C, D and E hereto.

13. **Bonus.** -

- (a) The Company will pay to each employee a Bonus equivalent to one and half months (1 1/2) (1/ 12 th of the Gross Earnings).
- (b) In computing the Bonus Twelve months period will be :
 - i. In case of weekly paid employees the 52 week ending with week 44 of the year in which the Bonus is paid.
 - ii. In the case of monthly paid employees twelve months ending on 31 st October of the year in which the Bonus is paid.
 - iii. For above calculation 1/ 12th of Provident Fund deductible income should be taken (excluding) overtime non - recurring cost of living gratuity, Night Shift Allowance and other extra payments.
 - iv. The Union agrees that they shall not raise a dispute on the payment of any Bonus which is stated in the Collective Agreement.
- (c) The Cross earnings, excluding overtime, Non - Recurring Cost of Living Gratuity and other extra payment for the 52 weeks period in the case of standard production wage earners will be computed thus :

All earnings for the bonus year less overtime, Non - Recurring Cost of Living Gratuity, Shift Allowance and other extra payments will be aggregated and divided by the total of the number of days in which the employee had actually worked and the number of days on which he had been on paid leave during the bonus year. The portion will be a days average earnings of the employee. Provided that if a day's average earnings of an employee is less than 1/ 16 th of the Minimum Basic wage, then the Minimum Basic Wage will be deemed to be a day's Average earnings of that employee for the purpose of computing bonus. The gross earnings for the bonus year will be a day's average earnings multiplied by the total number of days on which the employee had actually worked plus the number of days on which he had been on paid leave during the bonus year.

14. **Grievance Procedure.** -

- (a) Any employee is free to make representations to the Management in respect of an individual grievance, dispute or other matter and the procedure for settling the same is as follows :
 - i. In the first instance, the matter shall be discussed with the department Supervisor.
 - ii. If the matter is not settled by the departmental Supervisor, the employee may then, together with a Branch Union Committee Member in the employees department, discuss the matter with the Group Supervisor who may, if he thinks it desirable, discuss the matter or refer same to the Factory Superintendent.
 - iii. In the event if the matter not being satisfactorily settled at stage (ii), the employee may together with a Branch Union representative discuss the matter with the Factory Manager.
 - iv. In the event if the matter not being satisfactorily settled at stage (iii), the matter may be submitted in writing to the Personal Manager.

v. In the event if the matter not being satisfactorily settled at stage (iv), the Branch Union may make an appeal to the Managing Director or his deputy in his absence.

vi. If no settlement is reached and the dispute related to any term or condition of employment or benefit, Clause 4 hereof shall apply.

(b) The Branch Union is free to make representations to the Management in respect of any grievance or other matter affecting the employees covered and bound by this Agreement generally and the procedure for settling the same shall be as follows :

i. The Branch Union shall submit the matter in writing to the Personnel Manager for settlement.

(ii) In the event of the matter not being satisfactorily settled at stage (I) above, the Branch Union may make an appeal to the Managing Director.

(iii) In the event of there being no satisfactory settlement after following (ii) above, the Union may make representations to the Employer's Federation of Ceylon and thereafter to the Commissioner of Labour.

(iv) If notwithstanding of the above no settlement is reached and the dispute related to any term or condition of employment or benefit, whether covered by this Agreement or otherwise, Clause 4 hereof shall apply.

15. **Warnings and Communications.**-(a) If in the opinion of the Company an offence warrants a warning the same shall be conveyed to the employee by a letter.

(b) An Employee who refuses to accept of a written communication by the Company shall be liable to disciplinary action.

16. **Purchase of Leave .-** (a) In respect of 2005 and subsequent years the Company will pay each employee a sum of money representing one day's basic minimum wage for each day of sick and casual leave not availed of by an employee, out of his sick and casual leave entitlement in respect of that year.

(b) This payment in respect of any particular year will be made on or before 31 st January of the succeeding year.

(c) Notwithstanding the provisions of clause 9 hereof, where an employee has taken 14 days of his 21 days of Sick leave, 25% of his Annual Bonus will be paid.

In addition to above (16-c) - If an employee has additional 7 days leave made up of both Sick and Casual totaling up to 14 days, will be paid 50% of his Annual Bonus.

17. **Retirement.**-(a) On reaching the age of 60 years in the case of males and 50 in the case of females an employee shall *ipso facto* retire and cease to be employed and there shall be no obligation on the employer to give the employee any notice of retirement.

(b) For the purpose of determining the retirement age of an employee the date of birth as set out in the employee's Birth Certificate shall apply and, in its absence, the age shown in the National Identity Card. In the event of both the Birth Certificate and National Identity Card not being available the age as declared by the employee to the Company is the Official application form for employment shall determine the employee's age for the purpose of retirement.

(c) The Company may in its sole and absolute discretion offer temporary employment to an employee after his retirement on terms and conditions mutually agreed upon between the Company and the employee.

18. **Suspension.**-

(a) An Employee may be suspended without pay by an Company ;

- (i) Pending an inquiry to be held by the Company on a charge or charges of misconduct which warrants dismissal ;
- (ii) In order to avoid a breach of the peace or damage to the property or disturbance of the business of the Company ;
- (iii) as a punishment for misconduct for a period not exceeding seven (7) working days after due inquiry.

(b) At the time of suspension under Sub-clause (a) (i) hereof or within twenty four (24) hours thereof the Company shall provide the employee with a written order or letter of suspension specifying the reason for such suspension, and thereafter hold an inquiry into the charge or charges against him, if the Management considers it necessary to establish the guilt or innocence or the accused.

(c) If the Company after such inquiry makes order that :

- (i) The employee shall not be dismissed, then the employee shall resume work forthwith and shall, subject to sub-clause (a) (iii) hereof be paid all wages and entitlements due during the period of suspension irrespective of any other punishment less than dismissal that may be imposed by the Company on the findings as to the charge or charges against the employee.
- (ii) The employee shall be dismissed, the employee's dismissal shall take effect as from the date of his suspension and accordingly he shall not be paid for the period of such suspension.
- (iii) In view of the seriousness involved in the nature of the charge or charges against the employee, the Company 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 inquiries and the matter is therefore referred to the police or other authorities or in view of the seriousness involved in the nature of the charge or charges preferred against the employee, the matter has been previously referred to the Police or other authorities for investigations or inquiries and that the outcome of such investigations or inquiries be awaited then in either of such circumstances the employee shall be suspended without pay.

(d) If in any case where an employee is suspended as provided for herein the Company fails to make an order under paragraph (I) to (iii) 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 his normal wages for the period of thirty (30) days from the date of such suspension and to his full wages for the period of suspension in excess of thirty (30) days up to the date on which the Company makes an order under paragraph (I) to (iii) of the preceding Sub-clause, irrespective of the outcome of the inquiry.

(e) Suspension under sub-clause (a) (ii) hereof may continue for so long as the employee's continuance in employment with or is likely to be undesirable to be prejudicial to the proper investigation of the charges or the employer carrying on his business.

