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No. 1507/19 – THURSDAY, JULY 26, 2007

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## PART I : SECTION (I) – GENERAL

### Government Notifications

My No. : CI/212.

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

NOTICE of repudiation of the Collective Agreement No 08 of 2000 received by me from the Deputy Director General of The Employer's Federation of Ceylon under Section 9 (1), of the Industrial Disputes Act, Chapter 131 entered into between the Employees Federation of Ceylon. No. 385 J 3, Old Kotte Road, Rajagiriya of the one part and the Ceylon Mercantile Industrial and General Workers Union (CMU), No. 03, 22nd Lane, Colombo 03 of the other part on 12th July 2000 and published in the *Gazette of the Democratic Socialist Republic of Sri Lanka* No. 1, 159/ 33 of 23.11.2000 only in relation to Mackinnon Mackenzie & Co (Shipping) Ltd, Mackinnon & Keels Financial Service Ltd. and Whittall Boustead Ltd. referred to in the first Schedule of the said Collective Agreement.

In terms of Section 9 (2) (b) of the Industrial Disputes Act, Chapter 131, it is also hereby declared that the Collective Agreement No, 08 of 2000 only in relation to three Companies referred to above, shall cease to be enforced with effect from 31st July, 2007.

D. S. EDIRISINGHE,  
Commissioner of Labour.

Department of Labour,  
Colombo 05.  
12th July, 2007.

**Mackinnon Mackenzie & Co. (Shipping) Limited,  
No. 11, York Street, Colombo 01, Sri Lanka**

01st June, 2007,  
The Commissioner General of Labour,  
Department of Labour,  
Labour Secretariat, Narahenpita,  
Colombo 05.

Dear Sir,

#### INDUSTRIAL DISPUTES ACT, No. 43 OF 1950

#### Notice of Repudiation of a Collective Agreement

NOTICE is hereby given of the repudiation of the Collective Agreement No. 8 of 2000 entered into on 12.07.2000, binding on the Employers' Federation of Ceylon and the employer referred to in Clause 1 thereof, and the Ceylon Mercantile, Industrial and General Workers' Union

(CMU) and the employees referred to in Clause 2 thereof, published in *Gazette Extraordinary of the Democratic Socialist Republic of Sri Lanka* No. 1, 159/33 of 23.11.2000.

Yours faithfully,  
DIRECTOR,  
Mackinnon Mackenzie & Co. (Shipping) Limited.

MACKINNON & KEELLS FINANCIAL SERVICES,  
MACKINNON BUILDING 4, LEYDEN BASTIAN ROAD, COLOMBO 01, SRI LANKA

01st June, 2007,  
The Commissioner General of Labour,  
Department of Labour,  
Labour Secretariat, Narahenpita,  
Colombo 05.

Dear Sir,

**INDUSTRIAL DISPUTES ACT, No. 43 OF 1950**

**Notice of Repudiation of a Collective Agreement**

NOTICE is hereby given of the repudiation of the Collective Agreement No. 8 of 2000 entered into on 12.07.2000, binding on the Employers' Federation of Ceylon and the employer referred to in Clause 1 thereof, and the Ceylon Mercantile, Industrial & General Workers' Union (CMU) and the employees referred to in Clause 2 thereof, published in *Gazette Extraordinary of the Democratic Socialist Republic of Sri Lanka* No. 1, 159/ 33 of 23/ 11/ 2000.

Yours faithfully,  
DIRECTOR,  
Mackinnon & Keells Financial Services Ltd.

WHITTALL BOUSTEAD LIMITED,  
148, VAUXHALL STREET, COLOMBO 02. SRI LANKA

01st June, 2007,  
The Commissioner General of Labour,  
Department of Labour,  
Labour Secretariat, Narahenpita,  
Colombo 05.

Dear Sir,

**INDUSTRIAL DISPUTES ACT, No. 43 OF 1950**

**Notice of Repudiation of a Collective Agreement**

NOTICE is hereby given of the repudiation of the Collective Agreement No. 8 of 2000 entered into on 12.07.2000, binding on the Employers' Federation of Ceylon and the employer referred to in Clause 1 thereof, and the Ceylon Mercantile, Industrial & General Workers' Union (CMU) and the employees referred to in Clause 2 thereof, published in *Gazette Extraordinary of the Democratic Socialist Republic of Sri Lanka* No. 1, 159/ 33 of 23/ 11/ 2000.

Yours faithfully,  
DIRECTOR,  
Whittall Boustead (private) Ltd.

### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Ceylon Cold Stores Limited, No. 01, Justice Akbar Mawatha. Colombo 02 of the one part and Ceylon Mercantile Industrial and General Workers' Union (CMU) No. 03, 22nd Lane, Colombo 03 of the other part on 26th March, 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.  
02 nd July, 2007.

### Collective Agreement No. 07 of 2007

#### Collective Agreement between ceylon cold stores limited

and

#### The Ceylon Mercantile, Industrial and General Workers' Union (CMU) (Clerical, supervisory & allied category)

THIS Collective Agreement made this Twenty Sixth day of March Two Thousand and Seven pursuant to the Industrial Disputes Act between Ceylon Cold Stores Limited, a Public Limited Liability Company duly registered in Sri Lanka, and having its registered office at No. 1, Justice Akbar Mawatha, Colombo 2 (hereinafter referred to as "the Employer") of the One Part and the, Ceylon Mercantile Industrial and General Worker's Union (CMU), a Trade Union duly registered under the Trade Unions Ordinance in Sri Lanka having its registered office at No. 3, 22nd Lane, Colombo 03, (hereinafter sometimes referred to as "the Union" of the Other Part.

WITNESSTH and it is hereby agreed between the parties as follows:

#### PART I

1. **Parties to be Covered and Bound .-** This Agreement shall cover and bind the Employer, the Union and members of the Union employed on monthly contracts by the Employer in a Clerical, Supervisory or Allied category and for whom salary scales have been prescribed in the 1<sup>st</sup> Schedule hereto. Provided however the provisions of this agreement will not apply to any new employee recruited to a new factory set up by the Employer elsewhere in the future.

2. **Earlier Collective Agreement .-** The provisions of this agreement shall supersede and replace all terms, which have applied in the past in terms of any Collective Agreement.

3. **Date of Operation and Duration.-** This Agreement which shall be effective as from the First day of August 2006, and shall continue in force unless determined by either party with six month's notice to other, subject to the following provisions :

- (a) That one party hereto shall not give such notice to the other party before the 1st February, 2009 and such notice shall not expire before the 31st July, 2009.
- (b) That in the event of a reduction in par value of the Sri Lanka rupee under any provision of law, a party shall be at liberty to abrogate this Agreement by giving on month's notice in writing to the other in terms of the Industrial Disputes Act.

4. **General Terms and Conditions of Employment .-** During the continuance in force of this agreement the terms and conditions of this Agreement shall be deemed to be included in each contract of service between the Employer bound by this agreement and an Employee covered and bound by this agreement, whether such contract of service be written or oral, which was subsisting on the date hereof or which shall come into being at any time after the date hereof or during the continuance in force of this Agreement.

5. **Probation.**— Every employee recruited by the employer shall serve a period of probation of not more than six (6) months, provided however, that if during the six (6) months probationary period the employer is not satisfied with the progress of such employee, the probationary period may be extended for a further period of three (3) months and in that event the employer shall indicate to the employee in writing the reasons why the probationary period has been extended. During the period of probation or extended probation the employer shall have the right to terminate the services of the employee without notice. If the employee's services are not terminated for unsatisfactory service during the period of probation or extended probation and the employee has not been confirmed by the employer, the employee shall be deemed to be confirmed in the employer's service with effect from the day after the day on which the period of probation or extended probation ended, as the case may be.

6. **Attendance.**—

- (i) Unless otherwise specifically instructed by the Employer, an employee shall present himself for work on every day (other than a holiday) at the usual starting time of the Office store, factory, mill or job and shall there remain available for work throughout the normal working hours.
- (ii) If work is temporarily not available for an Employee in his own occupation, he shall be deemed to be ready and willing to perform work within his capacity and skill in any other occupation at any other work site of the Employer where work is available subject to existing practice.
- (iii) Irregular attendance or unpunctuality of an employee shall constitute neglect of duty for which he shall be liable to appropriate disciplinary action.

7. **Hours of Work.**— The normal working hours shall be those hours which are customarily worked at an Office, Store, Factory, mill or job in the establishment of the Employer subject to employees covered by this Agreement also being engaged in shift work arrangements as follows :

**Kaduwela Ice Cream and Soft Drinks Factory**

Two Shifts :

7.00 a.m. to 3.00 p.m. and 3.00 p.m to 10. 00 p.m.

8. **Deduction of Wages.**— Unless for good cause shown to the satisfaction of the employer, an employee fails to hold himself available for work throughout the normal working hours of each working day he shall forfeit and the employer shall be entitled to deduct his wages for the period from the time at which such failure occurs until he is again available for work.

09. **Overtime.**—

- (i) Any work which is performed in excess of normal working hours shall be remunerated at one and one half (1.5) times the normal hourly rate.
- (ii) Where it appears that in any establishment of an Employer an Employee on being asked to work overtime, other than on a weekly holiday, is likely to work overtime for a period of more than two (02) hours after the normal working hours, the Employee shall be entitled to an interval of not less than thirty (30) minutes at the end of such normal working hours before commencing overtime work.

10. **Weekly Holidays.**— Subject to Clause 13 Part I hereof the following provisions shall govern weekly holidays :

- (i) The weekly holidays prescribed by the Act shall be the weekly half holiday and the weekly full holiday as defined in Part III hereof.
- (ii) Work performed on not more than two such weekly holidays in anyone calendar month may, at the instance of the Employer and with the consent of the Employee, be paid for in the manner set out hereunder and the Employee on being paid and in the manner set out hereunder, shall not be entitled to a half holiday or a full holiday as the case may be in lieu :
  - (a) For any work performed after the normal closing time up to 5.00 p.m. on the weekly half holiday, the Employee shall be paid overtime remuneration at double the normal hourly rate for each hour or proportionately for any fraction of an hour.
  - (b) For any work performed after 5.00 p.m. on the weekly half-holiday, the Employee shall be paid overtime remuneration treble the normal hourly rate for each hour or proportionately for any fraction of an hour.
  - (c) In addition to the remuneration payable under paragraph (a) above or paragraphs (a) and (b) above, the Employee shall be paid the equivalent of the Employee's salary for one half day.

- (d) For any work performed under and up to four (04) hours before 1.00 p.m. on the weekly full holiday, the overtime remuneration payable to the Employee shall be one thirtieth (1/30 th) of the Employee's monthly salary.
- (e) For any work performed in excess of four (04) hours and up to eight (08) hours before 5.00 p.m. on the weekly full holiday, the overtime remuneration payable to the Employee shall be one thirtieth (1/30 th) of the employee's monthly salary in respect of the excess hours.
- (f) For any work performed in excess of eight (08) hours or continuing after 5.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration for any fraction of an hour of such excess.
- (g) In addition to the remuneration payable under paragraph (d), or paragraphs (d) and (e) or paragraph (d), (e) and (f) above, the Employee shall be paid the equivalent of the Employee's salary for one day.

