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අති විශේෂ EXTRAORDINARY

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No. 1736/8 – MONDAY, DECEMBER 12, 2011

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PART I: SECTION (I) – GENERAL

Government Notifications

My No.: CI/1494.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Sri Lankan Airlines Ltd, Airline Centre, Bandaranaike International Airport, Katunayake, Sri Lanka of the one part and the Flight Attendants Union, No. 4A, Peterson Court, Merrigold Apartment, Peterson Lane, Colombo 06, Sri Lanka of the other part on 7th day of June 2011, is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

V. B. P. K. WEERASINGHE,
Commissioner of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
06th December, 2011.

Collective Agreement No. 29 of 2011

FLIGHT ATTENDANTS UNION COLLECTIVE AGREEMENT – (2010 - 2013)

1. *Arrangement and Index*

This Agreement is arranged as follows:

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2. **Title.**– This document is the “Flight Attendants Union Collective Agreement (2010)”, and is known as the “Agreement”.

3. **Names of the Parties Covered and Bound.**–

- 3.1 This Agreement is effective 1st June 2010 between the parties listed in sections 3.2 to 3.4 below. In this Agreement, the terms “Employees” and “Cabin Crew” shall mean all those Employees covered by section 3.3 to 3.4 in this Agreement below.
- 3.2 Sri Lankan Airlines Limited, a Company incorporated in Sri Lanka with its official registered office address as Airline Centre, Bandarnaike International Airport, Katunayake, Sri Lanka, hereinafter called the ‘Company’ (which expression wherever the context so admits shall include and mean its successors and assigns).
- 3.3 This Agreement shall cover and bind Sri Lankan Airlines Limited and the Flight Attendants Union, a registered Trade Union registered in Sri Lanka under registration number 6350, with its official registered office address as No. 4A, Peterson Court, Merrigold Apartment, Peterson Lane, Colombo 06, Sri Lanka, herein called the “FAU” (which expression wherever the context so admits shall mean and include its successors, assigns, replacement and all Cabin Crew who are members of the “FAU” and who are employed in a permanent capacity in grades C1 – C5 who possess a valid Cabin Crew Certificate/Licence issued by the Civil Aviation Authority and covered and bound by this Agreement).
- 3.4 Other individual Employees who are employed in a permanent capacity in grades C1 – C5 of the Cabin Crew grade structure and possess a valid Cabin Crew Certificate / Licence issued by the Civil Aviation Authority and who are not members of the FAU may nevertheless accept the terms and conditions of this Agreement by signing on an individual basis.

4. **Short Recital and General Terms.**–

- 4.1 WHEREAS demands and requests were made by the FAU for a revision of terms and Conditions of employment of Employees employed by the Company (nothing that the existing terms and conditions of employment of Cabin Crew were previously recorded in the Collective Agreement between the Company and the Flight Attendants Union Collective Agreement dated 26th November 2008 which came into effect from 1st June 2008.)

- 4.2 AND WHEREAS the FAU can verify to the satisfaction of the Company that it represents at least 40% of the Cabin crew employed in permanent capacity by the Company in Sri Lanka in grades C1-C5 of the Cabin Crew grade structure of Sri Lankan Airlines and holding a valid Cabin Crew Certificate/Licence issued by the Civil Aviation Authority.
- 4.3 AND WHEREAS having received the demands and requests from the FAU, the Management of the Company discussed and negotiated with the FAU, and during the process of negotiations were able to finally reach agreement on the matters raised during the Collective Agreement negotiations contained herein, on the understanding that any and all other matters raised would be regarded as having been withdrawn in favour of this finalised Agreement called the "Flight Attendant's Union Agreement 2010".
- 4.4 AND WHEREAS the intention of both parties was that this Agreement would ensure operational and industrial peace and harmony, improved overall efficiency of the company an improvement in overall performance and productivity, co-operation between the Employer and Employee, and a contented and highly motivated workforce. The parties to this Agreement have a common objective in ensuring the proper and successful functioning of the Company, as only this can safeguard the welfare of both the Company and all the Employees.
- 4.5 AND WHEREAS the parties have agreed that there would be strict compliance with all procedures, terms and conditions agreed in this Agreement, and it is agreed by the parties that they would honour and abide by their respective obligations, respecting the rights of each other as set out in this Agreement.
- 4.6 The parties have agreed that there would be compliance with all existing procedures, processes and regulations that are not otherwise specified in this Agreement and both parties agree that the Company may in due course publish an Employee Manual which would set out all major policies and regulations of the Company, some of which may be set out in this agreement as the intended policies of the company. In the event of any conflict or inconsistency between the terms and conditions of this Agreement inclusive of Annexure B and that of the Employee Manual, the Terms and Conditions set out in this agreement shall prevail. Accordingly, the following clauses will be reflected in "annexure B" of this Agreement.

LETTERS OF APPOINTMENT

PROBATIONARY PERIOD ON JOINING

NOTICE PERIOD FOR TERMINATION OF EMPLOYMENT

RETIREMENT AGE

EMPLOYEE PROVIDENT FUND (EPF)

EMPLOYEE TRUST FUND (ETF)

END OF SERVICE GRATUITY

MEDICAL BENEFITS SCHEME

BENEFITS IN THE EVENT OF DEATH DUE TO NATURAL CAUSES

GROUP TRAVEL INSURANCE ON COMPANY BUSINESS

WORKMEN'S COMPENSATION

STAFF TRAVEL BENEFITS AND CONCESSIONS

FUTURE PROMOTIONS

TRAINING

BONDING

DISCIPLINARY INQUIRY PROCEDURE

- 4.7 AND THAT this Agreement covers all the demands and claims of the FAU contained in their original requests and demands and other issues brought for negotiation and discussions during the course of bargaining of the said demands in full and final settlement thereof, and that all demands, claims and requests raised by the FAU are hereby withdrawn or settled or satisfied in terms of and/or in consideration of this Agreement.
- 4.8 In consideration of this Agreement, parties bound by this agreement, shall not during the continuance of this Agreement seek to vary, alter or add to, all or any of the terms and conditions of employment or benefits contained as provided for in this Agreement, other than by mutual agreement.
- 4.9 AND THAT the terms, and conditions of this Agreement effective from 1st June 2010 shall be deemed to be included in all the contracts of employment between the Company and all Employees covered and bound by this Agreement, whether such contract of employment be written or not, and which was subsisting as at 1st June 2010 or shall come into being at any time thereafter during the continuance of this Agreement.

5. Duration of Agreement.-

- 5.1 This Agreement shall come into effect on 1st June 2010, and shall thereafter continue to be in force unless it is determined by either party, giving one month's notice in writing to the other, provided however that one party hereto shall not give notice to the other party before the 1st day of May 2013 and such notice shall not expire before the 31st day of May 2013. This shall not preclude discussions taking place and commencing at any time after 1st January 2013 between parties for a revision of the Agreement to be effective from 1st June 2013. The above condition is subject to section 9 of the Industrial Disputes Act, No. 43 of 1950.
- 5.2 Subject to section 4.6 above, this Agreement replaces in full any other prior agreements, and replaces all prior working practices, and replaces all prior terms and conditions of employment for Employees employed in a permanent capacity in grades C1 - C5 of the cabin crew grade Structure and who possess a valid Cabin Crew Certificate/Licence issued by the Civil Aviation Authority.

6. Recognition.-

- 6.1 The Company recognises the right of the FAU to represent the interests of, and when required negotiate on behalf of, all Cabin Crew that are classified in grade C1-C5 of the Cabin Crew grading structure in Sri Lanka who are fully paid up members of the FAU and who possess a valid Cabin Crew Certificate/Licence issued by the Civil Aviation Authority.
- 6.2 The Company recognises the right of the FAU to exercise the FAU function in accordance with the laws of Sri Lanka, and to manage the FAU affairs without interference.
- 6.3 Such recognition by the Company of the FAU shall continue as long as the FAU holds the status of Collective Bargaining Agent of the Cabin Crew in grades C1 - C5 and can verify that at least 40% of all locally employed Employees are in grades C1 - C5.
- 6.4 All parties recognise the right of the Company to plan, organise and manage the operation of each location in a manner, which is not inconsistent with this agreement in order to achieve maximum safety, efficiency and profitability in the operation. This right includes, inter - alia, the recruitment, engagement, training, control, discipline, termination, upgrading, promotion, demotion, transfer and dismissal of Employees (always in accordance with the laws of Sri Lanka and the procedures and manuals of the Company). This right also includes, inter-alia, the use of employees on fixed terms contracts from time to time as operationally required. This right also includes inter - alia the determination of the rosters, working patterns and times, methods and manner of working, the introduction of technical improvements, and the decision to modify, extend, curtail or cease operations, and all safety aspects of the operation. The company will always exercise the above mentioned rights *bona fide*, reasonably and fairly within the limits prescribed under this Agreement, and all applicable procedures and manuals of the Company, and all applicable laws.

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

- 6.5 (a) Management will provide following duty travel facilities to Trade Union Representatives who receive invitations to attend International Trade Union Meetings, Seminars and Conferences, provided that the operational requirements of the Company are not disrupted in any way due to their non-availability at work:
- On 2 occasions per year, a maximum of two Trade Union Representatives per occasion will be granted tickets on UL Network only. Applicable Duty Travel Allowance will be granted on these two occasions, for a duration not exceeding 4 days.
 - The next two occasions (after using the first two occasions), a maximum of two Trade Union Representatives per occasion will be granted tickets on 'firm' basis on UL Network only. However, Duty Travel Allowance will not be granted on these two occasions.
- (b) Executive Committee members of the Union will be granted duty leave for any discussion with the prior approval of the Management, provided that the operational requirements of the Company are not disrupted in any manner.

- 6.6 (a) This section shall only apply to the Company as long as the FAU maintains a membership of not less than forty percent (40%) of the Cabin Crew employed in grades C1 - C5 in permanent capacity by the Company in Sri Lanka, and so long as this Agreement subsists.
- (b) The Company shall on the written request of an Employee, (which is made through the Union), deduct from their monthly salary due to such Employee the current monthly FAU dues as are specified by the Employee to be payable monthly to the FAU, and remit the amount so deducted to the FAU in accordance with the procedure and upon and subject to the conditions hereinafter set forth.
- (c) Every Employee shall be entitled to withdraw their agreement to check-off at any time by signing a statement of revocation to that effect and forwarding it to the Company. If this statement of employee does not come through the Union, the Company agrees to inform the Union of such resignation. Once the Union is informed, the Company will take action to cease check-off effective from two weeks from the date of receipt of such intimation from an employee.
- (d) As far as practicably possible, any deductions from an Employee under an authorisation (subject to 6.6 b) shall cease from the date of receipt of revocation cancelling such authorisation provided that:
- (i) the Company shall not be liable in any manner whatsoever to the FAU or the Employee concerned for failure to comply with sub-clauses 6.6 or 6.6 d above.
 - (ii) that the Company has sole discretion to 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 the salary of an Employee in that month, exceed the maximum deductions permitted by law.

7. Job Classifications and Cabin Crew Grading Structure.— All recruitment to Cabin Crew will be on C1.

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

<i>Grade</i>	<i>-</i>	<i>Current Title</i>
C1	-	Flight Attendant
C2	-	Flight Attendant
C3	-	Senior Flight Attendant
C4	-	Cabin Services Supervisor
C5	-	Purser / Senior Purser – (personal to holder)

- 7.2 The career progression criteria for Cabin Crew will be as follows:

- (a) Upgrade to C2 as Flight Attendant may occur after completion of 2 years and not more than 3 years of service in grade C1 subject to performance evaluation based on the relevant evaluation process formulated for C1 category. The Company reserves the right to assign ground duties to Cabin Crew members in C1 category for operational requirements.
- (b) Promotion to C3 as Senior Flight Attendant will occur after completion of at least 1 year in grade C2 subject to performance evaluation.
- (c) Promotion to C4 as Cabin Services Supervisor will occur after completion of at least 2 years in grade C3 subject to job vacancies and selection process.
- (d) Promotion to C5 as Purser will occur after completion of at least 5 years in grade C4, subject to job vacancies and selection process.
- (e) Promotion to Executive grade will occur after completion of at least 3 years as a Senior Purser / Purser, subject to job vacancies and selection process.

Performance will be based on the last completed appraisal, and staff should have obtained performance rank of either A, B or C (Exceptional Performer, Consistent Performer, Acceptable Performer, Inadequate Performer), to be eligible for (a) and (b) above.

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

8. **Monthly Basic Salary Scales.** - Applicable for Cabin Crew who are in service as at the date of the signing the agreement:

- 8.1 The monthly basic salary scales effective 1st June, 2010 until 31st May, 2013 expressed in Sri Lankan Rupees (Rs.) per month are:

<i>Grade</i>	<i>Minimum</i>	<i>Maximum</i>
C1	17,920	63,740
C2	19,379	69,480
C3	20,421	74,950
C4	29,948	112,980
C5	35,018	121,430

- 8.2 Under no circumstances may the monthly basic salary of an Employee be below the minimum or exceed the maximum prescribed limit of the salary in their Grade.

- 8.3 The above salary scales will be applicable to those who are in employment as at the date of signing this Agreement.

9. **Basic Salary Increases.** -

9.1 ANNUAL PERFORMANCE BASED INCREMENT

The actual individual monthly basic salaries of all Employees covered by this Agreement (except those under probation) will be increased ranging from 0.0% to 6.0% (with an average of 3.0%), depending upon individual performance effective 1st June, 2010 to 31st May, 2013 as the Annual Performance based Increment.

9.2 ANNUAL FIXED INCREMENT

The actual individual monthly basic salaries after the Performance based Increment in June each year for all Employees covered by this agreement will be increased as per the Schedule below effective 01st June, 2010. This Schedule will be applicable for the period June, 2010 to May, 2013.

<i>Grade</i>	<i>Years of experience in the Grade</i>	<i>Increase 2010 LKR</i>	<i>Increase 2011 LKR</i>	<i>Increase 2012 LKR</i>
C5	> 10	8,500	6,500	6,500
	< 10	8,000	6,300	6,300
C4	> 10	6,500	5,500	5,500
	< 10	6,000	5,200	5,200
C3	> 10	4,300	2,300	2,200
	< 10	4,300	2,200	2,200
C2		3,000	1,800	1,800
C1		2,000	1,700	1,700

10. Special Premium Allowance.-

10.1 The categories of Employees that are deemed by the Company to be eligible for monthly Special Premium Allowance effective from 1st June, 2010, are as follows:

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

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

10.3 Special Premium Allowance is considered for Profit Share Incentive Scheme EPF, ETF, Gratuity and Attendance Incentive.

11. 13th Month Incentive.-

11.1 It is agreed by the Flight Attendants Union and its members to accept the Profit Share Incentive Scheme as set out in Clause 12 below in lieu of the 13th month Incentive payment with effect from 1st January, 2011. In the event there being a legal requirement to formulate a more favourable scheme applicable to the company and its permanent employees, the Company hereby agrees to comply with the legal requirements.

12. Profit Share Incentive Scheme.- It is agreed by the parties to implement the Profit Share Incentive Scheme which is set out below in lieu of the 13th month Incentive payment from 2011 onwards. The due date of payment will fall in December each year, in respect of financial performance during the financial year.

Scenario 1 - Group Loss	Nil
Scenario 2 - Group Profit	Rs. 45,000/- or Salary, whichever is less
Scenario 3 - Company Profit	125% of Salary
Scenario 4 - 10% above estimated Profit	150% of Salary
Scenario 5 - 20% above estimated Profit	175% of Salary

Salary includes Basic Salary and Special Premium Allowance (if applicable)

It should be noted that profit should be construed as profit after tax excluding any extraordinary profit during a financial year.
Eg.- Sale of preferential shares and aircraft will be excluded when determining the profit.

13. Attendance Incentive Payment.-

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

<i>Days of sick/casual leave unutilised in the calendar year</i>	<i>Attendance payment</i>
14 days	150% of Salary
12-13 days	125% of Salary
10-11 days	100% of Salary
8-9 days	75% of Salary
6-7 days	50% of Salary
Less than 6 days	Nil

Salary includes Basic Salary and Special Premium Allowance (if applicable).

- 13.2 If an employee is marked as “unauthorised absence/approved no pay” then such days will also be included with the days of sick leave and casual leave utilised for the purposes of calculating eligibility for this attendance incentive payment.
- 13.3 For the avoidance of doubt, in the case of Cabin Crew covered and bound by this Agreement, the applicable monthly salary for any Annual Attendance payment shall be monthly basic salary only as defined in Section 8 of this Agreement.
- 13.4 The staff to be entitled for this payment should have been in employment for the full calendar year ending 31st December.

14. All other Allowances.–

14.1 LONG SERVICE ALLOWANCE

The Long service allowance will be limited to those employees who are enjoying the benefit as at 31st May 2010 at the current rates, and the quantum will be frozen at the rate applicable to such employees. The new recruits and those who will reach the milestone shall not be eligible for any such payment.

14.2 FLYING ALLOWANCE

With effect from 01st June 2010, all Cabin Crew covered by this Agreement who are on rostered duty patterns will receive a flying allowance for each duty-day actually worked, expressed in Sri Lankan Rupees (Rs.) per duty-day of:

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

This duty-day flying allowance applies to all types of duty, including flying duty, operational duty, repositioning and dead-heading duty, stand-by duty and accident whilst on duty. This duty-day flying allowance is only paid if either the duty allocated is performed in full (including all types of duty) or during annual leave (for every day of annual leave), but this duty-day flying allowance is not paid during sick leave or casual leave or any other type of leave or absence.

With effect from the date of signing this agreement, a duty day will mean, each 24 hour period commencing from 00.01 hrs and ending at 23.59 hours. This will be applicable only for flying allowance payment. (Reference to clause 8 of Annex “A”)

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

This allowance shall be withdrawn with effect from the date of signing this agreement provided that any Flying Allowance earned upto and including the effective date shall be paid for in terms of above.

14.3 PRODUCTIVITY PAYMENT

All Cabin Crew who are rostered on flying duty shall be paid the Productivity Payment, subject to the guidelines set out in the Annexure “A” of this Agreement. It is agreed by both parties to enhance/amend the productivity payment and guidelines on completion of negotiating and reaching agreement on the roster guidelines/operators scheme.

14.4 LAUNDRY FACILITIES

The following facilities will be made available with a Laundering Contractor, to all cabin crew in Grades C1-C5 who are required to wear a uniform full time:

Females – 10 pieces (Sarees, Jackets) to be laundered per month

Males – 12 pieces (Trousers, Shirts, Jackets) to be laundered per month

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

14.5 TEA ALLOWANCE

With effect from 1st June 2008 the tea allowance for cabin crew will be Rs. 350 per month.

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

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

<i>Allowance</i>	<i>Payment</i>	<i>Timing</i>
Breakfast	US\$ 20.00	07.30 - 08.30
Lunch	US\$ 20.00	12.30 - 13.30
Dinner	US\$ 20.00	19.30 - 20.30

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

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

- (a) Cabin Crew in grades C1 - C5 performing flying duties shall be paid Meal allowances at the following rates at layover stations when hotel accommodation is provided during the period between “Standard Time of Arrival (STA)” and “Standard Time of Departure (STD)” at the layover station, subject to clause 14.6c below.
- (b) No Meal allowance shall be paid in respect of the period prior to operating a flight ex Colombo, except when positioning to operate a flight with a layover at a slip station where the meal allowance will be paid commencing from reporting time in Colombo.
- (c) In the event a flight is delayed at an overseas location and the Cabin crew will be entitled to an additional meal allowance, which will be paid at the slip station. On the authorization of the station staff. (a), (b), (c) will apply for the purpose of Productivity Payment.

14.7. Night -stop Allowance and Hotels

- (a) When Cabin Crew in grades C1 - C5 perform flying duties involving a hotel stay at a slip location, the night -stop allowance will be paid at the rates given below provided crew are at the slip station between “Standard time of Arrival” and “Standard time of Departure” at 00:01 hrs:

US\$ 15.00 per night (for all locations) for grades C1/C2/C3/C4
US\$ 18.00 per night (for all locations) for grade C5
- (b) All hotels selected shall conform to the Civil Aviation Authority regulations. It is agreed that the minimum guideline is to recognize four -star hotels, in a township where basic Amenities are within reach.
- (c) All Cabin Crew in C3, C4, and C5, grades will be given single room accommodation at slip stations, C1 and C2 grades will be given single rooms, on flight patterns where in any single layover in a pattern the check in to check out duration is less than 24 hours, C2 grades will be given single rooms commencing from the 1st of June 2012.

