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PART I : SECTION (I) – GENERAL Government Notifications

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THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Hongkong and Shanghai Banking Corporation Limited, No. 24, Sir Baron Jayatilake Mawatha, Colombo 01 of the one part and Ceylon Bank Employees Union, No. 20, Temple Road, Colombo 10 of the other part on 28th November, 2006 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.
29th January 2007.

Collective Agreement No. 38 of 2006

COLLECTIVE AGREEMENT 2006 BETWEEN THE HONGKONG AND
SHANGHAI BANKING CORPORATION LIMITED

AND

THE CEYLON BANK EMPLOYEES' UNION HSBC

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THIS Collective Agreement made this 28th day of November 2006 between the Hongkong and Shanghai Banking Corporation Limited, a Bank duly registered in Sri Lanka and having its registered office at 24, Sir Baron Jayatilaka Mawatha, Colombo 1 (hereinafter referred to as "the Bank") of the One Part and

The Ceylon Bank Employees' Union, a Trade Union duly registered in Sri Lanka and having its registered office at 20, Temple Road, Colombo 10, (hereinafter referred to as "the Union") of the other part.

WHEREAS the Union made demands for re-negotiation of the Collective Agreement of 2003 which came into effect on 1st April 2003 and subsequent to negotiations between the Bank and the Union, agreement has now been reached between the said two parties for the purpose of ensuring better employee terms and conditions, cooperation between the Bank, the Union and the employees and maintaining an efficient and productive working environment, the matters agreed upon are set out hereunder :

1. **Parties to be Covered and Bound**-. This Agreement shall cover and bind The Hongkong and Shanghai Banking Corporation Limited (the Bank), The Ceylon Bank Employees Union (the Union) and members of the Union employed on monthly contracts of employment by the Bank and who are employed in any of the categories as at the date of signing this Agreement and for whom salary ranges have been prescribed in this agreement in the First Schedules hereto (hereinafter referred to as the employees). This Agreement shall not cover and bind any employee who is a Supervisor, Staff Officer, Secretary, Executive and any other Staff on special rates of pay.

2. **Date of Operation and Duration**-. This Agreement shall come into force on 1st April 2006 and shall continue until either party terminates it by written notice in terms of the Industrial Disputes Act but no such notice shall be given before the 31st March 2009. The Union shall, however, have the right to commence negotiations for a revised Collective Agreement at any time on or after 1st April 2008.

3. **Earlier Agreements**-. This Agreement shall supersede any other Collective Agreement entered into or binding on the parties hereto and such earlier Agreements shall stand repudiated in respect of the parties hereto.

4. **Matters Covered and Bound**

(a) This Agreement shall be in full and final settlement of all matters covered herein as well as of all the matters raised by the Union and in respect of which negotiations took place between the parties before the conclusion of this Agreement and the Union agrees that it will not during the continuance in force of this Agreement raise any of the matters which were discussed and negotiated between the parties preceding this Agreement except to the extent agreed.

(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 or enjoyed as provided for in this Agreement other than by mutual agreement with the Bank.

5. **Consolidated Salary**-. Every employee covered by this Agreement in service as at the date of signing this Agreement shall, from the 1st April 2006 be placed on the salary range set out in the First Schedule hereto, which salary has been consolidated at the Colombo Consumers' Price Index figure of 2400.00.

6. **Immediate Increase and Conversion to Salary Ranges**-. For the placement of an employee on the salary range applicable in the First Schedule, the following provisions shall apply.

- (i) A sum equivalent to 20% of gross salary payable to an employee as at 31 st March 2006 will be added to the basic salary effective from 1st April 2006,
- (ii) A Further sum equivalent to 5% of gross salary payable to an employee as at 31st March 2006 will be added to the basic salary effective from 1st April 2007.
- (iii) A further sum equivalent to 5% of gross salary payable to an employee as at 31st March 2006 will be added to the basic salary effective from 1st April 2008.

7. **Allowances**

- (a) **COST OF LIVING ALLOWANCE** .- The cost of living allowance shall be paid to employees from the 1st April 2006 at Rs. 2.75 per point increase beyond the base figure of 2400.00
- (b) **DISTURBANCE ALLOWANCE**.- With effect from 1st April 2006 an employee called upon to report for work before 7.00 a.m. shall receive Rs. 250/= per day, and required to report before 6.00 a.m. shall receive Rs. 400/= per day.

8. **Annual Salary Increments** .- With effect from 1st April 2006, the annual increments awarded to employees covered and bound by this Agreement will be based on the employee's performance during the previous Calendar year.

The performance of the employee will be assessed in terms of the performance Assessment Review and in terms of same, the granting of annual increments will be based on the ratings and the corresponding amounts of increments as follows :

<i>Ratings</i>	<i>Annual Increments</i>
1	Rs. 1,000 / =
2	Rs. 700 / =
3	Rs. 350 / =
4	Rs. 150 / =
5	Rs. 100 / =

In terms of the above ratings, a minimum annual increment of Rs. 100/= (except in cases where disciplinary action is being taken) will be payable during the period of this Agreement.

