



ශ්‍රී ලංකා ප්‍රජාතාන්ත්‍රික සමාජවාදී ජනරජයේ ගැසට් පත්‍රය The Gazette of the Democratic Socialist Republic of Sri Lanka

අති විශේෂ EXTRAORDINARY

අංක 1436/17 – 2006 මාර්තු 15 වැනි බදාදා – 2006.03.15

No. 1436/17 – WEDNESDAY, MARCH 15, 2006

(Published by Authority)

PART I : SECTION (I) – GENERAL

Government Notifications

My No.: CI/353.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Keells Food Products Limited, No. 130, Glennie Street, Colombo 02, of the one part and Ceylon Mercantile, Industrial and General Workers' Union (CMU), No. 03, 22nd Lane, Colombo 03 of the other part on 21st December, 2005 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.
24th February, 2006.

Collective Agreement No. 32 of 2005

COLLECTIVE AGREEMENT

AGREEMENT entered into on this 21st day of December 2005, between Keells Food Products Limited, duly registered Company in Sri Lanka, having its registered Office at 130, Glennie Street, Colombo 2 (hereinafter referred to as the 'Employer') and the Ceylon Mercantile, Industrial and General Workers' Union (CMU), duly registered Trade Union in Sri Lanka and having its registered office at No. 3, 22nd Lane, Colombo 3, (hereinafter referred to as the 'Union').

Whereas the Union and the Employer after a series of discussion with regard to revision of the terms and conditions of employment have agreed on the following Agreement for a period of 2 years:

1. This Agreement shall cover and bind the Employer, the Union and the members of the Union, employed in a permanent manual capacity in the factory. The employees covered and bound shall hereinafter be referred to as the 'Employees'.
2. The Agreement shall take effect from 1.11.2005 and shall remain in force unless otherwise terminated by one party with one month's written notice to the other, provided however, that neither party shall give such notice of termination prior to 30.09.2007 and the termination shall not take effect until 31.10.2007.

3. The Employer agrees to revise the salaries of Employees covered and bound by this Agreement during the period of the Agreement as follows:

- (a) With effect from 01.11.2005 a sum equal to 5% of the basic salary paid to an Employee as at October 2005 shall be added to the salary of such Employee.

After granting such revision, the following amounts shall be added to the salaries of the Employees depending on each employee's period of service.

0 to 5 years (as at 01.11.2005)	-	rupee value of one increment.
6 to 10 years	-	rupee value of 2 increments.
11 to 15 years	-	rupee value of 3 increments.
16 to 20 years	-	rupee value of 4 increments.
Over 20 years	-	rupee value of 5 increments.

The increments for this purpose shall be based on the present salary scales applicable to Employees.

- (b) With effect from 01.11.2006 a sum equal to 5% of the basic salary paid to an Employee as at October 2006 shall be added to the salary of such employee.
4. In view of the wage revision set out above, the Union and the Employees covered and bound by this Agreement will endeavour to maintain an average production level of 9000 kgs of processed meat per day, under the present working conditions, location, number of employees and machinery. It has been agreed by management that in the event of absenteeism affecting the present manning levels, the management will take steps to provide necessary absenteeism cover through the pool of casual employees.
5. It is also hereby agreed between the parties that the provisions of the Agreement dated 14.11.2000 and the provisions of the Memorandum of Settlement entered into between the parties before the Commissioner - General of Labour under Section 12 (1) of the Industrial Disputes Act, on 8.11.2001 relating to work arrangements, allowances, batta rates and dispute settlement procedure will remain in force during the period of this Agreement, subject to any revision as set out in this Agreement.
6. With effect from 1.11.2005 the shift allowance payable to employees will be revised as follows :

First Shift	Rs. 90/-
Second Shift	Rs. 85/-
Third Shift	Rs. 85/-

The workers on the general shift will be paid a daily attendance bonus of Rs. 15/- per day w.e.f. 01.11.2005. This bonus will be revised to Rs. 20/- per day w.e.f. 01.11.2006.

In terms of the above, all workers of the factory (except the Krest Section) will be eligible for either the shift allowance or the daily attendance bonus.

Furthermore, the Cold Room Allowance will be revised to Rs. 32.50 in respect of employees who are engaged to work in the cold rooms.

7. Drivers/ Cleaners Batta :

Travelling outside over 3 hours leaving between		
11.00 a.m. and 12. 30 p.m. and returning after 2.00 p.m.		Rs. 40/-
Eg. leaving at 11. 00 a.m. and returning 2.00 p.m.		
Colombo / Negombo over 4 hours' trip		Rs. 65/-
Kandy, Bentota over 8 hours		Rs. 100/-
Less than 8 hours will be entitled to		Rs. 65/-
Avisawella		Rs. 65/-
Anuradhapura	1st day	Rs. 125/-
Anuradhapura	2nd day	Rs. 75/-
Matara	one day trip	Rs. 180/-
	Two day trip	Rs. 250/-
	Three day trip	Rs. 350/-
Bandarawela	Two day trip	Rs. 250/-

The employer agrees to extend the current transport facilities provided to employees to also cover Employees from Peliyagoda and Bolawatte.