(iii) Where an Employee has performed work on not more than two weekly holidays in any on calendar month and has been paid for such work in the manner set out in the preceding sub-clause, than in respect of work performed on any further weekly holidays in the same calendar month, the Employee shall be remunerated in the manner set out hereunder and shall be entitled to and allowed a half holiday and/or a full holiday in lieu of the weekly half holiday and /or the weekly full holiday as the case may be :

- (a) For any work performed after the normal closing time up to 5.00 p.m. on the weekly half holiday, the Employee shall be paid overtime remuneration at double the normal hourly rate for each hour or proportionately for any fraction of an hour.
- (b) For any work performed after 5.00 p.m. on the weekly half-holiday, the Employee shall be paid overtime remuneration at treble the normal hourly rate for each hour of proportionately for any fraction of an hour.
- (c) For any work performed under and up to four (04) hours after 1.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at one thirtieth (1/30 th) of the Employee's salary.
- (d) For any work performed in excess of four (04) hours and up to eight (08) hours before 5.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at one thirtieth (1/30 th) of the employee's monthly salary in respect of the excess hours.
- (e) For any work performed in excess of eight (08) hours or continuing after 5.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at treble the normal hourly rate for each hour or proportionately for any fraction of an hour of such excess.

11. **Annual Holidays.**— Annual holidays shall be as prescribed by the Act and an Employee may opt to set off absence due to ill-health in excess of the entitlement provided under Clause 15 of Part I hereof against his annual leave entitlement.

12. **Statutory and Customary Holidays.**— The following provisions shall govern statutory and customary holidays :

- (i) Public holidays declared under the Shop & Office Employees' (Regulation of Employment & Remuneration) Act shall be regarded as Statutory Holidays. The following holidays shall be allowed each year as paid holidays accordingly.

Thai Pongal Festival Day  
Independence Day  
Sinhala and Tamil New Year (Two Days)  
May Day  
The day following Wesak  
Prophet Mohamed's Birthday  
Christmas Day

- (ii) The following customary holidays shall be allowed each year as paid holidays :

New Year's Day (1 st January)  
Good Friday  
Christmas Eve (1/2 day)  
Boxing Day

- (iii) (a) If any of the above days is a statutory holiday and if it falls on a weekly half holiday, an additional half day shall be granted on the working day immediately preceding it; and if it falls on a weekly full holiday, a substitute holiday shall be granted on a working day either in six (06) days preceding or in the six (06) days succeeding such weekly full holiday. No substitute holiday shall be allowable for any day specified above, which is not a statutory holiday, if such day falls on a weekly half holiday or a weekly full holiday.
- (b) If any of the above days is a statutory holiday and some other day not specified above is declared a statutory holiday in substitution for such day, then such day shall be treated as a normal working day.
- (iv) (a) Where the Employer requires an Employee to work during the half holiday set out in sub clause (ii) hereof (i.e. after the normal working hours for that day), the Employer shall pay the Employee either.
  - 1) on the basis set out in paragraphs (a), (b) and (c) of Clause 10(ii) of Part I hereof and the Employee shall not be entitled to a half holiday in lieu

OR

- 2) on the basis set out in paragraphs (a) and (b) of Clause 10(iii) of Part I hereof and the Employee shall be entitled to and allowed a half holiday in lieu.
- (b) Where the Employer requires an Employee to work on any of the holidays set out in sub-clause (I) hereof and provided that if such holiday is a statutory holiday the Commissioner General of Labour has given his permission for the Employee to work on such holiday, the Employer shall pay the Employee either -
  - (i) on the basis set out in paragraphs (d), (e), (f) and (g) of Clause 10(ii) of Part I hereof and the Employee shall be entitled to a half holiday in lieu

OR

- (ii) on the basis set out in paragraphs (c), (d) and (e) of Clause 10(iii) of Part I hereof and the Employee shall be entitled to and allowed a holiday in lieu.

13. **Supervisory staff.**- The provisions of Clauses 10 and 12 of Part I hereof regarding weekly holidays and statutory and customary holidays shall not apply to Storekeepers, Assistant Storekeepers, Overseer, Foreman and other like or similar categories whose work involves the supervision of staff employed in manual work (hereinafter referred to as "Supervisory Staff") but in respect of such supervisory staff the following provisions shall apply :-

- (i) WEEKLY HALF - HOLIDAY :- For any work performed in excess of the normal working hours on the weekly half holiday, the Employee shall remunerated at one and one half (1-1/2) times the normal hourly rate and such Employee shall not be entitled to any holiday in lieu for any overtime work so performed on a weekly half holiday.
- (ii) WEEKLY FULL - HOLIDAY :- For any work performed on the weekly full holiday, the Employee shall be remunerated as follows:
  - (a) (i) For any work performed under and up to four (04) hours before 1.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at one thirtieth (1/30th) of the Employee's monthly salary.
  - (ii) For any work performed in excess of four (04) hours and up to eight (08) hours before 5.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at one thirtieth (1/30th) of the Employee's monthly salary in respect of the excess hours.
  - (iii) In respect of any work performed in excess of eight (08) hours or continuing after 5.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at treble the normal hourly rate for each hour or proportionately for any fraction of an hour of such excess.
  - (iv) In addition to the remuneration payable under paragraphs (i) above or paragraphs (i) and (ii) or paragraphs (i), (ii) and (iii) above, the Employee shall be paid the equivalent of the Employee's salary for one (01) day. Where any work is performed on the weekly full holiday and the employee is remuneration in the manner set out above, the employee shall not be entitled to any holiday in lieu.

OR

- (b) (i) For any work performed under and up to four (04) hours before 1.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at one thirtieth (1/ 30th) of the Employee's monthly salary in respect of the excess hours.
- (ii) For any work performed in excess of four (04) hours and up to eight (08) hours before 5.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at one thirtieth (1/ 30th) of the Employee's monthly salary in respect of the excess hours.
- (iii) In respect of any work performed in excess of eight (08) hours or continuing after 5.00 p.m. on the weekly full holiday, the Employee shall be paid overtime remuneration at treble the normal hourly rate for each hour or proportionately for any fraction of an hour in respect of such excess.

Where any work is performed on the weekly full holiday and the Employee is remunerated in the manner set out above, the Employee shall in addition be entitled to and allowed a holiday in lieu.

- (iii) STATUTORY AND CUSTOMARY HOLIDAYS :- Supervisory staff shall be entitled to such Statutory and Customary Holidays as they have hitherto enjoyed prior to the coming in to force of this Agreement notwithstanding anything to the contrary contained in this Agreement and for any work performed on such Statutory or Customary Holiday the Supervisory Staff shall continue to be remunerated in the manner in which they were remunerated prior to the coming into force of this Agreement notwithstanding anything to the contrary contained in this Agreement. Provided, however, that the Supervisory Staff shall have the same holidays as may from time to time be enjoyed by the staff employed in manual work supervised by such Supervisory Staff and that the total of such holidays shall not be less than the total of the Statutory and Customary Holidays enjoyed by the Supervisory Staff as at the date here of.
- (iv) Nothing in this Agreement shall be construed in any way as bringing the Supervisory staff within the provisions of the Act.

14. **Casual Leave.**— (i) In respect of each year of employment during which any employee has been continuously in employment that Employee shall be entitled to take on account of private business or other reasonable cause including ill health if that Employee's entitlement to sick leave has been fully utilized, leave (hereinafter referred to as "Casual leave") with remuneration for the period or an aggregate of periods not exceeding seven (07) days and the Employer shall allow such casual leave and shall be liable to pay such remuneration provided however, that not more than two (02) days casual leave shall be taken at any time save and except upon the grounds of ill health. Provided further, that any Employee shall not be entitled to take casual leave immediately preceding or immediately following any period of annual holidays. Provided further that in respect of any Employees first year of employment including any period of probation he shall be entitled to casual leave for that year computed on the basis of one day for each complete period of two (2) months service.

(ii) Casual leave will normally be granted on application without the employee being required to state the reason for the application. Where the Employer finds it difficult to grant an application for casual leave his difficulty shall be notified to the employee as soon as possible after the application is made and in such case, the Employee may be required to state the reasons for the application in order that the Employer may decide whether it is reasonable in the circumstances to grant him/ her casual leave.

15. **Sick Leave.**— In any year, an Employee shall be entitled to sick leave not exceeding twenty one (21) days. Provided that :

- (a) His illness is supported by a certificate from a registered medical practitioner (unless waived by the employer), where such period of absence exceeds two (02) days, and
- (b) The Employee shall not be on probation within the meaning of Clause 5 hereof. Provided however, that an Employee who has been on probation shall as from the date of confirmation in respect of the remainder of the first year of employment be entitled to sick leave not exceeding ten (10) days if he is confirmed after six (06) months probation and sick leave not exceeding five (5) days if he is confirmed after nine (9) months probation.

16. **Promotions.**— (i) The following shall be the principles which will guide Employers on the question of promotion :

- (a) Mere length of service shall not be the sole criterion for promotion and the Employer shall be entitled to take into account other factors such as efficiency, educational qualifications and character. Where suitability is comparable, seniority shall be given preference.



- (b) An employee in Grade I in the Clerical Supervisory Staff will normally be promoted to Grade II after completing an year's service in Stage 7 unless his inefficiency has been established after due inquiry as provided in clause 27 of Part I hereof.
- (c) Promotion of Clerical and Supervisory Staff from Grade II to the Higher Grade will depend on vacancies and Employees who have shown the necessary capacity will be eligible for promotion to the Higher Grade.
- (d) Promotion of Clerical and Supervisory Staff to the Special Grade will be from the Higher Grade and will depend on merit.
- (ii) The number of Employees in the Higher or Special Grade of the Clerical and Supervisory Staff of any establishment will be determined having regard, *inter alia*, to -
  - (a) the strength of the work force ;
  - (b) the work involved in a post; and
  - (c) the merit of the Employees available for promotion.
- (iii) Where an Employee is promoted at the normal incremental date from one grade to another, such Employee shall be placed at a salary stage in the Higher Grade which will give such Employee a salary not less than that which he would have received had he remained in the grade from which he is promoted and had been advanced one state in that grade, but where an Employee is promoted on a date other than the normal incremental date, such Employee shall be placed at a salary stage in the Higher Grade which will give him a salary not less than that which he would have received if he had remained in the grade form which he is promoted. Provided, however, that if an Employee is standing at the end of a grade when he is promoted to the next grade, such Employee may be placed at any stage in the Higher Grade to which he is promoted which will give him a higher salary than the maximum salary in the grade from which he is promoted.

17. **Transfers.** - (i) Where it is a term of employment either express or implied that an Employee is liable to be transferred from one locality of an establishment to another, such Employee will not be entitled to any additional remuneration if, in consequence of a transfer from one locality to another, there is an increase in the number of hours of work.

(ii) Where it is not a term of employment either express or implied that an Employee is liable to be transferred from one locality of an establishment to another, such Employee will be entitled to receive and the Employer shall be liable to pay additional remuneration in order to compensate for any increase in the number of hours of work arising from a transfer from one locality of an establishment to another. The amount of such additional remuneration, which will depend on the extent to which the hours of work have been increased, shall be mutually agreed upon between the Employer and the Employee or the Union on his behalf. Provided, however, that if the Employee is re-transferred to the locality in which he was previously employed and/ or the hours of work previously worked by him are restored to such employee, the additional remuneration granted to him shall be withdrawn with effect from the date of such re-transfer or restoration.