9. **Pension Payments To Employees Who Have Retired From Service.**- Any employee who has retired from service between 1 st April 2006 and the date hereof shall be entitled to have his pension calculated on the basis of the salary in terms of clause 6 (i) hereof.
10. **Promotions from Non - Clerical (Minor Staff) to Clerical Grade.**- Without prejudice to the right of the Bank to recruit staff at their discretion, the Bank will consider the above promotions subject to the following criteria :
- (i) The number of vacancies in the clerical cadre will be announced internally by advertisement by Staff Notice annually. Such notice shall stipulate the job requirements of the vacancy advertised, ie. Educational qualifications, age, and any other particular criteria required for such job as determined by the Bank.
 - (ii) Any such employee in the non-clerical grade whose record of service, conduct and attendance has been satisfactory, with more than four years of service with the Bank who has necessarily completed the first part of the chartered Institute of Bankers (London) or Institute of Bankers of Sri Lanka will be eligible to apply and will be considered for such clerical position. The selection process will include medical examinations, interview, written tests etc, as determined by the Bank.
 - (iii) Any peon whose record of service and conduct has been satisfactory with more than eight years' service with the Bank, shall be exempt from the minimum education qualifications stipulated in the Notice and may apply for such vacancy and will be considered in the manner specified at para (ii) above.
 - (iv) Any such employee promoted in the manner specified above will be required to serve a period of probation of twelve months which may be extended by the Bank for a further period of up to six months during which, or at the end of which, the Bank may at their discretion revert such employee to this earlier position and salary.
 - (v) The basic salary to any such employee promoted in the manner - specified above shall be in the Clerical Salary range in relation to his basic salary received at such time as a non-clerical employee, which will result in an increase of not less than Rs. 350/=. Any non-clerical employee who conforms to the above requirements shall be promoted, if there are vacancies.
 - (vi) The decision of the Bank in respect of selection for promotion shall be final and conclusive.

11. **Provident Fund.**-

- (a) Rate of Contribution. - The rates of contribution to the Provident Fund by the Bank shall be :

Bank's contribution	-	12% (twelve per cent) of salary
Employee's contribution	-	8% (eight per cent) of salary

Provident Fund contribution shall be on the consolidated salary referred to at Clause 5 hereof and the amount paid for that month as cost of living allowance subject to the Rules of the Provident Fund.

- (b) **INTEREST ON PROVIDENT FUND CONTRIBUTION HELD BY THE BANK.**- Where Provident Fund monies are invested in the Bank, the Bank shall continue to pay the rate of interest paid of 12 months' fixed deposits for a sum of Rs. 100,000/= published in the N.S.B prevailing as at the 1st January for the first half of the year and on the rate prevailing on the 1st July for the second half of the year on the net Provident Fund monies invested at the Bank.

- (c) **DEFICIENCY IN BANK'S CONTRIBUTIONS TO PROVIDENT FUND TO AN EMPLOYEE NOT ENTITLED TO A PENSION.** - Where an employee shall cease to be employed by the Bank in circumstances which do not entitle him to a pension or payment in lieu of pension as the case may be, such employee shall be entitled to the difference between the Bank's contributions made to the Fund during his period of service and the employer's minimum rate of contribution he would have been entitled to, in terms of the Employee's Provident Fund Act and its amendments from time to times as a contribution to the Fund by the employer on behalf of such employee. Such deficiency will be the difference between the following minimum rates of contribution under the Act and 10% of basic salary actually contributed by the Banks up to 31st March 1992.

From 1.1.71 to 31.12.80	- 9% of gross salary
From 1.1.81 onwards	- 12% of gross salary

Prior to 31.12.70 the employer's minimum rate of contribution was 6% of total earnings (gross salary), which was less than 10% of basic salary, and therefore no deficiency arises.

12. *Terminal Benefits*

- (a) **PENSIONS.** - With effect from the date of this Agreement, an employee entitled to a pension in expressed terms of his employment shall, upon reaching the retirement age of the Bank and who is in the permanent employment of the Bank at such time, and shall have completed not less than 10 years of actual continuous service (excluding absence/ leave without pay), be entitled to a monthly pension computed on the following basis :

No. of completed years	Monthly salary
Service (max. 35 years) plus 5	payable in the month
Retirement age of the Bank	of retirement + COLA

- (b) **PREMATURE RETIREMENT ON MEDICAL GROUNDS / DISABILITY.** - An employee who is found to be unable to continue to perform his duties as a result of infirmity/ disability, as certified by the Bank/s Doctor/ Medical Specialist/ Government Medical Board, and who is in the permanent employment of the Bank at such time, and shall have completed not less than 10 years of actual continuous service (excluding absence/ leave without pay) shall be entitled to a pension computed on the same basis referred to at clause 12 (a) above. Provided, however, that where an employee is entitled to compensation by the Bank under any laws in force at the time or An Award of Court, such employee shall only be entitled to a pension or such compensation as opted by him, but not to both. Provided further that in the case of an employee whose premature retirement occurred in consequence of an accident which entitled him to compensation, the pre - acceptance of pension as provided herein will not restrict the right of such employee in subsequently claiming any balance compensation under any written law.

- (c) **LUMP SUM GRATUITY IN LIEU OF PENSION RIGHTS.** - An employee who is entitled to receive a pension in terms of (a) or (b) above may at his discretion opt for the payment of a lump sum gratuity in lieu of his pension and any other payments arising there from. The payment will be computed on the following basis :

No. of completed years	1 Month's salary plus
Service (max. 35 years) plus 5	1 month's Cost of Living
	Allowance calculated for
	the month of retirement

The above payment shall constitute a settlement in full and final satisfaction of all claims against the Bank on account of the cessation of employment in respect of gratuity, pension, deficiency, if any, in the Bank's contribution to Provident Fund to an employee not paid a pension in terms of Clause 12.