14.8. WARM-CLOTHING ALLOWANCE

The warm-clothing allowance for Cabin Crew in grades C1 - C5 who are required to perform duty-travel to overseas locations where warm-clothing is deemed necessary is US\$ 150 per year,

14.9. FOREIGN LANGUAGE ALLOWANCE

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

14.10. TRANSPORTATION

The Company will provide all Cabin Crew with a transportation pick-up and drop-off service from certain collection points and feeder locations defined by the Company for all duty requirements. In consideration of the Provision of this service, a transportation charge of Rs. 1,000 per month will be deducted from the salary.

The present peripheries and pickup points as operationally practised from date of signing the Collective Agreement will remain. Two mini coaches will be used to transport Crew to and from the airport when detailed for flight duties for wide bodied flights. With the implementation of the aforesaid system the current pick up time for wide bodied flights will be reduced by 45 minutes and for A 320 flight where the pickup is during the day the pickup time will be reduced by 15 minutes from the current pickup times. In the event there are delays in reporting to the airport or crew reporting earlier than the required time due to the revisions an amendment would be made to the above times.

It is agreed that the aforementioned system will be implemented from the 1st August 2011.

14.11. HELP DESK

Dedicated staff in the In-flight Department to address all issues pertaining to Cabin Crew. The assignment will be defined by Manager Inflight Service Delivery.

14.12. OTHER ALLOWANCES

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

14.13. CABIN CREW CASH INCENTIVE SCHEME

A new Incentive Scheme shall be negotiated and agreed upon between the FAU and Manager Inflight Services Delivery or his designate and Shall be Implemented once both parties have agreed upon the Scheme.

15. *Crew Complement*

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

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

- 15.2 A Passenger seat will be allocated under the following circumstances

- (a) Bereavement of an immediate family member
- (b) A crew member returning to base on medical grounds
- (c) In the event of a medical emergency involving an immediate family member.
- (d) When the Company requires Cabin Crew to participate/represent the Company in promotional activities. (Crew members participating in promotional activity shall not be a part of the operating crew).
- (e) SNY/dead heading crew will be provided with a passenger seat other than on SNY flights for training. The purser will be allocated a Business Class seat on seat availability in accordance with applicable Company procedures. Definitions of Supernumerary (SNY)/Dead heading - refer Cabin Crew Safety Manual.

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

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

15.4 ROSTERS AND ROSTER AUDIT COMMITTEE

An audit to determine guaranteed minimum hours for the purpose of the implementation of Productivity Payment will be in place with inputs received from the FAU Committee.

This Committee will look into a procedure that will maintain transparency in ensuring all Cabin Crew are rostered for the guaranteed minimum hours per roster for the purposes of Productivity Payment and equal distribution of flights permitting access to all rosters. The Committee will comprise of members of In-flight Management, Crew Scheduling and three members of the FAU.

16. Income Tax and Statutory Deductions.-

- 16.1 It is agreed by all parties that the individual Employee is at all times fully responsible for their own income tax liabilities and payments and for payment of any other statutory Employee contributions and deductions.
- 16.2 The Company will endeavour to process all payments to Employees in the most tax effective manner possible within the applicable laws and income tax regulations.

17. Uniforms.-

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

18. Flight time Limitations and Rosters.-As per current practices. Which will remain until the roster guide lines/operators scheme is negotiated, finalized and approved by DGCA.

19. Leave Entitlements.-

DEBIT SYSTEM FOR ALL TYPES OF LEAVE

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

19.2 ANNUAL LEAVE

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

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

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

19.3 CASUAL LEAVE

For all Cabin Crew in grades C1-C5, the paid casual leave entitlement per calendar year is 7 working days. The entitlement to casual leave applies to the calendar year. Casual leave not utilised in one year may not be rolled-over, and no may it be encashed if unused. For all Cabin Crew in grades C1-C5, the debit system of casual leave will be based on the rule that one working day of casual leave is defined as one duty day.

19.4 LEAVE FOR ACCIDENTS OCCURRING WHILST ON DUTY

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

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

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

In this context if an accident occurs whilst travelling from residence to work or vice- versa, then such an accident will be treated in accordance with this section as an accident whilst on duty, only in instances where staff meet with an accident whilst travelling in Company transport. In the event of staff meeting with an accident whilst travelling in a vehicle, which is not a Company transport, then, the compensation will be made under Accident Insurance (clause 21) or Workmen's Compensation (reflected in Annexure B) as determined by the Senior Manager Corporate Affairs.

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

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

19.5 Two - Years No - Pay Leave.- The Company will permit a period of upto two- years no - pay leave for the following purposes:

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

In the event more than 04 Cabin crewmembers employed in the grades C1 to C5 have requested for the above provision, the maximum number of crew to be eligible for no pay leave as per the conditions of this section will be determined by the management. In order to be considered for - no - pay leave, for purposes contained in 19.5(b) an Employee must have completed at least ten years of continuous service with the Company, and consideration for such no - pay leave will only be given once per employment lifetime per Employee.

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

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

In the event of a down turn in the core business of the company due to external factors, the company may in its sole discretion offer a voluntary no pay leave scheme and / or a voluntary retirement scheme to the cabin crew.

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

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

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

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

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

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

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

19.7 SICK LEAVE CERTIFICATION

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

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

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

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

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

20. Maternity Leave And Return To Work Policy After Maternity Leave.–

- 20.1 Every female employee is entitled to 84 working days of maternity leave in respect of the first 2 children. From the 3rd child onwards she would be entitled to 42 days of maternity leave.

Out of the above leave, 14 working days will be pre-confinement and the balance will be post confinement leave.

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

Option 1 – transferred to Airport Service Delivery.

Options 2 – provided that there are vacancies or temporary assignments in any other department /division for a specific period, placement will be made solely at the discretion of the management. However, once the aforesaid assignment are over, they will be transferred and/or reverted back to Airport Service Delivery.

Option 3 – 2 years no-pay leave will be granted as per Company Policy, and there will be no bonding agreement involved. The no - pay period will not be taken for experience (such employees will be entitled to be paid maternity leave during this period in the manner set out in clause 20.1 above).

Following conditions will apply:

- * The Crew Member who may avails herself of option 1 or 2 above return to her flying duties once the child attains the age of six months. (In case staff opt to take the 2 year no - pay period, it will be on completion of the 2 year period),
- * To be within the height/weight ratio (at the time of going off the roster or using the current methodology, whichever that allows the mother to be back on the roster).
- * The staff shall return to the original position held prior to pregnancy. She will be assigned to the first available Safety refresher programme.
- * If the staff does not want to return to flying duties, she will be permanently placed as a Airport Service Agent, or in any other area depending on the vacancies.
- * When Cabin Crew are transferred to Airport Service due to pregnancy, they will be placed in the same grade, same designation; but the job role will be that of an agent. However, their salary and non flying benefits (this excludes flying allowance as well) will remain unchanged.
- * An appropriate uniform will be given depending on the rank and file when grounded.
- * For female crew who avail themselves of Option 3 – (2 years No pay Leave) the payment for the 84 days paid leave shall be made commencing from the date of the birth of the child for the first two children, and 42 paid working days for the third child onwards. All other maternity leave for female Cabin Crew is unpaid.

21. Accident insurance benefits.–

- 21.1 All locally employed Employees are insured by the company through and existing insurance policy with the Sri Lanka Insurance Corporation Limited under a very comprehensive “Group Personal Accident/illness and Travel Policy”, for a capital-sum insured as follows:

<i>Grade</i>	<i>Capital - Sum Insured</i>
C4 – C5	US\$ 30,000
C1– C3	US\$ 25,000

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

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

(i) **Death**

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

(ii) **Permanent Total Disablement**

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

(iii) **Permanent Partial Disablement**

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

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

(iv) **Temporary Total Disablement**

Coverage for temporary total disablement resulting from an accident is:

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

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

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

(v) **Temporary Partial Disablement**

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

22. Illness Insurance Benefits.–

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

<i>Grades</i>	<i>Capital-Sum Insured</i>
C4 - C5	US\$ 30,000
C1 - C3	US\$ 25,000

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

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

(i) **Death**

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

(ii) **Permanent Total Disablement**

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

(iii) **Permanent Partial Disablement**

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

(iv) **Temporary Total Disablement**

Coverage for temporary total disablement resulting from an illness is:

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

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

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

(v) **Temporary Partial Disablement**

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

23. **Information Sharing.**— The Company shall use its best endeavours to cascade and share appropriate information pertaining to the business of the Company and information pertaining to recruitment and promotions of the Cabin Crew with the FAU Ex-co committee as is relevant.

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

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

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

25. *Signatures of agreement.-*

25.1 This settlement is signed in Colombo on 07th June 2011 and witnessed as follows:

25.2 For and on behalf of the Company: For and on behalf of the FAU:

GUIDELINES FOR CALCULATION AND PAYMENT OF PRODUCTIVITY PAYMENT AND ALLOCATION OF MINIMUM GUARANTEED HOURS

1. Productivity payment will be calculated at the following rates.-

Grade	For every hour up to 75 Block Hours per Roster	For every hour in excess of 75 Block Hours per Roster
C5	USD 14.00 per Block Hour	USD 19.00 per Block Hour
C4	USD 11.00 per Block Hour	USD 16.00 per Block Hour
C3	USD 07.50 per Block Hour	USD 12.50 per Block Hour
C2 and C1	USD 06.50 per Block Hour	USD 11.50 per Block Hour

The Parties agree that enhancements and changes to the Productivity Payment if any will be made together with the negotiations that are to be conducted on the roster guidelines/operators scheme, and once such negotiations have been concluded by both parties.

2. The company will guarantee a minimum of 55 Block Hours of flying duties per Crew Member per Roster, provided that the Company will not be required to guarantee the said 55 hours in the following circumstances:

- 2.1 Where a Crew Member is on annual leave during any Roster period,
- 2.2 Where a Crew Member is detailed on turn around flights due to personal request, or requests for specific days off per week to attend to personal matters and programmes.
- 2.3 Where a Crew Member is unable to or does not perform his/her duties or responsibilities including flying duties as required by the Company due to illness, not being in the service of the Company, or other reasons including such Crew Members' desire to attend meetings which are not initiated/approved by the Company meetings related to disciplinary action initiated by the Company against any Crew Member, or if any Crew Member, or if any Crew Member is not available to be rostered on flights for the full roster cycle for any of the abovementioned reasons.
- 2.4 Where a Crew Member does not undertake or is not allocated flying duties due to reasons set out in Clause 5 of this document.
- 2.5 Where any Crew Member who does not undertake any flying duties, due to being transferred to another department due to pregnancy, maternity leave, annual leave, sick leave, request to the Company, approved no pay leave, disciplinary grounds or any other reason.
- 2.6 Any flight during which a Crew Member fails to perform duties or responsibilities as required by the Company. (Excluding under circumstances where a Cabin crew member is injured in the line of duty on board).
3. The following shall not be taken into account in calculating the number of Block Hours flown or to be flown by a Crew Member or for determining the allocation of the minimum guaranteed hours or the payment of Productivity Payment:
 - 3.1 Deadheading flights undertaken to position Crew at overseas stations to operate a flight with a lay over period prior to operating the flight.
 - 3.2 Flights associated with duty related to promotional duties overseas.
 - 3.3 In the case of diversions or unscheduled layovers the first hour of the aircraft being on ground.
 - 3.4 In case of delays from the standard time of departure (STD) or at transit point, the first hour of delay of an aircraft on ground.
 - 3.5 The period of layover arising from an unscheduled stop if hotel accommodation is provided at such locations.
 - 3.6 Days or flights on which a Crew Member is on training whether regulatory or non regulatory training.
 - 3.7 Days in respect of which a Crew Member on standby duty.

4. The following shall be taken into account by the Company in calculating and allocating the number of Block Hours to be flown by a Crew Member during any Roster period and payment of the Productivity Payment:

- 4.1 The Rosters for each Crew Member shall be drawn up on the block hours flown based on the published Summer and Winter schedules of the Company.
- 4.2 Deadheading flights will be deemed eligible to be considered for minimum guaranteed hours calculation and Productivity Payment where a Crew Member deadheads to a location for immediate operation of a flight upon arrival at the location or where the Crew Member deadheads immediately after operating a flight.
- 4.3 Where a Crew Member is on approved annual leave, the minimum guaranteed number of hours shall be reduced at the rate of 02 hours per each day of approved annual leave.

5. No Productivity Payment shall be made in respect of the entire Roster period of a Crew Member if such Crew Member rostered for duty on any one occasion during a Roster period reports sick and such absence is deemed to be No Pay Leave by the Company. If there are any concerns raised by a Crew Member regarding No-pay leave, FAU Ex-co members together with the Inflight management will review the case, Payment will be made for the relevant roster period worked, as per clause 14.2.

6. Calculation and Payment of Productivity Payment.-

- 6.1 Productivity Payment entitlements of Crew Members shall be calculated on the basis of scheduled block hours.
- 6.2 The Productivity Payment will be paid in Sri Lankan Rupees along with the Crew Members monthly salary. Internal exchange rates published by the Company each month should be used to arrive at the amount payable.
- 6.3 The quantum of the above payment as per clause 01 of Annexure "A" will be arrived at after deducting the payments (as per clause 14.6 and 14.7 of the agreement) for the flight duty period whilst on board.
- 6.4 The Company shall pay each Crew Member the Subsistence Payment earned in respect of turn around flight during each Roster period 30 days following the end of such Roster period.
- 6.5 The Company shall pay each Crew Member in respect of any additional hours earned by a Crew Member for every hour in excess of 75 block hours per Roster period 30 days following the end of each Roster period.
- 6.6 Any over payment of a Productivity Payment at a slip station shall be indicated on the Voyage Report and shall be deducted in LKR equivalent from the payment of the next Productivity Payment to such Crew Member.
- 6.7 Any over payment of a Productivity Payment in LKR shall be deducted in LKR from the next Productivity Payment or salary payment to such Crew Member at the Company's discretion.

7. General Provisions.-

- 7.1 In the event of a downturn in the core business of the Company, the Management and the FAU EXCO will meet and review the productivity hours per roster paid to a Crew Member.
- 7.2 The Company together with the FAU EXCO will formulate new guidelines for mutual changes in manner that will enhance productivity. All endeavours on the part of the Company will be made to ensure ease of mutual changes between Crew members.

Requests for mutual changes to the Roster which result in any Crew Member exceeding 75 Block Hours per Roster will not be entitled to the additional payment made for 'surplus Hours'. However if it is deemed that this facility is abused and is counter productive a system to stem this abuse will be set in place.
- 7.3 The Company reserves the right to determine the Cabin Crew cadre at required operation levels.
- 7.4 The Crew scheduling shall at all times be at the discretion of the Company.

8. Special Allowance.-

8.1 A Crew Member on approved annual leave, promotional duty and Dead heading per clause 3.1 and per clause 5 of this document, shall be paid the following.

<i>Grade</i>		<i>Rate LKR per day</i>
C1	-	200.00
C2	-	350.00
C3	-	500.00
C4	-	700.00
C5	-	900.00

8.2 This special allowance shall not be paid during periods when a Crew Member is on sick leave, ground training, training flights, supernumerary flights, standby, casual leave, approved / not approved No-pay leave.

8.3 A Crew Member's entitlement to payment of the Productivity Payment in respect of Roster period shall be made within 30 days of the end of that Roster period.

Definitions for the purpose of this Agreement.

“Effective Date” shall mean the date of signing this Agreement.

“Roster”, “Roster period” shall mean the assignment of duties by the Company for each Crew Member for each 28 consecutive day period.

“Chocks-on” shall mean the aircraft comes to the rest at the ramp blocks at the next point of landing.

“Block Hours” shall mean (block to block) the time the aircraft first moves from the ramp blocks for the purpose of flight, until it comes to rest at the ramp blocks at the next point of landing.

“Standard Time of Departure” shall mean scheduled time of departure as published.

“Standard Time of Arrival” shall mean scheduled time of arrival as published.

Annexure B

CLAUSE THAT WILL BE INCLUDED IN THE EMPLOYEE MANUAL**17. Letters of Appointment.-**

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

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

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

17.4 The terms and conditions of this agreement effective from 1st June 2008 shall be deemed to be included in all the contracts of employment between the company and all employees covered and bound by this Agreement.

18. **Probationary Period on Joining.-** For permanent Employees the period of probation on joining the Company is six months. Employment may be terminated by either party at any time during the period of probation without notice and without any reason in accordance with the provisions of the applicable Labour Laws of Sri Lanka.

19. **Notice Period for Termination of Employment.-** For all Employees (except Employees under probation) the period of notice to terminate employment is one month for all Cabin Crew in grades C1 - C5 inclusive from either party.

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

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

24. **Employee Provident Fund (EPF).**—

- 24.1 Contributions to the Central Government Employee Provident Fund (EPF) are mandatory for all Employees covered by this Agreement.
- 24.2 For locally employed Employees, the Company contribution rate shall be 15.0% of eligible monthly salary, and the Employee contribution rate shall be 10.0% of eligible monthly salary.
- 24.3 For the purposes of EPF contributions, eligible monthly salary for all Employees covered by this Agreement is a combination of monthly basic salary as defined in section 8 of this Agreement plus any applicable personal differential allowance as defined in this Agreement and premium allowance as defined in section 10 of this Agreement.

25. **Employee Trust Fund (ETF).**—

- 25.1 Contributions to the Central Government Employee Trust Fund (ETF) are mandatory for all Employees covered by this Agreement.
- 25.2 For locally employed Employees the Company contribution rate shall be 3.0% of eligible monthly salary, and is non-contributory for the Employee.
- 25.3 For the purposes of ETF contributions, eligible monthly salary for all Employees covered by this Agreement is a combination of monthly basic salary as defined in section 8 of this Agreement plus any applicable personal differential allowance as defined in this Agreement and premium allowance as defined in section 10 of this Agreement.

26. **End - of - Service Gratuity.**—

- 26.1 All locally employed Employees are entitled to end-of-service gratuity benefits provided they complete five continuous years of service with the Company. No gratuity is payable if the Employee does less than five completed years of continuous service. Nor is any gratuity payable if the Employee has their services terminated for reasons of fraud, negligence or misconduct. The gratuity payment shall be in accordance with the Gratuity Act No. 12 of 1983.
- 26.2 The end-of-service gratuity is 0.5 months of applicable salary for each completed year of service, and the applicable monthly salary is the final salary in issue on the last day of service, which shall be used to determine the full amount of the gratuity payable.
- 26.3 The applicable monthly salary for all Employees covered by this Agreement is a combination of monthly basic salary as defined in section 8 of this Agreement plus any applicable personal differential allowance as defined in section 8.6 of this Agreement and premium allowance as defined in section 10 of this Agreement.

27. **Medical Benefits Scheme.**—

- 27.1 All locally employed Employees are covered by medical benefits scheme which apply to all Cabin Crew in grades C1-C5 inclusive, subject to the terms and conditions and exclusions of the medical benefits scheme as described in the medical benefits handbook, which may be amended at any time at the discretion of the Company and the Company will ensure that any changes are not less favourable.
- 27.2 The medical benefits scheme covers the Employee and Family where Family coverage is defined to be for spouse and unlimited children who are unmarried and unemployed upto their 24th birthday.
- 27.3 Contributions per person covered are:
 - (a) Employee : Rs. 100 per month
 - (b) Spouse : Rs. 100 per month
 - (c) Child : Rs. 100 per month

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

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

(i) **Company Clinic Benefits**

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

(ii) **Panel of Doctors**

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

(iii) **Out-Patient Treatment**

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

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

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

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

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

(iv) **Dental Care**

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

(v) **In-Patient Treatment**

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

For unmarried staff – Rs. 100,000 per annum (For staff member only)

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

With regard to married Employees, coverage for family members (Spouse and Children) is as follows:

Spouse – Rs. 65,000 per annum

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

4th Child – Rs. 40,000 per annum

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

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

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

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

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

Standard Rooms - If standard room is not available, the existing conditions will be extended upto 48 hours.

(vi) **Maternity Benefits for Normal Births**

A reimbursement of upto Rs. 5,000 per maternity expenses will be made to the spouse of an Employee for the first two births if the hospitalization is in a government hospital.

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

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

(vii) **Optical Care**

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

(viii) **Medical Screening**

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

(ix) **Critical Care**

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

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

(x) **Laboratory Investigations**

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

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

(xi) **Bills Reimbursement period**

The present procedure will remain unchanged as 31st January each year.