(iii) Where it is not a term of employment either express or implied that an Employee is liable to be transferred from one locality of an establishment to another, and the transfer of such an Employee will cause him substantial domestic disorganization such as may arise in consequence of a transfer from one station to another such transfer shall be effected by mutual consent between the Employer and such Employee even if :-

- (a) Such transfer will not involve a change in the number of hours of work, or
- (b) He is offered additional remuneration in terms of Sub-clause (ii) above.

(iv) Nothing in the preceding Sub-clause of this clause shall prejudice the right of an Employee to make representations to the Employer against any order of transfer, If an Employer requires an Employee to comply with an order to transfer notwithstanding such representations, the Employee shall comply with the order of transfer but without prejudice to the right of the Employee or the Branch Union or the Union on his behalf to dispute such transfer with the Employer thereafter as provided in this Agreement.

(v) If the Executive Committee of the Union considers that any order of transfer of an Employee by an Employer is calculated to threaten or undermine the existence of the legitimate activities of the Union or its members or is grossly unfair or seriously detrimental to the interests of the Union, the Union shall notify the Employer thereof in writing any may, if in the opinion of the Executive Committee of the Union the circumstances so warrant, instruct the Employee to refrain from complying with the order to transfer pending settlement of the dispute as provided in this Agreement. If the Union instructs the Employee to refrain from complying with the order of transfer as aforesaid, the Union shall notify the Employer thereof in writing and in that event the Employer shall be entitled to suspend the Employee immediately without pay.



Provided, however, that if the Employer subsequently agrees or if an Arbitrator holds that the order of transfer was not justified, the Employee shall be entitled to his salary for the period of suspension if on the other hand, an Arbitrator holds that the order of transfer was justified the Employee shall comply with the order of transfer and he shall not be entitled to his salary for the period of suspension. The refusal of an Employee to comply with an order of transfer on instructions from the Union after the Union notifying the Employee as aforesaid shall not be deemed to be an act of insubordination by the Employee and the Employee shall not be liable to disciplinary action by the Employer for such refusal.

18. **Carrying out employer's instructions as to duties.**– (i) If an employee considers that any duty which he is required to perform by an Employer does not fall within the scope of his employment under the Employer, the Employee shall be entitled to bring such matter to the notice of the Employer. If, notwithstanding such notification the Employer requires the Employee to carry out such instructions, then the Employee shall be entitled to request the Employer to give him such instructions in writing.

(ii) If the Employer gives the Employee such instructions in writing, the Employee shall carry out the same but without prejudice to the right of the Employee or the Branch Union or the Union on his behalf to dispute such matter with the Employer thereafter as provided in this Agreement.

(iii) If the Employer refuses to give such instructions in writing, the Employee shall be entitled to refuse to carry out such instructions and in that event the Employer shall have no right to action against the Employee.

(iv) If the Employer gives such instructions in writing, but the Employee fails to carry out the same, the Employee shall be entitled to suspend the Employee immediately without pay and to take disciplinary action against him without prejudice to the right of the Employee or the Branch Union or the Union on his behalf to dispute suspension or such disciplinary action as may be taken against the Employee as provided in this Agreement.

19. **Salaries.**– (i) With effect from the First day of August Two Thousand and Six Employees covered and bound by this Agreement shall be paid salaries in accordance with the salary scales set out in Schedule I hereof. The annual increments payable to Employees shall also be in terms of these scales, The salaries have been consolidated taking into account all statutory and other allowances due as at date hereof'

(ii) To ascertain the stage on which an Employee will be placed with effect from 01/08/2006 on the salary scale set out at Schedule I hereof, the following method of conversion shall apply

- (a) The salary paid to an Employee as at 31st July, 2006 will be increased by a sum equal to 13% (Thirteen Percent) of same.
- (b) The Employee shall thereafter be placed on the corresponding point on the grade applicable to him in the salary scale set out in Schedule I hereof. In the event of there being no corresponding point, he shall be placed on the next higher point in monetary value on the grade applicable to him.
- (iii) (a) At the expiry of the twelve month period commencing 1st April, 2001, the scales of consolidated wages set out in the 1st Schedule hereto shall be revised by the addition to and consolidation with the salary at each stage of each grade an amount in rupees equal to the number of complete points by which the Colombo Consumers price index has increased during such twelve month period, multiplied by two and the salary payable to each employee shall accordingly be increased by a like amount with effect from the 1st Day of April, 2007.
- (b) During the pendency of this Agreement at the expiry of each twelve month period commencing from the 1st day of April 2007 the scales of consolidated wages revised in the manner prescribed at (a) above shall be revised in like manner as from the 1st day of April of the succeeding year by addition to and consolidation with the wage at each stage and grade of the consolidated wages in force in the twelve month period immediately preceding an amount equal to the number of complete points by which the Colombo Consumers' price Index has increased during such preceding twelve month period multiplied by two and the salary of each Employee as from 1st April of the succeeding year shall be increased by like amount.
- (iv) The salary paid to an employee as at 31st March, 2007 will be increased by an amount equal to 10% (Ten percent) of same and the Employee thereafter shall be placed on the corresponding point in the grade applicable to him in the revised salary scale as at April, 2007. In the event of there being no corresponding point the employee shall be placed on the next higher point in monetary value on such grade.
- (v) The salary paid to an Employee as at 31st March, 2008 will be increased by an amount equal to 9% (Nine Percent) of same and the Employee thereafter shall be placed on the corresponding point in the grade applicable to him in the salary scale as at April, 2008. In the event of there being no corresponding point the Employee shall be placed on the next higher point in monetary value on such grade.

(vi) Upon completion of each 5 year period of Employment up to the 25 th year an Employee shall be entitled to receive a salary increase by way of a fixed number of increments on the scale applicable to him totalling to a sum of Rs. 100/-. In the event of a fixed number of increments not totalling to Rs. 100/- the amount shall be the figure immediately higher to Rs. 100/- on a fixed number of increments. For example, if the salary scale provides for increments of Rs. 30/- such Employee shall receive an increase of Rs. 30/-  $\times$  4 = Rs. 120/-, if the salary scale provides for increments of Rs. 25/- such Employee shall receive an increase of Rs. 25/-  $\times$  4 = Rs. 100/-. The Employee shall thereafter be placed on the corresponding point in the salary scale and grade applicable to him.

(vii) Upon the completion of 30 years in Employment an Employee shall be entitled to receive a salary increase by way of a fixed number of increments totalling to the value of Rs. 250/-. In the event of a fixed number of increments not totalling to Rs. 250/- the amount shall be the figure immediately higher to Rs. 250/- on a fixed number if increments.

20. **Non-Recurring Cost of Living Gratuity.** - (i) An Employee shall subject to the provisions of the succeeding Sub-clauses be entitled to receive and the Employer shall be liable to pay a Non-Recurring Cost of Living Gratuity in April each year in respect of the preceding 12 months (1st April to 31st March hereinafter referred to as "qualifying period") commencing from the First Day of April Two Thousand Six in accordance with the under-noted formula.

FORMULA :- If the average of the Colombo Consumer's Price Index figure for the qualifying period exceeds 3,923.0 (known as the base index figure) a sum computed as Rupees two (Rs. 2/-) for each complete points (*i.e.* 1.0) by which such average exceeds 3,923.0 in respect of each month of service during the qualifying period.

- (ii) The Non-Recurring Cost of Living Gratuity shall be payable by an Employer to and Employee who is eligible to receive the same by virtue of his service under the Employer during a part of the qualifying year by reason of the fact that he is not in the Employer's service when the Non-Recurring Cost of Living Gratuity becomes due in March of any year or he joined the Employer's service during the course of the qualifying year.
- (iii) The Non-Recurring Cost of Living Gratuity shall not be payable to an Employee in respect of any period for which he received no wages for whatever reason.
- (iv) No Provident Fund, Trust Fund, Overtime or any other payment shall be due or calculated on the Non-Recurring Cost of Living Gratuity.
- (v) When at the expiry of each twelve 12 month period commencing 01.04.2006 the scale of consolidated wages have been revised in the manner set out in Clause 19 (iii) hereof, the base index figure in the formula for the purpose of calculating the Non-Recurring Cost of Living Gratuity shall thereafter be increased by the number of points by which the Colombo Consumers' Price Index Figure has risen during each 12 month period as specified in Clause 19 (iii) hereof.

21. **Bonus.** - (i) Subject to what is stated at Sub-clauses (ii) and (iii) hereunder the Employer will during the continuance in force of this Agreement pay, subject to prevailing practice, Employees covered and bound by this Agreement who have completed twelve (12) months continuous service in the Company on the date of such Bonus payment and are in Employment on such date a bonus calculated in terms of the under-noted formula :

FORMULA :- A sum equivalent to 3 months (three months) of the annual salary paid to an Employee during the relevant financial year, *i.e.*, 1 st April to 31 March, for which such bonus is declared.

- (i) The full amount due on this formula to each Employee will be paid in two equal installments in the months of December and April. For example, in respect of the financial year 1 st April, 2006 to 31 st March, 2007 the payment of bonus will be made in the months of December 2006 and April 2007.
- (ii) This payment will be extended on a pro rate basis to any Employee who has retired on reaching the age of retirement during the period for which the bonus is declared.
- (iii) In the case of an Employee confirmed in employment after the successful completion of a period of probation the Employer will extend to him a pro rated bonus payment notwithstanding such Employee having served less than 12 months.
- (iv) In respect of the financial year April 2007 to March 2008 and April 2008 to March 2009 the Employer will, taking into account the performance of the Company in such financial years, consider the grant of a payment equal to half month's salary per Employee, after the end of such financial years.

- (v) In the event of the Employer not granting a payment in terms of Clause 21 (iv) above, the Union reserves to itself the right to raise a dispute. Such dispute shall be dealt with under the disputes settlement procedure set out at clause 30 hereof.

22. **Wages for periods less than one Month.**– For the purpose of this Agreement the wages of any Employee for periods less than one month shall be computed in the manner following :

- |  |   |
|--|---|
| (i) For one hour                                     | – the monthly wage divided by two hundred and forty (240)   |
| (ii) For one day                                     | – the monthly wage divided by thirty (30)                   |
| (iii) For one-half day (either morning or afternoon) | – A days wage ascertained as above divided by two (2)       |
| (iv) For one week                                    | – A day's wage ascertained as above multiplied by seven (7) |

23. **Provident Fund.**– The employer shall contribute to the Provident Fund 12% (twelve percent) of the Employee's monthly salary and the Employees' shall contribute a like sum to the Fund. The rates of contribution are liable to change subject to the requirements of the Employees' Provident Fund Act, No. 15 of 1958.

24. **Annual Increments.**– The annual increments provided in each of the scales of consolidated wages in the Schedule hereto shall be automatic unless as a matter of punishment for general inefficiency including irregular attendance or punctuality or disciplinary action on account of serious misconduct an increment is suspended, stopped or deferred, in which case where an increment is;

- (i) Deferred, the loss of increment shall be continuous through the year,
- (ii) Stopped, the loss of increment shall only be for the period of stoppage during the year,
- (iii) Suspended, the increment is suspended pending a decision to defer or stop an increment, such decision being dependent upon a consideration of the factors giving rise to the suspension. Where on such decision, an increment is neither stopped nor deferred, then the suspension shall be treated as waived and the full increment from the date of suspension thereof, shall accrue to the employee concerned. Deferment, stoppage or suspension of an increment shall only be effected in cases where the employee has been notified in writing of a complaint against such employee and has been found guilty after due inquiry into inefficiency, fraud or misconduct, which in the circumstances does not merit termination of employment.