- (d) **DEATH GRATUITY.** - On the death of an employee who has been confirmed and is in the permanent employment of the Bank, the Bank will make a compassionate payment of one and half month's gross salary for each year of completed service subject to a minimum of nine month's gross salary to the legitimate dependents of the deceased employee, as may be determined by the Bank at its sole discretion on the basis of information supplied to them. In the case of the death of an employee who is not confirmed in employment the amount payable will be 50% of that payable to a confirmed employee provided that in the case of an employee who has not been confirmed consequent upon a promotion to a higher grade, the gratuity payable will be calculated as in the case of a confirmed employee. The gross salary for this purpose shall be the last drawn salary plus Cost of Living Allowance.

Provided, however, that in the event of death arising out of and in the course of employment, the dependents shall be entitled to receive either the death gratuity referred to herein or payment by way of compensation under any laws in force at the time on account of Employees' Compensation or under any other law or an Award of Court, whichever is higher. Provided further that in the case of an employee whose death occurred in consequence, the pre-acceptance of death gratuity as provided herein shall not restrict the right of such dependents in subsequently claiming any balance compensation due to them under any written law.

- (e) **GRATUITY ON RESIGNATION/ TERMINATION PRIOR TO RETIREMENT.**— An employee shall, upon resignation/ termination of employment prior to retirement in circumstances which do not entitle him to the terminal benefits referred to at the aforementioned Clauses (a), (b), (c) and (d) be entitled to a gratuity computed in terms of the Payment of Gratuity Act (1983), which shall be paid within 30 days of the cessation of employment.

The salary for this purpose shall comprise the salary referred to at Clause 5 and the Cost of Living Allowance referred to at Clause 7 (a) hereof.

- (f) Completed years of actual service shall include only actual continuous service worked excluding absence/ leave without pay, but subject to the provisions of the Payment of Gratuity Act (1983) and Clause 15 thereof.

- (g) **COMMUTED PENSION.**—

(i) At the option of the employee at the time of retirement on or after 1st April 2000, 25% of the monthly pension into 120 will be paid to employees who are entitled to a pension, who do not opt for a lump sum payments as provided for in the agreement and who opt for such commuted pension.

(ii) Where an employee commutes his monthly pension in the manner aforesaid, the monthly pension payable to him during the first ten years of retirement will be 75% of the monthly pension he would have been entitled to at the time of retirement if he had not so commuted his pension. After the expiry of the said ten years the amount of the monthly pension so commuted will be restored and added to the monthly pension then being paid.

13. *Medical Scheme*

- (i) **REIMBURSEMENT OF MEDICAL EXPENSES FOR NON-HOSPITALISATION EXPENSES.**— The Bank will reimburse an employee up to a maximum of Rs. 11, 000/= per annum in respect of medical expenditure incurred by him on his own behalf, on behalf of his spouse or unmarried legitimate children under the age of 18 in respect of routine non-hospitalisation/ non - surgical and specialist treatment, and subject to the following :

(a) All medical claims shall be supported by valid and relevant prescriptions, bills and receipts.

(b) Prescriptions or doctor's bills are from a Registered Medical Practitioner.

(c) The unutilised portion of the allocation for the year could be utilised during a period of three years subject to valid bills being submitted as aforesaid.

- (ii) **SPECIAL NON - HOSPITALISATION AND NON - SURGICAL EXPENSES.**— The Bank will reimburse an employee on a non - cumulative basis a further sum up to a maximum of Rs. 17,000/= during the three year period on account of special non - hospitalisation and non - surgical expenses covering the following items only incurred on behalf of the employee and not on behalf of his family members. This amount, however, can be claimed only once every year on the basis of one claim up to a maximum of Rs. 10, 000/- and two claims up to a maximum of Rs. 3,500/- each.

(a) Spectacles

(b) Dentures

(c) Hearing Aids

Subject to valid documentation as in the case of (i) above and subject to the provisos that no claim is made in relation to any particular item more than once a year, and in the case in of spectacles it must be supported by a prescription from a Medical Eye Specialist.

- (iii) **SURGICAL AND HOSPITALISATION EXPENDITURE .**— Employees will be reimbursed on account of surgical and hospitalisation (whether Government or Private) expenses incurred on behalf of the employee, spouse and unmarried legitimate children under 18 years of age subject to the production of valid documentation covering every claim or expenditure, up to Rs. 110,000/= per annum :

The Second Schedule hereto sets out the terms on which reimbursement of medical expenditure will be effected.

(iv) MATERNITY GRANT

- (a) With effect from 1 April 2006, an employee who is married will be entitled to a grant of Rs. 10,000/= in respect of two births of children. If both spouses are employed in the Bank only one shall be entitled to this grant.

This payment will cease with effect from 31 December 2006 wherein normal child birth will be covered under the Surgical and Hospitalisation limits as given in 13 (iii) above.

14. **Retirement.**—

- (a) The age of retirement shall be 55 years, or any other age mutually agreed to between the Bank and its employees, and on reaching the age of 55, or any other age mutually agreed upon, an employee shall *ipso facto* retire and cease to be employed by the Bank and there shall be no obligation on the Bank to give such employee any notice of such retirement.
- (b) An employee may also be retired and be eligible for retirement benefits if he is not less than 50 years and has 10 or more years of service, subject to mutual agreement between the employee, such employee Union and the employer that he should be given such concession and subject to the condition that the refusal by any party to agree to such premature retirement shall not constitute an industrial dispute.

15. **Bonus.**— Without prejudice to the claim of the Bank that bonus payments are *ex-gratia*, the Bank will each year pay to every employee covered by this Agreement a bonus of two months' salary as drawn by such employee for the month of December in respect of one complete year of service meaning January to December and proportionately for service less than one year at the rate of one-twelfth of such entitlement in respect of each complete month of service. The salary for this purpose shall include the cost of living allowance payable for that month.