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

30. **Benefits in the event of Death due to Natural Causes.-**

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

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

31. *Group Travel Insurance on Company Business.*—

- 31.1 All locally employed Employees are insured by the Company through an existing Insurance Policy with the Sri Lanka Insurance Corporation Limited under a very comprehensive “Group Personal Accident/Illness and Travel Policy”, subject to the terms and conditions and exclusions governing the policy. This policy may be amended at any time at the discretion of the Company, in consultation with the Insurer and the Company will ensure that any changes are not less favourable.
- 31.2 This “Group Personal Accident/Illness and Travel Policy” provides group travel benefits for the Employee whilst travelling on business for and on behalf of the Company in respect of journeys which extend beyond the confines of Sri Lanka as follows:
- * medical expenses of upto US\$ 10,000
 - * loss of money insurance of upto US\$ 1,000
 - * personal liability insurance of upto US\$ 500,000
 - * loss or destruction of or damage to baggage of upto US\$ 1,000
 - * funeral and repatriation expenses of upto US\$ 350

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

32. *Workmen’s Compensation.*—

- 32.1 All locally employed Employees have the benefit of the statutory “Workmen’s Compensation Ordinance”, subject to the terms and conditions and exclusions specified in the Ordinance.

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

33. *Staff Travel Benefits and Concessions.*—

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

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

Unmarried staff – Self + 2 dependants
Married staff – Self + 3 dependants

- 33.2 All Cabin Crew shall be entitled to Concessional travel sub-load tickets on the basis of ID90s for Employee and their registered dependants.

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

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

- 33.4 The standard list of qualifying dependants is:

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

- 33.5 Validity period of the privilege set of tickets granted to employees in a current year will be extended up to 31st December the next year. There will not be any further extension.
- 33.6 Staff who resign/retire after completing 13 years of continuous service in the company in permanent employment will be entitled to 5 sets of FOC tickets on UL services, one set of tickets per year. These tickets will not be allowed to carry forward.
- 33.6a Staff who resign/retire after completing 15 (or more) years of continuous service in the company in permanent employment will be entitled to free FOC tickets as per current staff travel policy.
- 33.7 Travel for Near Relatives - Company may time to time announce (usually during off-peak periods), UL sectors where seats are available to be utilised by near relatives of permanent employees. Near relatives are as defined in the company policy.
- 33.8 A detailed staff travel policy document has been circulated to all divisions and departments of the Company, and is available in the Company Intranet. The Company will ensure that changes that are less favourable than the existing will not be made to the current staff travel benefits.
- 33.9 All staff in grade C5 (Purser/Senior Purser) who have served for 15 or more yrs as a cabin crew will be entitled to upgrading facility ("UPGRADE TO C/CL IF SEATS AVAILABLE").
This will apply to privilege/concessional FOC set of tickets for employees and their qualifying dependents.

34. Future Promotions.-

- 34.1 It is intended that all future promotions will be job related subject to job vacancies, and selection of the person to be promoted will be based upon an appropriate combination of factors including seniority, qualifications, merit, performance, and job requirements. This principle is accepted by all parties.
- 34.2 If an Employee is promoted to the next higher grade, the Employee will receive an increase of 6.0% on their existing monthly basic salary. However, if after this 6.0% increase the resulting basic salary is still lower than the minimum of the salary scale for the new grade, then the basic salary shall be further increased to that minimum level.
- 34.3 In order for an Employee to be considered for promotion to a higher grade, then the minimum job requirements of that higher grade must be met in keeping with the promotion and recruitment procedures of the Company. Any such promotions are subject to budget and/or operational requirements and availability of vacancies.

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

35. Training.-

- 35.1 The Company will endeavour to ensure that all Employees are adequately and properly trained to perform all of their required job functions.
- 35.2 In addition, the Company will provide training opportunities wherever possible and operationally practical for career advancement. The philosophy of the Company is to give preference to internal candidates for promotional vacancies.
- 35.3 The selection of an Employee to attend a training course will be based upon an appropriate combination of factors including seniority, qualifications, merit, performance, current job requirements and future job/career requirements
- 35.4 Training programmes will be published for a period of 14 days, prior to the training programme. In the event there is less than 14 days, Inflight Management will endeavour to inform all cabin crew members of the relevant category who are present in Colombo, by inserting necessary documents into their lockers, using notice boards and the crew web. In the event there are more candidates than the available slots, there after adhere to 35.3.
- 35.5 All existing applicable bonding policies of the Company will continue to apply to all Cabin Crew.
- 35.6 Purser and Cabin Supervisors to be granted a minimum of two (2) career development training per annum. This training will be in addition to the standard cabin crew annual training.

36. Bonding.-

- 36.1 At the discretion of the Company, if an Employee is trained by the Company then they may be required to enter into a bonding agreement which states, amongst other things, that they remain in the service of the Company for a stipulated period of time. The Employee may be asked to provide upto two guarantors to this bonding agreement.
- 36.2 If an Employee is dismissed from service or resigns during the subsequent bonded period as specified in the bonding agreement, then the Employee or their guarantors will be liable to pay liquidated damages to the Company within 14 days of termination of employment.
- 36.3 If an Employee who has been dismissed or has resigned is subsequently unable to pay liquidated damages then there will be a surcharge by way of interest at the rate of 30% compound per annum for the period during which the sum due under the bonding agreement remains unpaid.

37. Disciplinary Inquiry Procedure.-

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

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

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My No.: CI/1494.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Sri Lankan Airlines Ltd, Airline Centre, Bandaranayake International Airport, Katunayake, Sri Lanka of the one part and the Sri Lankan Airlines Aircraft Technicians Association, No. 14, Mahawela Place, Kirulapone, Colombo 06 of the other part on 12th day of January 2011, is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

V. B. P. K. WEERASINGHE,
Commissioner of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
06th December, 2011.

Collective Agreement No. 03 of 2011**SRI LANKAN TECHNICIANS COLLECTIVE AGREEMENT - (2011)****1. ARRANGEMENT AND INDEX**

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2. **Title.**– This Agreement is the “Sri Lankan Airlines Aircraft Technicians Collective Agreement (2010)”, and hereinafter shall be known and referred to as the “Agreement”.

3. **Names of the Parties.**–

- 3.1 This Agreement is hereby made and entered into effective from 1st June 2010 between the following parties listed in sections 3.2 and 3.3 and 3.4 below. In this Agreement, the terms “Employees” and “Technicians” shall mean all those Employees covered by either section 3.3 or 3.4 in this Agreement below:
- 3.2 Sri Lankan Airlines Ltd, a Company incorporated in Sri Lanka with it’s official registered office address as Airline Centre, Bandaranaike International Airport, Katunayake, Sri Lanka, hereinafter called the ‘Company’ (which expression wherever the context so admits shall include and mean it’s successors and assigns).
- 3.3 The Sri Lankan Airlines Aircraft Technicians Association, a registered Trade Union registered in Sri Lanka under registration number 5570, with it’s official registered office address as 14, Mahawela Place, Kirulapone, Colombo 6, Sri Lanka, Hereinafter called the “SAATA” (which expression wherever the context so admits shall mean and include it’s successors, assigns, replacement and all Employees who are fully paid-up members of the SAATA and who are locally employed in permanent capacity in grades T1-T3 of the Technicians grade structure who are covered and bound by this Agreement).
- 3.4 Other individual Employees who are locally employed in a permanent capacity in grades T1 – T3 of the Technicians grade structure who are not members of the SAATA but who nevertheless wish to accept the terms and conditions of this Agreement by signing on an individual basis.

4. Short Recital and General Agreement.-

- 4.1 WHEREAS demands and requests were made by the SAATA for a revision of terms and conditions of employment of Employees employed by the Company (noting that the existing terms and conditions of employment of Technicians were previously recorded in the Collective Agreement between the Company and SAATA dated 7th November 2008, which was valid from 1st June 2008 and expired on 31st May 2009.)
- 4.2 AND WHEREAS the SAATA can verify to the satisfaction of the Company that it represents at least 40% of the Technicians employed in permanent capacity by the Company in Sri Lanka in grades T1-T3 of the Technicians grade structure of the Company.
- 4.3 AND WHEREAS having received the demands and requests from the SAATA, the Management of the Company discussed and negotiated with the SAATA, and during the process of negotiations were able to finally reach agreement on the matters contained herein, on the understanding that any and all other matters raised would be regarded as having been withdrawn in favour of this finalised Agreement called the "Sri Lankan Airlines Aircraft Technicians Collective Agreement 2010".
- 4.4 AND WHEREAS the intention of both parties was that this Agreement would ensure operational and industrial peace and harmony, improved overall efficiency of the Company, an improvement in overall performance and productivity including the ability to rotate Employees between different areas (within the Engineering Division), co-operation between the Employer and Employee, and a contented and highly motivated workforce. The parties to this Agreement have a common objective in ensuring the proper and successful functioning of the Company, as only this can safeguard the welfare of both the Company and all the Employees.
- 4.5 AND WHEREAS the parties have agreed that there would be strict compliance with all procedures, terms and conditions agreed in this Agreement, and it is agreed by the parties that they would honour and abide by their respective obligations, respecting the rights of each other as set out in this Agreement.
- 4.6 NOW KNOW YE AND THIS AGREEMENT WITNESSETH THAT as a result of said discussions, and that for and in consideration of the above premises and the mutual terms and conditions set out in this Agreement, the SAATA and the Company have reached this Agreement, which includes clauses for the enhancement of salaries and various allowances to further improve the employment conditions offered by the Company.
- 4.7 AND THAT the parties have agreed that there would be compliance with all existing procedures, processes and regulations that are not otherwise specified in this Agreement, and both parties agree that the Company will in due course publish an Employment Manual which would set out all major policies and regulations of the Company, some of which may be set out in this Agreement as the intended policies of the Company. In the event of any conflict or inconsistency between the terms and conditions of this Agreement and any pre-existing terms and conditions or practices, then the terms and conditions specified in this Agreement shall prevail. The Company agrees to discuss all matters affecting the union and reach agreement with the union before publishing the aforesaid Manual. The Company welcomes any positive suggestions from SAATA on how existing procedures and processes may be improved for the mutual benefit of all parties.
- 4.8 AND THAT this Agreement covers all the demands and claims of the SAATA contained in their original requests and demands and other issues brought for negotiation and discussions during the course of bargaining of the said demands in full and final settlement thereof, and that all demands, claims and requests raised by the SAATA are hereby withdrawn or settled or satisfied in terms of and / or in consideration of this Agreement.
- 4.9 AND THAT in consideration of this Agreement, the SAATA and its members shall not during the continuance of this Agreement seek to vary, alter or add to, all or any of the terms and conditions of employment or benefits contained as provided for in this Agreement, other than by mutual agreement with the Company. Failure to reach mutual agreement shall not entitle the SAATA to raise a dispute thereon.
- 4.10 AND THAT the terms and conditions of this Agreement effective from 1st June 2010 shall be deemed to be included in all the contracts of employment between the Company and all Employees covered and bound by this Agreement, whether such contract of employment be written or not, and which was subsisting as at 1st June 2010 or shall come into being at any time thereafter during the continuance of this Agreement.
- 4.11 AND THAT if, and in so far as, any provisions contained in this Agreement are superseded by mandatory law in Sri Lanka, all other provisions not so superseded shall remain in full force and effect.

- 4.12 AND THAT it is agreed that any dispute over the interpretations of this Agreement shall be settled by reference to the Commissioner of Labour, or where such decision is not acceptable by voluntary arbitration under section 3(1)(d) of the Industrial Disputes Act.
- 4.13 IT IS ALSO AGREED THAT the minimum terms and conditions of service which apply to all Technicians employed in a permanent capacity in grades T1-T3 of the Technicians grade structure who are covered and bound by this Agreement shall be those provided for in this Agreement.

5. Duration of Agreement.-

- 5.1 This Agreement shall come into effect from **1st June 2010**, and shall thereafter continue to be in force unless it is determined by either party to terminate, giving one month's notice in writing to the other, provided however that one party hereto shall not give notice to the other party before the 1st day of May 2013 and such notice shall not expire before the 31st day of May 2013. This shall not preclude discussions taking place and commencing at any time after 1st December 2012 between parties for a revision of the Agreement to be effective from 1st June 2013. The above condition is subject to section 9 of the Industrial Dispute Act No. 43 of 1950.
- 5.2 Subject to section 4.7 earlier, this Agreement replaces in full the previous agreement between the Company and the SAATA dated 7th November 2008 which was valid from 1st June 2008 and expired on 31st May 2009. Any clause that may have been in the previous Agreement is considered revoked unless repeated and carried-forward into this new Agreement.
- 5.3 Furthermore, subject to section 4.7 earlier, this Agreement replaces in full any other prior agreements, and replaces all prior working practices, and replaces all prior terms and conditions of employment for Employees employed in a permanent capacity in grades T1-T3 of the Technicians grade structure.

6. Parties covered and bound.-

- 6.1 This Agreement shall cover and bind the Company.
- 6.2 This Agreement shall cover and bind the SAATA and all Employees locally employed in a permanent capacity in grades T1-T3 inclusive of the Technicians grade structure who are fully paid-up members of the SAATA.
- 6.3 This Agreement shall cover and bind all individual Employees locally employed in a permanent capacity in grades T1-T3 of the Technicians grade structure who are not members of the SAATA but who nevertheless wish to accept the terms and conditions of this Agreement in full by signing on an individual basis.

7. Recognition.-

- 7.1 The Company recognises the right of the SAATA to represent the interests of, and when required negotiate on behalf of, all categories of locally employed permanent Employees that are classified in grades T1-T3 inclusive of the Technicians grading structure in Sri Lanka who are fully paid-up members of the SAATA.
- 7.2 The Company recognises the right of the SAATA to exercise the SAATA functions in accordance with the laws of Sri Lanka, and to manage the SAATA affairs without interference.
- 7.3 Such recognition by the Company of the SAATA shall continue as long as the SAATA holds the status of Collective Bargaining Agent of the Employees in grades T1-T3 inclusive of the Technicians grading structure of the Company, and can verify that at least 40% of all locally employed Employees in grades T1-T3 inclusive are fully paid-up members of the SAATA.
- 7.4 The SAATA recognises the right of the Company to plan, organise and manage the operation of each location in order to achieve maximum safety, efficiency and profitability in the operation. This right includes, inter-alia, the recruitment, engagement, control, discipline, termination, upgrading, promotion, demotion, transfer and dismissal of Employees (always in accordance with the laws of Sri Lanka and the procedures and manuals of the Company). This right also includes, inter-alia, the use of Employees on Fixed Term Contracts from time to time as operationally required. This right also includes, inter-alia, the determination of the rosters, working patterns and times, methods and manner of working, the introduction of technical improvements, and the decision to modify, extend, curtail or cease operations, and all safety aspects of the operation. The Company will always exercise the above mentioned rights within the limits prescribed under all applicable laws of Sri Lanka and in accordance with all applicable procedures and manuals of the Company and in accordance with the terms and conditions of this Agreement.

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

8. *Monthly Basic Salary Scales.-*

- 8.1 The monthly basic salary scales effective **1st June 2010** until 31st May 2013 expressed in Sri Lankan Rupees (Rs.) per month are:

<i>Grade</i>	<i>Minimum</i>	<i>Maximum</i>
T1	20,395	74,665
T2	22,010	81,175
T3	29,895	114,310

- 8.2 Under no circumstances may the monthly basic salary of an Employee exceed the prescribed limit of the maximum basic salary of their grade.
- 8.3 All new Employees who will be taken on the permanent payroll of the Company subsequent to the date of signing this Agreement will normally start at the minimum of scale. However, the Management reserves the sole right to offer a commencing salary at a higher level than the minimum of scale depending upon merits as considered appropriate by the Management.
- 8.4 The above revised salary scales, applicable allowances and other enhanced benefits (as given in this Agreement) will be applicable to those staff who are in employment as at the date of signing the Agreement.

9. *Basic Salary Increases During This Agreement.-*

9.1 ANNUAL PERFORMANCE BASED INCREMENT

The actual individual monthly basic salaries of all Employees covered by this Agreement (except those under probation) will be increased ranging from 0.0% to 6.0% (with an average of 3.0%), depending upon individual performance effective 1st June 2010 to 31st May 2013 as the Annual Performance Based Increment.

9.2 ANNUAL FIXED INCREMENT

The actual individual monthly basic salaries after the Performance based Increment in June each year for all employees covered by this agreement will be increased as per the schedule below effective 01st June 2010. This schedule will be applicable for the period June 2010 to May 2013.

<i>Grade</i>	<i>Years of Experience in the Company</i>	<i>2010 LKR</i>	<i>2011 LKR</i>	<i>2012 LKR</i>
T1	<5	4,500	3,000	3,000
	>5 & <10	5,500	3,500	3,500
	>10	6,500	4,000	4,000
T2	1-5	7,000	5,000	5,000
	>5 & <10	7,500	5,500	5,500
	>10	8,500	6,000	6,000
T3	1-5	9,000	5,500	5,500
	>5 & <10	9,500	6,000	6,000
	>10 & <15	10,000	6,500	6,500
	>15 & <20	11,000	6,500	6,500
	>20	11,500	6,500	6,500

10. Special Premium Allowance.-

10.1 Effective from 1st June 2010, the categories of Employees that are deemed by the Company to be eligible for monthly special premium allowance are as follows:

<i>Grade</i>	<i>Years of Experience in T Grades</i>	<i>2010 LKR</i>	<i>2011 LKR</i>	<i>2012 LKR</i>
T1		Nil	Nil	Nil
	<5	36,000	39,000	42,000
T2	>5	43,000	46,000	49,000
	<10	47,000	50,000	53,000
T3	>10	52,500	55,500	58,000
	Certifying	54,000	57,000	60,000

10.2 Employees who use their personal mobile phones for official duty (as indicated by the Engineering Management), Rs 1,500 p.m. will be added to their applicable special premium. For Employees who use Head-sets, Rs 1,500 p.m. will be added to their applicable special premium.

10.3 The company reserves the right to assess the market conditions and determine whether any such premium is applicable for any such job or category of jobs in terms of attracting or retaining staff based on prevailing market conditions at a particular period of time.

11. Attendance incentive payment.-

11.1 Effective 1st January 2011 for the calendar year 2011 onwards, an Attendance Incentive Payment will be payable to Technicians based upon their individual attendance in the calendar year (with payment based on the actual basic salary at the end of that calendar year on 31st December being made at the beginning of the subsequent calendar year split equally between the end-February and the end-March payrolls for tax-efficiency) depending upon the number of days of Non-cumulative Privilege leave and casual Leave unutilised during the calendar year as follows:

<i>Days of casual/non cum. privilege leave Unutilised in the calendar year</i>	<i>Attendance payment</i>
14 days	150% of Basic Salary plus Special Premium
12-13 days	125% of Basic Salary plus Special Premium
10-11 days	100% of Basic Salary plus Special Premium
8-9 days	75% of Basic Salary plus Special Premium
6-7 days	50% of Basic Salary plus Special Premium
Less than 6 days	NIL

11.2 If an employee is marked as "unauthorised absence/approved no pay" then such days will also be included with the days of Non cumulative privilege leave and casual leave utilised for the purposes of calculating eligibility for this attendance incentive payment.

11.3 For the avoidance of doubt, in the case of Technicians covered and bound by this Agreement, the applicable monthly salary for any annual attendance payment shall be monthly basic salary plus Special Premium Allowance only.

11.4 The staff to be entitled for this payment should have been in employment for the full calendar year ending 31st December.

12. All other Allowances.-

12.1 LONG-SERVICE ALLOWANCE

The Long service allowance will be limited to those employees who are enjoying the benefit as at 31st May 2010 at the current rates, and the quantum will be frozen at the rate applicable to such employees. The new recruits and those who will reach the milestone shall not be eligible for any such payment.

12.2 REGULAR SHIFT ALLOWANCE (DAY, NIGHT SHIFT PATTERN)

All Graded Staff covered by this Agreement who are on rostered shift patterns comprising of Day and Night shifts will receive a daily shift allowance for each shift actually worked, expressed in Sri Lankan Rupees (Rs) per shift of:

	<i>At least 6 but less than 10 hours</i>	<i>10 or more hours</i>
Weekdays (Day)	Rs. 110 per shift	Rs. 160 per shift
Weekdays (Night)	Rs. 110 per shift	Rs. 240 per shift
Week Ends (Fri-Sun)	Rs. 110 per shift	Rs. 270 per shift

This daily shift allowance applies to all types of shift work patterns and is based upon the scheduled rostered working hours (excluding breaks) of the shift, regardless of the pattern of shifts (including early shifts and night shifts). This daily shift allowance is only paid if either the rostered shift is worked in full (or substituted by company-provided training) or during annual leave based on notional shifts, but this daily shift allowance is not paid during sick leave or casual leave or any other type of leave or absence. If an employee is also required to work a full additional shift (of 6 hours or more) as overtime then the shift allowance will be paid as well as any applicable overtime payments. The normal core office hours of 08.15-16.45 on Mondays-Fridays inclusive is regarded as the regular day pattern, and is not a rostered shift pattern.