25. **Warnings.**– If in the opinion of the Employer, an offence warrants a warning the same shall be conveyed to the employee by a letter, a duplicate of which shall be signed by the Employer. If the Employee refuses to sign the duplicate the warning may be given to the Employee orally by the Employer in the presence of two witnesses and the fact that such written warning was refused to be taken by the Employee shall be recorded.

26. **Suspension.**–

- (i) An Employee may, subject as hereinafter provided, be suspended without pay by an Employer ;
  - (a) Pending an inquiry to be held by such Employer on a charge or charges of misconduct where such charge or charges relates to ;
    - (i) Fraud, theft, misappropriation or a like offence by the Employee in the course of his Employment ;
    - (ii) abuse, threat or gross insubordination by the Employee of or to a member of the executive or managerial staff of the Employer ;
    - (iii) A breach of peace, or damage to property, of disturbance of the business of the Employer.

Provided however that an Employer shall suspend an Employee under paragraph (iii) above only for so long as the Employee's continuance in employment will or is likely to be undesirable or to be prejudicial to the proper investigation of the charges or the Employer carrying on his business ;

- (a) As a punishment for misconduct for a period not exceeding seven (7) working days after due inquiry.
    - (b) If an Employee refrains from complying with any order of transfer in terms of clause (17) of Part I hereof or fails to carry out the Employer's written instructions in terms of clause 18 of Part I hereof.
  - (ii) At the time of suspension under Sub-clause (i) (a) or within twenty four (24) hours thereof the Employer shall provide the Employee with a written order of suspension specifying the reasons for such suspension and thereafter hold an inquiry into the charge or charges in the terms of clause 27 hereof.

27. **Disciplinary Action.** - Where the Employer proposes to proceed against an Employee then :

- (i) Irrespective of whether an Employee has been suspended under clause 26 hereof or not, the Employee shall be furnished with a show cause notice which shall set out the particulars of the charge or charges of misconduct alleged against such Employee and such show cause notice shall give the Employee not less than five (05) clear working days in which to give the answer or explanation to the charge or charges preferred.
- (ii) Within five (05) clear working days after the date of the show cause notice, the employee shall furnish in writing to the employer the answer or explanation to the Charge or charges preferred against such employee. Provided however, that if in the circumstances it is reasonable the employee may ask the employer for an extension of time within which to furnish the written answer or explanation to the show cause notice and where such request is made by an employee to the employer, the employer shall grant such request for such further period of time as is deemed necessary in the circumstances of the case.
- (iii) If the Employer is satisfied with the written answer or explanation of the employee, the Employee, the Employee shall, if he is under suspension forthwith be reinstated and shall be paid all emoluments and entitlements due for the period of such suspension.
- (iv) If the Employer is not satisfied with the written answer or explanation of the Employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within fourteen (14) working days from the date of receipt by him of the written answer or explanation to the show cause notice.
- (v) After holding such inquiry, the employer shall notify the Employee of the findings of each of the charges in the show cause notice and the punishment, if any, imposed by the Employer. Provided that if the Employer fails to make an order except for reasons beyond the control of the Employer on the charges in the show cause notice within thirty (30) working days from the conclusion of the inquiry into such charges, the employee shall not be liable to be punished thereafter in respect of such charges and not inference adverse to the employee in respect of such charges shall be drawn from such charges.
- (vi) If the Employee is under suspension and the Employer after such inquiry makes order that :
  - (a) the Employee shall not be dismissed then the Employee shall resume employment forthwith and shall subject to the provisions of sub clause 26 hereof be paid all emoluments, and entitlements due for the period of suspension irrespective of such other punishment less than dismissal that may be imposed by the Employer on the finding as to the charges in the show cause notice ;
  - (b) the Employee shall be dismissed, the Employee's dismissal shall take effect from the date of the Employee's suspension and accordingly the Employee shall not be paid for the period of such suspension ;
  - (c) In view of the serious or involved nature of the charges, in the show cause notice against the Employee, the Employer is unable to make a final order as it is necessary and desirable that the matter be referred to the Police or other authorities for further investigations or inquiries and that the matter be therefore, referred to the Police or other authorities or if in view of the serious or involved nature of the charges preferred against the Employee, the matter has been previously referred to the Police or any other authorities for investigations or inquiries that the outcome of such investigations or inquiries be awaited, then in either of such circumstances, the employee may remain suspended without pay.
- (vii) If in any case where an Employee is suspended as provided for herein the Employer fails to make an order under paragraphs (a) to (c), of the preceding sub-clause for any reason other than that of the Employee's own seeking within thirty (30) days from the date of the Employee's suspension, the Employee shall be entitled to half his normal remuneration for the period of thirty (30) working days from the date of such suspension and to his full remuneration for the period of suspension in excess of thirty (30) working days up to the date on which the Employer makes and order under paragraphs (a) to (c) of the preceding sub-clause, irrespective of the outcome of the inquiry.
- (viii) In any case where an Employee is suspended as provided herein the Employer shall make an order under paragraphs (a) to (c) of sub-clause (vi) within ninety (90) days of the date of suspension of the Employee unless he is prevented from so doing by reason of the employee's own seeking of for reasons beyond the control of the Employer or it is agreed between the Employer and the Union that in the circumstances of the case, the period of ninety (90) days be extended for such further time as may be agreed.
- (ix) an Employer shall not be required to hold an Inquiry as referred to in sub clauses (4) and (5) hereof where the Employer proposes to warn the Employee or where the Employee admits to the charge or charges. Provided however, that if the Union disputes the warning or punishment imposed on the Employee by the Employer and requests the holding of an

inquiry the Employer shall comply with such request and the provisions relating to the holding of an inquiry shall then apply subject to the exception that the fact that the inquiry had not commenced within fourteen (14) working days after receipt of the Employee's explanation shall not be material or relevant.

28. **Retirement.** - An Employee has the option of retiring at the age of fifty five (55) years, or at any time thereafter and shall retire on attaining the age of sixty (60) years. Provided however, that if the Employer requires to retain the services of an employee who has attained the age of sixty (60) years, the Employee shall be offered fresh employment on a temporary basis so long as the Employer requires the services of such Employee.

29. **Trade Union Action.** - The Union hereby undertakes in respect of all the terms and conditions of employment covered by this Agreement not to seek to vary or alter any such terms or conditions other than by negotiation during the currency of this Agreement and hereby expressly undertakes, subject to clause 30 (iv) (d) of Part I hereof, not to engage in a strike or other form of trade union action in respect of a dispute but will have such dispute settled in accordance with the procedure set out in clause 30 of Part I hereof.

30. **Disputes Procedure.** - It is hereby agreed that the procedure to be followed for the settlement of a dispute shall be as set out in sub clause (i) or (ii) hereof.

- (i) (a) where a dispute is between an Employee and an Employer, the Employee shall, in the first instance, raise the matter through such Employee's Branch Union with the Employer and both parties shall endeavour to effect an amiable settlement. Provided however, that if the exigencies of the circumstances warrant, the Union acting immediately in accordance with the succeeding paragraph (b) it shall not be necessary for the Employee's Branch Union to raise the matter as herein provided before the Union acts under the succeeding paragraph (b).
- (b) In the event of a dispute not being settled under paragraph (a) above, or in the case of a dispute between a Branch union and an Employer, the Union may, if it so desires, raise the matter with the Federation and thereupon all steps shall be taken that may be reasonable by the Union and the Federation for an amicable settlement of the matter in dispute utilizing if desired, the good offices of the Conciliation Division of the Department of Labour.
- (c) In the event of a dispute not being resolved or settled under the preceding paragraphs (a) or (b) or in the case of a dispute between the Union and the Federation, the parties shall agree to a statement of the matters in dispute and such matters shall be referred to an arbitrator or arbitrators under section 3 (i) (d) of the Industrial Disputes Act for settlement by arbitration. Provided however, that should the parties fail to agreement to a settlement of the issue in dispute, each party shall furnish the Commissioner of Labour with a statement setting out the issues in dispute and thereafter the Commissioner of Labour shall set out the issues in dispute to be referred to the arbitrator or arbitrators.
- (ii) (a) The Union may notify the Federation in writing with a statement of the matter in dispute that such dispute should be dealt with under the sub clause. As soon as possible after such notification by the Union to the Federation, a Special Disputes committee of the Federation shall endeavour to settle the dispute. If no settlement is effected within seven (07) days from the date of the Union notifying the Federation, the dispute shall, as soon as possible, be referred to the Commissioner General of Labour for settlement by arbitration as provided in sub clause (i) (c) above, or if the Union or the Employer so requests, the dispute shall be referred immediately to a Special Arbitrator for settlement by arbitration.
- (b) If a dispute arising from the dismissal or discharge of an Employee by an Employer is referred to a Special Arbitrator as aforesaid and he is unable to make an Award within twenty one (21) days of the date of receipt of reference, the Special Arbitrator shall be competent but not bound, either of his own motion or at the instance of the Union, to make an interim Award after duly considering all the relevant facts and circumstances for his failure to make an Award within twenty one (21) days of the date of reference, directing the Employer to pay the Employee a sum not exceeding the equivalent of one half of the Employee's normal remuneration for the first thirty (30) days from the date of cessation of employment and for such period thereafter but, not later than the date of the Award on the reference a sum not exceeding the equivalent of the Employee's full remuneration. The parties shall be bound by and comply with the terms of any such interim Award.
- (iii) Subject to sub clause (iv) hereof, the procedure for the settlement of a dispute shall be as set out in sub clause (i) hereof.
- (iv) The procedure for a settlement of a dispute in respect of the matters enumerated in the succeeding paragraphs (a), (b) or (c) shall subject to the succeeding paragraph (d) be as set out in sub clause (ii) hereof.
- (a) A dispute in connection with the interpretation or implementation of this Agreement arising from an act of the Employer, which in the opinion of the Executive Committee of the Union is calculated to threaten or undermine the existence or the legitimate activities of the Union.
- (b) A dispute not connected with the interpretation or implementation of this Agreement, arising from an act of an Employer which in the opinion of the Executive Committee of the Union is calculated to threaten or undermine the existence of the legitimate activities of the Union or its members or is grossly unfair or seriously detrimental to the interests of the Union