16. **Probation.**— Every employee recruited by the Bank will serve a period of nine months probation subject to the right of the Bank to extend the period of probation by a period of three months.

17. **Concessions to Branch Union Office Bearers and General Councillors.**—

- (a) The Bank shall at its discretion permit the release of not more than two Branch Union Office Bearers at any one given occasion without loss of pay exclusively to enable such Branch Union Office Bearers to be present at inquiries before the Labour Department, Labour Tribunal, Arbitrations, Industrial Courts, and with their respective Bank Managements - exclusively on matters pertaining to the Bank.
- (b) It is agreed that Central committee members (General Council) of the Union will be permitted to leave at 12.30 p.m. on 12 days in a year for meetings. In the case of outstation General Council Members, they would be permitted leave for the whole day for 12 General Council Meetings in a year.
- (c) It is agreed that a days's paid leave shall be granted on two occasions per year to General Councillors to attend Parent Union General Council meetings.
- (d) It is agreed that Executive Committee members will be released at 3.00 p.m. for meetings of the Executive Committee of the Union. These meetings will not usually be more than on a monthly basis.

18. **Special Leave to Visit Outstation Branch.**— The Bank shall permit office bearers of the Union employed by the Bank paid leave to visit outstation branches calculated on the basis of a day's leave available for each such branch, i.e., if there are X branches the total number of days paid leave available shall also be X. For this purpose an outstation Branch is one situated more than 30 miles from Colombo.

19. **Overtime.**—

- (a) If required by his employer an employee shall work reasonable overtime which has been authorised by the employer, subject to the provisions of any law for the time being in force.
- (b) Overtime work shall be remunerated in accordance with the provisions of the Shop and Office Employees Act.

20. **Annual, Medical and Casual Leave**

(a) ANNUAL LEAVE

- (i) **ENTITLEMENT.**— In respect of each year of employment (which means the period January to December) during which an employee has been in continuous employment he shall be entitled to take in the following year 21 working days paid leave. He shall avail himself of at least 7 days out of the 21 days on successive days and shall in respect of each year avail himself of not less than 14 days out of the said 21 working days.

(ii) At the end of the first year of employment the employee qualifies for proportionate leave as follows :

- (a) The full annual holiday of 21 days if his employment commenced on or after 1 January but before 1 April.
- (b) A holiday of 15 days if his employment commenced on or after 1 April but before 1 July.
- (c) A holiday of 11 days if his employment commenced on or after 1 July but before 1 October, and
- (d) A holiday of 6 days if his employment commenced on or after 1 October.

(iii) AVAILMENT.- The availment of all annual leave shall be by prior authorisation of the Bank upon the employee's application, giving sufficient notice to the Bank, so as to ensure availment at times mutually convenient.

(iv) ACCUMULATION.- Annual leave may be accumulated by an employee exclusively for the following purposes:

- (a) For availment in full, immediately preceding retirement by mutual arrangement with the Bank.
- (b) For the purpose of attending on a family member who is seriously ill.
- (c) For travel abroad for which purpose one month's prior notice shall be given.
- (d) For marriage of the employee
- (e) Prolonged illness of the employee
- (f) On account of the death of a family member provided that the employee has exhausted his current year's leave.
- (g) For purpose of nursing third and fourth children beyond the Maternity Leave entitlement.

Provided that in the case of (b) and (d) the approval of such leave shall be at the discretion of the Management. Family member for purposes of (b) above shall mean spouse, children and parents.

Provided also that such accumulation will be restricted up to a maximum of seven (7) days per year and provided further that such total accumulation shall be restricted to a maximum of ninety (90) days.

(b) **MEDICAL LEAVE.-**

(i) **ENTITLEMENT .-** An employee shall be entitled to not less than twenty four (24) days leave exclusive of weekly or other holidays in any one year, in case of sickness on full pay, subject to the conditions in sub-clause (ii) hereof.

(ii) **AVAILMENT.-** The Bank will be entitled to refuse to grant pay for any days of absence on grounds of sickness **not** supported by a Certificate from a Registered Medical Practitioner.

- (a) Where such period of absence exceeds two consecutive days including weekly or other holidays, or
- (b) Where the number of days already allowed on full pay on grounds of sickness, uncertified by a Medical Practitioner, is in excess of twelve (12) days

(iii) **ACCUMULATION .-** An employee who takes less than his entitlement in any one year as prescribed above shall be entitled to avail himself of the balance of his entitlement for such year in any succeeding year or years, subject to the following provisions ;

- (a) In no case shall the entitlement to medical leave on full pay, by reason of such accumulation, exceed ninety (90) days, and
- (b) The accumulated medical leave may only be availed of on account of prolonged illness, hospitalization or similar circumstances, supported by a Certificate from a Registered Medical Practitioner,
- (c) Where an employee has exhausted his current year's sick leave as a result of prolonged illness such as an infectious disease or prolonged hospitalizations, the employer may permit him to set off any further absence on grounds of ill health against such accumulated sick leave up to the extent of the leave taken for such earlier prolonged illness.