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

Employees may swap shifts with each other by mutual consent and with the prior written approval from the Manager (or Supervisor or Authorised Officer) on a case-by-case basis, subject to the shifts being swapped being identical in working hours, and maximum of three swaps per person per month.

12.3 LAUNDRY ALLOWANCE

Effective 1st June 2010, Technicians in grades T1-T3 inclusive required to wear a uniform full-time will receive Rs. 500 with effect from 01 June 2010. This laundry allowance is intended to reimburse expenses to the Employee by paying part of their uniform cleaning bills and is intended as a subsidy rather than payment in-full of all laundry expenses.

12.4 TEA ALLOWANCE

Effective from 1st June 2010, the monthly tea allowance for Technicians in grades T1-T3 will be Rs. 350/= per month.

12.5 WARM-CLOTHING ALLOWANCE

The warm-clothing allowance for Technicians in grades T1-T3 who are required to perform duty-travel to overseas locations where warm-clothing is deemed necessary is US\$ 150 every five years.

12.6 APPROVAL ALLOWANCES

A detailed summary of all approval types and associated approval allowance payments that apply to locally employed Permanent Technicians in grades T1-T3 inclusive is provided in ANNEXURE B to this Agreement.

The Company has the sole right to determine the number of Technicians who are required to have approval types to meet operational requirements for aircraft of both SriLankan and other airlines certified by SriLankan.

Where the approval-type relates to a current approval on an aircraft that is in operation in the Sri Lankan fleet at the time of payment, then 100% of the relevant approval allowance shall be paid. However, such payment shall immediately cease to be payable if and when an aircraft type ceases to be in operation in the Sri Lankan fleet.

The Company may, if future business plans so determine, choose to phase-in or phase-out any other aircraft types at its sole discretion, and payment of approval allowances will apply in accordance with such phase-in and phase-out.

Likewise, payment of approval allowance shall immediately cease to be payable if and when the approval held by the Technician is no longer current or the validity of their approval expires.

Where the approval-type relates to a current approval on an aircraft that is in operation of another airline for whom SriLankan provides certification (but not in operation in SriLankan fleet) at the time of payment, then 50% of the relevant approval allowance shall be paid. However, such payment shall immediately cease to be payable if and when an aircraft type ceases to be maintained for the other airline by Sri Lankan. Likewise, such payment shall immediately cease to be payable if and when the Technician is no longer current or the validity of their approval expires.

The overall cumulative maximum monthly approval allowance that an individual Technician may receive in any one month shall be Rs. 100,000 per month.

12.7 TRANSPORTATION ALLOWANCE

There is no transportaion allowance for Technicians in Grades T1-T3 inclusive. However, the company-provided bus transport system will be offered free of charge to all Technicians in grades T1-T3 who wish to use the bus system as per the existing route structure.

12.8 JOB-RELATED ASSIGNMENT ALLOWANCES

From time-to-time the Company may assign an Employee to perform additional duties, additional to their normal job activities as judged by the Company. Such assignments are of a temporary nature only and may be ceased at any time at the sole discretion of the Company, and such allowances will only apply whilst the criteria for eligibility are met in ful where such assignments are made as listed below, an additional assignment allowance (to be determined by the Compay on the basis of the nature of the additional assignment) will be paid each month during the period of such active assignment.

The following assignment allowances will apply on a Job-related basis to applicable qualified Technicians in grades T1-T3 with effect from 1st June 2010.:

- (a) The **Apron Driving Allowance** for all staff who are regularly required to use a current and valid apron driving permit (excluding those who are designated and/or paid as either Drivers or Equipment Operators or similar where their normal job duties include apron driving duty) will be Rs. 850/= per month.
- (b) The **Apron Driving Allowance** for all staff who are occasionally required to use a current and valid apron driving permit (excluding those who are designated and/or paid as either Divers or Equipment Operators or similar where their normal job duties include apron driving duty) will be Rs. 275/= per month.
- (c) The **Tool Box Allowance** for all staff who are required to keep and maintain their own too box which is subject to periodic regulatory audits will be a sum of Rs. 3,250/- per month.
(which they can purchase from the Company by salary deductions.)
- (d) The **Lift Operator Allowance** for staff quified and required in writing to operate aircraft equipment (High Lift, Snorke lift and the scissors lift:) will be Rs. 800/- per month.
- (e) The **Waste System Overhaul Allowance** for staff qualified and required in writing to perform toilet overhaul activities as part of a major engineering check will be Rs. 900/- per month.

12.9 OVERTIME FOR FLYING SPANNER DUTIES

It is agreed that on occasions a Technician may be required to perform flying spanner duties by working extra overtime hours (either to extend a normal rosterd working day or by working on a day-off) whereby they accompany an aircraft for the purposes of certification of that aircraft at an overseas on-line station. In these cases when a Technician works overtime hours to perform flying spanner duties, they shall receive overtime payments for actual overtime hours performed.

Calculation of hours worked for overtime purposes will commence at initial chocks-off in Colombo, and will finish at the final chocks-on back in Colombo. Actual qualifying time will then be rounded down or up to the nearest full hour. However, if the Technician is away from the aircraft (either whilst on a layover during a hotel stay away from Sri Lanka, or whilst the aircraft is grounded for any reason at the overseas destination), then the calculation of actual working hours ceases from the time the Technician leaves the aircraft at the overseas destination until returning to duty at the aircraft at the overseas destination.

12.10 MEAL ALLOWANCES AS FLYING SPANNER

When a Technician goes on duty as a flying spanner (both on a normal rostered working day, and on a day-off), meal allowances will be paid as follows:

<i>Allowance</i>	<i>Payment</i>	<i>Timing</i>
Breakfast	US\$ 20.00	07.30 - 08.30
Lunch	US\$ 20.00	12.30 - 13.30
Dinner	US\$ 20.00	19.30 - 20.30

All times schedules for applicability of meal allowances as listed above are shown in local times (LT). Technicians will be eligible for these meal allowances commencing one hour before scheduled departure and finishing half an hour after actual time of arrival.

In addition to meal allowances, for a flight departing from or returning to Colombo where an overnight stay is required at an overseas slip location in a hotel whilst on-duty as a flying spanner, then a night-stop allowance will be paid as follows:

Night-Stop

T2-T3	US\$ 18.00	On-duty at 00.01 and layover included.
T1	US\$ 15.00	On-duty at 00.01 and layover included.

12.11 OTHER ALLOWANCES.— There are no other allowances or payments that apply to Employees who are locally employed in grades T1-T3 inclusive of the Technicians grade structure other than those listed in this Agreement.

12.12 Allowance adjustments / increases will come into effect from 1st June 2010.

13. Uniforms.—

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

13.2 The Company will provide appropriate safety clothing and equipment for all Employees performing duties in operational areas such as Line Maintenance, Hangar, Workshops and Apron area.

14. Working Hours.—

14.1 The standard working week of the Company in Sri Lanka is 40 working hours (excluding breaks) per week and may be day work, split or rotating shift. The standard regular day pattern is composed of 5 working days, with 2 days-off per week. Consequently a standard working day is therefore defined as 8 working hours (excluding breaks). For example, the current regular working pattern is as follows (but the Company may change this pattern at its reasonable discretion):

Regular Day Pattern

- * work time of regular day pattern of 08.15-16.45
- * elapsed length of 8 hours and 30 minutes
- * contains one break of 30 minutes
- * hence actual working hours are exactly 8 hours
- * pattern is normally 5-on and 2-off
- * this equates to 40.0 working hours per 7 day cycle

14.2 Alternatively for Employees on a 28-day roster cycle, standard working hours are expressed as 160 working hours (excluding breaks) per 28-day roster cycle. For such Employees on a 28-day roster cycle, the working cycle is normally composed of no more than 20 working days, and no less than 8 rostered days-off per 28-day cycle. Regardless of the type of roster, a standard working day is always defined as 8 working hours (excluding breaks).

15. Rosters.—

15.1 All rosters will be constructed at the reasonable discretion of the Company in accordance with operational requirements after appropriate discussion and consultation with the SAATA. However the Company reserves the right to change the starting / finishing times for operational reasons as and when reasonably necessary. It is the sole right of the Company to determine the times, methods and manner of working, the introduction of technical improvements, the decision to modify, extend, curtail or cease operations, and all safety aspects of operations.

15.2 The Company may exercise reasonable discretion to determine when, where and how an Employee is detailed to work (including multi-tasking), or to transfer an Employee from one function or location to another.

15.3 All rosters will be constructed so that actual working hours per week (excluding breaks) are 40 working hours per week, or 160 working hours per 28 day roster cycle. As one illustrative example (but this is not an exhaustive list of all possible shift types):

Base Shift Pattern

- * day shift time of 08.00 - 19.25
- * elapsed length of 11 hours and 25 minutes
- * contains one break of 30 minutes and two breaks of 15 minutes each
- * hence actual working hours are 10 hours and 25 minutes
- * night shift time of 19.00 - 08.25
- * elapsed length of 13 hours and 25 minutes
- * contains one break of 30 minutes and two breaks of 15 minutes each
- * hence actual working hours are 12 hours and 25 minutes
- * pattern is normally 1 day plus 1-night plus 2- off, repeated 7 times in a 28 day roster
- * this equates to a total of 159 hours and 50 minutes per 28 day cycle

16. Overtime pay.–

16.1 As the aviation industry operates on a twenty-four hour cycle it is recognised that all Employees may on occasions be required to work additional hours beyond 40 working hours (excluding breaks) per week as an when requested by the Company to do so. An Employee if requested to work overtime shall not normally refuse overtime (except for reasons of sickness). Failure to accept a reasonable request to perform overtime by an Employee without a valid excuse shall amount to misconduct. All such requests from the Company for overtime to be worked will be in accordance with Labour Law requirements.

16.2 All Technicians in grades T1-T3 inclusive are eligible to claim overtime payments on a weekly basis related to hours worked beyond 40 hours per week (excluding breaks), as well as for all overtime hours worked on a rostered day-off or public holiday. All overtime must be approved in advance.

16.3 Wherever overtime is worked then payment per hour of overtime worked will be as follows:

- | | |
|--------------------------------------|---|
| * Overtime to extend a working-day: | 150% of the normal applicable hourly salary |
| * Overtime on a day-off or rest-day: | 150% of the normal applicable hourly salary |
| * Overtime on a Poya day; | 150% of the normal applicable hourly salary |
| * Overtime on a statutory holiday: | 200% of the normal applicable hourly salary |

However, on occasion when it is deemed possible at the discretion of the Company, then instead of payment for overtime, time-off-in-lieu will be granted.

16.4 Work performed by an employee on a Poya day will be remunerated at the rate of 150% of the normal applicable hourly rate of payment.

16.5 When an Employee is called-in to perform overtime on a day-off or rest-day, then a minimum of four hours overtime work will be granted (and for the avoidance of doubt this minimum of four hours overtime does not apply to overtime to extend a working day).

16.6 The normal applicable hourly salary rate is calculated by dividing the applicable monthly salary by 240 as per Labour Law.

16.7 In the case of Technicians covered and bound by this Agreement, the applicable monthly salary for determining the applicable hourly salary shall be a combination of monthly basic salary as defined in section 8 of this Agreement plus any applicable personal differential allowance plus any applicable monthly Special Premium Allowance as defined in section 10 of this Agreement.

17. Productivity.– All parties have agreed in principle that they will fully co-operate together to achieve the productivity goals of the Company. This co-operation will extend to improving efficiency through productive and flexible rosters, improved work practices and reduced absenteeism. The Company will conduct appropriate training for SAATA and all Employees on productivity issues and other related topics.

18. Two years no-pay leave.– The Company at its discretion may permit a period of upto two-years no-pay leave for the following purposes:

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

A maximum of 4 Technicians in permanent employment in grades T1-T3 inclusive may be permitted at any one time to be on no-pay leave as per the conditions of this section. In order to be considered for no-pay leave, an Employee must have completed at least ten years of continuous service with the Company, and consideration for such no-pay leave will only be given once per employment lifetime per Employee.

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

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

19. **Grievance and Dispute Procedure.** - In the event of any dispute or grievance arising between an Employee or Employees and the Company, the following procedure shall be followed for the settlement of such dispute, or in resolving such grievance.

- (a) The Employee (or a representative from the SAATA) will, in the first instance, discuss the dispute or grievance with their immediate Supervisor or Line Manager.
- (b) If the grievance or dispute is not satisfactorily resolved, then the Employee (or a representative from the SAATA) may then discuss the matter with the Departmental Manager, who will endeavour to arrive at satisfactory solution in respect of the grievance or dispute.
- (c) In the event of the grievance or dispute not being resolved at the level of the Departmental Manager, the issue in dispute will then be discussed by the Employee (or a representative from the SAATA) with the Human Resources Manager (or their representative).
- (d) If no satisfactory solution is arrived at, then the issue in dispute will be discussed by the SAATA with the Company Management. At such discussion, the number of representatives on each side shall not exceed four (4). Such discussion will be arranged by the Human Resources Manager as far as possible within five (5) working days of a request being made by the SAATA.
- (e) The SAATA representative who wishes to discuss any matter with the Human Resources Manager will do so only by prior appointment except where the matter is very urgent.
- (f) If the dispute or grievance remains unresolved, the SAATA may then raise the issue for discussion with the Company in SAATA with the Employers' Federation of Ceylon. the Company will, within ten (10) days of a request being made by the SAATA, arrange a discussion meeting in SAATA with the Employers' Federation of Ceylon.
- (g) In the event of a dispute or grievance not being resolved or settled under the preceding sub-sections within a period of three months then, by mutual consent of both parties, they shall refer such dispute or grievance to voluntary arbitration in terms of section 3(1)(d) of the Industrial Disputes Act for Settlement.
- (h) If both parties agree to arbitration they shall agree on a statement of the matter in dispute and if there is no agreement on such statement they shall request the Commissioner of Labour to determine the statement of the matter in dispute after affording the parties an opportunity to state their case in regard to the statement of the matter in dispute. If the parties are unable to jointly nominate an Arbitrator he shall be nominated by the Commissioner of Labour.
- (i) An award made by an Arbitrator in a voluntary arbitration referred in sub-section (h) above hereby shall be final and binding on the parties, save and except in a case where the finding is perverse or not consistent with the available evidence.

20. Trade Union Action.-

- 20.1 The SAATA and all parties covered and bound by this Agreement jointly and severally agree with the Company that during the continuance of this Agreement they shall not engage in any strike or other form of Trade Union action in respect of any matters covered by this Agreement.
- 20.2 If, in the opinion of the Company, the SAATA or any of its members have committed a breach of this Agreement, then and in any such event the Company reserves the right to withdraw all or any of the facilities or benefits granted to the SAATA, without prejudice to the right of the Company to restore such facilities or benefits upon such terms and conditions as the Company may decide.

21. Leave Entitlement.- As agreed by the parties bound, with effect from calendar year 2011 for all Technicians in grades T1-T3 will be entitled for the following categories of leave.

<i>Leave Type</i>	<i>Rostered staff</i>	<i>Regular day pattern</i>
Annual Leave	18 days	14 working days
Non Cumulative Privilege	7 days	7 days
Casual Leave	7 working days	7 working days
Medical Leave	7 working days	7 working days

- Rostered staff are required to utilise 9 days of annual leave in a single block.
- Other staff are required to utilise 7 days of annual leave in a single block.
- All staff in grades 1- 7 may encash Non-cumulative Privilege leave.
- Availing of Non Cumulative Privilege leave will be on the same basis of Annual Leave and can be considered in instances of illness.
- All staff in grades 1-7 may encash casual leave if unutilised.
- Unutilised Sick leave may not be encashed.

22. Signatures of Agreement.-

22.1 This Agreement is signed in Colombo on 12th January 2011 and witnessed as follows:

22.2 For and on behalf of the Company:

For and on behalf of the SAATA:

The image shows a collection of handwritten signatures and official stamps. On the left side, there are four signatures, each followed by a printed name and title: 'General Manager', 'Assistant General Manager', 'Assistant General Manager', and 'Assistant General Manager'. On the right side, there are four signatures, each followed by a printed name and title: 'Secretary, SAATA', 'Secretary, SAATA', 'Secretary, SAATA', and 'Secretary, SAATA'. At the bottom center, there is a large, bold, blue ink stamp that reads 'SRI LANKA TELECOM LTD.'.

Annexure A**Minimum Job and Grade Requirements For T1 - T3.-**

All promotions, placements and recruitment to Technician grades T1-T3 (formerly 5T - 7T) in all areas will be strictly governed by the minimum promotion and recruitment criteria set out in this appendix, and are at all time subject to budget/operational requirements:

Entry Qualifications to T1 as Junior Aircraft Technician / Junior Aircraft Workshop Technician

Must have successfully completed a 2 year approved training course.

Promotional criteria from T1 to T2 as Aircraft Technician / Aircraft Workshop Technician

Must have at least 3 years experience in Grade T1

Promotional criteria from T2 to T3 as Senior Aircraft Technician / Senior Aircraft Workshop Technician

(a) Must have at least 10 years experience in T2 or

(b) Must have at least 8 years experience in T2 + B1/B2/LWTR (A&C or E,I & R)

or

(c) Must have 5 years experience in T2 + A1/B1/B2/LWTR (A&C or E,I & R) +

A1 approval on one type of A/C. or 1 type of Engine (only for module shop) or cabin full approval on one type of A/C. or Full work shop approval on one group of work shop approvals.

or

(d) Must have 3 years experience in T2 + A1/B1/B2/L WTR (A&C or E, I & R) + A1 approvals on at least 2 A/C types or 2 types of Engines (only for module shop) or Cabin full approval on two types of A/C or full work shop approvals on two groups of work shop approvals.)

(e) Must have 3 years experience in T2 + B1/B2/LWTR + B1/B2 approvals on one type of A/C.

Criteria to re - titled as Certifying A/C Technician / Certifying A/C Workshop Technician (T3)

(a) A1/ B1/B2/LWTR +must be in T3, exercising the authority in following approvals for 2 years A1 approvals on at least 2 A/C Types or 2 types of Engines (only for module shop) or Cabin full Approvals on two types of A/C or full work shop approvals on two groups of work shop approvals.

or

(b) B1/B2/LWTR +must be in T3, exercising the authority in following approvals for 2 years B1/B2 approvals on one type of A/C.