- or its members. Provided however, that the disputes shall be referred to an arbitrator or arbitrators under the Industrial Disputes Act or to a Special Arbitrator as the case may be, if no settlement is effected within seven (07) days from the date of the Union notifying the Federation in terms of Sub-clause (ii) (a) hereof, only if the Union so desires.
- (c) A dispute arising from the dismissal or discharge of an Employee by an Employer on disciplinary grounds, which dismissal or discharge is in the opinion of the Executive Committee of the Union vindictive or in bad faith and is calculated to threaten or undermine the existence or the legitimate activities of the union. Provided however, that the dispute shall be referred to an arbitrator or arbitrators under the Industrial Disputes Act or to a special Arbitrator as the case may be, if no settlement is effected within seven (07) days from the date of the Union notifying the Federation in terms of Sub-clause (ii) (a) hereof, only if the Union so desires.
- (d) If the Union does not, however, desire to refer a dispute for settlement by arbitration under the provisions of the preceding paragraphs (b) or (c) the Union reserves to itself the right to engage in or authorize a strike or other form of trade union action and the Federation and the Employer reserves to itself and himself the right to take such steps as it or he may deem fit in the circumstances.
- (iv) (a) In respect of a dispute arising between the parties hereto where arbitration is provided for under this Agreement, it is agreed that the parties to the dispute shall determine at the date thereof whether the dispute shall be settled by arbitration by one arbitrator or three arbitrators. Provided however, that disputes arising over dismissals shall normally be referred to one arbitrator and disputes arising over the proper interpretation or implementation of this Agreement if involving matters or principle or matters of general importance shall normally, If possible, be referred to a Panel of not less than three arbitrators.
- (b) For the purposes of this Agreement an arbitrator or Special Arbitrator shall be jointly selected by the parties. If the parties fail to agree on an arbitrator or special Arbitrator he shall be selected by the Commissioner General of Labour.
- (c) Where a dispute over a dismissal has been referred for settlement by arbitration under the provisions of this Agreement and the Award contains a finding that the dismissal of the Employee by the Employer was not justified, then it is hereby agreed between the parties that normally in such a case the arbitrator or Special Arbitrator shall order that the Employee shall be reinstated in his employment with the Employer and it is hereby further agreed that in any such arbitration the arbitrator or the Special Arbitrator shall take note of this paragraph in making any such Award.
- (d) A Special Arbitrator shall be competent but not bound to make order in his Award as to the manner in which the costs of the arbitration excluding the legal expenses or either party shall be borne by the parties.
- (e) An Award of an arbitrator or Special Arbitrator made herein provided shall be final and binding on the parties hereto.
- (f) (i) Where the Union seeks to settle a dispute by Arbitration as provided for in this Clause, such request for arbitration shall be communicated to the Federation within six (06) months calculated from the date on which negotiations fail.
- (ii) Either party shall be entitled at any stage to inform the other that negotiations have failed.
- (iii) An Employer and the Federation shall not be under any obligation to refer to arbitration any dispute where the request for arbitration is not made within the period of six (06) months specified in his Sub-clause.
- (g) (i) Where the Union seeks to settle a dispute relating to the termination of the services of an Employee by arbitration as provided for in this Clause, such termination should have been disputed by the Employee with the Employer or by the Branch Union with the Employer or by the Union with the Employer or the Federation within three (03) months of the date of termination.
- (ii) An Employer and the Federation shall not be under any obligation to refer to arbitration a dispute relating to the termination of the services of an Employee where it has not been disputed as aforementioned within the period of three (03) from the date of termination of services.
- (iii) The date of termination for the purpose of this Sub-clause shall be date on which the written communication is sent to the Employee terminating his services and not the date on which the termination of services takes effect under Clause 27 (6) (b) hereof.

31. **Variations of terms and Conditions of Employment Benefits.**— (i) The Union and its members, and employees covered and bound by this Agreement, jointly and severally agree with the Employer that during the continuance in force of this Agreement, they will not seek to vary, alter or add to all or any of the terms and conditions of the employment presently applicable to any of the employees Covered & and bound by this Agreement, as amended or altered in terms of this Agreement, of all of any of the benefits presently enjoyed by any of the employees covered and bound by this Agreement, other than by mutual agreement.

(ii) The Employer agrees with the Union and its members and the Employees covered and bound by this Agreement, that he shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed the employees covered and bound by this Agreement, other than by mutual agreement.



(iii) Any dispute or difference arising from negotiation under provisions of Sub-clause (i) or (ii) may be resolved by voluntary arbitration, but only if all the parties concerned agree to submit such dispute or difference for settlement by voluntary arbitration.

## PART II

### Containing the facilities and concessions granted by the Employer to the union

1. **Domestic inquiries.**- If an Employee who is furnished with a show cause notice in terms of Clause 26 is a member of the Union, the following provisions shall apply to the inquiry held by the Employer pursuant to such show cause notice :-

- (a) The Employer will, subject as hereinafter provided, allow a member of the Union in the employment of the Employer (hereinafter referred to as "Observer" ) to be present as an Observer without loss of wages for absence from work.
- (b) If the Employee who is served with a show cause notice desires an Observer to be present at the Inquiry to be held pursuant to such show cause notice, he shall forty eight (48) hours at least before the time appointed for the commencement of the inquiry submit to the Employer the name of such Observer.
- (c) An Observer may answer any question which the person who conducts the inquiry may ask him, but an Observer shall not be entitled to represent the Employee who is served with a show cause notice or otherwise partake in the inquiry.
- (d) The person who conducts an inquiry shall be entitled to require an Observer who obstructs such inquiry in any manner whatsoever to withdraw therefrom and an Observer shall forthwith comply with such requirement.
- (e) The absence of an Observer from the whole or part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceeding threat, nor the finding pursuant thereto.

2. **Union Meetings.**- The following provisions shall apply to meetings of the Branch Union :-

- (a) In respect of each meeting the Branch Union desires to hold at the Employer's premises, an application for permission shall be previously made to the Employer.
- (b) If the Employer decides to grant permission, the Employer shall be entitled to impose, *inter alia*, one or more of the under-noted conditions -
  - (i) That no person other than an employee who is a member of the Union in the service of the Employer shall be present at a meeting of such Branch Union ;
  - (ii) On occasions such as the Annual General Meeting of the Union, authorized official of such Union may with the prior approval of the Employer, attend ;
  - (iii) Fix a time limit within which a meeting of the Branch Union shall be conducted or adjourned.
- (c) It shall be the duty of the Branch Union and its officials 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 officials to ensure that no damage is caused in the course of or in connection with the meeting of the Branch Union to the Employer's property or any other person at the Employer's premises, and the Union shall indemnify the Employer and keep the Employer indemnified against any such damage.
- (e) The following provisions shall apply to meetings of the General Council of the Union :-
  - (i) Without prejudice to the right of an Employer to refuse to grant permission if in his discretion the exigencies of the circumstances warrant refusal, an Employer will generally grant permission to a member of the General Council of the Union in order to attend a meeting of the General council, to leave office not earlier than two (02) o'clock in the afternoon on not more than one occasion in a month without loss of salary for such absence if an application for permission to attend is made at least forty eight (48) hours before the time appointed for holding the meeting of the General Council.
  - (iv) For the purpose of paragraph (a) above the Union shall forthwith furnish each Employer in whose service there are members of the General Council of the Union with a list of such members and keep such Employer informed of all changes therein which may be made from time to time.

3. **Duty Leave.**– (i) The following provisions shall apply to duty leave without prejudice to the right of the Employer to refuse to grant permission if, in its discretion, the exigencies of the circumstances warrant refusal. The Employer will generally grant permission for not less than two Office Bearers of the Union –

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

OR

(b) to attend inquiries before Industrial Courts, Arbitrators or Labour Tribunals or Department of Labour without loss of wages for such absence.

(ii) (a) In respect of the Annual General Meeting of the Branch Union, the Employer shall subject to the discretion referred to at Sub-clause (i) above, permit two hours paid leave for a member of the Union to attend such Annual General Meeting.

(iii) The Employer will, in his discretion, grant leave without remuneration, to an Employee to attend a Trade Union Courts or Seminar or Conference either in Sri Lanka or abroad unless the Employee concerned is entitled to annual or other holidays which he wishes to utilize for the purpose.

4. **Check Off.**– (i) For the purpose of this Clause the Employer shall be bound to grant check off to the Union only if the membership of the Union is not less than forty per cent (40%) of the Employees covered and bound by this Agreement.

(ii) The Employer shall, on the written request of an employee, deduct from the wages due to such employee the current monthly Union dues as are specified by the employee, to be payable monthly by the employee to the Union and remit the amount so deducted to the Union in accordance with the procedure and upon and subject to the conditions hereinafter set forth.

(iii) Every employee, who agrees to the deduction of Union dues from his wages, shall sign a statement to that effect in the form set out in Form No. 1 hereinafter referred to as a "Authorisation".

(iv) Every employee shall be entitled to withdraw his agreement to check off at any time by signing a statement to that effect in the form set out in Form No. 2 hereinafter referred to as an "Revocation" as set out in the Third Schedule hereto.

(v) 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.

(vi) As far as practicable, deductions under an authorisation shall cease from the date of receipt of a revocation cancelling such authorisation. Provide however –

(a) That an Employer shall not be liable in any manner whatsoever to the Union or the employee concerned for the failure to comply with Sub-clause (5) or (6) ;

(b) That at his discretion the Employer shall be entitled not to make deductions by way of check off in any month in which the deductions by way of check off will, together with all other deductions from employee's wages in that month, exceed the deductions permitted by law.

(vii) The Employer shall not later than the tenth day of each month remit to the Union dues deducted from the wages of the employees in the month immediately preceding, to the Treasurer of the Union in accordance with the tenor of each authorisation, by a cheque payable to the Treasurer thereof and crossed 'Account Payee'.

(viii) 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.

(ix) The Treasurer of the Union shall promptly acknowledge receipt of the cheque.

(x) The Employer shall not be liable to pay the Union or to the Treasurer on its behalf as aforesaid any sum other than the Union dues actually deducted.

(xi) If for the purpose of this clause it becomes necessary to decide the question of whether a Trade Union represents not less than 40% of the Employees concerned, the same shall be determined by a Referendum which shall be held by the Department of Labour and the result of such Referendum shall be binding on the parties hereto.