(iv) The Bank will be entitled, after inquiry and advising the employee concerned, to refuse to pay and / or take any action as appropriate in situations where the absence on grounds of sickness **not** supported by a Certificate from a Registered Medical Practitioner, occurs in the following circumstances :

- (a) Where the Bank has reasonable cause to suspect the *bona fides* of the application and / or reason for absence of an employee, or

- (b) Where the absence of the employee on grounds of sickness immediately follows or precedes any weekly or other holiday and the Bank has reasonable cause to suspect the *bona fides* of the application and/or reason for absence of the employee.
- (c) CASUAL LEAVE.- An employee shall be entitled to a maximum of seven (7) days casual leave in each year of employment where of **not** more than two (2) days shall be taken at any one given time and such leave shall not precede or follow any period of annual leave. All casual leave shall be by prior approval of the Bank, unless the reason for such absence is justified to the satisfaction of the Bank as being in circumstances that could not have been foreseen by such employee.

21. Suspension. -

- (i) Where an employee is suspended pending a disciplinary inquiry on investigations, such employee will, subject to the provisions of Sub-clauses (ii) and (iii) below, receive half his salary from the date of suspension up to six months and full pay thereafter, subject to the condition that the delay was not due to the employee concerned.
- (ii) Where the suspension is on account of charges involving financial dishonesty such a fraud or misappropriation, the employee will not be entitled to any salary during the period of suspension unless the inquiry is not concluded within six months of the date of suspension in which event he will receive half his salary (salary plus cost of living allowance) during his suspension beyond the said six months period. Provided that if the delay beyond six months is due to the employee's own conduct or due to the employee being in custody or remand thereby making it impossible for the Bank to hold or conclude the inquiry, half such salary as aforementioned will not be payable.
- (iii) In cases not involving financial dishonesty as aforementioned, where the employer is prevented from concluding the inquiry within six months of suspension for reasons beyond the employer's control such as where the employee makes repeated requests for postponements or where he is remanded or in police custody or where the matter is under investigation by the Police, the employee will continue to receive half his salary and will not receive full pay in these circumstances.

22. Disciplinary Procedure. - Where the Bank proposes to take disciplinary action against an employee except, however, in the case of oral warning, letters of advice, caution or warnings for minor offenses, the following procedure shall apply ;

- (a) Irrespective of whether such employee has been suspended, the employee shall be furnished with a show cause letter which shall set out the particulars of the charges against such employee and such show cause letter shall give the employee not less than ten (10) calendar days within which to tender his explanation in writing to the charges preferred.
- (b) Within ten (10) calendar days after the date of the show cause letter the employee shall tender in writing to the Bank his explanation to the aforesaid charges provided however that if in the circumstances it is reasonable the employee may request the Bank for an extension of time within which to tender the written explanation and where such request is made, the Bank shall normally grant such request for such further period of time as is considered necessary by the Bank in the circumstances.
- (c) If where the employee tenders his explanation within the period of time allowed to the employee to show cause and the Bank is satisfied with such explanation, the Bank shall withdraw the charge/s against the employee and if the employee is under suspension, the Bank shall forthwith reinstate the employee and shall pay to such employee his salary and entitlements in respect of the period of such suspension.
- (d) Where the employee tenders his explanation within the time allowed to him to show cause and the Bank is not satisfied with such explanation, the Bank shall, subject to sub - clause (k) (iii) hereof, hold an inquiry into the charges against such employee.
- (e) The Bank shall commence an inquiry as referred to in sub-clause (d) hereof within 21 working days from the date of receipt by them of the written explanation to the show cause letter unless it is not possible to do so for reason beyond the Bank's control, or by reason of the employee's own conduct or seeking, or by reason of unforeseen circumstances.
- (f) The Bank will permit a member of the Branch Union of the same Grade or of a Higher Grade than the accused employee or an office bearer of the Branch Union irrespective of grade (in which case the Bank reserves to itself the right to prevent the person carrying on the defence for unacceptable conduct) or a central Committee member of the Union employer in the bank to defend the accused employee at a domestic inquiry provided the defending employee has not obtained a legal qualification. The defending employee will not suffer any loss of salary for absence from work on this account. The Bank

will further allow another member of the Branch Union to be present at the inquiry as an Observer without loss of salary for absence from work. The accused employee shall submit to the Bank in writing the name of the Defending Employee and Observer not less than 48 hours before the time appointed for the commencement of the inquiry. The Defending Employee shall be entitled to examine the witnesses for the accused employee and cross examine witnesses for the Bank. The inquiring Officer will be entitled to require a Defending Employee or Observer who obstructs the inquiry to withdraw therefrom and the Defending Employee or Observer shall forthwith comply with such requirement. The absence of a Defending Employee or Observer from the whole or any part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings threat, nor the findings pursuant thereto. The Observer shall not be entitled to participate in the proceedings but he may answer any question which the inquiring Officer may ask him.