Annexure B**Approval Allowances for Engineers****Approval Allowance per Month - Applicable to Licensed Aircraft Engineers in Line and Hanger Maintenance.**

(Also applies to Technicians and Executives in Engineering and Maintenance)

A320 Cabin Full Airframe	Rs. 8,000.00 per month
A320 Cabin Full Avionics	Rs. 8,000.00 per month
A320 Airframe (A) or Engines (C)	Rs. 10,000.00 per month
A320 Boroscope (Engine)	Rs. 8,000.00 per month
A320 Boroscope (APU)	Rs. 4,000.00 per month
A320 A and C without EGR	Rs. 20,000.00 per month
A320 A and C Full with EGR	Rs. 27,000.00 per month
A320 IFE	Rs. 7,000.00 per month
A320 Avionics (without IFE)	Rs. 20,000.00 per month
A320 Avionics (including IFE)	Rs. 27,000.00 per month

A330 Cabin Full Airframe	Rs. 8,000.00 per month
A330 Cabin Full Avionics	Rs. 8,000.00 per month
A330 Airframe (A) or Engines (C)	Rs. 10,000.00 per month
A330 Boroscope (Engine)	Rs. 8,000.00 per month
A330 Boroscope (APU)	Rs. 4,000.00 per month
A330 A and C without EGR	Rs. 20,000.00 per month
A330 A and C Full with EGR	Rs. 27,000.00 per month
A330 IFE	Rs. 7,000.00 per month
A330 Avionics (without IFE)	Rs. 20,000.00 per month
A320 Avionics (including IFE)	Rs. 27,000.00 per month

A340 Cabin Full Airframe	Rs. 8,000.00 per month
A340 Cabin Full Avionics	Rs. 8,000.00 per month
A340 Airframe (A) or Engines (C)	Rs. 10,000.00 per month
A340 Boroscope (Engine)	Rs. 8,000.00 per month
A340 Boroscope (APU)	Rs. 4,000.00 per month
A340 A and C without EGR	Rs. 20,000.00 per month
A340 A and C Full with EGR	Rs. 27,000.00 per month
A340 IFE	Rs. 7,000.00 per month
A340 Avionics (without IFE)	Rs. 20,000.00 per month
A340 Avionics (including IFE)	Rs. 27,000.00 per month

Annexure B

Approval Allowances for Certifying Aircraft Technicians

Approval Allowance per Month - Applicable to Approved Technicians in Line and Hanger Maintenance.
(Also applies to Executives in Line and Base Maintenance)

A320 A1.4	Rs. 9,000.00 per month
A330 A1.4	Rs. 9,000.00 per month
A340 A1.4	Rs. 9,000.00 per month

Annexure B

APPROVAL ALLOWANCES FOR ENGINEERS IN TECHNICAL SERVICES FOR DESIGN APPROVALS

APPROVAL ALLOWANCE PER MONTH - APPLICABLE TO ENGINEERS IN TECHNICAL SERVICES
(Also applies to Technical Services Officers and Executives)

Design/CAMO Approval

Design or CAMO Approval for A 320	Rs. 27,000.00 per month
Design or CAMO Approval for A 330	Rs. 27,000.00 per month
Design or CAMO Approval for A 340	Rs. 27,000.00 per month

Sub - groupings of Design/CAMO Approval:

A 320/A 330/A 340 Sub Grouping - I	Rs. 6,750.00 per month
A 320/A 330/A 340 Sub Grouping - II	Rs. 13,500.00 per month
A 320/A 330/A 340 Sub Grouping - III	Rs. 20,250.00 per month

Maximum Cumulative Design/CAMO Approval allowance paid per aircraft type:

Rs. 27,000.00 per month for A 320
Rs. 27,000.00 per month for A 330
Rs. 27,000.00 per month for A 340

Maintenance Program Approval

Maintenance Program Approval for A 320	Rs. 13,500.00 per month
Maintenance Program Approval for A 330	Rs. 13,500.00 per month
Maintenance Program Approval for A 340	Rs. 13,500.00 per month

Maximum Maintenance Program Approval allowance paid per aircraft type:

Rs. 13,500.00 per month for A 320
Rs. 13,500.00 per month for A 330
Rs. 13,500.00 per month for A 340

Note:

1. Technical Services approval holders may either hold a Design Approval or a CAMO Approval for each aircraft type.

Airworthiness Review Approval

Airworthiness Review Approval for A 320	Rs. 10,000.00 per month
Airworthiness Review Approval for A 330	Rs. 10,000.00 per month
Airworthiness Review Approval for A 340	Rs. 10,000.00 per month

Annexure B**APPROVAL ALLOWANCES FOR INSTRUCTORS / ENGINEERS IN TECHNICAL TRAINING SCHOOL****Approval Allowance per month - Applicable to Instructors / Engineers in Technical Training School**

(Also applies to Executives in Technical Training School)

Basic Instructor Approval	Rs. 13,500.00 per month
A 320 A or C	Rs. 10,000.00 per month
A 320 A and C Full	Rs. 27,000.00 per month
A 320 Avionics Full	Rs. 27,000.00 per month
A 330 A or C	Rs. 10,000.00 per month
A 330 A and C Full	Rs. 27,000.00 per month
A 330 Avionics Full	Rs. 27,000.00 per month
A 340 A or C	Rs. 10,000.00 per month
A 340 A and C Full	Rs. 27,000.00 per month
A 340 Avionics Full	Rs. 27,000.00 per month

Annexure B**APPROVAL ALLOWANCES FOR ENGINEERS IN PRODUCTION PLANNING****Approval Allowance per month - Engineers/Executives/Officers in Production Planning**

(Also applies to Executives/Officers in Production Planning)

- (1) Aircraft Maintenance Planning (APA)
 - (2) Workshop Planning (WPA)
 - (3) Component Control (CCA)
- | | | |
|-----------|-----|------------------------|
| (1) APA.1 | (a) | Rs. 8,000.00 per month |
| | (b) | Rs. 8,000.00 per month |
| | (c) | Rs. 8,000.00 per month |

APA.2	(a)	Rs. 8,000.00 per month
	(b)	Rs. 8,000.00 per month
	(c)	Rs. 8,000.00 per month
APA.3	(a)	Rs. 8,000.00 per month
	(b)	Rs. 8,000.00 per month
	(c)	Rs. 8,000.00 per month
(2) WPA.1		Rs. 10,000.00 per month
WPA.2		Rs. 10,000.00 per month
WPA.3		Rs. 10,000.00 per month
(3) CCA.1	(a)	Rs. 8,000.00 per month
	(b)	Rs. 8,000.00 per month
	(c)	Rs. 8,000.00 per month

Annexure B

APPROVAL ALLOWANCES FOR ENGINEERS / TECHNICIANS WITH WORKSHOP APPROVALS IN WORKSHOPS

Approval Allowance per Month – Engineers / Technicians with workshop Approvals in Workshops

(Also applies to Executives / Officers in Workshops)

For each Workshop Approval decimal point (0.1) Rs. 800.00 per month

Revised Workshop weightage scheme attached.

Annexure C

By Hand

Mr Chandimal Perera
President
Sri Lankan Airlines Aircraft
Aircraft Technicians Association
No. 14, Mahawela Place
Kirulapone
Colombo 05.

HHR/08

12th January 2011.

Dear Mr. Perera,

We are pleased to confirm that during the course of CBA discussions with SAATA the management of Sri Lankan Airlines having proposed the implementation of a Profit Share Incentive Scheme in lieu of the 13th month incentive payment, the details of which are given below.

1. The proposed profit share incentive scheme, set out below, is to be implemented with effect from 1st January 2011.
2. However, in the event of there being a legal requirement to formulate a more favourable scheme applicable to the company and its permanent employees, it is agreed by the company to comply with the legal requirements.
3. Profit Share Incentive Scheme.

Scenario 1	-	Group Loss	Nil
Scenario 2	-	Group Profit	Rs. 45,000/- or Basic Salary, Whichever is less
Scenario 3	-	Company Profit	125% of Basic Salary
Scenario 4	-	10% above estimated Profit	150% of Basic Salary
Scenario 5	-	20% above estimated Profit	175% of Basic Salary

It should be noted that profit should be construed as profit after tax excluding any extraordinary profit during a Financial year.

Eg. Sale of preferential shares and aircraft will be excluded when determining the profit.

The due date of payment will fall in December each year in respect of financial performance during the financial year.

It was also mentioned by the management that they hope to implement the Profit Share Incentive Scheme company – wide.

The SAATA having considered this offer indicated to the management during the course of discussions that they are unable to give a commitment in relation to the aforementioned proposal at this point in time and requested for more time to consider it.

Yours sincerely,
For Sri Lankan Airlines Ltd.

Pradeepa Dahanayake
HEAD OF HUMAN RESOURCES
12 - 917

My No.: CI/1798.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Lankaputhra Development Bank Limited, No. 80, Nawala Road, Nugegoda of the one part and Ceylon Bank Employees' Union, No. 20, Temple Road, Colombo 10 of the other part on 12th day of November, 2010 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

V. B. P. K. WEERASINGHE,
Commissioner of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
06th December, 2011.

Collective Agreement No. 30 of 2011

Collective Agreement

Between

Lankaputhra Development Bank Limited
No. 80, Nawala Road, Nugegoda
of the *One Part*

and

Ceylon Bank Employees' Union
No. 20, Temple Road, Colombo 10
of the *other part*

THIS COLLECTIVE AGREEMENT is made on this 12th day of November, 2010, by and between the Lankaputhra Development Bank Limited of the one part (hereinafter referred to as "the Bank") and the Ceylon Bank Employees' Union of the other part (hereinafter referred to as "the Union").

Title.— This Agreement will be known and referred to as Collective Agreement of "Lankaputhra Development Bank Limited with the Ceylon Bank Employees' Union for the period commencing from First January Two Thousand Eleven to Thirty First December Two Thousand Thirteen (01.01.2011-31.12.2013)"

1. **Employer to be Covered and Bound.**— This Agreement shall cover and bind the Lankaputhra Development Bank Limited, which is a party to this Agreement.

2. **Employees to be Covered and Bound.**— This Agreement shall cover and bind all permanent employees in the Bank and who are employed in any of the categories of whom a salary scale has been prescribed in this Agreement in the Annexure attached hereto.

3. **Date of Operation and Duration.**— This Agreement shall deem to be in force from the First day of January Two Thousand Eleven (1st January, 2011) and thereafter continue to be in force, unless it is determined by either party giving six months notice in writing to the other, provided however, that no party shall give such notice to the other party before the 1st day of July, 2013 and such notice shall not expire before the 31st day of December, 2013.

4. **Matters Covered and Variation of Terms and Conditions of Employment and Benefits.**—

(a) This Agreement shall be in full and final settlement of all matters covered herein as well as of all the matters raised by the Union in relation to the period commencing from 2011 to 2013 and in respect of which negotiations took place between the parties before the conclusion of this Agreement and the Union agrees that it will not during the continuance in force of this Agreement raise any of the matters which were discussed and negotiated between the parties preceding this Agreement.

(b) The Union and its members shall not during the continuance in force of this Agreement seek to vary, alter or add to all or any of the terms and conditions of employment or benefits applicable or enjoyed as provided for in this Agreement other than by mutual agreement with the Bank.

5. **Salary.**— As from 01.01.2011 each employee covered and bound by this Agreement shall be paid upon and subject to the other terms and conditions herein contained a monthly salary set out below;

<i>Grade Designation</i>	<i>Salary Structure</i>
12. Assistant General Manager	60,000, - 90,000 <hr/> 1,500 × 20
11. Senior Manager	45,000, - 70,000 <hr/> 1,250 × 20
10. Manager	35,000, - 55,000 <hr/> 1,000 × 20
09. Assistant Manager / PA II / Executive Secretary II	32,500, - 47,500 <hr/> 750 × 20
08. Executive / PA I / Executive Secretary I	30,000, - 45,000 <hr/> 750 × 20
07. Junior Executive / Senior Secretary	27,500, - 42,500 <hr/> 750 × 20
06. Management Trainee	<hr/> 25,000

05. Senior Banking Assistant / Secretary II	25,000, - 35,000 500×20
04. Banking Assistant / Junior Secretary / Secretary I	17,500, - 27,500 500×20
03. Training Banking Assistant	12,500, - 22,500 500×20
02. Driver	15,000, - 25,000 500×20
01. Office Aide	10,000, - 20,000 500×20

Any employee whose salaries are exceeding the above salary structure, will remain unchanged and personalized until the next salary revision.

06. **Allowances.**— In addition to the basic salary, the following allowances will be paid, effective from 01.01.2011:

(a) Travelling Allowance

A monthly travelling allowance as stipulated below will be paid to the relevant categories of employees.

Manager	15,000
Assistant Manager / PA II / Exec Secretary II	12,500
Executive / PA I / Exec Secretary I	10,000
Junior Executive / Banking Assistant / Secretary	7,500
Driver/ Office Aide	5,000

(b) Refreshment, Travelling, Subsistence and Lodging Allowances

The above allowances will be paid as set out in the Staff Circular No. HR/CIR/06/11 dated 11th October, 2006 annexed to this agreement as **Annexure I**.

07. **Recruitment and Promotion Policy.**— The above policy will be set out in the annexed to this agreement as **Annexure II**.

08. **Conversion of the Basic Salary.**— (a) The Basic Salaries of all employees will be converted to the revised scale by applying the step to step (point by point) method of conversion, thereby the employees to receive the incremental credit, depending on the number of years service.

09. **Bonus.**— An amount equivalent to one month salary will be paid as bonus to all employees in service as at 31st December. In the event of an employee being recruited during the year, he/she will be paid the bonus on a prorated basis.

Special Conditions

All employees of the Bank should extend their corporation to the Management by working voluntarily for 5 days per annum.

10. **Leave.**— Leave entitlement of all employees will be as follows:

- (a) 07 days Casual Leave, which could be utilized upto a maximum of 2 days at a given time
- (b) 14 days Sick Leave, which could be availed of without medical certificate upto a maximum of 2 consecutive days.
- (c) 21 days of Annual Leave, out of which 7 days should be utilized on consecutive days and the balance 14 days during the year. 7 days could be accumulated for purpose of utilization prior retirement or for purpose of emergency, subject to a maximum of 90 days.
- (d) All Public and Bank Holidays.

11. **Medical Assistance.**— The existing Surgical and Hospitalization Insurance Scheme as stipulating in Staff Circulars which are to be issued in each year, (Staff Circular No. HR/CIR/10/47 dated 24th November, 2010, annexed hereto as **Annexure III** for the year 2010/2011) will be operative for purpose of staff medical assistance scheme.

12. **Loans Schemes.**—

(i) **Staff Personal Loan Scheme**

Staff Personal Loans will be granted in terms of the existing staff personal scheme as stipulated in Staff Circular No. HR/CIR/09/31 of 1st April, 2009, annexed hereto as **Annexure IV**, subject to the amendments that, the loan will be granted at the rate of interest of 9% and the collateral amended to include only DPN, and assignment of gratuity.

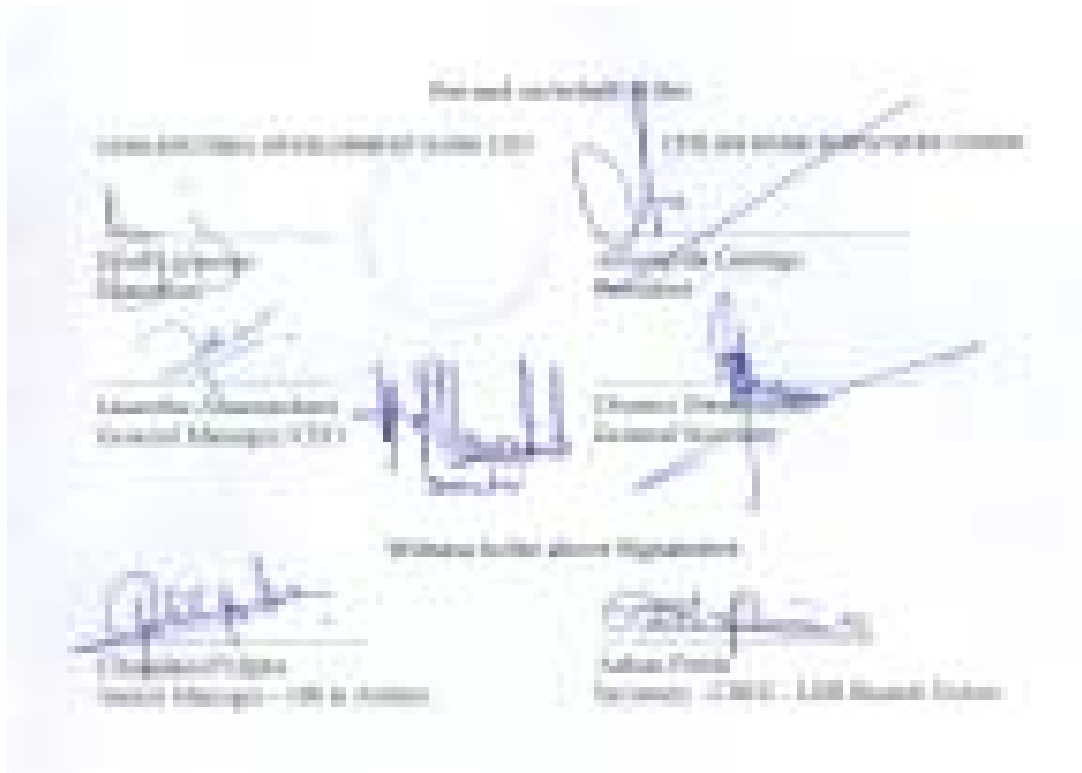
(ii) **Housing Loans**

Housing Loans will be granted in terms of the existing housing loans scheme as stipulated in Staff Circular No. HR/CIR/09/41 of 30th December, 2009, annexed hereto as **Annexure V**.

13. **Matters Covered and Bound.**—

- (a) This Agreement shall be in full and final settlement of all matters covered herein as well as of all the matters raised by the Union and in respect of which negotiations took place between the parties before the conclusion of this Agreement and the Union agrees that it will not during the continuance in force of this Agreement raise any of the matters which were discussed and negotiated between the parties proceeding this Agreement except to the extend agreed.
- (b) The Union and its members shall not during the continuance in force of this Agreement seek to vary, alter or add to all or any of the terms and conditions of employment or benefits presently applicable or enjoyed as provided for in this Agreement other than by mutual agreement with the Bank.

14. **Other Commitments.**— The Union further agrees to assist and support the Management of the Bank in every manner to obtain the maximum contribution of its members to achieve the targets set out in the Business Plan/Strategic Plan of the Bank.



Annex I**Lankaputhra Development Bank**

Staff Circular No. HR/CIR/06/11.

Date: 11th October, 2006.

Reimbursement of Refreshment, Travelling, Subsistence and Lodging Allowances

The following allowances have been approved by the Management with regard to working late hours and travelling to far away distances on official duty.

1. Approving Authority.-

The approving authority of claims would be the Heads of Divisions/ Branch Managers.

Claims of Heads of Divisions and Branch Managers will be approved by GM/CEO.

2. Paying Authority.-

All payment relating to staff claims will be paid by the Finance Division.

The approving authority should be satisfied with the *bona fides* of each claim, and where necessary should be supported by documentary evidence, (ie. bills, receipts, etc.)

3. General.-

Claim for refreshment allowance should be made on the prescribed form ADM 011. When approving refreshment allowance claims the approving authority should be satisfied that the staff concerned have genuinely engaged themselves in official duty. Travelling subsistence and lodging claims should be submitted to the approving authority within 7 days of return on completion of the assignment.

4. Refreshment Allowance on Weekdays.-

Applicable to staff not eligible for overtime

	<i>Week days</i>	
Executives/PAs/ Legal Officers	after 7.00 p.m.	Rs. 250/-
	after 9.00 p.m.	Rs. 350/-
Managers/Assistant Managers	after 7.00 p.m.	Rs. 350/-
	after 9.00 p.m.	Rs. 400/-

Staff eligible for overtime will be paid a Dinner Allowance of Rs. 100/- for working after 10.00 p.m. if employed in urgent work necessitating in working later hours.

5. Refreshment Allowance on Holidays.- Applicable to staff not eligible for overtime

	Over 4 hrs.	Over 8 hrs.
Asst. General Managers/ Snr. Managers	No Payment.	650/-
Managers/Assistant Managers	500/-	650/-
Executives/PAs/ Legal Officers	400/-	600/-

6. Travelling Allowance.- Applicable to all staff, where Bank Transport is not provided.

Upto Managers	Actual Trishaw fare if less than 10 Km. and Bus /Train fare (including intercity) if more than 10km.
Snr. Managers/ Asst. General Managers	Private Car @ Rs. 10/- per Km.

6.1 TRAVELLING.-

- Will be paid only for the first day of travel to reach the destination and the last date of travel to return to base.
- Where the distance from the claimant's residence to the destination is closer but he/she commence travelling from his/her place of work, the reason for same should be noted in the claim.
- The use of Trishaw for officer travel should be made only in the absence of Bank transport and with the prior approval of the Branch Manager/ Head of Division.

7. Subsistence Allowance.- Is reimbursed only if an employee engages in official duty outside 10 Km from the employee's permanent station or residence whichever is closer, based on total time spent. Time spent is from the time of departure from the permanent residence/workplace to the destination and up to the time of return.

	<i>6 - 12 hrs</i>	<i>12 - 24 hrs</i>
Asst. General Managers / Snr. Managers	400/-	600/-
Managers / Asst. Managers	300/-	500/-
Executives / PAs/ Legal Officers	250/-	375/-
*Banking Assistants / Secretaries	200/-	300/-
Drivers / Peons	165/-	250/-

*Includes Banking Assistant, Accounts Assistant,
Development Assistants.

08. Subsistence and Lodging (Combined) Allowance.- When an employee on official duty is required to proceed beyond 40km from the place of work, or residence whichever is closer and is required to stay away from the permanent station overnight, combined allowance will be paid for each 24 hrs. Remaining period as per subsistence in 7.

	<i>Per Day</i>
Asst. General Managers / Snr. Managers	At cost (Maximum Rs. 5,000/-)
Managers / Asst. Managers	3,000/-
Executives / PAs / Legal Officers	2,000/-
Other	1,500/-

9. Cash Advance.-

- When necessary cash advances will be made by the Finance Division depending on the distance and period of the assignment.
- Advance may be necessary for subsistence and lodging, fuel and minor repairs to vehicle, etc.
- All advances should have the prior approval of the approving authority.

10. This Circular will be effective 01st October, 2006.-

M. P. T. Cooray
General Manager/CEO

C. Maxwell Jansz
Snr. Manager (HR and Admin.)

LANKAPUTHRA DEVELOPMENT BANK

Reimbursement of Allowances

Please reimburse Rs. in Cash / to my savings / current account bearing No at LDB /
On account of the following duties performed as per Staff Circular No. HR/CIR/06/11 dated 11th October 2006.