19. Non Union Activities .- The Union undertakes not to interfere in any of the following matters :

- (a) Social functions organised by the Company
- (b) Welfare services organised or sponsored by the Company
- (c) Other activities which are directly or indirectly sponsored by the Company
- (d) Matters that do not concern in membership

20. Trade union Action .- The Union and the employees covered and bound by the agreement agree that during the continuance of this Agreement or any renewal thereof, they shall not engage in any strike, go slow, boycott, demonstration or any other form of trade union or collective action in respect of any industrial dispute between the Company and the employees or the Company and the Union whether or not such dispute is related to this Collective Agreement.

21. Overtime .- If required by the Company, an employee shall work reasonable overtime which has been authorised by the Company. Refusal to work reasonable overtime in the absence of a satisfactory explanation which is personal to the employee and acceptable to the Company shall constitute misconduct for which the employee shall be liable to disciplinary action.

22. Employees transfers .- (a) The provisions of this clause shall apply only in the event of a transfer within a department or to another department arising in consequence of a reduction in production or the elimination of a particular operation thus resulting in excess staff on that particular operation.

- (b) The term "transfer" used herein shall have the meaning assigned to it in 'a' above.
- (c) Where the proposed transfer is for a period less than three months, the Company will first attempt to provide the employee with work in the same department and his production earnings will be paid.
- (d) If the Company cannot find work for him in the same department on another operation he has performed earlier, the most junior Operator will be transferred to another department where his production earnings will be paid.
- (e) If on a transfer within or outside his department he does not achieve his minimum basic wage except in the event of a deliberate "go slow".

- (f) In the event of a transfer, the employee's name, new operation and the period of his transfer must be submitted to the personnel department using the relevant form for each employee.
- (g) In the event of a permanent transfer of an employee from one operation to another operation the provisions of clause 6 (d) of the Collective Agreement will apply.
- (h) In effecting Transfers from one department to another
 - (i) The employee who is the most junior on the particular operation will be transferred irrespective of his service in the Company.
 - (ii) Notwithstanding (a) above where an employee to be transferred on the guidelines set out in (a) above has a minimum of twenty-five years service in the same department, though not on the same job, he will not be transferred and will be offered any one of the jobs he performed previously and the most junior person will be transferred instead.
- (I) Where due to the elimination of an operation an employee with a minimum of twenty five years of service in the same department is to be transferred, he will be given an alternative operation in the same department after a training programme of four weeks, with an average payment. If after the training programme he is found unsuitable, he will be transferred elsewhere he can be provided with work.

23. Leave on Occasion of death of Employee or Family Member.-

- (a) In the event of the death of an employee in service, Company will donate LKR 100,000/-
- (b) In the event of the death of a confirmed employee in service, leave will be granted in the following manner for attendance at the funeral of such deceased employee.
 - (i) Provided the distance to the place of the funeral is such that attendance at the funeral will require less than four hours, leave from work for a period not less than four hours will be granted to :
 - (a) Employee in the general shift in the department in which the deceased employee worked.
 - (b) An Employee from each department
 - (c) Three branch union officials, and
 - (d) An Officer from death relief Society

To attend such funeral without loss of pay provided however that if employees other than those specifically identified above also attend the funeral during working hours such employees shall cover up for the work time lost on this account on another day within a week without any claim for additional payment by way of overtime or otherwise.

- (ii) In the event of the place of the funeral being such that a period in excess of four hours is required for attendance, the Company will grant not less than nine hours of leave subject to the same conditions as given in (i) above.
- (iii) The question of distance of the place of a funeral will be decided by mutual agreement between the Management and the Branch Union.
 - (c) Transport Facility - Company agrees to grant LKR 10,000/- as transport facility.
 - (d) In the event of a death of a family member of a confirmed employee, the employee of the department in which such employee will be granted leave for a period depending on the distance of the place of the funeral but in any event not exceeding four hours which leave, such employees shall cover up by working in lieu without payment of overtime, on another day within a period on one week.
 - (e) For the purpose of (d) above, family member shall mean spouse, child, father, mother, mother-in-law, Father - in - law and unmarried brothers and sisters under eighteen years of age.

Employees' Wedding :

- (1) 1/2 day leave will be granted to the respective department and employees. It should be covered in the same week. Employees have to finalise the day that they cover the loss number of hours before they get half day.

PART II

Containing the Facilities and Concessions granted by the Company to the union

24. **Union Meetings.**- 1. 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 Company's premises, an application for permission shall be previously made to the Company at least 24 hours prior to the date of the meeting.
- (b) If the Company decides to grant permission, the Company shall be entitled to impose, *inter alia*, one or more of the under noted conditions :-
 - (i) That no person other than an employee of the Company shall be present at a meeting of the Branch Union ;
 - (ii) On occasions when parent union officials are granted written permission to attend a branch union meeting, the Branch Union shall obtain the written approval of the Company, for such official or officials who is or are to attend the meeting and shall furnish his name or names, address or addresses and the official capacity or capacities or such person or persons in the parent union.
 - (iii) On occasions such as the Annual General Meeting of the Branch Union, office bearers of the parent Union may with previous approval of the Company, shall attend ;
 - (iv) Fix a time limit within which a meeting of the Branch 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 the meeting of the Branch Union to the Company's property or any person at the Company's premises, and the Union shall indemnify the Company and keep the Company indemnified against any such damage.

2. The following provisions shall apply to meetings of the Executive Committee of the Union :-

- (a) Without prejudice to the right of the Company to refuse to grant permission if in its discretion the exigencies of the circumstances warrants permission or if in its discretion the exigencies of the circumstances warrants refusal, the Company will generally grant permission to three members of the Executive Committee, a day's leave for 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 Executive Committee.
- (b) For the purpose of Paragraph (a) above, the Union shall forthwith furnish the Company with a list of the employees covered and bound by the Agreement who are members of the Executive Committee and keep the Company informed of all changes therein which may be made from time to time. Subject to the amendments contained in this Agreement, the order of provisions contained in the original Collective Agreement shall continue to be in force.

25. **Duty Leave.**- Without prejudice to the right of the Company to refuse to grant permission if, in its discretion, the exigencies of the circumstances warrant refusal. The Company will generally grant permission for not more than three Office Bearers of the Branch Union :-

- (a) to be present at conferences held under the aegis of the Company or the Employer's Federation of Ceylon or the Department of Labour, in connection with a dispute between the Branch Union and the Company ;

OR

- (b) to attend before Industrial Courts, or Arbitrators at the sole discretion of the Company.

In respect of such absence office bearers shall receive their minimum basic wage.

26. **Domestic Inquiries.**-

- (i) An employee in respect of whom a domestic inquiry is held in respect of charges framed against him shall be entitled to request that a member of the union be present as an observer at the domestic inquiry.

- ii) The employee shall, at least forty eight (48) hours before the time appointed for the commencement of the inquiry submit to the Company the name of such Observer, and the Company shall allow an observer unless in the opinion of the Company the exigencies of business warrant refusal.
- iii) An Observer may answer any questions which the person who conducts the inquiry may ask him, but an Observer shall not be entitled to represent the Employee or otherwise partake in the inquiry.
- iv) 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.
- v) The absence of an Observer from the whole or any part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings there at, nor the findings pursuant thereto.