18 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

PART I: SEC. (I) – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 26.07.2007

**STAGE**

**GRADE I**

**GRADE II**

**HIGHER  
GRADE**

**SPECIAL  
GRADE**

**STAGE**

**GRADE I**

**GRADE II**

**HIGHER  
GRADE**

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GRADE**

20 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

PART I: SEC. (I) – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 26.07.2007

**STAGE**

**GRADE I**

**GRADE II**

**HIGHER  
GRADE**

**SPECIAL  
GRADE**



**STAGE**

**GRADE I**

**GRADE II**

**HIGHER  
GRADE**

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GRADE**

22 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

PART I: SEC. (I) – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 26.07.2007

**STAGE**

**GRADE I**

**GRADE II**

**HIGHER  
GRADE**

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GRADE**

STAGE	GRADE I	GRADE II	HIGHER GRADE	SPECIAL GRADE
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24 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

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STAGE	GRADE IV	GRADE III	GRADE II	GRADE I
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26 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

PART I: SEC. (I) – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 26.07.2007

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**STAGE**

**GRADE IV**

**GRADE III**

**GRADE II**

**GRADE I**



STAGE	GRADE IV	GRADE III	GRADE II	GRADE I
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28 A I කොටස: (I) ඡේදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය - 2007.07.26

PART I: SEC. (I) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 26.07.2007

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**STAGE**

**GRADE IV**

**GRADE III**

**GRADE II**

**GRADE I**

**STAGE**

**GRADE IV**

**GRADE III**

**GRADE II**

**GRADE I**

30 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

PART I: SEC. (I) – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 26.07.2007

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STAGE

GRADE IV

GRADE III

GRADE II

GRADE I



32 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

PART I: SEC. (I) – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 26.07.2007

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**STAGE**



**STAGE**

34 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

PART I: SEC. (I) – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 26.07.2007

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**STAGE**

**STAGE**

36 A I කොටස: (I) ඡේදය – ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය – 2007.07.26

PART I: SEC. (I) – GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA – 26.07.2007

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**STAGE**

STAGE

291	28505.50
292	28566.00
293	28626.50
294	28687.00
295	28747.50
296	28808.00
297	28868.50
298	28929.00
299	28989.50
300	29050.00

SCHEDULE II

**Benefits / Concessions to Employees**

1. **Soft Drinks Issues.**—
  - (a) 24 bottles free of charge per month per employee
  - (b) Funeral of an employee 10 dozens free of charge
  - (c) Wedding of an employee - subject to one wedding during an employee's tenure of service - 6 dozens free of charge.
  - (d) Funeral of a dependent - 150 bottles at ex-factory price.
2. **Ice Cream Issue.**— 4 litres of Ice Cream to be issued at the ex-factory price less Rs. 15/- per month per employee
3. **Free Mid-Day Meal**
4. Medical benefit under a surgical and hospitalisation insurance cover, where an employee could claim up to Rupees Thirteen Thousand (Rs. 13,000/=) in any one claim with a maximum limit of Rupees Twenty thousand (Rs.20,000/=) for a year.
5. **Funeral Aid Scheme.**—
  - (a) A grant of Rs. 15,000/- in the event of a death of an employee in service.
  - (b) A grant of Rs. 5,000/- in the event of a death of the spouse or any unmarried children under 18 years and if the employee is unmarried, to his/ her parents.
6. **Welfare Shop with essential items**
7. **Service Awards.**—
  - (a) On completion of 15 years of service Rs. 5,000/-
  - (b) On completion of 25 years of service - one gold sovereign and a wall Clock.
  - (c) On completion of 30 years of service - one gold sovereign.
8. **Retirement grant to employees.**—
  - (a) For employees retiring after a period in excess of 15 years, a gift voucher to the value of Rs. 2,250/- to purchase Company products.
  - (b) For employees retiring with less than 15 years service a gift voucher to the value of Rs. 1,250/- to purchase Company products.
9. Monthly salaries/ wages to be paid on 25th of each month
10. Opportunities being made available to suitably qualified employees in the Minor & Clerical grades to obtain appointments in Executive Grades
11. Festival Advance of Rs. 2,600/= to be paid for Sinhala/ Tamil New Year or Christmas
12. An Advance of Rs. 1,000/= from the NRCLG for Vesak festival, subject to the money lying to the credit of NRCLG.
13. **Holiday Bungalow.**— 3 Roomed Holiday Bungalow to be provided as and when available. This facility will be reviewed subject to its occupancy levels.

14. *Shift Allowances.*—

7.00 a.m. to 3.00 p.m. Rs. 6.00  
 3.00 p.m. to 10.00 p.m. Rs. 6.00  
 10.00 a.m. to 7.00 a.m. Rs. 10.00

*Boiler/Engineer.*—

4.00 p.m. to 12.00 mid night Rs. 10.00  
 12.00 mid night to 8.00 a.m. Rs. 10.00

15. *Attendance/Punctuality Bonus.*—

(A) A total bonus payable Rs.360/- per month subject to deductions for absence as given below.

## DEDUCTIONS FOR LEAVE

<i>Authorised leave taken</i>	<i>Deductions (Rs.)</i>
1/ 2 day	Nil
1 day	Nil
1 and 1/ 2 day	Nil
2 days	Nil
2 and 1/ 2 days	75.00
3 days	150.00
3 and 1/ 2 days	200.00
4 days	not eligible

- \* Accident Leave, continuous 7 days Annual Leave, Special Leave and Duty Leave will not be counted as absence for deduction.
- \* Any walkouts of more than 4 hours continuously will be considered as 1 day's leave for this purpose.
- \* Periods of strikes will be regarded as absence.
- \* Employees guilty of unauthorized absence and / or who avail themselves of unpaid sick leave for any period will forfeit their right to the attendance / punctuality bonus.
- \* Deductions for late attendance:

<i>Late in minutes</i>	<i>Deductions</i>
15	Nil
30	Rs. 15.00
45	Rs. 30.00
60	Rs. 50.00
75	Rs. 75.00
90	Rs. 100.00
105	Rs. 125.00
120	not eligible

A quarterly bonus of Ra. 600/- will be paid for employees who collect the full payment of Rs. 360/- in the 3 months representing such quarter. The year for this purpose shall be from January to December.

16. **Spectacle Loan.**– A spectacle loan of Rs. 1,250/- subject to prevailing condition.
17. **Book Advance.**– A book advance of Rs. 1,000/- in December subject to prevailing conditions.

#### FORM NO. 1

**Name of Employer**

#### Authorisation

I, being an employee covered and bound by the Collective Agreement signed between the Ceylon Mercantile, Industrial and General Workers' Union (CMU) of which I am a member and Ceylon Cold Stores Limited, kindly request the Company to deduct from my salary each month a sum of Rs..... in respect of my current monthly membership dues to the said Union and, remit the same to the said Union on my behalf. The first payment should please be made from my wages next due immediately following the date hereof.

Signature of Employee :

Date :

Full Name of Employee :

Received on  
(to be filled by Employer)

#### FORM NO. 2

Name of Employer :

#### Revocation

With reference to the Authorization submitted by me, please cease to deduct from my wages any further membership dues in favour of the CEYLON MERCANTILE, INDUSTRIAL AND GENERAL WORKER UNION (CMU) with effect from the wages next due to me immediately following the date hereof.

Signature of Employee :

Date :

Full Name of Employee :

Received on

(to be filled by Employer)

#### PART III

#### CONTAINING DEFINITIONS OF CERTAIN WORDS





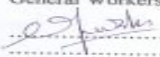


In Parts I and II of the Agreement unless excluded by the Subject or context, the following words shall have the meaning set opposite to them.

<b>Words</b>	<b>Meaning</b>
The Act	The Shop and Office Employees (Regulation of Employment and Remuneration) Act No. 19 of 1954.
Check-off	The act of the Employer deducting, at the request of the Union subscriptions payable to the Union by an Employee from the latter's pay with his concurrence.

Words	Meaning
Dispute	Shall have the same meaning as in the Industrial Disputes Act.
The Federation	Employer's Federation of Ceylon
Employee (for convenience sometimes referred to as 'he' or its grammatical variations)	An Employee covered and bound by this Agreement
Employer (for convenience sometimes referred to as 'he' or its grammatical variations)	The Employer covered and bound by this Agreement
Industrial Disputes Act	The Industrial Disputes Act, No. 43 of 1950.
Normal Incremental Date	The date on which an Employee would normally receive an increment.
Union or Unions	The Union covered and bound by this Collective Agreement.
Branch Unions	The Branch Union of the Ceylon Mercantile, Industrial and General Workers' Union (CMU) in the establishment of the Employer.
Wage	The monthly wage according to the scales of consolidated wages in the Schedule hereto.
Week	The period between midnight on any Saturday night and midnight on the succeeding Saturday night.
Year	A continuous period of twelve (12) months.
Weekly full holiday in respect of any week	Shall have the meaning as 'weekly holiday' under the Shop/ Office Employees' Act.
Weekly half holiday in respect of any week	Shall have the same meaning as 'weekly half holiday' in the Shop/ Office Employees' Act.
Two such weekly holidays	Two full holidays or four half holidays or any combination of full of half holidays which does not exceed two full holidays.

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

IN WITNESS WHEREOF THE PARTIES AFORESAID HAVE HEREUNTO SET THEIR HANDS ON THIS TWENTY SIXTH DAY OF MARCH TWO THOUSAND AND SEVEN

<p></p> <p>M D De Silva Sector Head - F &amp; B Manufacturing For &amp; on behalf of Ceylon Cold Stores Ltd</p> <p>RFN Jayasooriya Head - Supply Chain Management For &amp; on behalf of Ceylon Cold Stores Ltd</p> <p>Witnesses:</p> <p>1.  Name: Nishantha Jayasinghe Designation: Head of Supply Chain Management</p> <p>2.  Name: Nishantha Jayasinghe Designation: Employee Relations Manager</p>	<p></p> <p>P. B. Tampoe General Secretary For &amp; on behalf of the Ceylon Mercantile, Industrial &amp; General Workers' Union (CMU)</p> <p></p> <p>For &amp; on behalf of the Ceylon Mercantile, Industrial &amp; General Workers' Union (CMU) B. C. Gnanarathna Branch President.</p> <p>Witnesses:</p> <p>1.  Name: S. U. Palihena Designation: Branch Secretary.</p> <p>2.  Name: K. Dissanayake Designation: Branch Treasurer.</p>
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**THE INDUSTRIAL DISPUTES ACT, CHAPTER 131**

THE Collective Agreement entered into between Lanka Ashok Leyland Ltd, Panagoda, Homagama of the one part and Lanka Ashok Leyland Ltd Employees' Welfare Society, Panagoda, Homagama, Sri Lanka Nidahas Sewaka Sangamaya, 1st Floor, T.B. Jayah Mawatha, Colombo 10 and Jathika Sewaka Sangamaya, No. 416, Kotte Road, Pitakotte of the other part on 21st February, 2007 is hereby published in terms of Section 6 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.  
12th July, 2007.

**Collective Agreement No. 14 of 2007**

**COLLECTIVE AGREEMENT**

LANKA ASHOK LEYLAND, NON-EXECUTIVE PERMANENT EMPLOYEES, REMUNERATION PACKAGE  
COLLECTIVE AGREEMENT

MANAGEMENT Represented By :	GENERAL EMPLOYEES UNITED COMMITTEE Represented By ;
N. Ananth Murthy Chief Executive Officer	UP Erath Kumara Damitha Janaranjana
Umesh Gautam General Manager	Athula Jayaratne Thakshila Kaluarachchi
J W N R Boteju Manager - Works & Admn.	H D H Gunasekara D G N Laxman
A R T Ranasinghe Manager (Finance & System)	B A Upali

The above mentioned parties have discussed and finalized a Wage / Remuneration Package settlement as follows :

This settlement covers all the non-executive permanent employees who are on the rolls of Lanka Ashok Leyland Ltd. on the date of this settlement and specifically excludes all others.

I. **Duration of agreement.** - 1st October 2006 to 30th September, 2009.

II. **Effective dates of implementation.** - 1st October 2006.

(ගිවිසුමේ කරුණු ක්‍රියාකාරී වන දින)

III. (a) *Basic Wage Increase.*–

<i>1st year</i>	<i>2nd year</i>	<i>3rd year</i>
01.10.2006 to 30.09.2007	01.10.2007 to 30.09.2008	01.10.2008 to 30.09.2009
LKR 1,000/-	LKR 1,000/-	LKR 1,000/-

This ‘*ad hoc*’ increase is being done as a very special case and without precedence, as a one time measure for purpose of this Agreement and duration only.