<input type="checkbox"/>	Refreshment Allowance on Weekdays
<input type="checkbox"/>	Refreshment Allowance on Weekends
<input type="checkbox"/>	Transport Allowance
<input type="checkbox"/>	Subsistence Allowance
<input type="checkbox"/>	Subsistence and lodging Allowance

Details of Work Performed

Day / Date	Time		Destination		Amount	Purpose
	Start	End	From	To		
.....
.....
.....
.....

TOTAL

=====

I certify that the details given are true and correct to the best of my knowledge.

Name Designation Branch / Division

Signature

Date

Payment Approved

Payment Effected

.....
Approving Authority

.....
Accounts Division

Annex - II

LDB

RECRUITMENT AND PROMOTION PROCEDURE

November 2010

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- ❖ Objective
- ❖ About this manual
- ❖ Interpretation

Chapter 2

- ❖ Departmental HR Planning

Chapter 3

- ❖ Recruitment Process
 - a. Internal Recruitment
 - b. External Recruitment
 - c. Employment of Relatives
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Chapter 4

- ❖ Selection Process
 - a. Qualification Required - External Candidates
 - b. Requirements - Internal Candidates
 - c. Screening and Short Listing Applications
 - d. Interview Panel

Chapter 5

- ❖ Post Selection Procedure
 - a. Reference
 - b. Informing the Applicant
 - c. Medical Checks
 - d. Employment Contract
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OBJECTIVE

The Quality of our Employees has always been a critical factor for the Success of the bank. Recruitment Policies of the bank should be supportive of the Achievement of business objectives.

Recruitment and promotion activities will be undertaken with due regard to employment legislations and in a manner that will ensure the suitability and integrity of new recruits.

This policy will also ensure that staff and applicants for Employment will not receive any less favourable treatment on the grounds of Sex, Race Religion, Nationality, Disability, Ethnic origin or Status.

About This Manual

These rules and regulations are designed to help the Human Resources Department to plan and execute its resourcing activities towards meeting all human resource needs of the Bank, while the career aspirations of the employees are fulfilled.

From time to time, these rules and regulations may need to be amended or modified to meet operational requirements within the Bank and also to comply with statutory requirements, and the Human Resources Department will endeavor to keep staff informed of such changes.

Interpretation

The following abbreviations / words will be used through out the manual and the same abbreviation / word shall refer to the meaning below mentioned, wherever it is referred.

<i>Abbreviation / word</i>	<i>Meaning</i>
Chairman	Chairman
CEO /GM	Chief Executive Officer / General Manager
CM	Corporate Management
AGM	Assistant General Manager
SM	Senior Manager
Mgr	Manager
AM / PA II / ES II	Assistant Manager / Personal Assistant II / Executive Secretary II
E / PA I / ES I	Executive / Personal Assistant I / Executive Secretary I
JE / SS	Junior Executive / Senior Secretary
SBA / S II	Senior Banking Assistant / Secretary II
BA / JS / SI	Banking Assistant / Junior Secretary / Secretary I
TBA	Trainee Banking Assistant
JD	Job Description
HRD	Human Resources Department
HR	Human Resources
Department (s)	Department / Branch / Mini Branches
Head(s) of the Department(s)	Heads of the Departments/ Branch Managers / Mini Branch Managers
Spouse	Legally married partner
Relatives	Mother, father, son, daughter, sister, brother, mother-in-law, father-in-law, brother-in-law, sister-in-law, stepdaughter, stepson, stepsister and stepbrother
Reporting relationship	One relative or spouse is in direct or indirect supervisory or managerial control over another.

DEPARTMENTAL HR PLANNING

1. **Staff Requisition:-** The heads of Departments, in the final quarter of each year, will determine the Staff requirements for their respective Departments for the forth - coming year, keeping **inline with the Business Plan**. Any increases in headcount needs the approval of the CEO.

II. **Procedure for Additional Staff.-** The procedure to be followed in requesting for additional Staff.

- Review of present allocation of work/responsibilities to ensure optimum utilization of available staff.
- Insufficiency of the existing cadre of the respective Department even after training them to increase their efficiency.
- Justification of the value addition and /or increase in efficiency of the Department due to the requested recruitment.
- A draft job description and expected qualification (S) of new recruit (S).

III. **Prior approval.-** Heads of the Departments and Branch/ Mini Branch Managers are also required to obtain prior approval from their respective Corporate Management member, before the recruitment of additional staff within the approved plan.

IV. **Eliminating unproductive areas of work.-** The heads of the Departments and Branch / Mini Branch Managers must seriously consider in **eliminating unproductive areas of work** for which the additional Staff have been allocated, by enhancing the productivity of staff by multi - skilling them, i.e. training Staff members to handle more than one function etc.

RECRUITMENT PROCESS

The Bank's policy is to recruit most suitable Staff, internally as well as externally to fill the vacancies that may arise due to;

- * Resignation
- * Retirement
- * Termination
- * Staff moves
- * Business Expansion
- * Restructuring / Re - engineering

A Professional public image will be Conveyed through activities involved in recruitment, including advertising, communication with applicants, assessment and seeking references.

A. **Internal Recruitment.** - It is the aim of the Bank to resource all vacant positions internally, wherever possible. The Job vacancies will generally be internally advertised except for the following circumstances, where:-

- * A pool of promotees has been identified through an assessment process such as Development Centre / tests / Interviews. However, if a suitable candidate cannot be identified from the pool, HRD will look into the possibility of hiring candidates externally.
- * Management is satisfied that there are no suitable candidates internally.
- * Lateral moves as a developmental measure or due to operational exigencies.

Process

- * Determine whether the vacancy can be successfully filled internally,
- * If so, the vacancy will be internally advertised to all Staff, giving the Staff members a specific time period to forward their applications to HRD.
- * The Advertisement will have a brief description of the job for which the applications are called for, required qualifications and special skills of the applicant, and the job profile.
- * Staff Members will be given at least five working days to apply.
The suitable, eligible and qualified staff members are required to forward their duly completed standard applications on or before the specified date in the advertisement, through their Head of the Departments who will confirm that the candidate is suitable for the post he/she is being considered for
- * The offer shall be closed by 5 p.m. on the date specified in the advertisement and HRD with the respective Head/Manager of the Departmental will short list the eligible Applications.
- * The eligible applicants will be called for interviews/written tests or any other form of assessment as deemed appropriate by HRD. Management reserves the right not to entertain any application on grounds of unsatisfactory job performance, disciplinary record, previous applications for similar jobs etc.
- * The promotions of staff members to the next higher grade will be subject to a probationary period, if necessary.
- * All unsuccessful candidates will be notified that their application has been unsuccessful.

B. **External Recruitment.** - The external applications for any vacancy, received through referrals, either in response to an advertisement or an unsolicited application will be entertained by HRD.

(a) Referrals

The Applications with recommendations from the Staff members are considered, provided such applicants, in the opinion of Management, are suitable and eligible for the particular vacancy.

The procedure for maintaining Referral Applications

- (a) Applications with a referral shall be maintained in the HRD database for a period of minimum six months.
- (b) Whenever a vacancy arises, such applications are scrutinised and short listed and applications with the required qualifications are referred to the respective Manager/Head of the Department.
- (c) Applicants found to be suitable will be subjected to the selection process applicable to the particular position.
- (d) After expiration of six months from the date of the application, the applications that are not called for interviews will be removed from the HRD database.

(b) **Advertising/Headhunting**

If the Management is satisfied that there are no suitable applicants internally or applied through referrals, the Bank may decide to -

- Advertise and/or
- Headhunt and/or
- Refer the vacancy to an Employment Agency/Professional Organization

(c) **Unsolicited Applications**

- Applications that are received daily by the potential candidates are kept in the HRD database for a minimum period of three months and will be considered in selecting a suitable applicant.

(d) **Re-Hires**

- The re-employment of ex-employees will be at the absolute discretion of the Management. Employees re-hired will be on a new contract. They will not be entitled to any terminal or other benefits in respect of their past employment with the Bank.

C. **Employment of Relatives.** - It is the Bank's strong preference for relatives not to be employed in the same Branch/Department.

The Bank will not recruit any candidate to the Bank if his/her brother, sister, mother, father, son, daughter, wife or husband is already employed in the Bank.

D. **Employment of Sportsmen/women**(a) **Recruitment**

- Sportsmen/women will be hired to the Bank subject to the availability of vacancies within the approved Staff cadre.
- The General Recruitment Policy of the Bank will apply. The players should meet all the necessary criteria/conditions required for a particular vacancy
- All other criteria being equal, the Applicants who have contributed in sports will be given preference over the other Applicants as the values/skills/discipline they have acquired in sports will help them in making a better contribution to the Organization.

(b) **Promotions.** - Will be solely based on the following criteria;

- Past Performance
- Minimum Experience in Same grade for 3 years
- Staff member's potential to handle a job at a higher grade
- Availability of vacancies
- Preference will be given to Staff members who have contributed in sports or any other Bank's activities.

(c) **Special consideration for Sport Players**

- The Sports Players are eligible to apply for Banking Assistant position after completion of one years training including the period of service as an outsourced staff member at the Bank.

(d) **Salary and Allowance.** - The Salary and Allowances will be purely based on the Grade of the particular Staff member, in line with the Compensation Policy of the Bank. No special payments will be made for Sports activities.

(e) **Leave Procedure**

● **Representing the Country at any Sport**

- Special paid leave for the period of play and reasonable travel time up and down will be granted in addition to the Staff member's normal leave entitlement, on production of a letter from the sports body concerned.

● **Attending practices / tournament**

- Staff member has to apply for annual leave and the approval will be subject to operational exigencies.
- The Head of the Department may, at his / her sole discretion, release the Staff member for practices one or two hours early but not on a regular basis provided no disruption would occur due to this release.

E. **Media Recruitment Advertisement.**— All the external recruitments will be advertised in a suitable media giving the applicants a deadline, normally Ten days, to make their applications to HRD. Arrangements will be made by the HR Department to advertise the vacancy advertisements. A professional public image should be conveyed through all recruitment activities i.e. advertising. All the advertisements should include—

- Name of the Bank / Brief description of the Bank
- Job title
- Job profile
- Expected minimum qualifications and work experience, if relevant
- Required personal qualities
- Reference to the compensation package
- Time limit to make applications
- Method of collecting applications by the applicants
- Address to which the application to be sent

SELECTION PROCESS

(A). Qualifications Required – External Candidates

* **Trainee Banking Assistant (TBA)**

- * G . C. E. Ordinary Level – at least five merit passes including English and Mathematics
- * G . C. E. Advanced Level – passes for all subjects offered
- * Higher academic / professional achievements will be given due recognition
- * Good command of English
- * Computer literacy
- * Below 23 years of age

* **Banking Assistant (BA)**

- * G . C. E. Ordinary Level – at least five merit passes including English and Mathematics
- * G . C. E. Advanced Level – passes for all subjects offered
- * Good command of English
- * Computer literacy
- * Below 26 years of age
- * Two years Banking or relevant experience

- Educational requirements for TBA's may be relaxed if the candidate possesses a professional qualification from a recognized institute (Diploma / Certificate programme etc.) which requires at least six months formal study relating to Banking, IT, Marketing or any other relevant area.
- In the case of BA's, educational qualifications may be relaxed if;

* Banking experience is directly relevant to the job he/she is being considered for.

* The candidate possesses a professional qualification from recognize institute relating to Banking, IT, Marketing or any other relevant area.

* **Junior Secretary / Secretary I (JS/S I)**

- * G . C. E. Ordinary Level – at least five merit passes including English and Mathematics
- * G . C. E. Advanced Level – at least three main subjects
- * Secretarial Course of not less than 06 months from a recognized institution
- * Good command of English Language – verbal and written
- * Computer literacy
- * Below 35 years of age

* *Management Trainees*

- * A Degree from a recognized University
or
A Passed Finalist of CIMA, ACA or ACCA
- * Less than 28 years of age
- * Preferably with one year work experience

* **Personal Assistant I (PA I) / Executive Secretary I (ES I) – (Executive Grade)**

- * 05 years Experience in the capacity of Personal Assistant / Executive Secretary
- * Part Qualification in Chartered Secretaries / Higher Diploma or Diploma in Confidential Secretaries from a recognized Institute.
- * Good command of English Language – verbal and written
- * Computer literacy

* *Exe / AM / Manager (Specialized area)*

- * Will depend on the job requirement

* **Senior Managers / AGM (Specialized area)**

- * Will depend on the job requirement

Skills / attributes required from candidates

This will be based on the competency models established for each category of Staff.

- The Applicants should be willing to serve the Bank in any of its Offices, Branches or Departments now existing or which may be created subsequently.
- Management reserves the right either to extend or terminates the training period of TBA/MT on grounds of performance, conduct, adaptability etc.

B. Requirements – Internal Candidates

❖ **Banking Assistant (BA)**

- One year Banking experience including the training period
- Satisfactory performance at the written examination
- Recommendation from the Head of the Department
- Interview / s

❖ **Senior Banking Assistant (SBA)**

- Three years Banking or relevant experience as BA
- Satisfactory performance at the written examination
- Recommendation from the Head of the Department
- Interview / s

(Three years Banking or relevant experience as BA or DA before 31.12.2010 in LDB should not need sit for written exam)

- BA / SBA who would not successfully perform at the Interview, may apply for the same vacancy only after expiration of 6 months from the date of the first application. However, it not necessary for such BA / SBA to sit for the Written Test again provided the said BA / SBA has satisfactorily performed at the Written Test at the previous session.

❖ **Junior Executive**

- Three years Banking or relevant experience as SBA
and
- Part qualification in Banking (at least completing the Certificate level of Banking Examination) / Part Professional Qualification acceptable to the Bank in the relevant work area.
- Written test
- Interview / s

❖ **Executive**

- Three years Banking or relevant experience as JE
and
- Part qualification in Banking (at least completing the Certificate level of Banking Examination) / Part Professional Qualification acceptable to the Bank in the relevant work area.
- Written test
- Interview / s

❖ **Assistant Manager**

- Three years Banking or relevant experience as E
and
- Full qualification in Banking / Full Professional Qualification acceptable to the Bank in the relevant work area.
- Written test
- Interview / s

Manager

- Three years Banking or relevant experience as AM
and
- Full qualification in Banking / Full Professional Qualification acceptable to the Bank in the relevant work area.
- Written test
- Interview / s

Senior Manager

- Three years Banking or relevant experience as M
- Interview / s

Assistant General Manager

- Three years Banking or relevant experience as Senior Manager
- Interview / s

❖ **Secretary II (S II) - (Senior Banking Assistant Grade)**

- Three years Secretarial experience as JS / S I
- Satisfactory performance at the written examination
- Recommendation from the Head of the Department
- Interview / s

❖ **Senior Secretary (SS) - (Junior Executive Grade)**

- Three years Secretarial experience as S II
- Satisfactory performance at the written examination
- Recommendation from the Head of the Department
- Interview / s

❖ **Personal Assistant I (PA I) / Executive Secretary I (ES I) - (Executive Grade)**

- Three years Secretarial experience as SS
- Part Professional Qualification in Chartered Secretaries / Higher Diploma or Diploma in Confidential Secretaries from a recognised Institute.
- Satisfactory performance at the written examination
- Recommendation from the Head of the Department
- Interview / s

- ☐ Professional requirements for PA I / ES I may be relaxed if the employee possesses a professional qualification from a recognized institute (Diploma / Certificate programme etc.) which requires at least six months formal study relating to Banking, IT, HR, Marketing or any other relevant area.

❖ **Personal Assistant II (PA II) / Executive Secretary II (ES II) - (AM Grade)**

- Three years Secretarial experience as PA I / ES I
- Full Professional Qualification in Chartered Secretaries / Higher Diploma or Diploma in Confidential Secretaries from a recognised Institute.
- Satisfactory performance at the written examination
- Recommendation from the Head of the Department
- Interview / s

- ☐ Professional requirements for PA II / ES II may be relaxed if the employee possesses a professional qualification from a recognized institute (Diploma / Certificate programme etc.) which requires at least six months formal study relating to Banking, IT, HR, Marketing or any other relevant area.

C. **Screening and Short Listing.**— HRD will first scrutinize and short-list the selected applications, which meet the necessary qualifications and falls within the job description of the particular vacancy before referring the same to the relevant Department.

Process

- HR will paper screen the applications received.
- Applications that meet the minimum criteria will be referred to the respective Head of the Department for consideration.
- Short listed candidates will be called for a written test / interview as appropriate.

D. **Interview Panel.**— The interview panel will comprise at least three members of management including the Head of HR or his Deputy. The panel members shall be at least two Grades higher than the job incumbent.

POST SELECTION PROCEDURE**A. Reference Check**

- The Bank will obtain references from the applicant's former places of employment, schools, colleges or universities, and personal sources, as appropriate. Two or more of the references, including previous employer(s), will be obtained, to get a feed back of work and the character (where deemed appropriate) of the applicant, prior to making a firm offer of employment / issuance of the Letter of Appointment. Any false information presented in an application may be grounds for dismissal of the application.

C. Medical Checks.— The candidates who get through the final interview will be sent for a medical examination to the Bank's approved medical service centre at the cost of the Bank and medical report shall be maintained in the personal file of the Staff member.

- Medical history
- Physical examination
- Blood test - haemoglobin
- Urine test - Routing and Microscopic
- Chest X - ray

D. *Employment Contract*

- Name and address of the Bank
- Full Name of the Staff member, with the surname
- Address of the recruit
- Title of position
- Salary and / or allowances and applicable deductions
- Job grade, if appropriate
- Commencement date, duration of contract, notice period and termination arrangements
- Retirement age, if applicable
- Work locations, as appropriate
- Confidentiality clause
- Code of Conduct
- Non cash benefits, if any, and whether these vary under specific circumstances
- Benefits and any gratuities payable upon completion of contract
- Terms of employment including the benefits entitlement i. e. loans for staff, medical scheme etc.
- Period of probation, if any, which is to apply before confirmation
- Method of payment of salary and timing of review
- Leave entitlement and any pro-rata entitlement for the year when employment commences and terminates

Supporting Documents

- * Birth Certificate
- * Educational Certificates

- * Professional Certificates
- * National Identity Card
- * Service Certificate(s) from previous employer(s)
- * Testimonials
- * Police Report (Original will be retained)
- * Two Stamp Size Photographs

Upon joining, the recruit will complete the following documents:-

- Oath of secrecy
- Provident Fund Nomination
- Medical Insurance form, if applicable
- Personal Data Collection form

All new employees are provided with the Code of Conduct (Hand Book) which provides information regarding certain question that are likely to arise in the course of new employees' service in the Bank.

New staff compulsorily undergoes a two day familiarization programme which includes product knowledge, operational knowledge and bank ethics. If the recruit is a raw hand, all relevant training opportunity is being provided prior to he / she get involve in the day to day banking operation. (External and In-house training, coaching and on the job training)

However, experienced staff are immediately placed in the position and subsequently trained in order to enhance their knowledge and skills.

Annex - III

LANKAPUTHRA DEVELOPMENT BANK

STAFF CIRCULAR No.: HR/CIR/10/047

DATE: 24TH NOVEMBER 2010

SURGICAL AND HOSPITALIZATION INSURANCE SCHEME - 2010/2011

The existing Surgical and Hospitalization Insurance Scheme for staff has been renewed with enhancements for the year October 2010 - September 2011. Detailed below is the schedule of claims.