27. **Check Off.**– (i) During the continuance in force of this Collective Agreement and provided the Union has not less than 40 percent membership among the employees covered and bound by this Agreement, the Company shall on the written request of an employee deduct every month from the wages due to such employees the current union dues as specified by the employees to be payable by the employee to the union and remit the amount so deducted to the Union in accordance with the procedure and upon the subject to the conditions hereinafer set forth.

- (ii) Every employee, who agrees to the deduction of Union dues from his earnings, shall sign a statement to that effect in the form set out in Form No. 1 in Schedule F hereto and hereinafter referred to as an “Authorisation”.
- (iii) 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 in Schedule F hereto and hereinafter referred to as a “Revocation”.
- (iv) As far as practicable, deductions under an Authorisation shall commence from the wages due immediately after the date of receipt of such authorisation and shall continue thereafter until the authorisation is cancelled by a revocation.
- (v) As far as practicable, deductions under an authorisation shall cease from the date of receipt of a revocation cancelling such authorisation, provided, however –
 - (a) that Company shall not be liable in any manner whatsoever to the Union or the employee concerned for the failure to comply with sub Clause (iv) or (v) ;
 - (b) that in its discretion the in Company shall be entitled not to make deductions by way of check off for any period in which the deductions by way of check off together with all other deductions from the employee’s wages exceed the deductions permitted by law.
- (vi) The Company shall, not later than the fifteenth day of the month succeeding the month in which deductions have been made remit the Union dues deducted from the wages of employees to the Treasurer of the Union in accordance with the tenor of such authorisation, by a cheque payable to the Treasurer thereof and crossed ‘Account Payee’.
- (vii) The cheque shall be sent at the risk of the Union and the employees concerned, by post, in a prepaid envelope, addressed to the Treasurer of the Union at its address for the time being.
- (viii) The Treasurer of the Union shall promptly acknowledge receipt of the cheque.
- (ix) The Company shall not be liable to pay the to Union or to the Treasurer on its behalf as aforesaid any sum other than the Union dues actually deducted.

28. **Breaches of the Agreement by the Union and/ or its Members.**– If in the opinion of the Employer’s Federation of Ceylon the Union or its members have committed a breach of this Agreement, and in any such event the Union shall cease to be entitled to enjoy the facilities and concessions granted by the Company in Part II of the Agreement and the same shall stand withdrawn without prejudice to the Company’s right to restore such facilities and concessions upon such terms and conditions as the Company and the Employer’s Federation of Ceylon may decide.

29. **Cessation of Facilities.**– The facilities and concession in Part II of this Agreement shall *ipso facto* cease on the termination of this Agreement.

PART III

CONTAINING DEFINITIONS OF CERTAIN WORDS

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

Words	Meaning
Branch Union	The Branch Union of the Wanija Ha Karmika Sewaka Sangamaya in the Company.
Dispute	Shall have the same meaning as an Industrial Disputes in the Industrial Disputes Act (1950) as amended or in any act enacted by the National State Assembly to replace the Industrial Disputes Act subject to the provision that it shall not include a dispute involving the variation of this Collective Agreement or one which is in breach of it.
Union	The Wanija Ha Karmika Sewaka Sangamaya.
Employee	An employee covered and bound by this Agreement Words importing the masculine gender shall include the feminine. Words Importing the singular number shall include the plural and <i>vice versa</i> .

1. IN WITNESS WHERE OF the parties aforesaid have hereunto set their hand at Colombo, RAPHAEL JOHN MOLLO Managing Director of Bata Shoe Company of Ceylon Limited, DON NANDAKUMARA TILAKUMARA, Personnel Manager of Bata Shoe Company of Ceylon Limited, have set their hands for and on behalf of the said Company on the Fourteenth day of December Two Thousand and Six.

2. DEEPAL WIJAYARATNE, Industrial Relations Advisor of Employer's Federation of Ceylon, witness to the Signature of the said RAPHAEL JOHN MOLLO and DON NANDAKUMARA TILAKUMARA

3. IN WITNESS WHERE OF the parties aforesaid have hereunto set their hand at Colombo, NUGEGODAGE SARANAPALA DE SILVA, Secretary, Wanija Ha Karmika Sewaka Sangamaya, has set his hand for and on behalf of the said Union, on the Fourteenth day of December Two Thousand and Six.

4. Witness to the signature of the said NUGEGODAGE SARANAPALA DE SILVA

5. IN WITNESS WHERE OF the parties aforesaid have hereunto set their hand at Colombo, HEWA GAMAGE WIJERATNE President, Bata Branch of the Wanija Ha Karmika Sewaka Sangamaya, INASIGE JAYALAL SILVA Secretary of Bata Branch of the Wanija Ha Karmika Sewaka Sangamaya, have set their hands for and on behalf of the said Union on the Fourteenth day of December Two Thousand and Six.

5. Witness to the signature of the said HEWA GAMAGE WIJERATNE AND INASIGE JAYALAL SILVA.

[illegible][illegible]

2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
2019	2018	2017	2016	2015	2014	2013	2012	2011	2010

SCHEDULE B

WEEKLY FIXED WAGES (NRCOLG INDEX - 850 POINTS)

1 ST YEAR EFFECTIVE FROM 2005-08-01 TO 2006-07-31

	A	B	C
	SKILL	SEMISKILL	UNSKILL
1	2198.87	2167.68	2149.39
2	2221.54	2184.67	2164.10
3	2244.21	2201.64	2178.83
4	2266.84	2218.60	2193.52
5	2289.50	2237.86	2208.22
6	2312.18	2252.57	2222.91
7	2334.83	2269.80	2237.62
8	2357.48	2286.53	2252.32
9	2380.18	2303.53	2267.01
10	2402.82	2320.49	2281.73
11	2425.47	2337.49	2296.42
12	2448.14	2354.46	2311.14
13	2470.81	2371.41	2325.87
14	2493.45	2388.41	2340.58
15	2516.12	2405.38	2355.28
16	2538.76	2422.37	2369.99
17	2561.41	2439.37	2384.70
18	2584.11	2456.35	2399.39
19	2606.76	2473.34	
20	2629.42	2490.37	
21	2652.08	2507.35	
22	2674.73		
23	2697.39		
24	2720.05		
25	2742.72		
26	2765.39		
27	2788.03		
28	2810.69		
29	2833.36		
30	2856.01		

SCHEDULE B

WEEKLY FIXED WAGES (NRCOLG INDEX - 850 POINTS)

2 ND YEAR EFFECTIVE FROM 2006-08-01 TO 2007-07-31

	A	B	C
	SKILL	SEMISKILL	UNSKILL
1	2418.76	2384.45	2364.33
2	2443.70	2403.14	2380.61
3	2468.63	2421.81	2396.71
4	2493.53	2440.46	2412.87
5	2518.45	2461.64	2429.05
6	2543.40	2477.83	2445.21
7	2568.31	2496.78	2461.38
8	2593.23	2515.19	2477.56
9	2618.20	2533.89	2493.72
10	2643.11	2552.54	2509.91
11	2668.01	2571.24	2526.07

