

IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Makandura, Gonawila RAJESH BATRA, Vice President – Technical of Nestle Lanka Limited, GONSALU KORALAGE SURENN DE CHICKERA, Vice President – Human Resources of Nestle Lanka Limited, AJANTHA SUJEEWA DHARMASIRI, Factory Human Resources Manager of Nestle Lanka Limited, have set their hands for and on behalf of the said Company on the TWENTY SEVENTH day of JANUARY, TWO THOUSAND AND FOUR.

RAJESH BATRA

GONSALU KORALAGE SURENN DE CHICKERA

AJANTHA SUJEEWA DHARMASIRI

WITNESS TO THE SIGNATURES OF THE SAID

RAJESH BATRA

GONSALU KORALAGE SURENN DE CHICKERA

AJANTHA SUJEEWA DHARMASIRI

IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Makandura, Gonawila SIRIWARDENA ARACHCHIGE SOMA SIRIWARDENA, General Secretary, of the All Ceylon Commercial and Industrial Workers' Union, JAYASINGHE MUDIYANSELAGE SOMAPALA, President, All Ceylon Commercial and Industrial Workers' Union, Nestle Lanka Limited, Kurunegala Factory Branch, JOHN CHRISTOPER MIRANDA, Secretary, All Ceylon Commercial and Industrial Workers' Union, Nestle Lanka Limited, Kurunegala Factory Branch have set their hands for and on behalf of the said Union on the TWENTY SEVENTH day of JANUARY, TWO THOUSAND AND FOUR.

SIRIWARDENA ARACHCHIGE SOMA SIRIWARDENA

JAYASINGHE MUDIYANSELAGE SOMAPALA

JOHN CHRISTOPER MIRANDA

WITNESS TO THE SIGNATURES OF THE SAID

SIRIWARDENA ARACHCHIGE SOMA SIRIWARDENA

JAYASINGHE MUDIYANSELAGE SOMAPALA

JOHN CHRISTOPER MIRANDA

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My No. : CI/1135.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between A B C Industries Company Limited, 5 Upper Chattam Street, Colombo 01 of the one part and All Ceylon Commercial & Industrial Workers' Union, 457, Union Place, Colombo 02 of the other part on 14th May, 2004, is hereby published in terms of Section 6 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

MAHINDA MADIHAHEWA,
Commissioner-General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
23rd June, 2004.

Collective Agreement No. 26 of 2004

Collective Agreement between A B C Industries Company Limited and The All Ceylon Commercial & Industrial Workers' Union (Manual and Labouring Category)

THIS COLLECTIVE AGREEMENT made this 14th day of May, Two Thousand and Four takes effect from the First day of May Two Thousand and Four pursuant to the Industrial Disputes Act between A B C Industries Company Limited, duly registered in Sri Lanka under

the Companies' Ordinance and having its registered office at 5, Upper Chattam Street, Colombo 1, (hereinafter referred to as "the Employer") of the One Part and the All Ceylon Commercial & Industrial Workers' Union, a Trade Union duly registered under the Trade Union Ordinance and having its registered office at 457, Union Place, Colombo 2 (hereinafter referred to as "the Union") of the Other Part.

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

PART I

1. **Employer Covered and Bound.** - A. B. C. Industries Company Limited.

2. **Employees Covered and Bound.** - This Agreement shall cover and bind the members of the Union who are employed by the Employer in the Manual and Labouring capacity in the classes of employees enumerated in the Second Schedule hereto, and who are employed on monthly contracts of employment by the Employer enumerated in the First Schedule hereto as at 1st May 2004.

3. **Earlier Collective Agreement.** - The provisions of this Agreement shall supersede and replace the provisions of the Collective Agreement dated 22nd August 2000 between A. B. C. Industries Company Limited and the Employees of the Company.

4. **Date of Operation and Duration.** - This Agreement shall be effective as from the First day of May Two Thousand and Four, and shall thereafter continue in force unless determined by either party with six months' notice to the other subject to the following provisions:-

- (a) That one party shall not give such notice to the other party before the Thirty First day of October Two Thousand and Seven and such notice shall not expire before the 30th day of April Two Thousand and Seven.
- (b) That in the event of a reduction in the par value of the Sri Lanka rupee under any provisions of law, a party shall be at liberty to abrogate this Agreement by giving one month's written notice to the other in terms of the Industrial Disputes Act.

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

6. **Probation.** - Every Employee recruited by the Employer shall serve a period of probation of not more than six (06) months, provided, however, that if during the six (6) months probationary period the Employer is not satisfied with the progress of such Employee, the probationary period may be extended for a further period of three (3) months and in that event the Employer shall indicate to the Employee in writing the reasons, why the probationary period has been extended. During the period of probation or extended probation the Employer shall have the right to terminate the services of the Employee without notice. If the Employee's services are not terminated for unsatisfactory service during the period of probation or extended probation and has not been confirmed by the Employer, he shall be deemed to be confirmed in the Employer's service with effect from the day after the day on which the period of probation as the case may be ended.