1. In - Patient Benefits	Amount	Beneficiaries
a. Hospital and Nursing Home maintenance charges Including Room Charges(Maximum Rs. 10,000/- per day), Specialist's Fees Medical and Operational expenses including use of Operating theatre, investigations, special treatment and nursing on the recommendation of a Consultant Specialist incurred on Hospitalization.	Rs. 200,000	Married Employee Spouse and All Children (00 - 21 yrs, Unemployed and unmarried)
		Unmarried Employee Parents (up to 65 yrs)
b. Birth of Twins	Rs. 10,000/-	Employee, spouse
c. Government Hospital (Non-paying) Maximum 21 days Per day claim	Rs.2,000/-	Married As above
		Unmarried

d. Normal Child Birth (Waiting period liability effect after 10 months)	Rs.40,000/-	Employee, spouse
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LIMITS – Any one year / one event Rs.200,000/-

2. Out-door Benefits

a. Cost of drugs, Vitamins (with drugs) Prescribed by specialist or MBBS Dr., Special consultants fees (with Doctor's seal), Tests and Investigations. Dental treatment (excluding Cleaning, Polishing and Dentures), vaccination, All channelling and Medication pertaining to pregnancy related ailments and relevant test	Rs.20,000/-	Married As above Unmarried
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**PS: Those who have only non-MBBS Doctors
for their close proximity should write to SM-HR
and ADM by requesting permission to claim for
prescriptions of Non-MBBS Doctors.**

2b. Spectacles prescribed by eye specialist - once in 03 yrs In the event a claim for spectacles is made in a particular year, the amount available under (2. a) will reduce to that extent in that particular year.	Rs.10,000/-	Employee
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3. Other Benefits

a. Personal Accident Cover (Please refer the Schedule for details)	Rs.1,000,000/-	Employee
b. Life Cover	Rs.1,000,000/-	Employee
c. Critical Illness Cover (Below 65 yrs)	Rs.750,000/-	Employee

**Myocardial Infarction, Coronary Artery Surgery, Stroke, Cancer, Renal Failure, Major Organ transplant (the actual
undergoing of a transplantation as the recipient of a heart, lung, liver, pancrease, small bowel, kidney or bone marrow),
Paralysis, Multiple Sclerosis, Pulmonary Arterial Hypertension, Fulminant Viral Hepatitis, Heart Valve Surgery,
Surgery for a Disease of the Aorta, Chronic Liver disease, Major Burns, Blindness, Deafness (Sickness – related),
Muscular Dystrophy, Loss of Speech, Chronic Lung disease, Apallic Syndrome, Angioplasty Cover.**

All staff will be issued with a “Health Plus” card which is embossed with names of all members of the family entitled for In-patient
benefits.

4. Method to use the “Health Plus” Card

- a. On Admission to Hospital
 - * The card which is your ID will facilitate you admit to the Hospital without paying admission fees.
 - * Upon admission, call SLI Hotline which is printed on the back of the card and inform the following details.
(Bank Name, Insured Name, EPF no Policy no (SHE 17035) and Name of Hospital)
 - * The SLI representative will visit and verify details from the hospital.
- b. On Discharge from Hospital
 - * Call the SLI hotline prior to discharge.

- * SLI representative will visit the hospital and take care of the claim. (bill)
- * Any excess above the SLI liability will have to be born by the Patient.

5. Claims for Out-Door Benefits

- a. All out-door medical claims should be forwarded to HR and ADM division on the prescribed format (ADM-12) accompanied by the Doctors prescription and receipts of purchase of medication/ Channelling fees Etc. **(Original Prescriptions and bills to be forwarded to SLI. If Prescription will be repeated, a copy duly certified by Head of Division/ Branch Manager with Official seal should be forwarded)**
- b. All such claims should be forwarded to HR and ADM division on or before every **Thursday** to enable the SLI representative to collect same.
- c. All claims should be duly approved by the divisional head prior to forwarding to HR and ADM division.
- d. The approving authority will ensure that the claim made is within the stipulated amount and **a record of which should be maintained by the Secretary/ responsible person of respective Division / Branch.**

C. Pelpita
Snr. Manager (HR and Admin.)

Sumeda Edirisuriya
General Manager / CEO

Annex - IV
(Old)

LANKAPUTHRA DEVELOPMENT BANK

STAFF CIRCULAR No.: HR/CIR/09/37
DATE: 13TH OCT. 2009

STAFF PERSONAL LOAN SCHEME (AMENDED)

The amended Staff Personal Loan Scheme is given below:

1. Loan Type : Staff Personal Loan Scheme
2. Amount : (a) Maximum Rs. 100,000/- Subject to maximum deduction not exceeding 60% of the monthly Basic Salary.
(b) Maximum Rs. 200,000/- in the case of wedding or education expenses (documentary proof required) of the borrower employee *or* legitimate child of an employee.
Subject to maximum deduction not exceeding 60% of the monthly Basic Salary.
3. Purpose : Utility requirement / purchase of consumer durable / Wedding expenses of a borrower or his / her child.
4. Interest : 12% per annum.
Subject to review by the Board from time to time.
5. Frequency : Once in 02 years. However, subject to more than 50% of the outstanding of the previous loan/s under this scheme has to be settled in full to re-apply for a fresh loan.
6. Eligibility : (a) In case of 2 (a) minimum 2 years of continuous service at LDB of which 01 year of confirmed / permanent cadre.
(b) In case of 2 (b) minimum 3 years of continuous service at LDB of which 02 years of confirmed / permanent cadre.
(c) Service at LDB includes service at SME and PSIDC which were merged.

- (d) Should be below 52 years at the time of applying and approval of the loan.
- (e) Employees above the age of 52 years the repayment period could be reduced on the discretion of the Management, in order that the last repayment of loan installment will fall prior to such employee reaching the age of 55. However, loan amount in respect of 2 (a) will be Rs. 50,000/- maximum and 2 (b) will be Rs. 100,000/- maximum.
- (f) Should not have any disciplinary action, pending / contemplated.
7. Collateral : (a) DPN
(b) Agreement to release EPF and ETF on full settlement of loan.
(c) Personal Guarantee of 01 Non Staff Member who is not a LDB customer and acceptable to the Bank.
(d) Assignment of Gratuity.
8. Repayment : 36 months. (maximum)
Period (Last date of repayment should be prior to reaching the 55 the birthday of the applicant)
9. Recovery : Loan Installment together with Interest will be recovered from the Salary on equal monthly installment basis.
10. Termination of service : In the event of a staff borrower resigning / vacation or dismissal from the Bank service, the Loan will become due immediately and the staff borrower have the option to request to convert the loan to a commercial facility from the Bank.
11. Documents : Declaration of indebtedness, recommendation of the respective Asst. General Manager.
12. General : Approving authority is the GM/CEO of the Bank and reserves right to decline / reduce the loan without giving reasons thereto.

This Circular supersedes all other circulars issued on this subject and will be effective 01st October, 2009.

Ravi Dassanayake
General Manager / CEO

C. Maxwell Jansz
Snr. Manager (HR and Admin.)

Annex - IV

LANKAPUTHRA DEVELOPMENT BANK

STAFF CIRCULAR No.: HR/CIR/09/37
DATE: 03RD JANUARY 2011

STAFF PERSONAL LOAN SCHEME (AMENDED)

The amended Staff Personal Loan Scheme is given below.

1. Loan Type : Staff Personal Loan Scheme
2. Amount : (a) Maximum Rs. 100,000/-. Subject to maximum deduction not exceeding 60% of the monthly Basic Salary.
(b) Maximum Rs. 200,000/- in the case of wedding or education expenses (documentary proof required) of the borrower employee or legitimate child of an employee.
Subject to maximum deduction not exceeding 60% of the monthly Basic Salary.
3. Purpose : Utility requirement / purchase of consumer durable / Wedding expenses of a borrower or his / her child.

4. Interest : 9% per annum.
Subject to review by the Board from time to time.
5. Frequency : Once in 02 years. However, subject to more than 50% of the outstanding of the previous loan/s under this scheme has to be settled in full to re-apply for a fresh loan.
6. Eligibility :
 - (a) In case of 2 (a) minimum 2 years of continuous service at LDB of which 01 year of confirmed / permanent cadre.
 - (b) In case of 2 (b) minimum 3 years of continuous service at LDB of which 02 years of confirmed / permanent cadre.
 - (c) Service at LDB includes service at SME and PSIDC which were merged.
 - (d) Should be below 52 years at the time of applying and approval of the loan.
 - (e) Employees above the age of 52 years the repayment period could be reduced on the discretion of the Management, in order that the last repayment of loan installment will fall prior to such employee reaching the age of 55. However, loan amount in respect of 2 (a) will be Rs. 50,000/- maximum and 2 (b) will be Rs. 100,000/- maximum.
 - (f) Should not have any disciplinary action, pending / contemplated.
7. Collateral :
 - (a) DPN
 - (b) Agreement to release EPF and ETF on full settlement of loan.
 - (c) Personal Guarantee of 01 Non Staff Member who is not a LDB customer and acceptable to the Bank.
 - (d) Assignment of Gratuity.
8. Repayment : 36 months. (maximum)
Period (Last date of repayment should be prior to reaching the 55 the birthday of the applicant)
9. Recovery : Loan Installment together with Interest will be recovered from the Salary on equal monthly installment basis.
10. Termination of service : In the event of a staff borrower resigning / vacation or dismissal from the Bank service, the Loan will become due immediately and the staff borrower have the option to request to convert the loan to a commercial facility from the Bank.
11. Documents : Declaration of indebtedness, recommendation of the respective Asst. General Manager.
12. General : Approving authority is the GM/CEO of the Bank and reserves right to decline / reduce the loan without giving reasons thereto.

This Circular supersedes all other circulars issued on this subject and will be effective 01st January, 2011.

General Manager / CEO

Snr. Manager (HR and Admin.)

STAFF PERSONAL LOAN APPLICATION

I, the undersigned wish to apply for a personal loan as per the Staff Circular HR/CIR/09/37 (Amended) dated 13th October, 2009. I confirm abiding by all the rules and regulations laid therein.

Full Name:	
.....	
Permanent Address:	
.....	
Date of Birth :	Age :
Staff No. :	Grade :
Present Branch / Division :	
Date joined LDB / SME / PSIDC :	
Period of service at LDB including SME / PSIDC : Years Months	
Amount required :	Repayment period: (max. 36 months)
Purpose :	

If the purpose is for Education:

Course :	
Institution :	
Date Registered : Course fee :	
<i>(Please attach documentary evidence)</i>	

Details of Indebtness: (Direct and Indirect Liability)			
<i>Bank</i>	<i>Amount obtained</i>	<i>Date obtained</i>	<i>Monthly installment</i>
1.
2.
3.
4.

I solemnly affirm / declare that each of the statements given above is true and correct.

Signature of Staff Member:

Date:

Personal Guarantor's details:

Name

NIC No.

Designation

Place of
work

1.

*To be filled by respective Head of Division / Branch Manager -***Recommendation**

I recommend / do not recommend a loan of Rs. to

Mr. / Ms.

Signature:

Date:

To be filled by HR and Admin. Division -

Details indicated in the Personal Loan Application of

..... is checked and confirmed.

Previous Loan Outstanding :

Disciplinary action Contemplated / Pending: YES ☐ NO ☐.....
AM - HR and ADM.....
Date

I recommend / do not recommend the Personal Loan and forward for the approval of GM / CEO.

.....
Snr. Manager - HR and Admin......
Date*GM / CEO's Approval -*

Personal Loan Approved / not Approved.

Amount Approved :

.....
GM / CEO.....
Date

LANKAPUTHRA DEVELOPMENT BANK

STAFF CIRCULAR No.: HR/CIR/09/41
DATE: 30th DECEMBER 2009

HOUSING LOAN SCHEME FOR STAFF OF LDB (AMENDED)

We are pleased to inform you that the Board of Directors has approved the following scheme with effect from 01st January, 2010.

1. **Eligibility.** - Total 03 years confirmed service at LDB which includes probation period and service at SME and PSIDC. (Training, Contract, Casual period will not consider)

2. Quantum of Housing Loan

- | | | |
|-----|---|-------------|
| 2.1 | a. Asst. General Manager / Snr. Manager | 3,500,000/- |
| | b. Manager | 3,000,000/- |
| | c. Asst. Manager / Executive / Personal Assistant / Executive Secretary | 2,500,000/- |
| | d. Junior Executive / Management Trainee / Graduate Trainee | 2,000,000/- |
| | e. Banking Assistant / Secretary / Development Assistant | |
| | Accounts Assistant / IT Assistant / Receptionist | 1,500,000/- |
| | f. Drivers / Peon | 1,200,000/- |
- 2.2 The quantum of this loan is subject to the maximum amount against each grade, and depends on the employee's take home pay, which should be 40% of the Basic Salary.
- 2.3 The equated monthly installment and deduction of *all* other loans should not exceed 60% of the employee's monthly Basic salary.

Income from other sources / spouse's income will not be taken into account in determining the repayment capacity, for the Housing Loan.

3. **Repayment.** - A maximum of 30 years or the year on which the employee reaches his 55th birthday, which ever is earlier. However, if the employee leaves the service of the bank, the repayment period and applicable interest rate will be determined by the Management.

4. Rate of Interest

Upto Rs. 500,000/-	- 3% p.a.
500,001/- to 1,000,000/-	- 6% p.a.
Above Rs. 1 M	- 8% p.a.

Subject to review annually.

5. Security

- 5.1 Primary mortgage in favour of LDB over the house and property to be purchased / constructed (full or part)
- 5.2 Fire Insurance Policy over the house and property to be owned.
- 5.3 Life Policy of the employee or Mortgage Protection Policy assigned in favour of the Bank.

6. *Conditions.-*

- 6.1 For purchase of bare land to construct house - 50% of the loan entitlement or 90% of the FSV of the land whichever is less could be availed to purchase the land. The balance to be utilized to construct the house.
- 6.2 Construction of the house should be completed within a period of 36 months from date of purchase of land.
- 6.3 In case of construction of house, the loan will be released in 3 stages.
 - a. Maximum 1/3 of the loan up to DPC level
 - b. Another 1/3 of the loan up to Roof level
 - c. Balance 1/3 of the loan for completion with a retention 5% which will be released on submission of COC
- 6.4 The first 1/3 will be released on execution of the Mortgage Bond together with submission of Approved Building Plan and Bill of Quantities (certified by Architect/ Civil Engineer/ Quantity Surveyor). Thereafter releases will be on the inspection reports forwarded by a named officer of the Bank as to the work completed.
- 6.5 For purchase of completed house the loan will be limited to 90% of the FSV of the premises or 90 % of the purchased price which is less.
- 6.6 Loan granted for construction of house/improvement or renovation to the employees existing house will be subject to a maximum of 90% of the BOQ value.
- 6.7 Recovery of installments will commence on completion of 12 months from the date of release of the first disbursement, whether the loan proceeding have been disbursed in full or not. (This applies for loans granted for construction of a house). However, monthly interest during this period will be recovered from the staff concern, commencing the first month of releasing funds.
- 6.8 Housing loan will be considered in the name of the staff member or jointly with the spouse only. (Parent and immediate relations will not be considered as co-borrowers). In case where life interest is applicable, a deed of renunciation should be executed by the life interest holder for consideration for a housing loan by the management.
- 6.9 This loan scheme will not be applicable for
 - Construction of a building for commercial purpose
 - Acquire/construct a second house
 - Settle existing housing loan with LDB and re-apply for fresh loan.

7. All legal charges, stamp duty, valuation charges and insurance costs are to be borne by the employee and could be absorbed into the loan.

8. Acquiring of properties from immediate relations of staff members, will be considered by the Management on a case by case basis, and on the genuineness of the transaction.

9. Employees who have already obtained Housing Loans from other Banks may transfer the Loan to LDB, subject to conformity to the requirements laid in this circular.

10. Employees who are already enjoying the present reimbursement of interest concession scheme may continue to do so. if they wish, on the existing interest concession rate of 4%.

11. Housing loan will be granted only against the Primary and Additional Mortgage Bonds favouring LDB.

12. Applications for housing loan should be submitted to HR and ADM division through respective Heads of divisions for processing and instruction for disbursement of loan proceeds.

The Management of Lankaputhra Development Bank reserves the right to alter or amend this Housing Loan Scheme as it deem necessary.

This Circular supersedes all other circulars issued on this subject and will be effective 01st January, 2010.

Ravi Dassanayake
General Manager / CEO

C. Maxwell Jansz
Snr. Manager (HR and Admin.)

12 - 918

My No.: CI/1799.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Cargills Agrifoods Ltd, No. 40, York Street, Colombo 1 of the one part and The Commercial and Industrial Workers' Union, No. 17, Barracks Lane, Colombo 2 of the other part on 28th day of June, 2011 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

V. B. P. K. WEERASINGHE,
Commissioner of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
06th December, 2011.

Collective Agreement No. 32 of 2011

COLLECTIVE AGREEMENT

THIS COLLECTIVE AGREEMENT entered into between Cargills Agrifoods Ltd., a Company duly registered in Sri Lanka having its registered office at No. 40, York Street, Colombo 01, (hereinafter referred to as the "Employer") and the Commercial and Industrial Workers' Union, a Trade Union duly registered in Sri Lanka, having its registered office at No. 17, Barracks Lane, Colombo 2. (hereinafter referred to as the "Union").

Whereas the Union by their letter dated 20.10.2010 forwarded a list of demands to the Employer and after several meetings with the Union, the Employer and the Union have now agreed on the following terms of settlement, it is hereby recorded as follows:

1. **Title.**– This Agreement shall be known as Cargills Agrifoods Ltd., and Commercial and Industrial Workers' Union Wage Agreement on behalf of the Union members in Cargills Agrifoods Factory at Katana.

2. **Employers Covered and Bound.**– This Agreement shall bind Cargills Agrifoods Ltd., (hereinafter referred to as the "Employer").

3. **Union and Employees Covered and Bound.**– This Agreement shall cover and bind the Commercial and Industrial Workers' Union (hereinafter referred to as the "Union") and members of the Union who are employed by the said employer in the employers aforesaid factory.

4. **Date of Operation and Duration.**– This Agreement shall be effective from 1st October 2010 and shall thereafter continue in force unless terminated by the party giving notice of termination in terms of the Industrial Disputes' Act subject to the condition that no party shall give notice to the other before the 30th September, 2012.

5. **General Terms and Conditions.**–

(i) The terms of this Agreement shall be deemed to be included in all contracts of employment of those covered by this Agreement.





- (ii) The parties mutually agree that Union members' performance will be evaluated by the employer through the prevalent performance evaluation scheme, in order to give an opportunity to the members of the Union to earn an additional increment to their basic wage depending on marks obtained by such member.
- (iii) The Union agrees to the said performance evaluation criteria on which the Union members are to be evaluated, accept the criteria unconditionally and agreed to its continued implementation.

6. **Wages.** - The wage revision applicable to the employees covered by this Agreement shall be as set out below:

- (i) With effect from 1st October 2010 the wages of all employees currently in employment to-date shall be increased by a sum equal to seven percent (7%) of the basic wage payable to such employee as at 30th September 2010.
- (ii) In addition to the wage revision set out in (i) above, the said employees will be eligible for a wage revision subject to an evaluation of their performance up to a maximum of eight percent (8%) with effect from 1st October, 2010. The revision will be solely dependent on the performance evaluation conducted by the Management and the wage for the purpose of such revision will be the basic wage as at 30th September, 2010.
- (iii) With effect from 1st October, 2011 the wages of all employees who received a wage revision in terms of (i) above, shall be increased by a sum equal to six percent (6%) of the basic wage payable to such employee as at 30th September, 2011.
- (iv) In addition to the wage revision set out in (iii) above, the said employees will be eligible for a wage revision subject to an evaluation of their performance up to a maximum of nine percent (9%) with effect from 1st October, 2011. The revision will be solely dependent on the performance, evaluation conducted by the Management and the wage for the purpose of such revision will be the basic wage as at 30th September, 2011.
- (v) The arrears of wages for the period 1st October, 2010 to 10th May 2011 inclusive of consequential benefits thereon by way of EPF, ETF, Unavailed Leave Payment, based on the increase in terms of Clause 6 (i) and (ii) above will be paid by the Employer by 10th July 2011 with employee wages for the month of June 2011.

7. The Union and its members agree to undertake that they will not during the operation of this Agreement seek to vary or alter any of the provisions contained herein or make any demands for a revision of wages or any other payments and shall not resort to any Trade Union action on such matters.

In witness whereof the parties aforesaid have hereunto set their hands at Colombo on this 28th day of June 2011.

<p>Signature of Authorized CARBONIS MANUFACTURING LIMITED</p> <p></p> <p>Name: <u>Mr. S. S. S. S. S.</u></p> <p>Designation: <u>General Manager</u></p>	<p>Signature of Authorized COMMERCIAL UNION STRIKE</p> <p></p> <p>Name: <u>Mr. S. S. S. S. S.</u></p> <p>Designation: <u>General Secretary</u></p>
<p>Signature: </p> <p>Name: <u>Mr. S. S. S. S. S.</u></p> <p>Designation: <u>General Manager</u></p>	<p>Signature: </p> <p>Name: <u>Mr. S. S. S. S. S.</u></p> <p>Designation: <u>General Secretary</u></p>

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Merchant Bank of Sri Lanka PLC, Bank of Ceylon Merchant Tower, No. 28, St. Michael's Road, Colombo 03 of the one part and the Ceylon Bank Employees' Union, No. 20, Temple Road, Colombo 10 of the other part on 30th day of December, 2010 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

V. B. P. K. WEERASINGHE,
Commissioner of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
05th December, 2011.

Collective Agreement No. 04 of 2011

AGREEMENT

THIS COLLECTIVE AGREEMENT is made and entered into at Colombo on this 30th day of December, Two Thousand and Ten between Merchant Bank of Sri Lanka PLC having its registered office at Bank of Ceylon Merchant Tower, No. 28, St. Michael's Road, Colombo 3 (hereinafter referred to as "the Bank") of the One Part and the Ceylon Bank Employees' Union, having its registered office at No. 20, Temple Road, Colombo 10 (hereinafter referred to as "the Union") of the Other Part.