8. In respect of Employees working in the Krest Section the Production related attendance bonus will be revised in the following manner :—

The payment rate will be revised to Rs. 57.50 per day subject to the average production norms already agreed. The present rates of payment in respect of the production levels will remain unchanged.

9. **Protective Clothing.**— The management has also agreed to grant appropriate protective clothing to chamber and incinerator operators.

10. During the continuance of this Agreement neither party will attempt to vary, alter or add to any of the terms and conditions or benefits currently applicable to the Employees other than by mutual agreement and the Union shall not resort to any form of trade union action on such matters.

IN WITNESS HEREOF PARTIES HAVE HEREUNTO SET THEIR HANDS ON THIS 21ST DAY OF DECEMBER, 2005

For and on behalf of
KEELLS FOOD PRODUCTS LIMITED

Sgd. MANILAL D. DE SILVA
Executive Vice President
John Keells Holdings.

For and on behalf of
THE CEYLON MERCANTILE, INDUSTRIAL &
GENERAL WORKERS UNION (CMU)

Sgd. Bala Tampoe
General Secretary

WITNESSES :

Sgd. 1. R.L.P. PEIRIS,
Deputy Director General, EFC.

Sgd. 2. A. SURESH KUMARA
Branch V. Secretary

03 - 692

My No.: CI/ 723.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Energizer Lanka Limited, c/o, Messrs, Julius & Creasy, P.O. Box 154, Colombo of the one part and Ceylon Mercantile Industrial and General Workers' Union (CMU), No. 03, 22nd Lane, Colombo 03 of the other part on 22nd September, 2005 is hereby published in terms of Section 06 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.
24th February, 2006.

Collective Agreement No. 33 of 2005

COLLECTIVE AGREEMENT

This Collective Agreement made and entered into on this 22nd day of September Two Thousand and Five, between Energizer Lanka Limited, having its registered office at c/ o Messrs Julius & Creasy, P.O. Box 154, Colombo, (hereinafter referred to as the 'Employer') of the One part and The Ceylon Mercantile, Industrial and General Workers' Union (CMU), being a Trade Union, duly registered, at No. 3, 22nd Lane, Colombo 03, (hereinafter referred to as 'the Union') of the Other Part witnesseth :

Whereas the Union has shown to the satisfaction of the Employer that it represents a majority of the Employees employed by the Employer in a manual or Labouring capacity at the Battery Plant at Ekala.

NOW THEREFORE for and in consideration of the above premises and the mutual terms and conditions hereinafter set out, the Union and the Employer hereby agree as follows :-

1. **Persons to whom this Agreement relates.**— This Agreement relates to and shall bind the Employer, the Union and all members of the Union who are employed in a manual or labouring capacity at the Battery Plant at Ekala and the Colombo Stores as at the date of commencement of this Agreement or at any time during the pendency of this Agreement. It is agreed that during the pendency of the Agreement there will be no retrenchment of Employees covered and bound by the said Agreement except with the consent of the Union.

2. **Date of Commencement and Duration.**— This Agreement shall be deemed to be effective from the 1st day of October Two Thousand and Five and shall thereafter continue in force unless it is determined by either party, giving one month's notice in writing to the other, of its intention to terminate that Agreement, whereupon the Agreement shall terminate on the expiry of such notice, provided, however, that neither party shall give such notice before the 31 st day of August Two Thousand and Eight.

3. **Implied Contractual Terms.**— During the continuance in force of this Agreement, the terms and conditions of this Agreement shall be implied terms in the contract of employment between the Employer and any Employee covered and bound by this Agreement, whether the terms of such employment be written or oral or whether employment was subsisting on the date hereof or shall come into being at any time after the date hereof, but during the continuance in force of this Agreement, provided that 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, the terms and conditions of this Agreement shall prevail.

4. **Earlier Collective Agreement :**— The provisions of this Agreement shall supersede and replace the provisions of all other Agreements in respect of terms and conditions of employment entered into between the Employer and the Union, and the parties agree that the Collective Agreement dated 15th December 2000 shall stand terminated with effect from the date on which the present Agreement takes effect.

5. **Probation** —

- (a) The Employer may require any employee who is engaged for employment to serve a period of probation of not more than six (06) months, provided further that if during the said probationary period of six months, the Employer is not satisfied with such employee, the Employer may extend the probationary period for a further period of not more than (03) three months, and in that event the Employer shall communicate to the employee, in writing, the reason for such extension.
- (b) During the period of probation or extended probation as the case may be, where the Employer is not satisfied with the employee, the Employer may terminate the employment of the employee without notice, and in that event the Employer shall communicate to the employee, in writing, the reason for such termination.
- (c) Where the employment of an employee is not terminated during the period of probation or extended probation, as the case may be, and the employee has not been expressly confirmed by the Employer, the employee shall be deemed to be confirmed in employment with effect from the day after the day on which the period of probation or extended probation, as the case may be, ended.
- (d) On confirmation, the period of employment of an employee shall be deemed to date from the day on which such employee was initially employed in terms of sub-paragraph (a) hereof.

6. **Temporary Employee** .— Where an employee is engaged for a particular job or period, on temporary work, such employee shall be informed thereof, in writing, at the commencement of such employment, and such employment shall terminate on completion of the job or period as the case may be.