12	2692.95	2589.90	2542.26
13	2717.69	2608.55	2558.46
14	2742.80	2627.25	2574.63
15	2767.73	2645.92	2590.81
16	2792.64	2664.61	2606.98
17	2817.55	2683.30	2623.17
18	2842.52	2701.99	2639.32
19	2867.44	2720.67	
20	2892.36	2739.40	
21	2917.28	2758.09	
22	2942.21		
23	2967.13		
24	2992.05		
25	3016.99		
26	3041.92		
27	3066.83		
28	3091.76		
29	3116.69		
30	3141.61		

SCHEDULE B**WEEKLY FIXED WAGES (NRCOLG INDEX - 850 POINTS)****3 RD YEAR EFFECTIVE FROM 2007-08-01 TO 2008-07-31**

	A SKILL	B SEMISKILL	C UNSKILL
1	2418.76	2384.45	2364.33
2	2443.70	2403.14	2380.51
3	2468.63	2421.81	2396.71
4	2493.53	2440.46	2412.87
5	2518.45	2461.64	2429.05
6	2543.40	2477.83	2445.21
7	2568.31	2496.78	2461.38
8	2593.23	2515.19	2477.56
9	2618.20	2533.89	2493.72
10	2643.11	2552.54	2509.91
11	2668.01	2571.24	2526.07
12	2692.95	2589.90	2542.26
13	2717.69	2608.55	2558.46
14	2742.80	2627.25	2574.63
15	2767.73	2645.92	2590.81
16	2792.64	2664.61	2606.98
17	2817.55	2683.30	2623.17
18	2842.52	2701.99	2639.32
19	2867.44	2720.67	
20	2892.36	2739.40	
21	2917.28	2758.09	
22	2942.21		
23	2967.13		
24	2992.05		
25	3016.99		
26	3041.92		
27	3066.83		
28	3091.76		
29	3116.69		
30	3141.61		

SCHEDULE C

MONTHLY FIXED WAGES (NRCOLG INDEX - 850 POINTS)

1 ST YEAR EFFECTIVE FROM 2005-08-01 TO 2006-07-31

	A	B	C
	SKILL	SEMISKILL	UNSKILL
1	9454.73	9321.65	9242.36
2	9552.14	9394.74	9305.75
3	9649.51	9467.72	9368.98
4	9746.92	9540.83	9432.23
5	9844.30	9613.80	9495.61
6	9941.69	9686.92	9558.99
7	10039.09	9759.90	9622.20
8	10136.49	9833.01	9685.58
9	10233.86	9905.98	9748.82
10	10331.26	9979.08	9812.20
11	10428.66	10052.06	9875.44
12	10526.04	10125.19	9938.82
13	10623.43	10198.30	10002.03
14	10720.83	10271.27	10065.41
15	10818.21	10344.24	10128.64
16	10915.62	10417.37	10191.89
17	11013.03	10490.48	10255.27
18	11110.41	10563.58	10318.66
19	11207.81	10636.71	
20	11305.19	10709.82	
21	11402.58	10782.94	
22	11499.98		
23	11597.38		
24	11694.75		
25	11792.15		
26	11889.55		
27	11986.93		
28	12084.32		
29	12181.73		
30	12279.10		

MONTHLY FIXED WAGES (NRCOLG INDEX - 850 POINTS)

2 ND YEAR EFFECTIVE FROM 2006-08-01 TO 2007-07-31

	A	B	C
	SKILL	SEMISKILL	UNSKILL
1	10400.20	10253.81	10166.60
2	10507.35	10334.21	10236.32
3	10614.47	10414.49	10305.88
4	10721.61	10494.92	10375.45
5	10828.73	10575.18	10445.17
6	10935.86	10655.61	10514.89
7	11042.99	10735.89	10584.42
8	11150.14	10816.31	10654.14
9	11257.24	10896.58	10723.70
10	11364.38	10976.99	10793.42

11	11471.52	11057.27	10862.98
12	11578.64	11137.71	10932.70
13	11685.77	11218.13	11002.23
14	11792.92	11298.40	11071.95
15	11900.04	11378.66	11141.51
16	12007.18	11459.10	11211.08
17	12114.33	11539.53	11280.80
18	12221.45	11619.94	11350.52
19	12328.59	11700.38	
20	12435.71	11780.80	
21	12542.84	11861.23	
22	12649.97		
23	12757.12		
24	12864.22		
25	12971.37		
26	13078.50		
27	13185.62		
28	13292.75		
29	13399.90		
30	13507.02		

MONTHLY FIXED WAGES (NRCOLG INDEX - 850 POINTS)**3 RD YEAR EFFECTIVE FROM 2007-08-01 TO 2008-07-31**

	A SKILL	B SEMISKILL	C UNSKILL
1	10400.20	10253.81	10166.60
2	10507.35	10334.21	10236.32
3	10614.47	10414.49	10305.88
4	10721.61	10494.92	10375.45
5	10828.73	10575.18	10445.17
6	10935.86	10655.61	10514.89
7	11042.99	10735.89	10584.42
8	11150.14	10816.31	10654.14
9	11257.24	10896.58	10723.70
10	11364.39	10976.99	10793.42
11	11471.52	11057.27	10862.98
12	11578.64	11137.71	10932.70
13	11685.77	11218.13	11002.23
14	11792.92	11298.40	11071.95
15	11900.04	11378.66	11141.51
16	12007.18	11459.10	11211.08
17	12114.33	11539.53	11280.80
18	12221.45	11619.94	11350.52
19	12328.59	11700.38	
20	12435.71	11780.80	
21	12542.84	11861.23	
22	12649.97		
23	12757.12		
24	12864.22		
25	12971.37		
26	13078.50		
27	13185.62		
28	13292.75		
29	13399.90		
30	13507.02		

SCHEDULE D

MAINTAINACE DEPT - MONTHLY FIXED SCALE (NRCOLG INDEX - 850 POINTS)

1 ST YEAR EFFECTIVE FROM 2005-08-01 TO 2006-07-31

	A	B	C	
	SKILL	SEMISKILL	UNSKILL	PROB
1	11169.69	10342.57	9242.36	3444.17
2	11494.33	10503.47	9324.23	3491.78
3	11818.98	10667.20	9406.09	3539.37
4	12143.61	10828.09	9487.99	
5	12468.23	10991.83	9567.02	
6	12792.89	11152.74	9648.88	
7	13117.54	11316.49	9730.75	
8	13442.19	11477.40	9812.60	
9	13766.81	11641.11	9891.67	
10	14091.45	11802.05	9973.53	
11	14416.11	11965.76	10055.39	
12	14740.73	12126.68	10137.26	
13	15065.38	12290.41	10216.32	
14	15390.01	12451.31	10298.18	
15	15714.67	12615.05	10380.03	
16	16039.31	12775.95	10461.71	
17	16363.95	12936.86	10540.94	
18	16688.60	13097.77	10622.81	
19	17013.23	13258.68		
20	17337.87	13419.58		
21	17662.52	13580.53		
22	17987.16			
23	18311.81			
24	18636.46			
25	18961.10			
26	19285.75			
27	19610.40			
28	19935.04			
29	20259.69			