WHEREAS the Union and the Management having reached consensus for the purpose of entering into the terms and conditions of employment, it is now agreed by and between the parties as follows:

1. **Effective Date.**— This Agreement shall be effective from the 31st day of December Two Thousand and Ten and shall remain in force, unless terminated by either party with one month's prior written notice to the other, provided however, that such notice shall not be given by either party prior to the Thirtieth day of November Two Thousand and Twelve and any notice given prior to that date shall be invalid.

2. **Parties Covered.**— This Agreement shall cover and bind the Bank, the Union and all employees in the categories of Manager and below grades.

3. **Salaries.**— In the absence of a salary structure in the bank and the resultant salary anomalies, it is agreed by both parties that the salary scales stipulated in Schedule I be enforced. It is further agreed between parties that this salary structure will come into force as at 31st December, 2010 exclusively for purpose of eliminating hitherto existed salary anomalies and any salary increases thereafter shall be effected only by mutual agreement. However, in view of considerable salary increases being derived in the exercise of the elimination of salary anomalies, the parties hereby agree that further salary increases shall be restricted to eliminate serious anomalies remaining thereafter.

4. **Bonus.**— It was agreed to pay a guaranteed bonus equivalent to two months' basic salary of December each year and the balance component will be decided based on the profits made during the year at the discretion of the Board. However, the bonus payments shall be paid only to employees, who are in service as at 31st December.

5. **Reimbursement of interest on Housing Loan.**—

- (i) The Bank agrees to reimburse the interest on Housing Loans obtained by the employees after completion of 3 1/2 years service in the Bank including the probationary period of 01 year subject to the conditions set out hereunder:—
 - (a) The loan shall be obtained from any commercial bank, NSB, HDFC and SMIB subject to interest rates and whatever other conditions set by the said Banks.
 - (b) The entitlement of housing loan shall be an amount not exceeding LKR 3.5 Mn. However, such amount shall be determined based on aggregated deduction of 60% inclusive of capital and interest components from the monthly gross salary.

- (c) The Bank will reimburse the loan recipient employee each month the amount paid by such employee by way of interest over and above 4% per annum on such Housing Loan, subject to a maximum interest component of 16% per annum, i.e. the reimbursable limit of the interest component for the entire loan will be between 4% and 20% per annum.
- (d) Housing loan should be restricted to one loan during the career of the Bank.
- (e) In the event an employee is recruited to the Bank who has already obtained the housing loan from his previous employment the balance outstanding of such loan will be absorbed by the Bank, subject to the limitation stated in the loan scheme of the Bank, except the duration of the service for entitlement.

6. **Personal Loan.**— The Bank shall provide a Personal Loan amounting to six months' basic salary up to a maximum of LKR 300,000/- subject to repayment capacity within the aggregate deduction limit of 60% of the gross salary at an interest rate of 5% per annum for the permanent employees, after confirmation, repayable in 36 months in case of the following situations:

- (i) Damage to residence owned by the employee or spouse due to a natural calamity, such as, a fire, cyclone or flood.
- (ii) Death of a family member, i.e. Spouse, father, mother, children, father-in-law or mother-in-law.
- (iii) Loss of money or movable property due to theft or burglary. In such instances the loan is subject to the facts being verified.
- (iv) Prolonged illness of a family member.
- (v) Marriage of a staff member.
- (vi) To meet the expenses of children's education.
- (vii) House Renovation.
- (viii) Settlement of debts including redemption of articles.
- (ix) Purchase of a land for children.
- (x) Purchase of household items.
- (xi) Purchase of a computer.

c) An Employee could avail of the 02nd loan only on completion of the 01st loan i.e. after completion of 3 years.

7. **Vehicle Loan.**— The Bank shall make available vehicle loan not exceeding LKR 3.0 Mn subject to the repayment capacity within the aggregate deduction limit 60% of the gross salary with the interest rate of 4% per annum for the purchase of a vehicle for the permanent employees on completion of 3 1/2 years service in the Bank. The principal and the interest being recoverable within a period of 6 years.

This loan may be granted once in three years provided however that any earlier loan obtained by an employee is fully settled at the point of the employee requesting the loan.

8. **Fuel Price Adjustment.**— This will be paid on monthly basis as per the allocation of fuel (petrol) lighterage to each grade as mentioned below:—

Junior Executive	—	50 ltrs. of petrol per month
Executive	—	75 ltrs. of petrol per month
Asst. Manager	—	100 ltrs. of petrol per month
Deputy Manager	—	125 ltrs. of petrol per month
Manager	—	150 ltrs. of petrol per month

Note : The formula in determining the fuel price adjustment is as follows:—

Present fuel price per liter – Based fuel price per litre LKR 80/- x number of litres petrol applicable to each grade.

9. a) **Vehicle Allowance**

The amounts applicable to each grade as Vehicle Allowance are given below:-

Junior Executive	-	LKR 5,280/-
Executive	-	LKR 9,300/-
Asst. Manager	-	LKR 12,120/-
Deputy Manager	-	LKR 15,300/-
Manager	-	LKR 24,000/-

b) **Travelling Allowance**

The employees who are in the grades of clerical and below shall pay LKR 1,500/- per month as Travelling Allowance along with the salary.

10. **Insurance.**- The Bank will provide insurance cover to the employees on the following basis.

- a) Personal Accident Cover up to LKR 500,000/- and shall include accident, riot, civil commotion and terrorist activities. (the policy shall operate on a 24 hour basis, irrespective of where the employee is at the time of the event leading to the payment of insurance.).
- b) Natural death insurance up to LKR 200,000/- (The policy shall operate on a 24 hour basis, irrespective of where the employee is at the time of the event leading to the payment of insurance).

11. **Cashiers' Risk Allowance.**- It is agreed to increase the Cashier's Risk Allowance of LKR 75/- per day worked to LKR 100/- per day worked.

12. **Accumulation of Sick Leave.**-

- a) Employees shall be entitled to accumulate sick leave up to a maximum of 60 days to be availed of only in situations of hospitalization and protracted illness.
- b) Employees in the clerical and below grades shall be entitled to encash sick leave accumulated in excess of 60 days at the rate of a day's wage for every day of such accumulated sick leave. Such encashment will be permitted at the end of each year in respect of that year. (The rate of payment shall be the days' wages applicable to the particular year of leave).

13. **Gratuity.**-

- i. The Bank shall pay gratuity to employees upon cessation of employment in terms of the provisions of the Payment of Gratuity Act, No. 12 of 1983. Provided however, that in the case of an employee who has completed 20 or more years of service he shall be entitled to a gratuity of one month's salary for each year of service rendered save and except in the event of the dismissal of an employee on the grounds of misconduct where the gratuity will be determined in terms of the Payment of Gratuity Act, No. 12 of 1983.
- ii. In the event of the death of an employee, the Bank shall pay to the heirs of the deceased employee a gratuity calculated at one month's salary in respect of each year of service subject to a minimum payment equivalent to 6 months salary save and except in the case of a probationary employee, in which case the payment shall be not less than a sum equivalent to three month's salary. This payment shall be inclusive of the gratuity that would be payable in respect of the deceased employee under the Law.

14. **Travelling, Subsistence and Lodging Rates.**-

- (a) For Junior Executive up to Manager - It is agreed to reimburse on actual basis.

(b) For Clerical and Below grades - To pay as given below:

6 > 12 hrs	-	LKR 250/-
12 > 18 hrs	-	LKR 275/-
18 hrs and more	-	LKR 400/-
If lodging is involved	-	LKR 1,500/-

15. **Weekly Holidays Work.** - It is agreed that where an employee who is in the grades of clerical and below is called upon to work on a weekly holiday, he will be granted an extra day's payment or a holiday in lieu, in addition to the overtime payment (1 1/2 times for the 8 hrs; over and above 2 times).

16. **Back-up Process Allowance.** - It is agreed to pay the above allowance for the IT personnel who attend for the Back-up Process after normal working hours instead of overtime:

Junior executive and above	-	LKR 3,000/- per month
Clerical grades	-	LKR 2,000/- per month

17. **Medical Assistance Scheme.** - The medical assistance scheme to employees shall be granted by the Bank in accordance with the scheme set out in Schedule hereto (Schedule II).

- (a) It is also agreed to increase the Government Hospital Allowance by 100% i.e. from LKR 500/- per day to LKR 1,000/- per day up to a maximum of LKR 10,000/-.
- (b) Medical Treatment obtained from the Ayurvedic Specialists also could be reimbursed.
- (c) To increase the age of children as dependents from 18 years to 20 years.

18. **Disputes Procedure.** -

- i. The Union and its members covered and bound by this Agreement jointly and severally agree with the Bank that during the continuance of this Agreement they shall not engage in any strike or other form of trade union action including go slow, boycott, work to rule, demonstrations or picketing or any other form of collective action against the Bank in respect of any dispute on a matter covered by this Collective Agreement.
- ii. Where a matter in dispute is with regard to the interpretation of any Clause in the Collective Agreement, the matter shall be resolved by interpretation by voluntary arbitration if the parties cannot agree to the proper interpretation thereof. The Union and its members agree that in such event, there shall be no trade union action of any sort as set out in (i) above with regard to such matter.
- iii. Where a dispute relates to a matter not covered by this Agreement but which involves the Union and its members in relation to the Bank, the Union and its members shall not engage in any trade union action as mentioned in (i) above, but shall not take trade union action in the first instance and shall comply with the following procedure:
 - a. The Branch Union of the Bank shall attempt to discuss and resolve such dispute with the Management of the Bank. If the matter has not been satisfactorily resolved within two months, the Branch Union shall notify the Bank in writing of its intention to refer the matter to the Parent Union.
 - b. The Parent Union shall, thereafter, attempt to conciliate and to resolve such dispute either with the Bank or if the Bank so desires with the Employers' Federation of Ceylon.
 - c. If there is no settlement which is acceptable to the Union within one month from such reference to the Bank by the Parent Union, the Union shall give notice in writing of the fact that the dispute stands unresolved and of its intention to seek the conciliatory mechanism under the Industrial Disputes Act. If within one month from the said date of notice the Commissioner of Labour has been unable to resolve the dispute, the Union may give written notice of not less than 7 working days of its intention to take trade union action. Such notice shall be given to the Commissioner of Labour, the Employers' Federation of Ceylon and the Bank.

19. **Disciplinary Procedure.**—It is agreed that the Bank shall in future follow the disciplinary proceedings as set out hereunder:

- i. Except in the case of warnings and letters of advice, the employee shall be furnished with a show cause letter which shall set out the particulars of the charges against the employee and such show cause letter shall give the employee not less than 10 calendar days within which to tender his explanation in writing to the charges preferred.
- ii. The employee shall tender his explanation in writing, but may make a reasonable request for an extension of time, which request may be considered by the Bank.
- iii. If the explanation is satisfactory, the Bank shall withdraw the charges and if the employee is under suspension, the employee shall be reinstated and paid his salary and entitlement for the period of suspension.
- iv. If the explanation tendered within the time prescribed or extended time prescribed, is unsatisfactory in the opinion of the Bank, an inquiry shall be commenced within 21 working days from the date of receipt of written explanation to the show cause letter. The Bank shall be excused from commencing an inquiry within such 21 day period of time, if any delay is due to the nature of the investigation involved or for reasons beyond its control or is a result of the employee's own conduct, ill health or unforeseen circumstances.
- v. If no explanation is tendered within the time prescribed or the extended time prescribed, it will be presumed that the employee has no explanation to offer and action shall be taken accordingly.
- vi. The Bank will permit a member of the Branch Union of the same grade or a higher grade than the accused employee to defend the accused employee at a domestic inquiry. The defending employee will not suffer any loss of salary for absence from work on this account. The Bank will further allow another member of the Branch Union to be present at the inquiry as an Observer without loss of salary for absence from work. The accused employee shall submit to the Bank in writing the name of the defending employee and Observer not less than 48 hours before the time appointed for the commencement of the inquiry. The defending employee shall be entitled to examine the witnesses for the accused employee and cross examine witnesses for the Bank. The inquiring Officer will be entitled to require a defending employee or Observer who obstructs the inquiry to withdraw therefrom and the defending employee or Observer shall forthwith comply with such requirement. The absence of a defending employee or Observer from the whole or any part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings thereon nor the findings pursuant thereto. The Observer shall not be entitled to participate in the proceedings but he may answer any question, which the Inquiring Officer may ask him.
- vii. As from the date of this Agreement, the accused employee will be entitled to a copy of the proceedings on request, provided that the Observer and the accused employee sign the proceedings as a correct record. After the proceedings have been certified and a copy issued to the accused employee for all purposes thereafter, the proceedings shall be taken as a true copy of such proceedings before the Inquiring Officer.
- viii. Within 60 days after the conclusion of the inquiry, the Bank shall communicate its findings in writing to the accused employee with the punishment, if any.
- ix. The Bank shall not be required to hold an inquiry where the employee makes a written admission of the charge or where only a warning is issued. However, in the latter case, the Union is entitled to request the Bank to hold an inquiry into the matter.
- x. The findings of a domestic inquiry and the punishment if any, imposed shall be final and binding on the Bank, employee and the Union unless the employee and the Union shall, within three months from the date on which the Bank has notified such employee of the findings or punishment, raise a dispute in respect of such findings and/ or punishment.
- xi. Where an employee is under suspension and the Bank makes order that –
 - a. the employment of the employee shall be terminated, then the termination of such employment shall take effect as from the date of the suspension or from such later date as the Bank may determine; provided further that the Bank shall not be entitled to recover from the employee any payment made in respect of salary to the employee in respect of such period of suspension, if any such payment has been made.
 - b. the employment of the employee shall not be terminated, then the employee shall be employed forthwith and shall be paid the entirety of his salary in respect of the period of suspension without prejudice to the right of the Bank to impose such other punishment other than termination, which may include the whole or part of the period of suspension pending inquiry, on the basis of the findings of the inquiry.

- xii. Where an inquiry proceeds beyond a period of three months from the date of suspension of an employee, except in the case of an offence which has been reported to the Police and is being investigated or pursued by the Police or where any delay is caused as a result of the employee's own conduct or ill health the Bank shall, after the third month of suspension without pay, commence paying such employee half month's salary for each month of suspension thereafter until the Bank communicates in writing the findings of the inquiry.

The term "Employee" wherever stated herein shall mean an employee covered and bound by this Agreement.

20. **Grievance Handling Procedure.**— Pursuant to the Bank's policy of handling employee grievances, it is agreed by parties to adhere to procedure in handling employee grievances as set out in the Employee Hand Book of the Bank.

IN WITNESS WHEREOF the parties have set their hands hereunto and to two others of the same tenor and date at Colombo on the date specified above.

For & on behalf of
MERCHANT BANK OF SRI LANKA PLC
Name : Mr. M R Shah
Designation : Chairman

For & on behalf of
CEYLON BANK EMPLOYEES' UNION
Name : Mr. Amarapala Gamage
Designation : President

Name : Mr. K A D G L Kaluarachchi
Designation : Actg. Chief Executive Officer
For & on behalf of MBSL

Name : Mr. Ranjith Munasinghe
Designation : General Secretary
For and on behalf of CBEU

WITNESSES :

Signature :

Name :

Designation :

Signature :

Name :

Designation :

Mr. R.

DIRECTOR
MERCHANT BANK OF SRI LANKA PLC
Co. Reg. No. PQ 10

President - CBEU - MBSL

Schedule I

MERCHANT BANK OF SRI LANKA PLC

SALARY STRUCTURE BASED ON THE LEVEL OF HIERARCHY

CATEGORY	GRADE	SALARY STRUCTURE	APPLICABLE ALLOWANCES (LKR)					TOTAL EMOLUMENTS WITH ALLOWANCE (LKR) (MINIMUM)
			Vehicle Maintenance	Fuel Price Adjustment	Entertainment	Travelling		
						Branch	Non executive	
I	GM/CEO	200,000 = 20,000 X 15 = 500,000			25,000	-		225,000/-
II	SDGM / DIR	150,000 = 15,000 X 20 = 450,000	40,800	8,750	7,500	-		207,050/-
III	DGM / DD	125,000 = 12,500 x 20 = 375,000	40,800	8,750	7,500	-		182,050/-
IV	AGM / AD	100,000 = 10,000 x 20 = 300,000	34,800	7000	6,500	-		148,300/-
V	Senior Manager	75,000 = 7,500 x 25 = 262,500	24,000	5,250	2,750	7,000		114,000/-
VI	Manager	60,000 = 6,000 x 25 = 210,000	24,000	5,250	1,850	6,500		97,600/-
VII	Deputy Manager/Senior Exe Sec	45,000 = 4,500 x 30 = 180,000	15,300	4,375	-	6,250		71,000/-
VIII	Assistant Manager/Exe Sec	35,000 = 3,500 x 30 = 140,000	12,120	3,500		6,150		56,770/-
IX	Executive/Senior Secretary	25,000 = 2,500 x 30 = 100,000	9,300	2,625		-		36,925/-
X	Junior Executive/Secretary	20,000 = 2,000 x 35 = 90,000	5,280	1,750		-		27,030/-
XI	Staff Asst./Jun Sec	Band 2 16,500 = 1,650 x 10 = 33,000 Band 1 19,000 = 1,900 x 25 = 66,500					1,500	18,000/- (on completion of 6 yrs with good perf. they will be elevated to the higher grade)
XII	Support Staff Office Assistants and Drivers	Band 2 14,000 = 1,400 x 10= 28,000 Band 1 15,500 = 1,550 x 25 = 54,250				-	1,500 600	16,100/- (on completion of 6 yrs with above average conduct , they will be elevated to the next higher grade (Band 2) and will be re-designated as Multi-Duty Assistant

- Salaries of all employees shall be computed on the basis of point to point conversion, based on the number of years service in the present grade.
- Any employee who reaches the final salary point based on his/her no of years service, shall continue to receive his/her annual increments beyond the final salary point.

Schedule II

CATEGORY	MANAGER	JUNIOR EXECUTIVE UP TO DEPUTY MANAGER	CLERICAL & ALLIED	MINOR STAFF
A. Hospitalisation				
1. Medical Treatment	73,912	63,280	52,650	47,588
2. Surgical Treatment	116,100	105,470	84,375	79,144
3. Maternity				
a. Normal	38,070	31,590	31,590	31,590
b. Caesarean	58,050	52,650	47,588	47,588
B. Non-Hospitalisation				
1. Treatment given by Specialists	31,725	31,725	31,725	31,725
2. Routine	19,035	19,035	15,795	15,795
3. Tests/Special Services	11,340	11,340	11,340	11,340
4. Corrective Treatment Appliances	19,036	19,036	19,036	19,036

NOTE:

- Spectacle** : Once in every two years
- Hearing Aid** : Once in a lifetime
- Carry Forward Benefit** : Any Employee who has exhausted the current year's benefits under category A(1) and (2) shall be entitled to a "Carry Forward Benefit" on a cumulative basis not exceeding 20% per year of the value of the annual benefits under A(1) and (2). The maximum benefit that shall be available is equivalent to 100% of the benefit of the category A(1) and (2) for the current year.
- Government Hospitalization Allowance** :
To increase the Government Hospital Allowance by 100% i.e. from LKR 500/- per day to LKR 1,000/- per day up to a maximum of LKR 10,000/-.
- Critical Illnesses** : A maximum of LKR 350,000/- during the currency of employment for the critical illnesses defined below:

Eligibility for the Scheme -

- If the Employee is married - Spouse and Children
If the Employee is unmarried - Father and Mother only

Benefits -

- Employee - Maximum of LKR 350,000/- no more than once during the currency of the Employment.
Dependents * - Maximum of LKR 150,000/- no more than once during the currency of the Employment.
* (Only one of the dependents mentioned above)

Critical Illnesses -

- Cancer due to Malignant Tumour, Leukemia, Malignant Disease of the Lymphatic System
- Heart Attack - (Myocardial Infarction)
- Stroke
- Coronary Artery (Bypass) Surgery
- Kidney Failure (end stage renal disease)
- Heart Valve Surgery
- Angioplasty
- Chronic Liver Diseases (Liver diseases secondary to alcohol or drug misuse is excluded)