7. **Hours of Work**

- (a) The normal working hours shall not exceed eight (08) hours per day. The work schedules shall be as follows :-

General Shift	-	6.30 am to 2.50 pm
---------------	---	--------------------

Subject to production requirements, and the consent of the Union, shift work arrangements may be introduced as in the past on the following basis :-

First Shift	-	6.00 am to 2.00 pm
Second Shift	-	2.00 pm to 10.00 pm
Third Shift	-	10.00 pm to 6.00 am

- (b) In the event of the introduction of two shifts, employees for preventive maintenance, depending on the level of production as agreed between parties, will be required for work on a third shift.
- (c) Provided the employees requires for start up operations shall report for work an hour earlier, and employees required for cleaning up operations shall terminate work two hours later than as scheduled aforesid; and provided futher that the Employer may effect such reasonable changes in the work schedules for exceptional reasons such as power stoppage, raw material shortage, and urgent maintenance, having due regard to the convenience of the employees affected thereby. The employees shall comply with such change subject, however, to the right of the Union to raise a dispute in respect of such change in terms of Clause 28 of this Agreement.
- (d) On all the aforesaid shifts, a meal interval of half an hour shall be permitted.

8. **Work Practices :-** Subject to what is set out in clause 7 above, work practices agreed between the branch of the Union and the Company in relation to operations in the factory are more fully set out in Memorandum of Understanding reached between the said parties date 1st October, 2005.

9. **Forfeiture of Wages :-** Where, unless for good cause shown, an employee fails to hold him self available for work throughout the normal working hours, such employee shall forfeit and the Employer shall be entitled to deduct his wages for the period of such failure.

10. **Overtime**

- (a) Overtime work will be worked by an employee as and when, and for such period as the Employer may reasonably require, provided there is no good reason for refusal.
- (b) Overtime, i.e. work performed in excess of normal working hours, shall be remunerated at one and half (1 1/2) times the normal hourly rate in respect of week days.

11. **Weekly Holidays**

1. In respect of each week, every employee shall be allowed a holiday on the Saturday and Sunday in that week as the weekly holidays, 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, such employee shall be liable to forfeit and the Employer shall be entitled to deduct two days' wages in respect of the weekly holidays for that week, computed in accordance with Clause 18 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 employee as Annual Holiday ;
 - (b) every Public Holiday granted by the Employer in terms of Clause 11 hereof ;
 - (c) every day's absence on any ground approved by the Employer
3. The Employer may employ any employee on a Saturday as and when for such period as the Employer may reasonably require, provided there is no good reason for refusal by such employee. In respect of work done on such saturday, the employee shall be paid remuneration :—
 - (a) at double the normal hourly rate ascertained in accordance with Clause 19 hereof for the number of hours worked during the period which constitutes the number of hours in a normal working day as at the date of this Agreement; and
 - (b) At treble the normal hourly rate ascertained in accordance with Clause 19 hereof for such subsequent hour of work.
4. The Employer may employ any employee on a Sunday subject to the following condition :—
 - (i) That a day within the five working days next succeeding such Sunday shall be allowed to that employee as a Holiday with remuneration, provied, however, that if any employee who is employed on a Sunday is liable to forfeit and the Employer is entitled to deduct one day's wage in respect of that Sunday 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 19 hereof in respect of the holiday which shall be allowed to that employee within the five (05) working days succeeding that Sunday, provided further that in respect of not more than two (02) such Sundays in any one calendar month the Employer may with the consent of the employee :—
 - (a) instead of allowing an alternate holiday within the five (05) working days succeeding the Sunday, 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 19 hereof, in lieu of such alternate holiday ; or

(b) in case that employee is entitled to an alternate holiday within the five (05) working days succeeding the Sunday 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) That in respect of work done on such Sunday, the employee shall be paid as remuneration :

(a) One and a half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of Clause 19 hereof for the number of hours worked during the period which constitutes the number of hours in a normal working days as at the date of this Agreement ; and

(b) At double the normal hourly rate ascertained in accordance with Clause 19 hereof for such subsequent hour of work.

12. **Annual Leave and Public Holidays.**- Annual Leave and Public Holidays shall be allowed to employees in accordance with the decisions of the Wages Board for the Engineering Trade, provided, however, that any employee may be employed on a public holiday in accordance with the decisions of the said Wages Board, and provided that the Employer shall be entitled to schedule five (05) days of such Annual Leave at such times as may be determined by the employer, provided further that the Employer and the Union agree that the decisions of the said Wages Board do not apply to or bind the parties except for the purposes of this Clause

13. **Casual Leave**

(a) In respect of each year of employment, during which any employee has been continuously in employment shall be entitled to take, on account of private business or other reasonable cause including ill health, if that employee's entitlement to sick leave has been fully utilized, leave (hereinafter referred to as 'Casual Leave') with remuneration for the period or an aggregate of periods not exceeding seven (07) days and the Employer shall allow such Casual Leave and shall be liable to pay such remuneration provided, however, that not more than two (02) days' Casual Leave shall be taken at any time save and except upon the ground of ill health, provided that any employee shall not be entitled to take Casual Leave immediately preceding or immediately following any period of Annual Holidays, provided further that in respect of any 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 completed period of two month's service.