MAINTAINACE DEPT - MONTHLY FIXED SCALE (NRCOLG INDEX - 850 POINTS)

2 ND YEAR EFFECTIVE FROM 2006-08-01 TO 2007-07-31

	A	B	C	
	SKILL	SEMISKILL	UNSKILL	PROB
1	12286.65	11376.82	10166.60	3788.59
2	12643.76	11553.82	10256.66	3840.96
3	13000.88	11733.92	10346.70	3893.31
4	13357.97	11910.90	10436.79	
5	13715.06	12091.02	10523.73	
6	14072.18	12268.01	10613.77	
7	14429.29	12448.14	10703.83	
8	14786.40	12625.14	10793.86	
9	15143.49	12805.22	10880.84	
10	15500.60	12982.25	10970.88	
11	15857.72	13162.34	11060.92	
12	16214.81	13339.35	11150.98	

13	16571.92	13519.45	11237.95
14	16929.02	13696.44	11327.99
15	17286.14	13876.56	11418.04
16	17643.24	14053.54	11507.88
17	18000.35	14230.55	11595.03
18	18357.46	14407.55	11685.09
19	18714.56	14584.54	
20	19071.66	14761.54	
21	19428.77	14938.58	
22	19785.88		
23	20142.99		
24	20500.10		
25	20857.21		
26	21214.32		
27	21571.44		
28	21928.55		
29	22285.66		

MAINTAINACE DEPT - MONTHLY FIXED SCALE (NRCOLG INDEX - 850 POINTS)**3 RD YEAR EFFECTIVE FROM 2007-08-01 TO 2008-07-31**

	A	B	C	
	SKILL	SEMISKILL	UNSKILL	PROB
1	12286.65	11376.82	10166.60	3788.59
2	12643.76	11553.82	10256.66	3840.96
3	13000.88	11733.92	10346.70	3893.31
4	13357.97	11910.90	10436.79	
5	13715.06	12091.02	10523.73	
6	14072.18	12268.01	10613.77	
7	14429.29	12448.14	10703.83	
8	14786.40	12625.14	10793.86	
9	15143.49	12805.22	10880.84	
10	15500.60	12982.25	10970.88	
11	15857.72	13162.34	11060.92	
12	16214.81	13339.35	11150.98	
13	16571.92	13519.45	11237.95	
14	16929.02	13696.44	11327.99	
15	17286.14	13876.56	11418.04	
16	17643.24	14053.54	11507.88	
17	18000.35	14230.55	11595.03	
18	18357.46	14407.55	11685.09	
19	18714.56	14584.54		
20	19071.66	14761.54		
21	19428.77	14938.58		
22	19785.88			
23	20142.99			
24	20500.10			
25	20857.21			
26	21214.32			
27	21571.44			
28	21928.55			
29	22285.66			

SCHEDULE - DD
STEPS FOR WAGES STRUCTURE FOR ENGINEERING DEPT

1. An unskilled worker seeking a promotion to the semiskilled grade should have served a minimum of 5 years in the unskilled grade and have during this period attended a practical course of training in one of the Technical Colleges and his basic grade course duration should be a minimum of 6 months (part time). Further he should satisfy that he has gathered sufficient knowledge.

or

A person has to stay a Minimum of 10 years in unskilled grade and prove to the satisfaction of his supervisors of his capabilities for promotion from unskilled to semiskilled.

2. A semiskilled worker seeking a promotion, should have worked a minimum of 07 years as a semiskilled worker and satisfy his superiors his capabilities handling skilled work.

Further he should have suitable technical qualifications covering his Trade obtained from a Technical College and should be conversant in reading manuals catalogues, etc., in his trade.

3. Trade Learners and Apprentices should have followed a full time course in their respective field for a period not less than 3 years. After a period of one year they will be entitled to go to a semiskilled grade provided they satisfy their superior of their capabilities.

SCHEDULE - E

The Company shall pay to each of the standard Production wages rated employee covered and bound by this Agreement an annual long service award commencing in December 1991 and thereafter in December of each succeeding year during the continuance in force of this Agreement. Provided, however, that such Long Service Award shall not be payable to any employee who has not completed a full calendar year's service. The Long Service Award shall be paid in accordance with the scales set out below and such award shall be deemed to be part of wages only for the purpose of computing the bonus referred to in Clause 13 of this Agreement and Provident Fund Contributions.

YEARS OF SERVICE

LONG SERVICE AWARD

1 - 5 years	LKR	525/-
6 - 10 years	LKR	665/-
11 - 15 years	LKR	835/-
16 - 20 years	LKR	985/-
21 - 25 years	LKR	1,150/-
26 years and above	LKR	1,500/-

Memorandum of settlement
Entered into under the
Provisions of the Industrial Disputes Act No 1950 (as amended)
Between
Bata Shoe Company of Ceylon Limited
(hereinafter referred to as "the Company")

and

The Commercial & Industrial Workers' Union
(hereinafter referred to as "the Union")

The matters set out in the list of demands annexed to the Union's letter to the Company of 26th July 2005 are all deemed to be settled in terms of the Collective Agreement entered into between the parties on Fourteenth December 2006 and this Memorandum of settlement. A copy of the Union demands annexed to the letter of 26.07.2005 is annexed hereto as Annexure I.

DEMAND NO. 01 - WAGES

(a) Wages scale

The Company agrees to revise the wage scales of the respective categories of employees as setout hereunder and accordingly, the wages of employees will be increased as follows :

- (i) There will not be any increase to the wages with effect from 1st August 2005 (1st Year).
- (ii) An increase by a sum equal to ten percent (10%) of the wages applicable as at 31st July 2006 with effect from 1st August 2006 (2nd Year)
- (iii) There will not be any increase to the wages with effect from 1st August 2007 (3rd Year)

(b) To grant salary increases gazetted by the government during the period of Collective Agreement

The Union's proposal cannot be considered

(c) Increase the NRCOLG advance to LKR 5200/- and to be increased by LKR 500/- annually

From the 1st January 2007 LKR 5000/- will be paid monthly as NRCOLG advance

(d) Grant Monthly salary advance

The Union's proposal cannot be considered

(e) Reduce the number of stages in grade B and C

Present practice will be continued

(f) Exhibit SPM statement in every department

Present practice will be continued

DEMAND No. 02 - LEAVE

(a) To avail 14 days annual leave as per individual needs without calendaring

Present practice will be continued

(b) AWL to be increased up to 10 occasions

Present practice will be continued

DEMAND NO. 03 - BENEFITS AND ALLOWANCES

(a) Shift allowance to be increased up to 15% and 20%

Present practice will be continued

(b) Dust Allowance

No dust allowance except the allowance paid to the Dept. 301 and 302 which will continue

Present rate of payment and basis will be continued

(c) Risk allowance to the premises workers

The Union's proposal cannot be considered

(d) Pay LKR 200/- per day for working on annual holidays

Present practice will be continued

(e) Spectacles to be provided free of charge

Present practice will be continued

(f) Value of the shoe purchase card to be increased to LKR 20,000/- and percentage to 30% respectively

Amount will be increased to LKR 15,000/- at 20% discount.

