

7. Check Off

- 7.1 The Employer agrees to deduct Union subscriptions from the wages of Union members and remit such subscriptions monthly to the Union provided prior consent in writing is received by the Employer from each member.
- 7.2 The above membership deductions under sub-clause 7.1 would be subject to the Union having a minimum membership of 40% of the employees in categories covered by this Collective Agreement.

8. Union Meetings

- 8.1 The Union may with the agreement of the Employer hold Committee meetings and General meetings of the union within the Employer's premises at such places and times as are agreed by Management. No person who is not in the employment of the Employer shall attend such meetings without the written agreement of the Employer.
- 8.2 Duty Leave
Without prejudice to the rights of the Employer to refuse to grant permission if in his discretion the exigencies of the circumstances warrant refusal, the Employer will generally grant permission for not less than two office bearers of the Union to attend to the following matters in connection with the membership in the Company without loss of wages for such absence.
 - 8.2.1 To be present at conferences to be held under the aegis of the Employer or the Employers' Federation of Ceylon or the Department of Labour in connection with a dispute between the Union and the Employer.
 - 8.2.2 To attend inquiries before Industrial Courts, Arbitrators or Labour Tribunals.
- 8.3 The Employer will in his discretion grant leave without remuneration to an employee to attend a Trade Union course or seminar or conference, either in Sri Lanka or abroad. However, the employee concerned is entitled to make use of his annual leave or statutory holidays for the purpose.

9. Trade Union Action.— The Union and its members agree during the currency of this Agreement or modification or renewal thereof that they will not engage in any strike, go slow, demonstration or any other similar collective or trade union action in respect of any dispute whether or not such dispute is related to the Collective Agreement or the Employer.

Any dispute / s arising during the currency of this Agreement, which cannot be resolved by negotiation between the Employer and the Union, should be dealt with in accordance with the Grievance & Disputes Procedure set out in clause 35 of this Agreement.

PART II

WORKING HOURS

10. Working Hours.— The hours of work will normally be from 8.00 a.m. to 5.00 p.m. from Monday to Friday. When on shift work the hours of work will be eight (8) hours per day from Monday to Friday and four (4) hours on Saturday.

However, the Management reserves the right to vary these times in the event of exigencies.

PART III

WAGE ADMINISTRATION AND ALLOWANCES

11. Grading.— Employees covered and bound by this Agreement shall be graded as shown in Appendix I.

12. Initial Salary Points

- 12.1 As from the First Day of January, Two Thousand and Five, the initial salary points applicable to the categories of employees covered and bound by this Agreement shall be as set out in Appendix II hereof.
- 12.2 At the expiry of the twelve (12) month period commencing from 1st January, 2005, the initial salary points as set out in Appendix II will be increased by the same percentage (%) by which the Colombo Consumers Price Index figure stands increased during such twelve month period. Thereafter, during the pendency of this Agreement the initial salary points will be increased in similar manner at the end of each succeeding twelve-month period.
- 12.3 The increase in the initial salary point as set out at Clause 12.2 above, shall not result in any corresponding increase in the monthly salaries of the individual employees.

12.4 The initial salary points as set out in Appendix II hereof and as may be increased in terms of Clause 12.2 above, shall constitute the consolidated initial salary of a new recruit. The consolidated salary shall include whatever statutory allowances, if any, applicable to employees.

13. **Salaries.**— As from the First day of January, Two Thousand and Five the monthly consolidated salaries of the employees shall be revised as hereunder.

13.1 To the monthly consolidate salary payable to an employee as at 31st December, Two Thousand and Four a sum equal to 15.5% of same shall be added and the amount arrived at thereafter shall be the monthly consolidated salary of each employee with effect from 1st January, 2005.

13.2. With effect from 1st January 2006, the monthly consolidated salary of an employee as at 31st December 2005 will be increased by an amount equal to 8% thereon and the salary of each employee shall stand revised accordingly with effect from 1st January 2006.

13.3. With effect from 1st January 2007, the monthly consolidated salary of an employee as at 31st December 2006 will be increased by an amount equal to 4.0% thereon and the salary of each employee shall stand revised accordingly with effect from 1st January 2007.