(b) Casual Leave will normally be granted on prior application without the employee being required to state the reasons for the application. Where the Employer finds it difficult to grant and application for Casual Leave, its 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.

14. **Sick Leave.**- In each year, an employee shall be entitled to Sick Leave not exceeding twenty one (21) days, provided that :-

(a) the Employer may require the employee to submit a medical certificate in respect of any period of absence on sick leave and in respect of absence in excess of one day the employee shall submit a medical certificate from a Registered Medical Practitioner.

(b) the employee shall not be on probation within the meaning of Clause 5 hereof, provided that an employee who has been on probation shall, as from the date of confirmation, in respect of the remainder of the first year of employment, be entitled to Sick Leave not exceeding ten (10) days if he is confirmed after six (06) months probation and sick leave not exceeding five days (05) and if he is confirmed after nine (09) Months probation.

15. **Encashment of leave.**- Where an employee does not avail himself of his entitlement to Sick Leave and / or Causal Leave in respect of any year, the Employer will pay such employee one (01) day's wage in respect of each day of un-availed leave and such payment will be made within three (03) months of the expiry of such year.

16. **Wages .-**

(i) With effect from the first day of October, 2005 every employee covered by this Agreement shall receive a salary increase of Rs. 2,500

(ii) On the first day of October, 2006 all employees in service as at that date shall receive a further increase of Rs. 500

(iii) All employees in service as at the first day of October, 2007 shall receive a further increase of Rs. 750

- (iv) During the continuance in force of this Agreement on the first day of January each year, commencing the first day of January, 2006 the Employer undertakes to add to the salary of each employee an amount representing the average increase in the Colombo Consumer's Price Index figure for the period January to December of the previous Year, multiplied by Rs. 4 of each point increase. The base index figure for the non-recurring Cost of Living Gratuity for the following year will thereafter be increased to the Colombo Consumer's Price Index figure for the month of December of such preceding year. For example, the base index for the non-recurring Cost of Living Gratuity payment for the period January- December 2005 shall be the 2004 December index figure, i.e 3969.30.

(16a) The employer undertakes to pay each employee a sum equal to Rs. 2500/- multiplied by 12 i.e. Rs. 30,000/- by way of notional arrears in respect of the wage increase granted in terms of Clause 16(1) above. Provided however this payment will be made in two instalments. The first instalment of Rs. 20,000/- will be paid within two weeks of signing this Agreement. The balance Rs. 10,000/- will be paid in April, 2006 prior to Sinhala & Tamil New Year. This payment of notional arrears shall not constitute a part of employee wages/ earnings for any purpose whatsoever and will take the form of an ex gratia payment.

17. Allowances.-

- (a) Each employee shall receive the following shift allowances :-
- Rs. 50/- per day for the First Shift and General Shift
 - Rs. 60/- per day for the Second Shift
 - Rs. 75/- per day for the Third Shift
- (b) Each employee shall receive a Medical Allowance of Rs. 1,500/- per month during the 1st year, Rs. 1,600/- per month during the 2nd year and Rs. 1,650/- per month during the 3rd year.
- (c) Holiday Allowance of Rs. 2,000/- per annum shall be paid to all employees, who take a minimum of five (05) consecutive days Annual Leave, with prior approval. However, those employees who have been away on unauthorized absence in the previous year will not receive the enhanced payment, but will be paid Rs. 1,700/- per annum.
- (d) An employee shall not be entitled to any other allowances.

18. **Annual Increments.-** During the continuance of this Agreement, employees whose work and conduct are satisfactory will normally be entitled to their Annual Increments. Each skilled employee in the Engineering Section with less than five (05) years shall be paid an annual increment of Rs. 175/- and those who have served more than five years in the engineering section shall be paid an annual increment of Rs. 200/- and those employees who are graded as Technicians shall be paid an annual increment of Rs. 250/-. All other employees shall be paid an annual increment of Rs. 150/-.

19. **Wages for Periods than one Month.-** For the purpose of this Agreement, the wages of any employee for periods less than one (01) month shall be computed in the manner following :-

- for one hour - the monthly wage divided by two hundred and forty (240)
- for one day - the monthly wage divided by thirty (30)
- for one half day - a day's wage ascertained as above, (either morning or afternoon) divided by (02)
- for one week - a day's wage ascertained as above multiplied by seven (07)

20. Non-Recurring Cost of Living Gratuity

- (a) During the continuance in force of this Agreement, the Employer shall pay a non-recurring Cost of Living Gratuity in an amount determined in accordance with the formula set out hereunder, to every employee in the month of January commencing in the month of January 2006, in respect of the qualifying period, provided, however, that the Employer shall also be liable to pay such non-recurring Cost of Living Gratuity to any employee who is eligible to receive the sum by virtue of his employment by the Employer during a part of the qualifying period and is not in the employment of the Employer when the non-recurring Cost of Living Gratuity becomes payable in the month of January as aforesaid.
- (b) the qualifying period for purposes of payment of non-recurring Cost of Living Gratuity each year shall mean the twelve months commencing the 1st of January to the 31st of December of the preceding year.
- (c) It shall be a precondition to the liability of the Employer to pay a non-recurring Cost of Living Gratuity to any employee as aforesaid, that in respect of the relevant qualifying period the Employer does not make any additional payment to such employee, whether by way of increased wages, allowances or otherwise in compliance with any enactment or directive, recommendation or requirement of the State.