- (g) The Union will be entitled to a copy of the proceedings of the inquiry conducted subject to the Observer and the accused employee signing proceedings as a correct record. After the proceedings have been certified and a copy issued to the accused employee for all purposes thereafter the proceedings shall be taken as a true copy of such proceedings before the inquiring Officer.
- (h) The Inquiring Officer shall maintain his impartiality and shall not attempt to act the role of the prosecution as well.
- (i) Within thirty (30) working days after the conclusion of the inquiry the Bank shall inform the employee, in writing, of the findings in respect of the charges and of the punishment, if any, imposed by the Employer.
- (j) Where the Bank fails to inform the employee as aforesaid within the said period of thirty (30) working days except for reasons beyond the control of the Bank or by reason of the conduct of the employee, such employee shall not be punished thereafter in respect of such charges and no inference adverse to the employee shall be drawn in respect of such charges.
- (k) Notwithstanding the preceding provision, the Bank shall not be required to hold a domestic inquiry in any of the following circumstances :
 - (i) Where the employee fails to tender his written explanation before the expiry of the time allowed to show cause in which event the Bank shall be entitled to take disciplinary action on the basis that such employee had no cause to show.
 - (ii) where the employee makes a written admission of the charges against him.
 - (iii) where the Bank proposes to warn an employee, but without prejudice to the Union's right to request the Employer thereafter to hold an enquiry, in which event the fact that the inquiry did not commence within twenty one (21) working days after receipt of the employee's explanation shall not be material or relevant.
- (l) The findings of a domestic inquiry and the punishment if any imposed by the Bank shall be final and binding on the Bank, the employee and the Union, unless the employee or the Union shall within three (3) months from the date on which the Bank had notified such employee of the findings punishment, raises a dispute in respect of such findings and/ or punishment.
- (m) Where an employee is under suspension and the Bank makes order that -
 - (i) the employment of the employee shall be terminated, then the termination of such employment shall take effect as from the date of suspension or such later date as the Bank may determine ; provided further that the Bank shall not be entitled to recover from the employee any payment made in respect of salary to the employee in respect of such period of suspension, if any such payment has been made.
 - (ii) the employment of the employee shall not be terminated, then the employee shall be employed forthwith and shall be paid the entirety of his salary in respect of the period of suspension without prejudice to the right of the Bank to impose such other punishment other than termination, which may include the whole or part of the period of suspension pending inquiry, on the basis of the findings of the inquiry.
- (n) The observance by the Bank of sub-clauses (e), (i) and (j) shall not be necessary where an inquiry is not held in view of the fact that the matter under inquiry is being referred, or has been referred, to the Police or other authorities for investigation or inquiries or in view of the fact that criminal charges are pending against the employee.
- (o) The above provisions shall only apply in respect of inquiries that commenced after the date of signing of this Agreement.

23. Technology.-

- (i) The Third Schedule hereto contains matters relating to new Computer Based Banking Technology agreed upon between the parties.
- (ii) The Bank will furnish the Union on request information relating to new computer hardware to be introduced by the Bank, i.e., published manufacturer's specifications relating to equipment. The Bank will be under no obligation to provide information relating to software.
- (iii) The Union will be free to make representations on matters relating to the introduction of new Computer Based Banking Technology in the Bank other than on matters covered in this Agreement and subject to sub-clause (ii) above.
- (iv) Notwithstanding the provisions of (iii) above, the Union will not be entitled to raise any industrial dispute on matters relating to Computer Based Banking Technology, will not resort to any industrial action in that regard and any representations/dispute in that connection shall not fall within the meaning of an industrial dispute under the laws of Sri Lanka.
- (v) It is agreed that any matter raised by the Union relating to the adverse effects of the use of computers shall be referred to the Monitoring Committee set up under the Collective Agreement for resolution. In the event of the Monitoring Committee not being able to satisfy the Union, such matter shall be referred to the Department of Health and Safety of the Labour Department and the recommendation given by the Doctor-in-Charge shall be accepted by both parties and where changes are necessary in terms of such recommendation the Monitoring Committee shall prevail on the Bank to implement such changes.

24. Trade Union Action.-

- (a) MATTERS RELATED AND COVERED IN THE AGREEMENT :
The Union and its members covered and bound by this Agreement jointly and severally agree with the Bank that during the continuance in force of this Agreement they shall not engage in any strike or other form of Trade Union action including go-slow, boycott or demonstrations or picketing or any form of collective action against the Bank in respect of any dispute related to this Agreement.
- (b) MATTERS NOT RELATED AND NOT COVERED IN THIS AGREEMENT :
The Union and its members covered and bound by this Agreement jointly and severally agree with the Bank that during the continuance in force of this Agreement they shall not engage in any strike or other form of Trade Union action including go-slow, boycott or demonstrations or picketing or any form of collective action against the Bank in respect of any dispute that may arise on any matter not related to this Agreement until -
 - (i) The Branch Union of the Bank has exhausted all forms of conciliation to resolve such dispute amicably with the Bank, at which stage the Branch Union shall notify the Bank in writing of its intention to refer such matter to the Parent Union (the Ceylon Bank Employees' Union)
 - (ii) The Parent Union (the Ceylon Bank Employees' Union) has intervened in the matter and has exhausted all forms of conciliation to resolve such dispute amicably with the Bank and/ or the Employers' Federation of Ceylon.
 - (iii) In the event of there being no settlement at the level of conciliation aforesaid, the Parent Union has to give notice in writing of not less than fourteen (14) days of the fact that there has been no satisfactory settlement of the dispute and that it wishes to resort to trade union action. Such notice shall be given to the Bank, the Employers' Federation of Ceylon and to the Commissioner of Labour.

25. Union Check-off Facilities.- During the continuance in force of this Agreement and provided the Union has not less than forty (40) per cent membership among the employees covered by this Agreement the Bank shall continue to grant check-off, provided, however, that the Bank reserves the right to stop, suspend, or discontinue such facility in the event of the Union violating any of the provisions of this Collective Agreement in relation to the Bank.

26. Implementation and Interpretation of this Agreement.- Where either the Union or the Bank are dissatisfied with the manner in which the Collective Agreement is being implemented or where there is a complaint regarding the adverse effects of computer technology change such matter shall be dealt with by a Monitoring Committee set up by the Bank consisting of two representatives from the Bank and two representatives from the Union. The Bank or the Union may request that the matter be placed before the Monitoring Committee by communication addressed to the Employers' Federation of Ceylon setting out the cause of complaint.

Any dispute over the interpretation of the Agreement shall be settled by voluntary arbitration under Section 3 of the Industrial Disputes Act, 1950.