In view of management conceding to request of General Employees United Committee of Lanka Ashok Leyland with this Agreement, the workforce is expected to increase output by 5% initially over average output measured over previous one year (1/ 10/ 2005 to 30/ 09/2006) and increase it to YOY 5% over 2nd and 3rd years of this agreement, with no increase in man power, which will be maintained at present strength of 77. (15.76% increase over base year by 3rd year of agreement)<sup>a</sup>

The Management may revise the productivity norms time to time based on any improvements in the technology, work methods, work processes or work layout etc. and the employees (covered by this agreement) agree to give output based on such revised norms. For working of this Agreement productivity norms are suggested as follows :

<i>Item</i>	<i>Pdi + free service + paid services</i>	<i>Unit repairs</i>	<i>Vehicle mech. repairs warranty</i>	<i>Vehicle mechanical repairs regular</i>	<i>Modifications</i>	<i>Mobile</i>
Average number per month in 3rd year of previous agreement. (01.10.2005 to 30.09.2006)	329	64	186	125	46	15
5% increase in year 1 (1/ 10/ 2006 to 30/ 09/ 2007)	16	3	9	6	2	1
<b>Cum’ Total / Month</b>	<b>345</b>	<b>67</b>	<b>195</b>	<b>131</b>	<b>48</b>	<b>16</b>
5% increase over year 1 in 2nd year	17	3	10	7	2	1
<b>(1/ 10/ 2007 to 30/ 09/ 2008 Cum’ Total / Month</b>	<b>362</b>	<b>70</b>	<b>205</b>	<b>138</b>	<b>50</b>	<b>17</b>
5% increase over year 2nd in 3rd year	18	4	10	7	3	1
<b>(1 / 10 / 2008 to 30 / 09 / 2009 Cum’ Total / Month</b>	<b>380</b>	<b>74</b>	<b>215</b>	<b>145</b>	<b>53</b>	<b>18</b>

The increase in basic salary of Rs. 1,000/- in the second year of this Agreement is subject to achieving the productivity increase outlined for the 1st year, and similar basic salary increase of Rs. 1,000/- in the third year will depend on achieving productivity increase as outlined in the second year. By the end of the third year of the agreement, the productivity norms outlined for 03rd year of the Agreement should be achieved.

Should there be any shortfall in achieving above set productivity increase norms as outlined above, the basic salary increase will be proportionately adjusted.

The proportionate amount by which ‘*ad hoc*’ increase will be reduced is 5% (i e LKR 50/ -), if the required productivity norms are not achieved, year on year, for the particular year, in which productivity increase as specified is not achieved.

For Example :-

	2006/07	2007/08	2008/09
'Ad hoc' increase when productivity norms increased by 5% over previous year	Rs. 1,000/-	Rs. 1,000/-	Rs. 1,000/-
If productivity norms increase is less than 5% YOY	Rs. 1,000/-	Rs. 950/-	Rs. 950/-

(b) VEHICLE SALES SERVICE CHARGE

I. Threshold	1st Year 30 vehicles	2nd Year 30 vehicles	3rd Year 30 vehicles
	1st Year	2nd Year	3rd Year
II. Amount per vehicle above Threshold	LKR 8,500/-	LKR 8,500/-	LKR 8,500/-

III. **Formula For Calculation.**– Total vehicles purchased and sold by Lanka Ashok Leyland and for which payment has been received, up to 10 th day of the month, in which service charge is being paid, for vehicles sold in the month, for which service charge is payable, divided among all eligible employees as per attendance factor.

IV. **Calculation.**–

	2006/07	2007/08	2008/09
a. T = Total vehicles invoiced in the month for which vehicle sales incentive is payable (for which payment has been received)			
A F = Attendance Factor			
N = Number of eligible employees			
$\frac{(T - 30) \times 8500 \times 0.85 \times AF}{N}$	$\frac{(T - 30) \times 8500 \times 0.85 \times AF}{N}$	$\frac{(T - 30) \times 8500 \times 0.85 \times AF}{N}$	
AF = No. of days present in the month			
No. of working days in the month			
	22006 / 07	2007 / 08	2008 / 09
b. For eligible employees in Marketing = M			
$\frac{(T - 30) \times 8,500 \times 0.15 \times AF}{M}$	$\frac{(T - 30) \times 8,500 \times 0.15 \times AF}{M}$	$\frac{(T - 30) \times 8,500 \times 0.15 \times AF}{M}$	
c. Amount forfeited from total available amount from III (b) (iv) (a) and III (b) (iv) (b) – on account of absence and difference in amount, will be credited to company CSR projects - account.			

V. **Attendance Bonus.**– Payable on 15 th of each month for previous month.

1st Year.	2nd Year.	3rd Year.
Rs. 8/- per day	Rs. 9/- per day	Rs. 10/- per day

Only two days absence per month allowed to qualify (Late coming as per time record exceeding 3 times in a month, excluding 'short leave', will be treated as 02 days absence.

**VI. Workshop Spare Parts Incentive.-**

- (a) The value of consumption of Spare parts and body building material in the workshop (including PDI, Service, Warranty and Repair) accident repair area, body building area, except for diesel, oil, grease and filter elements, will be determined, as per consumption records for the month.
- (b) In addition workshop labour invoiced value for full month, other than PDI, Free Service, Body building and accident repair is to be also taken in to consideration.

Total of V (a) + V(b) = X Mn

Threshold level = LKR 3 Mn

- (c) The value of incentive for distribution will be 2% of (X - 3) Mn, to be distributed as follows :
- 80% of value to be divided equally among all permanent employees of the company except those employees receiving special vehicle service charge in Marketing (M) and those employees who receive spare parts incentive (S) as in Para. VI below, and as in Para (V) c (2) below :
  - 20% of value to be distributed as follows :

BSE	-	25%
Workshop Engr.	-	15%
Executive/ Suprintendent (W/ S)	-	15%
Customer Support Engr.	-	15%
Foreman - Unit repair	-	10%
Service Engineer (Sedawatte)	-	10%
Foreman - PDI & Service Section	-	10%

**Note.** - Incentives payable under paras IV and VI below, will be on basis of receipt of payment for sales. If payment for a particular invoice exceeds 3 months, this value will be removed from eligibility for incentive. Otherwise, payment will be on same basis as eligibility for vehicle service charge.

**VII. Spare Parts Incentive.-** The objective of the spare parts incentive scheme is to reward all stakeholders equitably, while recognizing those involved directly in spare parts operation, by making them eligible for a higher reward, commensurate with their contribution.

- INCENTIVE SCHEME.-** Total spare parts turnover for the company from all retail outlets operated by the company, in one month excluding spare parts issued to workshop, body building and accident repair section.  
as per Para. V (a) and (b) = LKR X Mn.

Threshold = LKR 3 Mn

Amount available for incentive calculation = 2% of (X-3) Mn = A

- ELIGIBILITY CRITERIA.-**

- (a) 30% of A to be distributed as follows :-

M (W & A)	-	25%	
AM (P)	-	25%	
M (F/ S)	-	25%	
Corporate	-	25%	(for CSR Projects)

- (b) 60% of A to be distributed as follows : -

The amount to be divided in proportion to sales value from each outlet.

40% to the man - in - charge

30% each to other employees in that outlet.

**Note.** - Until such time that a permanent employee is appointed to take care of any outlet - amount eligible for such outlet will get added back in portion to 60% of A and 30% of A and 10% of A, and distributed proportionately among all categories eligible for this scheme.

- (c) 10% of A to be retained by the company for CSR projects.

V. *Spare parts Ware house Incentive* .-

1. SCHEME : To provide incentive for permanent employees in warehouses to benefit from activity of in warding and out warding items.
2. Total value of issues from parts warehouse and consumable stores to be calculated every month - excluding lubricants and cotton waste, and deisel.
3. A discount factor of 20% of value in VII (2) is to be deducted. This residual value to be termed 'P' Mn.
4. Threshold level to be fixed at LKR 8 Mn per month.
5. Therefor amount which will become eligible for incentive calculation = ( p - 8) Mn = B
  - (a) First 2 million rupees out of B - will be calculated at 0.5% = 1/2 % of amount = LKR 10, 000
  - (b) Second 2 million rupees out of B - will be calculated at 0.25% = 1/4 % of amount = LKR 5, 000
  - (c) Balance at 0.1% or 1/ 10% of (B-4) Mn on entire amount exceeding (B- 4) Mn

TOTAL of 5 (a) + 5 (b) + 5 (c) = I

6. Distribution of I will be as follows :

M (W & A)	-	5% of I
Executive parts Warehouse	-	5% of I
Executive parts Warehouse	-	5% of I

Permanent employees of		
Parts warehouse + consumable stores	-	50% of I

All other employees		
(Except those receiving marketing		
vehicle incentive, and spare		35% of I
parts outlet incentive)		
to be divided equally.		

- (viii) The Company will bear the insurance premium annually for a new medical insurance scheme for employees covered by this agreement, which will include immediate family members such as spouse and children, as per terms of the insurance policy.
- (ix) Therefore the total wage payable will consist of fixed and guaranteed portion as in Para. III (a) and Variable portion : as in Para III (b): iv and v, vi, vii and Medical Insurance scheme as in para Viii
- (x) The rules and regulations and grievance procedures as modified and annexed to this wage settlement collective agreement will be in force for the duration of this collective agreement.

The employees will be governed by the revised work rules, grievance and disciplinary procedure with effect from 1 st October, 2006.

- (xi) It is hereby agreed that no demand of a monetary nature will be made up to August 2009. A negotiation may commence thereafter with mutual consent of management and employees of the company.

If during the continuance in force of this Agreement, the Government prescribes increase in salary by any written law, applicable to the Company, the Employer shall be entitled to take credit for the increases granted in terms of this Agreement.

- (xii) No Wage / Salary, Service charge, attendance bonus or any form of incentive is payable for strike, stoppage of work, slow down and any other industrial unrest period.
- (xiii) LEAVE ENTITLEMENT, ACCUMULATION & ENCASHMENT
- (i) All permanent employees who have completed one year of employment are entitled to 7 days casual leave, 7 days medical leave and 14 days earned leave.
- (ii) Casual leave cannot be carried forward and has to be availed whenever necessary within the eligible year.
- (iii) Medical leave can be accumulated over a period of 3 years, up to maximum of 21 days- for any emergency, but is not encashable.
- (iv) Earned leave which is not utilized can be carried forward for 3 years, i.e. a total of 42 days. Unavailed leave available to the credit of employee after a period of 3 years, can be encashed at the time of Sinhala / Tamil New Year in proportion to days available /  $30 \times (\text{Basic salary})$ .
- (xiv) ANNEXURE TO FORMAL AGREEMENT
1. Revised grade & salary scale effective 1 st October, 2006.
  2. Appraisal Form.
  3. Merit Pay Scheme (Revised)
  4. Work rules, Disciplinary and Grievance Procedure (Revised).
- (xv) This Agreement is entered into on this day 21st February 2007.