- (d) Where the employer makes any additional payment as aforesaid in compliance with any enactment or directive, recommendation or requirement of the State, the Employer shall be liable to pay a non - recurring Cost of Living Gratuity in an amount determined by deducting the sum of such additional payments in respect of the relevant qualifying period from the amount determined in accordance with the formula set out hereunder :-
- (e) Where and employee leaves his employment leaving unpaid loans and / or advances, the employer may recover such monies from the non-recurring Cost of Living Gratuity payment to him.

FORMULA :

If the average of the Colombo Consumers' price index for the qualifying period exceeds the base index figure, a sum computed at the rate of Rs. 4 for each complete point by which such figure exceeds the base, shall be paid in respect of each month of employment during the qualifying period.

21. **Interpretation.**- The operative Base Index Figure for the payment of non- recurring Cost of Living Gratuity in January, 2006 shall be 3969.30 for the period January, 2005 to December, 2005. This figure shall be revised consequent to the annual revision of salaries in terms of Clause 16 (iv) hereof.

22. **Provident fund and trust fund** .- The minimum rates of contribution to the Employees' Provident Fund and Trust Fund shall be twelve percentum (12%) and three percentum (3%) respectively, by the Employer, and ten percentum (10%) to the Provident Fund by the employee, of the employee's earnings, as defined by the Employees' Provident Fund Act.

23. **Retirement Gratuity.**- Without prejudice to the position of the Employer that Retirement Gratuity shall be as provided in law during the continuance in force of this Agreement, the Employer undertakes to pay Gratuity in excess of the legal requirement to employees retiring on reaching the normal retirement age, in terms of their contracts of employment, in the manner set out hereunder :-

To those employees who have completed a minimum of 10 years of service, a payment of Rupees 3,167 in respect of each completed year of service, subject to a maximum payment of Rupees 95,000.

24. Bonus.-

- (a) The Employer will pay to each of confirmed employee bound by this Agreement a bonus determined in the manner hereinafter set forth and each of the said employees and the Union will accept such payment as settlement of all claims whatsoever for bonus and / or exgratia and for special payments during the pendency of this agreement.
- (b) Where the Employer makes a nett profit after taxes in any financial year not exceeding 10% of the issued capital of the Company and the Auditors of the Company so certify, the Employer will pay to each confirmed employee bound by this Agreement a bonus of one (01) month's wages on the basis of the monthly wages specified in Clause 15 hereof, within a period of three (03) months after the completion of the audit of the company's accounts.
- (c) Where the Employer makes a net profit after taxes in any financial year exceeding 10% of the issued capital of the Company and the Auditors of the Company so certify, the Employer will pay to each confirmed employee bound by this Agreement a Bonus within a period of three (03) months after completion of the Audit of the Company's accounts, subject, however, to the following conditions :-
 - (i) Where the net profit after taxes in any financial year is 10% or more when compared with the issued capital of the company and the Auditors of the company so certify, the quantum of Bonus payable to each employee shall be two (02) months of the consolidated monthly wage.
 - (ii) Where the net profit after taxes in any financial year exceeds 15% and the Auditors of the Company so certify, the quantum of Bonus payable to each Employee shall be two and half (2 1/2) months of the consolidated monthly wage.
- (d) The Bonus payable to each employee shall be determined on the basis of the monthly wage payable to such employee in December of the relevant year. The Bonus payable to each employee shall be subject to proportionate deduction for any period of unauthorized absence.
- (e) A certificate of the Auditors of the Company, that the company has made a nett loss after taxes during any financial year as the case may be, that the nett profit after taxes made by the company during any financial year does not exceed 10% of the issued capital of the company or that the nett profit after taxes does not exceed 15% of the issued capital of the company, shall be final and conclusive for the purpose of this Agreement.

- (f) The Employer may, at its absolute discretion, pay a deductible advance towards Bonus in December of any financial year and make final adjustment of the payment within the three (03) months period specified in sub-Clause [c] abovenamed, such advance will not be paid by the Employer where it appears to the Employer on the basis of provinsional figures, that no Bonus would be payable under the provisions hereof.
- (g) Where a confirmed employee resigns from employment, such employee shall be Entitled to the payment of a proportionate Bonus calculated on the basis of the number of completed calendar months service in the financial year in respect of which Bonus is payable.

25. **Warnings.-** Where the employer is of the opinion that the conduct of an employee warrants a warning, the same shall be conveyed to the employee by a letter and a duplicate of the said letter shall be signed in acknowledgement by the employee.