27. **Consequences of Termination of Agreement.**– On the termination of this Agreement all terms, conditions, benefits, facilities and concessions enjoyed by the Union and/ or its members shall ipso facto cease.

28. **Definitions.**– In this Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings.

Bank	The Hongkong and Shanghai Banking Corporation Limited.
Employee	an employee covered and bound by this Agreement.
Employer	The Hongkong and Shanghai Banking Corporation Limited.
Cost of Living Allowance	the Cost of Living Allowance calculated in the manner set out in Clause 7 (a) hereof on the Cost of Living Index Figure published by the Department of Census and Statistics each month.
Cost of Living Index	The Cost of Living Index published monthly by the Department of Census and Statistics.
Parent Union	The Ceylon Bank Employees' Union
Branch Union	The Branch Union of the Ceylon Bank Employees' Union at The Hongkong and Shanghai Banking Corporation Limited.
Dispute	A dispute shall have the same meaning as an Industrial Dispute in the Industrial disputes Act and shall include any dispute arising between the Bank and the Branch Union of the Ceylon Bank Employees' Union.
Salary	Shall mean the consolidated salary as defined in Clause 5.

Words indicating the masculine gender shall include the feminine and words indicating the singular number shall include the plural and vice versa.

THE FIRST SCHEDULE

BANKING ASSISTANT SALARY RANGES

Rs. 15,500 / = to Rs. 34,500 / =

Annual increments in accordance with Clause 8 of the Collective Agreement.

Non - Clerical (Minor Staff) Salary Ranges

Rs. 15,000 / = to Rs. 32,000 / =

Annual increments in accordance with Clause 8 of the Collective Agreement.

THE SECOND SCHEDULE

1. The benefits of the Scheme will accrue to the employee but will cover those persons specified in clause 13 (iii) of the Agreement. It shall be the duty of the employee to enroll members of his family immediately on becoming eligible to be included in this scheme.
No reimbursements will be made in respect of members of the family who have not been enrolled.
2. Reimbursements will only be effected on hospitalization involving at least one night's stay in a hospital.
3. The Bank must be notified promptly, and in any event not later than on the first business day following admission to hospital.

4. The Bank will be entitled to take out Insurance Policies covering reimbursements under this scheme and the employee shall be required to make declarations (including completion and signing of Insurance Proposal forms) and submit documentation required by Bank/ Insurers in a proper form and timely manner to enable the Bank to obtain reimbursement from the Insurance Companies. The Bank will advise by internal circular issued from time to time the documentary requirements and time limits within which documents should be submitted. Where an employee does not comply, such employee will not be entitled to benefits under this scheme.
5. Employees shall uphold the principle of uberrima fides when making declarations and submitting claims under this scheme and any deviation would disqualify the employee from receiving any benefit under this scheme. In addition, the employee will be liable to disciplinary action in accordance with provisions set out in this agreement.
6. (a) The Bank will circulate by internal circular published from time to time a list of Hospitals/ Nursing Homes, expenses incurred at which, will be eligible for reimbursement under the scheme. Additions and / or deletions to this list will also be made by internal circular.
- (b) If the reasons of geographical location any employee believes he may not be in a position to use any of the Institutions given in the list, he may apply to the Bank in writing within 30 days of publication of the list of amendments to the list referred to in the preceding sub-paragraph, requesting special dispensation to use a named Institution(s) and the Bank shall consider such application on a case by case basis and, where deemed appropriate, will grant such special dispensation, provided however, that the decision of the Bank on this matter shall be final and conclusive.
7. **Exclusions .-** The scheme shall not cover benefits / expenses :
 - (a) Arising from an injury sustained or a sickness contracted outside Sri Lanka or for treatment outside Sri Lanka.
 - (b) Occasioned by or happening through,
 - (i) The participation by the employee or other eligible family members in War, Invasion, Act of Foreign Enemy, Hostilities (whether war be declared or not), Civil War, Rebellion, Revolution, Insurrection, Mutiny or Usurped Power, Military, Popular Rising or while serving as a member of any Defence Force, Police, Security Force, Home Guard etc.
 - (ii) Attempted suicide, Alcoholism, Venereal Disease, Insanity and illnesses resulting from Acquired Immune Deficiency Syndrome.
 - (iii) Normal child birth or pregnancy subject to clause 13 (iv). Provided that if an employee has been employed for a continuous period of twelve months, the Bank will pay the medical expenses incurred for any abnormality of maternity which is in excess of what a normal child birth would have cost. The responsibility for furnishing the Bank with the required proof of the extra cost involved, such as a letter from the Doctor/ Hospital, will be on the employee who makes the claim.
 - (iv) Earthquake, Volcanic Eruption or Tidal Wave
 - (c) Incurred whilst travelling in an aircraft other than as a ticket holding passenger in a fully licensed standard type of civil aircraft operated by a recognized airlines on a regular route or in a fully licensed standard type of civil aircraft having two or more engines operated by a recognized Air Charter Company or owned by a Commercial or Industrial firm and piloted by a Pilot holding a Commercial Pilot's License.
 - (d) In respect of Eye Tests or Dental Treatment.
 - (e) Arising from any physical defect or infirmity which existed prior to confirmation in the Bank's service.
8. The benefits under this scheme shall not be cumulative and the words "any one Year" in clause 13 (iii) of the Agreement shall be deemed to be the period 1 st January to 31 st December. In the case of employees who join during the course of a year the overall limit and event limit up to the period ending the next 31st December will be pro-rated to the number of full months of service up to 31st December.
9. In respect of claims for hospitalization which span the end of any year, reimbursement will be made out of the entitlement of either or both years, subject, however, to the event limit specified in clause 13 (iii) of the Agreement.