13.4. For an employee to be entitled to the benefit of the full salary increase as set out at Clauses 13.1, 13.2 and 13.3 above, such employee should as at the date of such increase have been in the employment of the Company during the immediately preceding 12 month period. An employee who has not been in employment during the said preceding 12 month period from the date of the salary increases to be granted in terms of Clauses 13.1, 13.2 and 13.3 above, shall be entitled to a prorated amount of the total increase to be granted having regard to the number of completed months he/she was in employment during such preceding 12-month period.

14. The amounts referred to at Clause 13.1.1 to 13.1.2 of the Nestle Lanka Ltd. Colombo Head Office Non-Clerical Staff Collective Agreement of 1999 in respect of Value of one increment and addition of a sum of Rs. 1,000 to the salaries of drivers of the “Management Team” shall be deemed incorporated in the monthly salaries payable to employees in terms of Clause 13 of this agreement and the said drivers will continue to perform the functions relating to the washing and cleaning of Company vehicles without any claim for additional payments.

15. **Increments/one off payment.**— With the introduction of the initial salary points as provided at Clause 12 hereof, it is agreed by and between parties that there will be no fixed automatic annual increments applicable to any category of employees and whatever annual increments in salary during the period of this Collective Agreement shall be determined by the Employer subject to a performance appraisal of each employee. The decision of the Employer with regard to the grant/non grant of the quantum of whatever annual increment shall be final and shall not be the subject of an industrial dispute.

16. **Non-recurring cost of living gratuity.**—

16.1. The initial salary points of the consolidated salaries set out in Appendix II have been fixed on the basis of the Colombo Consumer's Price Index being 3969.3. An Employee shall be entitled to receive and the Employer is liable to pay a non-recurring cost of living gratuity to employees in service in January 2006, in respect of the preceding twelve (12) months (hereinafter referred to as the “**Qualifying Period**”) commencing from 1st January 2005, ascertained in accordance with the undernoted formula.

FORMULA.— If the average of the Colombo Consumer's Price index for the qualifying period exceeds 3969.30 a sum computed at Rupees Two (Rs. 2) for each complete point (i. e. 1.0) by which such average exceeds 3969.3 in respect of each month of service during the qualifying period.

16.2. When at the expiry of each twelve (12) month period commencing on the first day of January, Two Thousand, and Five, the initial salary points of the consolidated salaries have been revised in the manner set out in Clause 12 of this Agreements; the base index figure in the formula for the purpose of calculating the non-recurring cost of living gratuity shall thereafter be increased by the number of points by which the Colombo Consumers' Price Index has risen during the twelve (12) month periods as specified in Clause 12 during the continuance in force of this agreement.

16.3. The non-recurring cost of living gratuity shall be payable by the Employer to an employee by virtue of his service under the employer during a part of the qualifying year by reason of the fact that he is not in the Employer's service when the non-recurring cost of living gratuity becomes due in January of any year or he joined the Employer's service during the course of the qualifying year.

17. Overtime.-

- 17.1. Overtime work shall mean work performed in excess of normal working hours.
- 17.2. If required by the Employer and employee shall work reasonable overtime. Refusal to work overtime shall make the employee liable to disciplinary action if no satisfactory explanation is given.
- 17.3. Work performed in excess of the normal hours shall be remunerated at 1 1/2 times the normal hourly rate ascertained in the following manner:
 - 17.3.1. For one hour - the monthly wage divided by two hundred and forty (240).
 - 17.3.2. For one day - the monthly wage divided by thirty (30).
 - 17.3.3. For one half (1/2) day - a day's wage ascertained as above divided by two (2).

18. Holidays.-

- 18.1. Employees will be granted the Statutory holidays and Poya holidays as determined by legislation.
- 18.2. If any of the Statutory holidays falls on a Saturday, and additional half (1/2) day shall be granted on the working day immediately preceding it and if it falls on a Sunday, a substitute holiday shall be granted on the working day immediately succeeding such weekly full holiday.

19. Weekly Holidays.- In respect of each week every employee shall be allowed one weekly holiday provided that the employee has worked for a period of at least twenty-eight (28) hours exclusive of any overtime work for that week and otherwise the Employer shall be entitled to deduct a day's wage in respect of the weekly holiday for that week.

- 19.1 In computing the period of twenty-eight (28) hours referred to, the Employer shall include:
 - 19.1.1 Every holiday allowed by the Employer to the employee as the annual holiday.
 - 19.1.2 Every public holiday granted by the Employer.
 - 19.1.3 Every day's absence on any grounds approved by the Employer.