26. **Suspension.-** Subject as hereinafter provided, an employee may be suspended without pay by the Employer :-

- (a) pending an inquiry to be held by the Employer on a charge relating to -
 - (i) fraud, theft, misappropriation or a like offence by the employee in the course of his employment ;
 - (ii) abuse, threat or gross insubordination by the employee to the Employer or to any other employee of the Employer, whether such other employee is a member of the supervisory staff or otherwise; provided that where the period of such suspension is in excess of thirty (30) days the employee shall be entitled to half his normal remuneration for a period of thirty (30) days from the date of such suspension, and to his full remuneration for the period of suspension in excess of thirty (30) days unless the Employer is unable to complete such inquiry within such period of thirty (30) days by reason of the subject matter of the charges being referred to any State Authority for investigation or by reason or any other matter beyond the control of the Employer, provided further that in any event the period of suspension shall not exceed ninety (90) days, unless the Employer is unable to complete such inquiry, by reason of the conduct of the employee or by reason of the subject matter of the charges being referred to any State Authority for investigation, or by reason of any other matter beyond the control of the Employer, or it is agreed between the Union and the Employer that, in the circumstances of the case, the period of ninety (90) days be extended for such further time as may be agreed ;
- (b) in the event of, or in order to avoid, a breach of the peace of any disturbance at, or about the undertaking of the Employer, or to prevent damage being caused to such undertaking, provided, however, that the Employer shall be entitled to suspend an employee only for so long as the employee's continuance in employment will or is likely to be undersirable or to be prejudicial to the proper investigation of the charges or the Employer carrying on its business;
- (c) as a punishment for misconduct for a period of not exceeding seven (07) days, after the inquiry;
- (d) if any employee fails to carry out the Employer's written instructions.

At the time of the suspension, or within twenty four (24) hours thereof, the employer shall provided the employee with a written order of suspension specifying the reason for such suspension.

27. **Disciplinary Action .-** Where the Employer proposes to take disciplinary action against any employee on the grounds of misconduct, inefficiency or indiscipline ; then :-

- (a) irrespective of whether such employee has been suspended under Clause 26 hereof or not, the employer shall be furnished with a show cause letter, which shall set out the particulars of the charges against such employee, and such show cause letter shall give the employee not less than three (03) clear days within which to tender his explanation, in writing, to the preferred charges ;
- (b) within three (03) clear days after the date of the show cause letter, the employee shall tender in writing to the Employer the explanation of the employee to the aforesaid charges, provided, however, that, if in circumstances it is reasonable, the employee may request the Employer for an extension of time within which to tender the written explanation, and where such request is made, the Employer shall grant such request for such further period of time as is considered necessary in the circumstances.
- (c) if, where the employee tenders his explanation within the period of time allowed to the employee to show cause, and the Employer is satisfied with such explanation, the Employer shall withdraw the charge against the employee and, if the employee is under suspension, the Employer shall forth-with reinstate the employee and shall pay to such employee all his wages and entitlements in respect of the period of such suspension ;
- (d) where the employee makes a written admission of the charges against him, the Employer may take disciplinary action on the basis of such admission ;

- (e) where the employee fails to tender his explanation before the expiry of the time allowed to the employee to show cause, the Employer shall be entitled to take disciplinary action on the basis that such employee had no cause to show ;
- (f) where the employee tenders his explanation before the expiry of the time allowed to the employee to show cause and the Employer is not satisfied with such explanation, the Employer shall hold an inquiry into the charges against such employee and the Employer shall commence such enquiry within ten (10) working days from the date of receipt by the Employer of the written explanation to the show cause letter ;
- (g) where the Employer fails to commence such inquiry within ten (10) working days as aforesaid, except for reasons beyond the control of the Employer or by reason of the employee's conduct, the Employer shall be deemed to have withdrawn the charges against the employee ;
- (h) Where the Employer proposes to hold an inquiry under the provisions of sub-Clause (g), the Employer shall give the employee not less than three (03) days written notice of the date, time and place of the inquiry.
- (i) The Employer will, subject as hereinafter provided, allow another member of the Union (hereinafter referred to as a 'Representative') and who shall be an employee employed by the Employer, to be present as a Representative without loss of wages for absence from work, provided that where an employee desires a Representative to be present at an inquiry to be held, such employee shall, not less than forty eight (48) hours before the time appointed for the commencement of the inquiry, submit to the Employer, in writing, the name of such Representative.
- (j) A Representative shall be entitled to represent an employee who is served with a show cause letter and otherwise participate in the inquiry,
- (k) The person who conducts an inquiry shall be entitled to require a Representative, who obstructs such inquiry in any manner whatsoever, to withdraw therefrom and such Representative forthwith comply with such requirement.
- (l) The Absence of a Representative from the whole or any part of an inquiry for any reason whatsoever shall not vitiate such inquiry nor the findings pursuant thereto,
- (m) Within thirty (30) days after the conclusion of the inquiry, the Employer shall inform the employee, in writing, of the findings of the inquiry in respect of the charges and of the punishment, if any, imposed by the Employer,
- (n) Where the Employer fails to inform the employee as aforesaid within said period of thirty (30) days, except for reasons beyond the control of the Employer or by reason of the conduct of the employee, such employee shall not be liable to be punished thereafter in respect of such charges and any inference adverse to the employee shall not be drawn in respect of such charges,
- (o) The finding of a domestic inquiry and the punishment, if any, imposed by the Employer shall be final and binding on the Employer, the employee and the Union, unless the Union, within three (03) months of such findings or punishment, raises a dispute in respect of such findings and or punishment in terms of Clause 26 of this Agreement.
- (p) A true copy of the findings and proceedings of an inquiry shall be furnished to the Union within two weeks of a written request in this regard by the Union.
- (q) The Inquiring Officer shall make all such inquiries and hear all such evidence as he may consider necessary and thereafter make such order as may appear to him to be just and equitable, provided, however, that he shall conduct the inquiry in accordance with the principles of natural justice,
- (r) Where an employee is under suspension under the provisions of Clause 26 hereof and the Employer, under the provisions of Clause, namely Clause 26, makes order that :-
- (i) The employment of the employee shall be terminated, then the termination of such employment shall take effect as from the date of suspension or such later date as the Employer may determine ;
Provided that the employer shall not be entitled to recover from the employee any payment made in respect of wages to employee on such suspension ;
- (i) The employment of the employee shall not be terminated, the employee shall resume employment forthwith and shall be paid the entirety of his wages in respect of the period of suspension without prejudice to the right of the Employer to impose such other punishment other than termination on the basis of the findings of the inquiry under the provisions of this Clause.