THE THIRD SCHEDULE

The parties agree to the following conditions in relation to the introduction of new Computed Based Banking Technology by the Bank covered and bound by this Agreement.

1. Wherever practical, the Bank will endeavour to ensure that jobs are designed to include a mix of VDU/ non VDU tasks which seek to provide variation in visual and mental demands upon the operator.
2. The workload of operators of VDUs will be regularly reviewed by Management for the purpose of ensuring proper safety and effectiveness of the operation.
3. The Banks agree to provide VDU operators with adequate training within the parameters of their job description to ensure the safety and health of employees.
4. (a) In selecting VDUs, the Bank will attempt to obtain equipment, which will ensure the following :
 - (i) Screens that give clear stable images.
 - (ii) Proper sitting of keyboards so as to ensure the reduction of stress and improved maneuverability.
 - (iii) Equipment which is quiet in operation so that the level of noise is kept to a reasonable limit.
- (b) The Bank will undertake proper servicing and maintenance to ensure optimum functioning of the VDUs.

The Bank will pay attention to the proper positioning of screens, keyboards and provide facilities for placing documents and ancillary equipment in a manner to facilitate the work of employees.

The Bank will endeavour to provide lighting facilities to minimize visual fatigue in the operation of VDUs.

Employee whose main or primary function, as decided by the Management of the Bank, is the operation of a VDU, will be permitted to visit, at the cost of the Bank, an Optician selected by the Bank to have his eyesight examined prior to his commencing employment on a VDU. In the event of an adverse report being obtained from the Optician, the employee should inform the Bank immediately.

Where an employee whose main or primary function, as decided by the Management of the Bank, is the operation of a VDU, and he is already using spectacles, when he is called upon to operate a VDU for the first time, he will be permitted, at the expenses of the Bank, to be examined by an Optician nominated by the Bank for the purpose of obtaining an opinion as to whether any modification is necessary to his lenses. The cost of such examination and modification to the lenses if necessary, will be borne by the Bank on the following basis.

- (i) The cost of the examination will be met by the Bank outside the limits prescribed by the Medical Assistance Scheme herein.
 - (ii) The cost of modification of the lenses will be met within the Medical Assistance Scheme, but if such cost should exceed the limits prescribed by the scheme, the Bank will bear such additional cost as well.
5. Accepting the fact that continuous work at a terminal by a Data Entry Operator causes a certain amount of strain, the Bank is agreeable to a reasonable pause in entering information at or about the end of each period of 2 hours so long as there is no disruption of the smooth flow of work and so long as such pause does not exceed 10 minutes.
 6. The provisions of this Agreement will apply to employees whose main or primary function, as decided by the Management of the Bank, is operating a VDU. Provided however the Union will be entitled to make representations as to whether the main or primary function is the operation of a VDU subject to there being no industrial dispute being raised on this issue.
 7. The Bank agrees that they will not seek to retrench employees who become redundant solely and exclusively in consequence of the introduction of new Computer Based Banking Technology. Instead, the Bank may avail itself of any one or more of the following options:
 - (a) The aforementioned excess employees may be transferred to other sections / Departments to perform work which is within their skill and capacity without reduction in salary and allowances which are in force at such time in relation to such

employees. This option refers to a transfer other than within the scope of employment, which the Bank would under normal circumstances be entitled to effect.

- (b) The Bank may, on a transfer within the scope of (a) above, re-train an employee if the Bank consider it necessary.
- (c) The Banks will be entitled to negotiate with employees who are redundant for the reasons contemplated in this Agreement, with a view to achieving a cessation of employment on terms mutually agreed upon and this will not amount to retrenchment within the meaning of this schedule.

8. For the purpose of this Agreement, retrenchment will mean an involuntary termination of the employees made redundant consequent upon the introduction of new Computer Based Banking Technology. It will not include a situation where such redundant employees voluntarily leave the service of the employers on terms mutually agreed upon.

IN WITNESS hereof the said parties have set their hands hereunto on this 28 th day of November 2006 at Colombo.



For and on behalf of
THE HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED

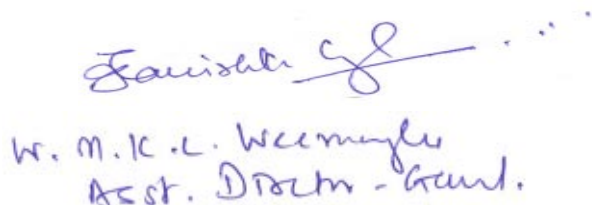
David J H Griffiths
Chief Executive Officer
Sri Lanka and Maldives



For and on behalf of
THE CEYLON BANK EMPLOYEES UNION

Sunil Jayalath
Senior Vice President.

WITNESS :



W. M. K. L. WEERUNGLA,
Asst. Director General,
Employers' Federation of Ceylon.



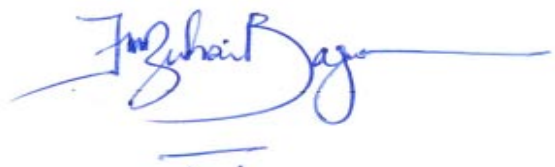
for and on behalf of
THE CEYLON BANK EMPLOYEES UNION

M. SUKUMARAN,
General Secretary.



For and on behalf of
THE HONGKONG AND SHANGHAI BANKING
CORPORATION LIMITED

RAVI JAYASEKERA,
Manager Human Resources



ZUHAIL BAGUS,
President,
CBEU - HSBC Branch Union