7. **Attendance.** - (1) Unless otherwise specifically instructed by the Employer an Employee shall present himself for work on every day (other than a holiday) at the usual starting time of the store, factory, mill or job and shall there remain available for work throughout the normal working hours.

(2) If, at a store, factory, mill or job work is temporarily not available for an Employee in his own occupation he shall be deemed to be ready and willing to perform work within his capacity and skill in any other occupation at any other work site of the Employer where work is available.

(3) Irregular attendance or unpunctuality of an Employee shall constitute neglect of duty for which he shall be liable to appropriate disciplinary action.

8. **Hours of Work.** - The normal hours of work shall be those hours which are customarily worked at a store, factory, mill or job in the establishment of the Employer bound by this Agreement. The normal hours of work shall refer to only the opening and closing time and not to any intervals for meals or for rest.

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

10. **Overtime.** - (1) If required and authorised by the Employer an Employee shall work reasonable overtime which has been authorised by the Employer. Refusal to work overtime in the absence of a satisfactory explanation which is acceptable to the Employer shall constitute neglect of duty for which an Employee shall be liable to appropriate disciplinary action.

(2) **Overtime work** (i.e. work performed in excess of normal working hours) shall be remunerated at one and one-half (1.5) times the normal hourly rate ascertained in accordance with the provisions of Clause 18(a) hereof.

11. **Weekly Holiday.** - (1) In respect of each week every Employee shall be allowed a holiday in that week as the weekly holiday. Provided, however, that if any Employee has not worked for a period of at least twenty-eight (28) hours, exclusive of any period of overtime

work during that week, he shall be liable to forfeit and the Employer shall be entitled to deduct one day's wage in respect of the weekly holiday for that week computed in accordance with the provisions of Clause 18(b) hereof.

(2) In computing the period of twenty-eight (28) hours referred to in Sub-Clause (1) the Employer shall include -

- (a) every holiday allowed by the Employer to the worker as annual holiday,
- (b) every public holiday granted by the Employer in terms of Clause 12 hereof, and
- (c) every day's absence on any ground approved by the Employer.

(3) The Employer may employ any Employee on his weekly holiday subject to the following conditions:

(i) A day within the six days next succeeding such weekly holiday shall be allowed to that employee, as a holiday with remuneration. Provided, however, that if any Employee who is employed on his weekly holiday is liable to forfeit and the Employer is entitled to deduct one day's wage in respect of that weekly holiday as provided in sub-clause (1), then and in such event that Employee shall forfeit and the Employer shall be entitled to deduct one day's wage computed in accordance with the provisions of Clause 18(b) hereof in respect of the holiday which shall be allowed to that Employee within six (6) days of that weekly holiday, provided further that in respect of not more than two (2) such weekly holidays in any one calendar month the Employer may with the consent of the Employee -

- (a) Instead of allowing an alternate holiday within six (6) days of the weekly holiday in respect of which that employee shall not be liable to forfeit and the Employer shall not be entitled to deduct one day's wage as aforesaid pay him one day's wage computed in accordance with the provisions of Clause 18(b) hereof in lieu of such alternate holiday, or
- (b) In case that an employee is entitled to an alternate holiday within six (6) days of the weekly holiday as aforesaid in respect of which alternate holiday he shall be liable to forfeit and the Employer shall be entitled to deduct a day's wage as aforesaid employ that Employee on the alternate holiday.

(ii) In respect of work done on such weekly holiday the Employee shall be paid as remuneration:

- (a) one and one-half (1.5) times the normal hourly rate ascertained in accordance with the provisions of Clause 18(b) hereof for the number of hours worked during the first nine (9) hours (exclusive of one hour for a meal), and
- (b) at double the normal hourly rate ascertained in accordance with the provisions of Clause 18(a) hereof for each subsequent hour of work.

The provisions of this sub-clause shall not apply to Employees engaged on work outside the business premises of the Employer for periods exceeding twelve (12) days in respect of the duration of each such period.

12. **Annual Holidays.**- Annual holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Board for the Engineering Trade.

13. **Public Holidays.**- (1) Public holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Board for the Engineering Trade, provided however, that an Employee may be employed on a public holiday in accordance with the decisions of the Wages Board for the Engineering Trade.

(2) If any public holiday to which an Employee is eligible under the provisions of sub-clause (1) falls on a Sunday, a day either in the six (6) days immediately preceding or in the six (6) days immediately succeeding such public holiday shall be granted to the Employee as a weekly holiday in accordance with the provisions of Clause II hereof.

(3) If any public holiday to which an Employee is eligible under the provisions of sub-clause (1) falls on a Saturday, the number of hours constituting the normal working day (inclusive of one hour for a meal) on the day immediately preceding such public holiday shall be six and one half (6½) hours.