28. *Dispute procedure*

- (a) The procedure to be followed for the settlement of a dispute shall be as set out in sub-Clause [b], [c] and [d] hereof.
- (b) Where a dispute is between an employee and Employer, the employee shall, in the first instance, raise the matter through the Branch Union with the Employer, and both parties shall endeavour to effect an amicable settlement.
- (c) In the event of a dispute not being settled under sub-Clause [b] above or, in the case of a dispute between the Union and Employer, the Union or the Employer may raise matter with the Employer or the Union as the case may be, and shall endeavour to effect an amicable settlement.
- (d) In the event of a dispute not being resolved or settled under the preceding sub-Clause [b] or [c] and if the Union or the Employer requests a reference of the dispute under section 3 [1] [d] of the Industrial Disputes Act for settlement by arbitration, the other party shall consent to such reference.

29. *How Anomalies in the course of Implementation under this Agreement shall be Dealt with.*- Any anomaly arising from the implementation of this Agreement shall be settled by negotiations between the Employer and the Union, and if the matter cannot be settled by negotiations, the matter shall be settled in accordance with the Industrial Disputes Act and regulations made thereunder.

30. *Trade Union Action.*- The Union and its members covered and bound by this Agreement jointly and severally agree with the Employer that, during the continuance in force of this Agreement, they shall not engage in any strike or other form of Trade Union action against the Employer in respect of any dispute between the Employer on the one hand and/or the Union and/or its members and/or any employee or employees covered and bound by this Agreement on the other hand, whether or not such dispute is relative to this Agreement, provided, however, that this Clause shall not apply in respect of any dispute arising out of any breach by the Employer of the provisions of Clause 27, Clause 28 and Clause 31 hereof.

31. *Unfair Labour Practice*

- (a) Any person bound by this Agreement shall not instigate, support or engage in any unfair labour practice.
- (b) The Employer will not take any action which is calculated to undermine the existence of the Union in the establishment of the Company.

32. *Variation of terms and Conditions of Employment or Benefit*

- (a) The Union and its members, and employees covered and bound by this Agreement, jointly and severally agree with the Employer that during the continuance in force of this Agreement, they will not seek to vary or add to all or any of the terms and conditions of the employment presently applicable to any of the benefit employees Covered by and bound by the agreement, or all or any of the presently enjoyed by any of the employees covered and bound by this Agreement, other than by mutual agreement.
- (b) Subject to the terms of this Collective Agreement, the Employer agrees that it shall not seek to vary or add to all or any of the terms and conditions of employment presently applicable to any of the employees covered and bound by this Agreement, or all or any of the benefits presently enjoyed by and of the employees covered and bound by this Agreement, other than by mutual agreement.
- (c) Any dispute or difference arising from negotiation under provision of sub - Clause (a) or (b) may be resolved by voluntary arbitration, but only if all the parties concerned agree to submit such dispute or difference for settlement by voluntary arbitration.

33. *Union Meetings.*- The following provisions shall apply to meetings of the branch Union :-

- (a) In respect of each meeting which the Branch Union desires to hold at the Company's premises, an application for permission shall be previously made to the Employer, giving two clear days notice of the said meeting.
- (b) If the Employer decides to grant permission, the Employer shall be entitled to impose, *inter alia*, one or more of the under noted conditions :-
 - (1) That no person other than an employee in the service of the Company shall be present at the meeting of the Branch Union.

- (2) On occasions such as any General Meeting office bearers of the Parent Union may, with the previous approval of the Employer, be present, and
- (3) Fix a time limit within which a meeting of the Union shall be concluded or adjourned.
- (c) It shall be the duty of the Branch Union and its office bearers to ensure that the terms, in which permission to hold a meeting of the Union were granted, are duly complied with.
- (d) It shall be the duty of the Branch Union and its office bearers to ensure that no damage is caused in the course of, or in connection with, a meeting of the Branch Union to the Company's property or any other person at the Company's premises, and the Union shall indemnify the Employer and keep the Employer indemnified against such damage.