20. Festival Advance.- The employer agrees to pay an advance in respect of one (1) festival per year of the Employee's choice as follows:

- For the year 2005 - Rs. 9,000/-
- For the year 2006 - Rs. 9,000/-
- For the year 2007 - Rs. 10,000/-

This will be a recovered ordinarily in ten (10) monthly installment or where the employee leaves the Employer's employment, it is agreed that the full balance will be deducted from his balance salary.

21. Uniforms.- The Employer provides free uniforms to those employees required to wear such uniforms according to the requirements of the job. It is obligatory on the part of the employees to wear such uniforms.

22. Bonus.-

- 22.1 The employer agrees to pay a bonus to employees each year for the period of this Agreement on the following basis:
 - 22.2 Two and half (2 1/2) month's salary each year.
 - 22.3 Half month's salary of the Bonus at Clause 22.2. above will be subject to a scheme for non-Utilization of some part of the casual and sick leave. If an employee has a saving of 14 days of the casual and sick leave quota of 28 days, he will receive the full half - month's bonus. On this basis for each day unutilized of these 14 days, he will be paid half month's bonus divided by 14. This will not apply to employees granted **sick leave for hospitalization or infectious diseases. Such leave should be supported by a Medical Certificate.**
 - 22.4 The payment of Bonus may be stopped totally or partly for disciplinary reasons.

23. **Lunch Subsidy.**— The employee will receive a lunch subsidy of Rupees Twenty Five (Rs. 25/=) for each full day present at work.

PART – IV

LEAVE

24. **Annual Leave.**—

- 24.1 Employees are entitled to earned annual leave of a maximum of fourteen (14) working days per calendar year and such leave will be allowed at times convenient to the Employer and the employees subject to the condition that at least seven (7) days have to be taken consecutively on the basis of a roster prepared at the beginning of each leave year. However, any changes to this roster should be only by mutual agreement.
- 24.2 Annual leave has to be applied for and approved in advance. However, an employee may opt to set off absence due to ill health in excess of twenty - one (21) days sick leave allowed under Clause 26 against his Annual leave entitlement.
- 24.3 **New Employees** shall be granted Annual leave during the following year on a proportionate basis as follows:
- Employees joining between -
- 1 st January and 31st March – 14 days
 - 1 st April and 30th June – 10 days
 - 1 st July and 30th September – 7 days
 - 1 st October and 31st December – 4 days

25. **Casual Leave.**—

- 25.1 Employees are entitled to seven (7) Working days casual leave per calendar year. The employee has to notify his immediate superior of his intention of taking such casual leave. Such casual leave will normally be granted on application without the employee being required to state the reason. When the employer finds it difficult to grant such casual leave requested for, his difficulty shall be notified to the employee as soon as possible after the application is made and in such circumstances the Employee may be required to state the reason for the request in order that the Employer may decide whether it is reasonable in the circumstances to grant him casual leave.

When an employee due to unforeseen circumstances is unable to apply for casual leave in advance, he shall notify the Company at the earliest opportunity and state the reason of absence upon his return to work. The Employer will assess the reason for such an application and decide whether it is reasonable in the circumstances to grant him casual leave. The decision of the Employer to grant casual leave or not is final.

- 25.2 Employees shall be entitled to take casual leave on account of private business or other reasonable cause including ill health, if that employee's twenty-one (21) days sick leave allowed under clause 26 has been fully utilised. In such instances the Employer shall allow such casual leave with remuneration for a period or an aggregate of periods not exceeding seven (7) days.
- 25.3 Provided however, that not more than two (2) days casual leave shall be taken at any one time except upon ground of ill health.
- 25.4 Provided further that an employee shall not be entitled to take casual leave immediately proceeding or immediately following any period of annual leave.
- 25.5 A new Employee in his first year of employment including any period of probation shall be entitled to casual leave for that year computed on the basis of one day for each completed period of two (2) months' service.

PART – V

SICK LEAVE & MEDICAL BENEFITS

26. **Sick Leave**

- 26.1 An employee shall be granted up to a maximum of twenty-one(21) working days leave on full pay in any one calendar year in the case of sickness subject to the conditions in sub clause hereunder.
- 26.2 The Employer will be entitled to refuse to grant pay for any days of absence on grounds of sickness not supported by a certificate from any Medical Practitioner registered in the Medical Council of Sri Lanka or Ayurvedic Medical council of Sri Lanka.