DEMAND NO. 04 - LONG SERVICE

(a) Long Service Award to be increased by 50%
Present practice will be continued

(b) For Long Service Award, the Company to present a table fan, a gold coin and two gold coins for those who have completed 10 years, 20 Years and 25 years service respectively.

Present practice will be continued

DEMAND NO. 05 - DEATH OF AN EMPLOYEE

Company accept the followings :

(a). Transport allowance will be increased to LKR 10,000/-

(b) Donation will be increased to LKR 100,000/-

DEMAND NO. 06 - SCHOLARSHIP AWARDS

(a) Grade V Scholarships

The Company will grant a Scholarship Award of LKR 5,000/- per child for 15 children of employees who have qualified at the Scholarship examination. In the event of there being more than 15 such children, the Company select the 15 on merit based on marks obtained by those who got through their Scholarship examinations.

(b) Scholarship – University Entrance

The Company will grant a Scholarship of LKR 10,000/- per child for 10 children of employees who have qualified for University Entrance. In the event of there being more than 10 such children, arrangement will be made with the University to choose the 10 most meritorious. The amount shall be same for the entire University stay of each student.

(c) Provide facilities for those seeking technical and higher education

Present practice will be continued

DEMAND NO. 07 - LOANS

(a) The Company cannot consider the Union request but will contribute LKR 100,000/- to the Distress Loan Fund

DEMAND NO. 08 - COMPANY PICNIC

(a) Operators picnic to be conducted annually and total cost to be born by the Company

Present practice will be continued

DEMAND NO. 09 - ANNUAL BONUS

(a) To grant a bonus equivalent to three months salary

Present practice will be continued

(b) Increase the leave bonus

Present practice will be continued

DEMAND NO. 10 - CANTEEN

(a) Commence preparation of meals in the canteen to all employees

Union request cannot be considered

- (b) Discontinue purchasing meal packets from outside sources

Present practice will be continued

DEMAND NO. 11 - REST ROOM

- (a) To provide comfortable facilities in the Rest room

Rest room will be up graded

DEMAND NO. 12 - END OF SERVICE BENEFIT

- (a) Those who have completed 20 years service to be given one months salary for each year of service as gratuity.

Gratuity will be calculated as per Gratuity Act.

- (b) To increase retirement gift voucher to LKR 20,000/-.

Retirement the voucher for LKR 7,000/- will remain as per the current Collective Agreement. In addition Company will provide a shoe purchase voucher for LKR 2,500/-.

DEMAND NO. 13 - TRADE UNION

- (a) To notify the Company notice of 7 days before trade union action.

Present practice will be continued

- (b) Include the facilities enjoyed by the Union into the Collective Agreement

Present practice will be continued

- (c) To allow employees and Union to approach arbitration through the Labour Commissioner

Present practice will be continued

DEMAND NO. 14 - MISCELLANEOUS

- (a) Extend all facilities which prevailed within the Collective Agreement as continuous measures


Present practice will be continued

DEMAND NO. 15 - MISCELLANEOUS

- (a) Copies of the Sinhala translation of the Collective Agreement, Standing Orders and Rules of the Company and Rules and Regulations of the Provident Fund to be distributed to each and every employee.

Present practice will be continued

The facilities that the Company has offered in the past Collective Agreement will continue to remain valid unless varied by agreement.


R J Mollo
For & on behalf of
**BATA SHOE COMPANY
OF CEYLON LIMITED**


N Saranapala de Silva
for & on behalf of
**COMMERCIAL & INDUSTRIAL
WORKERS' UNION**

Signed before me on this Fourteenth, day of December 2006.

COLLECTIVE AGREEMENT

Amendment to Collective Agreement Clause 23 (1) - Employees Wedding Responding to the letter received from the Assistant Commissioner of Labour dated 23.01.2007.

The amended Clause - Half day leave will be granted to the respective department and employees. Such employees shall cover up for the work time lost on this account on any Saturday within 2 weeks without any claim for additional payment by way of overtime or otherwise.

This Amendment shall be effective as from the fifth day of November 2007 and shall thereafter continue to be in force unless it is determined by either party giving six months notice in writing to the other. Provided that neither party shall give such notice to the other party before the first day of January 2008 and such notice shall not expire until 31 st July 2008.

Signed on this fifth day of November 2007.



THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between, Coats Thred Exports (Private) Ltd, 163 Union Place, Colombo 05 of the one part and Inter Company Employees Union, 158/ 18, E. D. Dabare Mawatha, Colombo 05 of the other part on 27th November, 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.
22nd February, 2008.

Collective Agreement No. 54 of 2007

COLLECTIVE AGREEMENT

This Collective Agreement made on this Twenty Seventh (27th) day of November two thousand and Seven (07), pursuant to the Industrial Disputes Act between the Inter Company Employees Union, a Trade Union duly registered under the Trade Unions Ordinance and having its registered office at 158/ 18, E. D. Dabare Mawatha, Colombo 05(hereinafter referred to as “the Union”) and Coats Thread Exports (Private) Ltd, a duly registered Company under the Companies Act and having its registered office at 163 Union Place, Colombo 2 (hereinafter referred to as “the Employer”) witnesseth and it is hereby agreed between parties as follows :-

TITLE : This collective Agreement shall be known and referred to as the Coats Thread Exports Employees collective Agreement of Two thousand and Seven.

1. **Parties Covered and Bound.**– This Agreement shall cover and bind the Employer, the Union and the Employees to whom the Agreement shall apply.

2. **Employees Covered and Bound.**– This Agreement shall cover and bind all Employees employed by the Employer in its Factory at Moragahahena on permanent monthly contracts of employment in the categories of employment for which salaries have been spelt out in the First Schedule hereof and are members of the Union (hereinafter referred to as “Employees”).

3. **Duration of Agreement.**– This Collective Agreement shall be effective from 1st January 2007 and may be terminated by either party with one months written notice to the other, provided however that neither party may give such notice prior to 30th November 2008. Notice given of termination prior to 30th November 2008 will not be regarded as valid notice and shall be of no avail, provided further however, that the Union may raise issues for the revision of this Agreement at any time after the First Day of January 2008 and the Employer shall commence negotiations on such issues with the Union with a view to reaching a fresh Agreement.

4. **Salaries.**–

- (i) With effect from First November 2007, Employer agrees to increase the monthly salaries of employees by the addition of a sum of Rs. 1, 000/- to the salary drawn by each employee as at October 2007.
- (ii) With effect from First January 2008, Employer agrees to increase the monthly salaries of employees by the addition of a sum of Rs. 1, 000/- to the salary drawn by each employee as at December 2007.

5. **Salary Scales and Annual Increments.**–

- (i) At the expiry of each twelve month period, commencing 1 st January 2007, the Employer shall add to and consolidate with the monthly salary of each Employee a sum in rupees equal to the difference in the complete points by which the Colombo Consumer’s Price Index has increased over such twelve month period multiplied by two.

