

The Day following Wesak
Prophet Mohammed's B'day
Christmas Eve (Half Day)
Christmas Day
Boxing Day

Where an Employer requires an Employee to work on any of the statutory holidays set out above and provided that the Commissioner of Labour has given his permission for the employees to work on such holiday, the employer shall comply with the provisions of the Shop and office Employees' Act with regard to such work.

An employer may discuss with the Union the possibility of removing one or more of the customary holidays on terms which may be mutually agreed to by the parties.

10. **Salaries.**— (i) The ranges of consolidated salaries set out in the First Schedule hereto include all statutory allowances as at the date of this Agreement. The ranges have also consolidated the Cost-of-Living Index up to the base figure of 3598 on the Colombo Consumers Price Index.

(ii) The new incremental rates shall be as set out in the relevant ranges in Schedule I. This Agreement shall not have the effect of changing the incremental date of an Employee.

(iii) At the expiry of the twelve month period commencing from the First Day of September Two Thousand and Four the ranges of consolidated salaries set out in the First Schedule hereto shall be revised by addition to and consolidation with the salary range of each grade of an amount in Sri Lanka Rupees equal to the number of complete points by which the Colombo Consumers' Price Index Figure has increased during such twelve month period, multiplied by two (2), and the salary payable to each Employee under this Agreement shall accordingly be increased by a like amount as from the First Day of September Two Thousand and Four.

(iv) At the expiry of each twelve month period commencing from the First Day of September, Two Thousand and Four, the ranges of consolidated salaries revised in the manner prescribed above shall be revised in like manner as from the First Day of September of the succeeding year by addition to and consolidation with the salary at each stage and grade of the consolidated salaries in force in the twelve month period immediately preceding of an amount equal to the number of complete points by which the Colombo Consumers' Price Index has increased during such preceding twelve month period, multiplied by two (2), and the salary of each Employee as from the First Day of September of the succeeding year shall be increased by a like amount during the continuance in force of this Agreement.

(v) If during the continuance in force of this Agreement the Government of Sri Lanka:—

- (a) prescribes increases in salaries by any written law applicable to categories covered by this Agreement legally obliging the Employers to make such payment, the Employers shall pay such increases in salary prescribed by such written law and in terms of such written law;
- (b) recommends increases in salaries, such recommendation will not be applicable to the Employers, irrespective of whether or not such recommendations are applicable to categories covered by this Agreement.

11. **Salary Revisions.**— In recognition of the changes to work arrangements and payments as set out in the provisions of this Agreement, the Employers have agreed to revise the salaries on the following basis:

- (i) The salary of each employee covered under this Agreement as at December 2003 will be revised by 12.5% with effect from 01.01.2004. Provided, however, in respect of the period 01.01.2004 to 31.07.2004 the said revision will be limited to a payment of notional arrears without consequential benefits.
- (ii) Every employee who was in service as at 01.01.2004 and is in employment on 01.01.2005 will receive a further salary increase of 2.5% (based on the employees' salary as at December 2004) with effect from 01.01.2005.

In addition, the employer agrees to grant the wage increases granted under the EFC/CMU Collective Agreement of 2004 as follows:

- (a) A wage revision of 15% with effect from 01.01.2004 based on the revised salary consequent to the revision set out in (i) above. Provided, however, in respect of the period 01.01.2004 to 31.03.2004 the said revision will be limited to a payment of notional arrears without consequential benefits.
- (b) A wage revision of 5% based on the revised salary as set out in (ii) above.

12. **Non-recurring Cost of Living Gratuity.**-(i) As the salary ranges set out in the First Schedule hereto have been fixed on the basis of the Colombo Consumers' Price Index being 3598, an employee shall be entitled to receive and the Employer shall be liable to pay a non-recurring cost of living gratuity of Employees in service in September each year in respect of the preceding twelve months (i.e. 1st September to 31 August hereinafter referred to as the "qualifying period") commencing from the First Day of September Two Thousand and Four ascertained in accordance with the under noted formula:

THE FORMULA: If the average of the Colombo Consumers' Price Index for the qualifying period exceeds 3598 a sum computed at Rupees Two (Rs. 2/-) for each complete point (i.e. 1.0) by which such average exceeds 3598 in respect of each month of service during the qualifying period.

(ii) When at the expiry of each twelve month period commencing on the First Day of September Two Thousand and four the scales of consolidated salaries have been revised in the manner set out in Clause 12 hereof, the base Index Figure in the formula for purposes of calculating the Non-Recurring Cost of Living Gratuity shall thereafter be increased by the number of points by which the Colombo Consumers' Price Index has risen during each twelve month period as specified in Clause 12 hereof.

(iii) The Non-Recurring Cost of Living Gratuity shall be payable by an Employer to an Employee who is eligible to receive the same on a pro rata basis, by virtue of his service under the Employer during a part of the qualifying year even though he is not in the Employer's service when the Non-Recurring Cost of Living Gratuity becomes due in September of any year or he joined the Employer's service during the course of the qualifying year.

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

14. **Annual Increments.**-In granting annual increments the company will conduct an annual employee performance review in April every year. Based on the employee's performance his/her salary will be adjusted accordingly. In determining the level of merit increment the company will take into account its performance and its ability to pay and thereafter determine an average target increment. The average increment will then be applied on a variable basis depending on each individual's performance with the goal of achieving the average of the determined target increment across the employees covered under this agreement.

Provided, however, as a matter of punishment for general inefficiency or disciplinary action on account of serious misconduct an increment may be suspended, stopped or deferred, in which case where an increment is -

- (a) deferred, the loss of increment shall be continuous throughout the year;
- (b) stopped, the loss of increment shall only be for the period of stoppage during the year;
- (c) suspended, the increments is suspended pending a decision to defer or stop an increment, such decision being dependent upon a consideration of the factors giving rise to the suspension. Where on such decision an increment is neither stopped nor deferred, then the suspension shall be treated as waived and the full increment from the date of suspension thereof shall accrue to the Employee concerned.

Deferment, stoppage or suspension of an increment shall only be effected in cases where the Employee has been notified in writing of a complaint against such Employee and has been found guilty after due inquiry of inefficiency, fraud or misconduct which the circumstances does not merit termination of employment.

THE FIRST SCHEDULE

Salary Ranges

salary ranges consolidated at the Cost of Living Index figure - 3598

Minor Grades	from Rs. 10,266/- to	Rs. 21,333/-
Grade 1	from Rs. 10,366/- to	Rs. 23,399/-
Grade 2	from Rs. 10,766/- to	Rs. 25,666/-
Higher Grade	from Rs. 11,266/- to	Rs. 28,174/-
Special Grade	from Rs. 11,586/- to	Rs. 30,924/-

In witness hereof the parties have hereunto set their hands on this 14th day of October, Two Thousand and Four.

For and on behalf of
LIPTON CEYLON LTD.
BROOKE BOND CEYLON LTD.

DAVID SF SMYTH
Managing Director.

For and on behalf of
THE CEYLON MECANTILE, INDUSTRIAL AND
GENERAL WORKERS' UNION (CMU).

BALA TAMPOE
General Secretary.

WITNESSES:

KAPILA DISSANAYAKE
Asst. Secretary General.
E.F.C.

NIMAL TALAGALA
Branch Secretary.

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