14. **Casual Leave.**- (1) In respect of each year of employment during which any Employee has been continuously in employment that Employee shall be entitled to take on account of private business or other reasonable cause, including ill-health of that Employee's entitlement to sick leave has been fully utilised, leave (hereinafter referred to as "casual leave") with remuneration for the period or an aggregate of periods not exceeding seven (7) days and the Employer shall allow such casual leave and shall be liable to pay such remuneration provided however that not more than two (2) days casual leave shall be taken at any one time save and except upon the ground of ill health. Provided further that in Employee shall not be entitled to take casual leave immediately preceding or immediately following any period of annual holidays. Provided further that in respect of any Employee's first year of employment including any period of probation he shall be entitled to casual leave for that year computed on the basis of one day for each complete period of two months' service.

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

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

- (a) his illness is supported by a certificate from a registered medical practitioner (unless waived by the Employer), and
- (b) the employee shall not be on probation with the meaning of Clause 6 hereof. Provided, however, that an Employee who has been on probation shall as from the date of confirmation in respect of the remainder of the first year of employment be entitled to sick leave not exceeding ten (10) days if he is confirmed after six (6) months probation and sick leave not exceeding five (5) days if he is confirmed after nine (9) months' probation.

16. **Monthly Consolidated Wages.**— (1) Subject to the provisions of Clause 17 hereof as from the First day of May Two Thousand and Four each employee shall be paid upon and subject to the other terms and conditions herein contained, a monthly consolidated wage on the basis of the scales of consolidated wages set out in the First Schedule hereto.

(2) The Scales of consolidated wages set out in the First Schedule hereto include the following allowances which have been consolidated with employee wages:—

- (a) The allowance of Twenty Five (25) percent up to a maximum of Fifty Rupees (Rs.50/-) per month payable in terms of the Budgetary Relief Allowance of Workers Law No.1 of 1978.
- (b) The allowance of Fifty Five Rupees (Rs. 55/-) per month payable in terms of the Supplementary Allowance of Workers Act No. 65 of 1979.

3. (a) At the expiry of the twelve month period commencing 1st December 2003, the scales of consolidated wages set out in the First Schedule hereto shall be revised by the addition to and consolidation with the salary at each stage of each grade of an amount in Sri Lanka rupees equal to the number of complete points by which the Colombo Consumers' Price Index has increased during such twelve month period, multiplied by two (2) and the salary payable to each employee under this Agreement shall accordingly be increased by a like amount with effect from the First day of December Two Thousand and Four.

(b) At the expiry of each twelve month period commencing from the First day of December Two Thousand and Four, the scales of consolidated wages revised in the manner prescribed above shall be revised in like manner as from the First day of December of the succeeding year by addition to and consolidation with the wages at each stage and grade of the consolidated wages 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 December of succeeding year shall be increased by a like amount during the continuance in force of this Agreement.

(4) As a matter of goodwill, it is agreed that all employees who were in service as at 1st August 2003 will receive an ex-gratia payment of a sum representing the amount added to the salary of each individual employee by virtue of Clause 17 (2) hereof multiplied by Nine (9). Subject to their having continued in service and been in service as at the date of this Agreement. This payment will not attract EPF/ETF contributions.

(5) If during the continuance in force of this Agreement the Government of Sri Lanka— (a) prescribes increases in wages by any written law applicable to categories covered by this Agreement legally obliging the Employers to make such payment, the Employer shall pay such increases in wages prescribed by such written law and in terms of such written law.

(b) recommends increases in wages, such recommendations will not be applicable to the Employer, irrespective of whether or not such recommendations are applicable to categories covered by this Agreement.

17. **Conversion of Salaries.**— (1) For the purpose of ascertaining the wage which an employee shall receive with effect from 1st May 2004, on the basis of the scales of consolidated wages set out in the First Schedule hereto, the following provisions shall apply, subject to the provisions of Clause 16 hereof.

(2) The salaries of employees covered and bound by this Agreement as at 30th April 2004 shall be increased by 25% with effect from 1st May 2004.

(3) Each employee shall thereafter be placed on the corresponding wage point on the wage scale applicable to him in the First Schedule hereto or on the next higher stage if there is no corresponding wage point on the said scale.

(4) This Agreement shall not have the effect of changing the annual incremental date of an employee.

18. **Wages For Periods Less Than One Month.**— For the purpose of this Agreement the wages of any employee for periods less than one month shall be computed in the following manner:—

- (a) For one hour the monthly wage divided by two hundred and forty (240).
- (b) For one day the monthly wage divided by thirty (30).
- (c) For one half day, a day's wage ascertained as (either morning or afternoon) divided by two (2).
- (d) For one week, a day's wage ascertained as above multiplied by seven (7).