MANAGEMENT	GENERAL EMPLOYEES UNITED COMMITTEE	
N. Ananth Murthy Chief Executive Officer	U P Erath Kumara Damith Janaranjana	Lanka Ashok Leyland Ltd Employees Welfare Society Panagoda - Homagama
Umesh Gautam General Manager	Athula Jayaratne Thakshila Kaluarachchi	Sri Lanka Nidahas Sewaka Sangamaya 1 <sup>st</sup> Floor, T B Jayah Mw, Colombo-10
J W N R Boteju Manager - Works & Admn.	H D H Gunasekara D G N Laxman B A Upali	Jathika Sewaka Sangamaya No. 416, Kotte Rd, Pitakotte
A R T Ranasinghe Manager (Finance & System)		

**Revised Salary Scale - Permanent Non Executive Employees From 01.10.2006**

## LANKA ASHOK LEYLAND LTD - PERFORMANCE APPRAISAL FORM

Employee Name : .....

Name of Supervisor /Manager : .....

Designation : .....

Period Covered by Appraisal From 01. 10 to 30.09.

## 1) RESPONSIBILITY

(Does much more than expected)

(Does more than expected)

(Does his full share)

(Does minimum required)

Excellent

Very Good

Good

Satisfactory

Unsatisfactory

4

3

2

1

0

Remarks .....

## 2) JOB SKILL

Far exceed normal of Work

(Exceeds normal of Work)

(Meets Standards)

(Meets minimum Standards)

Excellent

Very Good

Good

Satisfactory

Unsatisfactory

4

3

2

1

0

Remarks .....

## 3) QUANTITY OF WORK

Excellent

Very Good

Good

Satisfactory

Unsatisfactory

4

3

2

1

0

Remarks .....

## 4) ATTITUDE

Excellent

Very Good

Good

Satisfactory

Unsatisfactory

4

3

2

1

0

Remarks .....

## 5) ATTENDANCE (Lateness &amp; Absence) No of days leave taken .....

(Practically never late or absent)

(Seldom late or absent &amp; always has very good reason)

(Only occasionally late or absent &amp; usually has good reason)

(Meets minimum for attendance &amp; promptness)

Excellent

Very Good

Good

Satisfactory

Unsatisfactory

4

3

2

1

0

Remarks .....

## OVERALL RATING (May use fractioned ratings)

Excellent

Very Good

Good

Satisfactory

Unsatisfactory

4

3

2

1

0

Remarks .....

(Warning letters/ show-cause notices issued) .....

Verbal or Written :

Overall Rating

20

Date : .....

Signature : .....

EPF NO	Present Basic	Present Grade & Point	Rating	% Increase	Amount of Increase	Revised Basic	Remarks (Grade & Point/ Promotion / Re-designation)



2006 / 2009  
**MERIT PAY PLAN**  
Current position in salary

Points	Performance	First Quintile	Second Quintile	Third Quintile	Fourth Quintile	Fifth Quintile
4	TRULY OUTSTANDING	% 6 - 7 INCREASE	% 5 - 6 INCREASE	% 4 - 5 INCREASE	% 3 - 4 INCREASE	% 2 - 3 INCREASE
3	ABOVE AVERAGE	5 - 6 INCREASE	4 - 5 INCREASE	3 - 4 INCREASE	2 - 3 INCREASE	2 - 2.5 INCREASE
2	GOOD	4 - 5 INCREASE	3 - 4 INCREASE	2 - 3 INCREASE	2 - 2.5 INCREASE	1.5 - 2 INCREASE
1	SATISFACTORY	3 - 4 INCREASE	2 - 3 INCREASE	2 - 2.5 INCREASE	1.5 - 2 INCREASE	1 - 1.5 DELAY INCREASE ( 6 MONTHS)
0	UNSATIS FACTORY	NO INCREASE	NO INCREASE	NO INCREASE	NO INCREASE	NO INCREASE


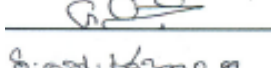
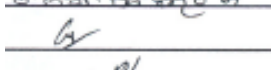





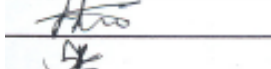
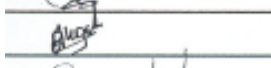
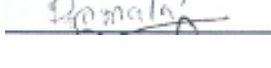



**Points.** - Appraisal as per appraisal form - Format (Bi - Annual Basis).

Total points Scored divided by 20 Fraction to be converted As follows :-

1/ 20 - 4/ 20 = 0; 5/ 20 - 9/ 20 = 1; 10/ 20 - 15/ 20 = 2; 16/ 20 - 18/ 20 = 3; 19/ 20 - 20/ 20 = 4

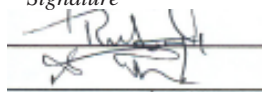
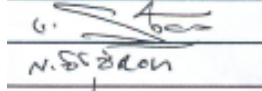

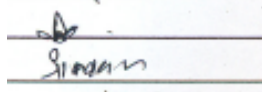
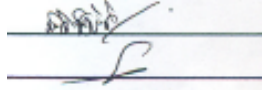
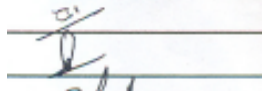
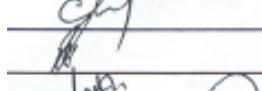
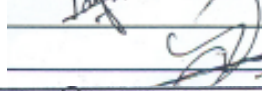
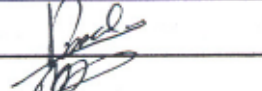
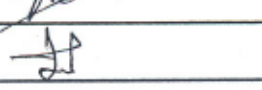



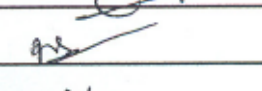
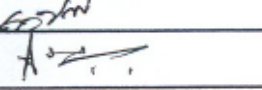
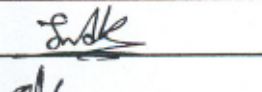
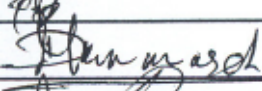
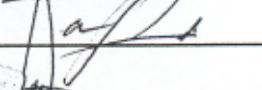
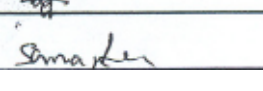



No Pay Category - No Increment



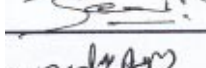
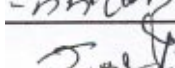



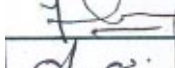
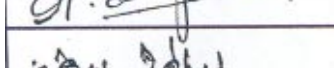
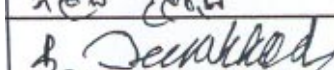
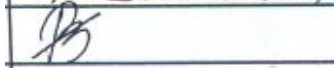


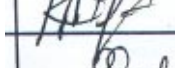
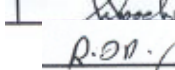
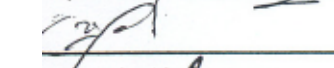
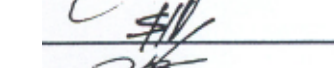

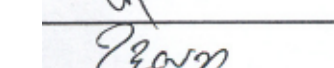
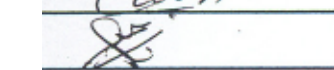
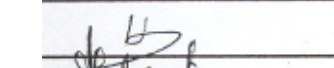
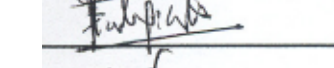
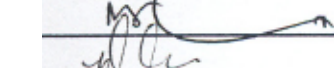
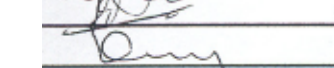



**List of Employees - Covered by Collective Agreement from 01.10.2006 to 30.09.2009**

S/ No.	Name	Union Category	Signature
1.	J. W. S. S. Aruna	J S S	
2.	M. D. G. Gunawardena	J S S	
3.	T. K. Ranatunge	J S S	
4.	M. Gamage	J S S	
5.	R. A. D. M. J. Ranasinghe	J S S	
6.	P. G. U. D. Dayaratne	J S S	
7.	L. R. P. Silva	J S S	
8.	K. D. Gunasiri	J S S	
9.	D. G. N. Lakshman	J S S	
10.	P. S. Anura	J S S	
11.	W. W. Kelum	J S S	
12.	T. D. M. T. H. Silva	J S S	
13.	Y. A. T. Dhammika	J S S	
14.	T. S. Karunathilake	J S S	
15.	B. A. Upali	J S S	
16.	T. P. Premalal	J S S	

50 A I කොටස: (I) ඡේදය - ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ අති විශේෂ ගැසට් පත්‍රය - 2007.07.26

PART I: SEC. (I) - GAZETTE EXTRAORDINARY OF THE DEMOCRATIC SOCIALIST REPUBLIC OF SRI LANKA - 26.07.2007

S/No.	Name	Union Category	Signature
17.	W. A. D. Rathnapala	J S S	
18.	P. T. J. Heenliyedda	J S S	
19.	U. S. Wijayathilake	J S S	
20.	W. L. P. D. P. N. Wijetunge	J S S	
21.	K. S. Pushpalal	J S S	
22.	M. S. Shantha	J S S	
23.	M. A. L. Mangoda	J S S	
24.	R. D. Simon	J S S	
25.	C. B. Wijeratne	J S S	
26.	G. S. Kumarasiri	J S S	
27.	A. A. J. P. K Amaratunge	J S S	
28.	A. D. S. K. Wijetunge	J S S	
29.	P. S. Chandralal	J S S	
30.	M. D. S. Devappriya	J S S	
31.	W. D. Karunapala	J S S	
32.	K. D. G. T. Amarasekara	J S S	
33.	A. R. Sanjeewa	JSS	
34.	M. P. Sanjeewa	JSS	
35.	D. A. S. Saman Kumara	JSS	
36.	K. S. P Karunaratne	JSS	
37.	A. M. D Janaranjana	JSS	
38.	K. W. A Premalal	JSS	
39.	Y. A. D. A Perera	JSS	
40.	W. P. W. Abeyesiri	JSS	
41.	A. G. S. Priyantha	JSS	
42.	Ranjan Amarasinghe	JSS	
43.	G. A. Amarawansa	JSS	
44.	M. W. I. Perera	JSS	
45.	K. P. A. Pushpakumara	JSS	
46.	B. D. D. H. Karunasekara	JSS	
47.	M. D. Dayaratne	JSS	
48.	G. Chandrasiri	JSS	
49.	B. A. S. Kumara	JSS	

S/No.	Name	Union Category	Signature
50	G. U. Arukgoda	JSS	
51	H. M. S. Gunawardena	JSS	
52	W. N. Sampath	JSS	
53	K. Nandasena	JSS	
54	M. Jayantha	JSS	
55	H. D. H. Gunasekara	JSS	
56	W. B. P. Alwis	JSS	
57	B. R. Roshan	JSS	
58	M. J. Perera	JSS	
59	M. W. Perera	JSS	
60	K. N. D. Roshantha	JSS	
61	B. M. A. Weerakkody	JSS	
62	S. L. M. D. Ravindra	JSS	
63	H. P. N. K. Pathirage	SLNSS	
64	K. A. P. Jayaratne	SLNSS	
65	K. K. T. S. Kaluarachchi	SLNSS	
66	R. D. P. Kottewatte	—	
67	H. M. K. U. Herath	—	
68	K. R. M. S. U. Rathnayake	—	
69	A. N. Kapuruge	—	
70	S. N. Kapuruge	—	
71	U. E. Hapuarachchi	—	
72	D. G. B. Kumara	—	
73	H. Sunil Silva	—	
74	S. R. Madapatha	—	
75	H. V. M. P. Hettigoda	—	
76	H. G. Sugathapala	—	
77	A. W. N. Kalansooriya	—	