For example, with effect from 1st January 2007 a sum in rupees equal to the difference in the Colombo Consumer’s Price Index as at January 2006 and December 2006 multiplied by two, will be added to and consolidated with the salaries of each Employee and the commencing point applicable to the Employees as provided in the First Schedule hereof shall also be revised by the addition to such salary point a similar amount. Accordingly the salaries applicable to the employees shall stand revised annually.

- (ii) Apart from the annual consolidation of salaries referred to at Clause 5 (i) hereof, each Employee shall be entitled to an annual increment on the grade applicable in terms of the First Schedule hereof, Provided however that such increment is not suspended, stopped or deferred by the Employer on the basis of disciplinary action taken in accordance with the provision hereof.

6. **Notional Arrears.**— All employees entitled to the salary increases referred to in clause 4 above will be paid a sum of Rs. 10,000/- as notional arrears for period of 01.01.2007 - 31.10.2007 (Rs. 1,000 X 10). This payment shall be made by the Employer in December 2007. The Union and the Employees agree that the said notional arrears shall not be regarded as a part of employee earnings for any purpose whatsoever and shall not attract payment such as EPF, ETF, overtime and such like.

7. **Annual Ex - Gratia Payment.**— By way of an *ex - gratia* payment, the Employer shall pay each Employee covered and bound by this Agreement in the month of April each year, a sum equal to one months salary of such Employee. The Salary for this purpose will be the salary applicable at the time of such payment.

By way of arrears in respect of the above payment, the Company agrees to pay a sum of Rs. 1, 000/- to all employees who qualified to receive this payment payment in April 2007. Provided that such payment is subject to any proportionate deductions on account of service or absence from work. In other words if any employee received only a proportionate payment when this payment was made in April 2007, such employee will receive the above sum also to the same proportion.

8. **Bonus.**—

- (a) In addition to the payment in terms of Clause 7 above, the Employer shall make a further bonus payment to employees in the month of March or April each year in accordance with the formula set out in the Second Schedule hereof. This payment will be linked to the achievement of sales volumes against budgeted sales targets.
- (b) The Union and the employees agree that they shall not jointly and/or severally call into question or raise any dispute with regard to the sales budget determined by the Employer annually.
- (c) By way of arrears in respect of the above payment, the Company agrees to pay a sum of Rs. 1,000 to all employees who qualified to receive this payment in February 2007, provided that such payment is subject to any proportionate deductions based on no pay absence in excess of any employees leave entitlement. E.g. If any employee received only 50% of his bonus based on sales for 2006, such person will receive only 50% of Rs. 1000.

9. **Leave.**—

- (a) The leave entitlement of a confirmed Employee covered and bound by this Agreement shall be as follows in respect of each year, from the 2 nd year of employment.

Casual Leave : 07 days

Medical Leave : 14 days

Annual Leave : 14 days

- (b) All annual Leave shall be taken on dates mutually convenient to the Employer and the Employee concerned by prior arrangement and with the written approval of the Employer.

Other than due to circumstances beyond an Employee's control where prior approval of leave cannot be obtained from the Employer, all other leave must also be taken with the prior approval of the Employer. Casual leave shall not be permitted immediately preceding or succeeding a period of annual leave, except when approved by the Employer on exceptional circumstances.

In the case of absence on account of sickness in excess of two days, a medical certificate acceptable to the Employer should be submitted by the Employee. Any period of sick leave even for a single day, immediately preceding or succeeding annual leave will be permitted only subject to a medical certificate acceptable to the Employer.

- (c) The "year of Employment" and the "Leave Year" of an Employee for purpose of computing the leave entitlement and availment of leave, shall be the 12 month period commencing from the first date of the month in which an employee has joined the Company. For example, in the case of an Employee who joined on 10.04.2005, the "leave year" shall be regarded as 1 st April - 31 st March in any year.

10. Purchase of Unavailed of Leave.-

- (a) At the end of the "Leave Year" of each employee, the Employer shall make payment to each Employee in respect of unavailed of Casual and Sick leave in the following manner :-
- (i) up to 10 days of unavailed of leave - payment at the rate of 1 1/4 day's salary for each day
- (ii) in excess of 10 days of unavailed of leave - payment at the rate of 1 1/2 days salary for each additional day in excess of 10 days.

Provided however that an employee who does not utilise his full quota of Casual and/ or sick leave may utilise in respect of an infectious disease hereunder identified, such number of days of Casual and/ or sick leave not utilised during the immediately preceeding 2 years, regardless of such employee having obtained payment on account of such unavailed of leave. For example, if in the years 1988 and 1999 an employee has saved 10 days sick leave, he will, in addition to the payment he receives in respect of such 10 days, be permitted in 2000 to utilise 10 days leave with pay in the event of an infectious disease.

- (b) If an employee has exhausted his Casual and Sick leave entitlement at the time he contracts an infectious disease and has no leave saved in the two previous years, such absence will be treated as approved leave without pay.
- (c) "Infectious diseases" for the purpose of the aforesaid proviso shall mean Chicken pox, Measles and Mumps only. All leave applied for under this proviso will have to be supported by medical certificates acceptable to the Employer.

11. Shift Allowance.- Employees shall be paid as follows :

2 nd Shift. - For each 2 nd Shift worked Rs. 20 / =

3 rd Shift. - For each 3 rd Shift worked Rs. 60 / =

Provided however if any employee has worked all scheduled night shifts for a month but has used casual or Sick leave within that month he will receive shift allowance @ Rs. 65/ = per night shift worked.

Provided further, if any employee has worked all scheduled night shifts for a month but has used Holiday leave during the month, he will be paid @ Rs. 75/ = per night shift worked.

12. Production Bonus.- Employees covered and bound by this Agreement shall be entitled to a monthly production bonus calculated in accordance with the rules laid down in the Third Schedule hereof, with effect from the date of signing hereof.

13. Grading of Employees.- The Employer shall carry out a re - grading exercise in respect of its maintenance employees as and when deemed necessary.

The Union may raise with the Management any dispute arising out of such re - grading and any such dispute shall be dealt with under the provisions of Clause 18 hereof.

14. Batta Rates.- Employees who on any day are required to leave their station on work and cannot return to station before 2.00 p.m. in the first shift, 3.00 p.m. in the general shift and 8.00 p.m. in the second shift will be paid Rs. 86/ - by way of batta in respect of such day.

15. Uniforms.- All Employees will be issued with three sets of uniforms per year and shall be required to wear them during their working hours.

16. Meal Tokens.- Employees who are required to work overtime for any period in excess of four hours beyond their normal shift will be entitled to receive a meal token to the value of Rs. 40/ -. This meal token cannot be encashed under any circumstances.

17. Levels of Production.- It is agreed by and between the parties to this Agreement that the collective and/ or individual production levels issued to employees will be achieved and maintained by employees.

The work norms in respect of employees where contracts of employment set out such norms shall however continue to apply to them.

- (a) The Employer will have the right to revise the production and / or incentive targets in the context of the introduction of additional or new machinery, changes in technology and/ or work procedures.

- (b) Such revisions will be done in consultation with the Union. In the event of there arising any dispute regarding the revision of minimum production levels and/ or incentive targets, parties agree to have the matter in dispute referred to the Textile Training and Services Centre or any other recognised institution. The decision of such body shall be final and binding on both parties. Parties shall accordingly comply with such findings and a refusal to work accordingly by employees shall constitute misconduct.

18. **Dispute Settlement Procedure.**— It is agreed by and between parties that any industrial dispute that may occur between the Employer and the Union and/ or the Employees during the pendency of this Agreement shall be dealt with in manner set out hereunder :

- (i) The Branch Union or the Employees shall at the outset raise such dispute with the Employer and both parties shall endeavour to reach a satisfactory settlement of the dispute through consultation.
- (ii) In the event of there being no settlement after consultation between parties, the Union shall raise the dispute with the Employer's Federation of Ceylon of which the Employer is a member and the Union and the Federation shall through consultation will all parties attempt to reach a satisfactory settlement.
- (iii) Should there be no satisfactory outcome of the attempts at settlement by the Union and the Employer's Federation of Ceylon, the Union may seek the intervention of the Commissioner of Labour to settle the dispute in accordance with the provisions of the Industrial Disputes Act.

19. The Union and the employees jointly and severally agree that they shall not, during the pendency of this Agreement, resort to any form of Trade Union action in respect or any industrial dispute whether covered by this Agreement or not and shall endeavour to settle any or all disputes that may arise in accordance with the disputes settlement procedure laid down herein.

20. It is further agreed by and between parties that neither party will, during the pendency of this Agreement, attempt in any manner to change, vary or amend in any form, any of the terms and conditions set out in this Agreement, other than by way of mutual agreement.

21. The Employer, the employees and the Union jointly and severally agree to co-operate with each other towards continuous improvement and commitment to quality through team work in the Employer's establishment.

22. In the event of an inconsistency between the English and the Sinhala texts of this Agreement, the English one will prevail.

In witness hereof parties have set there hands on this Twenty Seventh (27th) day of November Two Thousand and Seven. (2007)

<u>Grades</u>	Grade III	Grade II	Grade IB
<u>Starting Point</u>	Rs. 8,313/-	Rs. 8,363/-	Rs. 8,413/-
<u>Annual Increment</u>	Rs. 40/-	Rs. 50/-	Rs. 55/-

SECOND SCHEDULE

The payment of bonus in terms of clause 8 of this Agreement shall be in accordance with the table below.

Table for the payment of Bonus

Steps	Proportion of actual sales achieved against the budgeted sales volumes for each year	Proportion of monthly salary payable as bonus	
1	70%	72%	
2	71%	74.15%	
3	72%	76.3%	
4	73%	78.45%	
5	74%	80.6%	
6	75%	82.75%	
7	76%	84.9%	
8	77%	87.05%	
9	78%	89.2%	
10	79%	91.35%	
11	80%	93.5%	
12	81%	95.65%	
13	82%	97.8%	
14	83%	100.00%	1 Month
15	84%	105.88%	
16	85%	111.76%	
17	86%	117.64%	
18	87%	123.52%	
19	88%	129.40%	
20	89%	135.28%	
21	90%	141.16%	
22	91%	147.04%	
23	92%	152.92%	
24	93%	158.80%	
25	94%	164.68%	
26	95%	170.56%	
27	96%	176.44%	
28	97%	182.32%	
29	98%	188.2%	
30	99%	194.08%	
31	100%	212.50%	2.125 months
32	101%	223.0%	
33	102%	233.5%	
34	103%	244.0%	
35	104%	254.5%	
36	105%	265.0%	
37	106%	271.0%	
38	107%	278.0%	
39	108%	285.0%	
40	109%	292.0%	
41	110%	300.0%	3 months

financial year in respect of which bonus is payable.

- b) An employee who is absent in excess of his leave entitlement for a period of six (6) or more days will not be eligible to receive this bonus and it shall not be paid to such employee.
- c) Subject to the number of days absent in excess of an employee's leave entitlement in any one year the employer shall be entitled to make deductions from the bonus payable to an employee in the under-noted manner :-
- * 1 Day in excess of leave entitlement - 5% of declared bonus
 - * 2 Days in excess of leave entitlement - 12 1/2% of declared bonus
 - * 3 Days in excess of leave entitlement - 22 1/2% of declared bonus
 - * 4 Days in excess of leave entitlement - 35% of declared bonus
 - * 5 Days in excess of leave entitlement - 50% of declared bonus

Any period of no pay leave of an employee with the approval of the management will not be regarded as absence for the above computations.

THIRD SCHEDULE

Incentive scheme for Winding machine Operators

Page 1

Scheme Summary

- a) 10 % of basic salary will be payable if minimum production target is achieved.
- b) Every out put increase of 1 % over the target will entitle employees for a 1% increase in incentive earnings
- c) Additional earnings available for Delivery Date Achievement, Savings on Waste, Manufacturing Lead Time (MLT) achievement
- d) In addition there is available, additional earnings through zero complaints but there are also penalties if there are complaints

Details of Scheme

Target	Additional information	Minimum Target	Incentive as a proportion of salary
Production target	Efficiency	90%	10%
	Utilization	95%	
Delivery date achievement		95%	4%
Waste	Use of fresh thread	<1 %	2%
MLT over 6 day achievement	less than	1%	2%
	Total Earning		18%

N.B.

Incentives for production will be calculated on a daily basis while incentives for other targets will be calculated on a weekly basis

Complaints :

An additional 25 % of the total incentive earning will be payable if there is no justified customer complaint related to finishing (external or internal), inclusive of short packing.
However if there are justified customer complaints penalties identified in the table below will apply

Applicable payment basis Bonus or Penalty	No. of customer complaints	Addition or Deduction	% from total incentive earning
Bonus	0	Addition	+25%
Penalty	1	Deduction	-3%
Penalty	2	Deduction	-5%
Penalty	3	Deduction	-8%
Penalty	4	Deduction	-10%
Penalty	5	Deduction	-13%
Penalty	above 5	Deduction	-25%

Payments:

All payments will be made on a monthly basis

THIRD SCHEDULE

Page :

Incentive scheme for Material Handlers/CQC Checkers and Sticker Printers

Scheme Summary

- i) An equal proportion of incentives will be payable based on the incentive earnings of 0° Vi-cone, 2° Vi-cone and 2° Cone Machine operators' average. Incentive earnings.
- ii) Additional earnings available for Delivery Date Achievement, Savings on Waste and Manufacturing Lead Time (MLT) achievement.

Details of Scheme

Machine Type	Minimum Target	Incentive Payment
0° Vi-cone		1/3 of average production incentive earning percentage of 0° Vi-cone machine operators
2° Vi-cone		1/3 of average production incentive earning percentage of 2° Vi-cone machine operators
2° Cone		1/3 of average production incentive earning percentage of 2° Cone machine operators
Delivery date achievement	95%	4% of basic salary
Waste	<1% of fresh thread used	2% of basic salary
MLT over 6 day achievement	Less than 0.80%	2% of basic salary

N.B.

- 1 Incentives for production will be calculated on a daily basis while incentives for other targets will be calculated on a weekly basis.
- 2 All payments will be made on a monthly basis.