34. *Duty Leave*

- (1) The following provisions shall apply to duty leave :-

Without prejudice to the right of the Employer to refuse to grant permission if, in its discretion, the exigencies of the circumstances warrant refusal, the Employer will generally grant permission for not less than two Office Bearers of the Branch Union :-

- (a) to be present at discussions and conferences held under the aegis of the Employer or the Employer's Federation of Ceylon or the Department of Labour, in connection with a dispute between the Union and the Employer, or
- (b) to attend inquiries before Industrial Courts, Arbitrators or Labour Tribunals; without loss of salary for such absence.
- (2) The Employer will, in his discretion, grant leave to an employee to attend a Trade Union Course, Seminar or Conference either in Sri Lanka or abroad on no pay leave, unless the employee concerned is entitled to annual, customary or statutory holiday which he wishes to utilize for the purpose.
- (3) The Following provisions shall apply to meetings of the General Council of the Union :-
 - (i) Without prejudice to the right of the Employer to refuse to grant permission if in its discretion the exigencies of the circumstances warrant refusal, the Employer will generally grant permission to not more than three members of the General Council, of the union on order to attend a meeting of the General council to leave not earlier than 2 o'clock in the afternoon on not more than one occasion in a month without loss of salary for such absence, if application for permission to attend is made at least forty eight (48) hours before the time appointed for holding the meeting of the General Council.
 - (ii) For the purpose of paragraph (1) above, the Union shall forthwith furnish the Employer, in whose service there are members of the General Council of the Union, with a list of such members and keep the Employer informed of all changes therein, which may be made from time to time.

The provision of the preceding sub-Clauses (1), (2) and (3) shall not be in derogation of any existing concessions or facilities granted by the Employer to the Branch Union regarding Union meetings.

35. *Check Off*

- (a) This clause shall apply to the Employer so long as the Union maintains a membership of not less than forty per centum (40%) of the employees of the Employer, employed in a manual and labouring capacity at the Battery Factory.
- (b) The Employer shall, on the Written request of an employee, deduct from the wages due to such employee the current monthly Union dues as are specified by the employee, to be payable monthly by the employee to the Union and remit the amount so deducted to the Union in accordance with the procedure and upon and subject to the conditions hereinafter set forth.
- (c) Every employee, who agrees to the deduction of Union dues from his wages, shall sign an authorisation and forward it to the Employer.
- (d) Every employee shall be entitled to withdraw his agreement to check off at any time by signing a statement to that effect and forwarding the same to the Employer.
- (e) As far as practicable, deductions under an authorisation shall commence from the wages due immediately after the date of receipt of such authorisation and shall continue thereafter until the authorisation is cancelled by a revocation.

- (f) As far as practicable, deductions under an authorisation shall cease from the date of receipt of a revocation canceling such authorisation, provide, however :-
- (i) That the Employer shall not be liable in any manner whatsoever to the Union or the employee concerned for the failure to comply with sub Clause (d) or (e),
- (ii) That at its discretion the Employer shall be entitled not to make deductions by way of check off in any month in which the deductions by way of check off will, together with all other deductions from an employee's wage in that month, exceed the deductions permitted by law.
- (g) The Employer shall, not later than the tenth (10th) day of each month remit to the Union dues deducted from the wages of employees in the month immediately preceding, to the Treasurer of the Ceylon Mercantile, Industrial and General Workers' Union (CMU) in accordance with the tenor of each authorisation, by a cheque payable to the Treasurer thereof and crossed 'Account Payee'.
- (h) The cheque shall be sent at the risk of the Union and the employees concerned, by post, in a prepaid envelope, addressed to the Treasurer of the Union at its address as for the time being.
- (i) The Treasurer of the Union shall promptly acknowledge receipt of the cheque.
- (j) The Employer shall not be liable to pay the Union or the Treasurer on its behalf as aforesaid any sum other than the Union dues actually deducted.

IN WITNESS WHEREOF THE PARTIES HAVE SET THEIR HANDS HEREUNTO AT COLOMBO ON THIS 22 ND DAY OF SEPTEMBER TWO THOUSAND AND FIVE.

P. B. TAMPOE
General Secretary
Ceylon Mercantile, Industrial & General
Worker's Union (CMU)

ANIL GADI
Managing Director
Energizer Lanka Ltd

WITNESSES :

K. P. SISIRA KUMARA
President
Branch Union

A.A.D.S. AMARASINGHE
Plant Manager
Energizer Lanka Ltd

G. R. WASANTHA
Secretary
Branch Union

R.L. P. PEIRIS
Deputy Director General
Employer's Federation of Ceylon

03 - 693

My No.: CI /1398

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Dipped Products Limited, No. 400, Deans Road, Colombo 10, of the one part and Inter Company Employees' Union, No. 158/ 18, E. D. Dabare Mawatha, Colombo 05 of the other part on 23rd September, 2005 is hereby published in terms of Section 06 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.
24th February, 2006.

Collective Agreement No. 34 of 2005

THIS COLLECTIVE AGREEMENT made this Twenty Third day of September Two Thousand and Five to take effect from the First day of August Two Thousand and Five pursuant to the industrial Disputes Act between

DIPPED PRODUCTS LIMITED, having its registered office at No. 400, Deans Road, Colombo 10 (hereinafter referred to as the 'Employer') of the One Part

AND

THE INTER COMPANY EMPLOYEES' Union a registered Trade Union having its office at 158/18 E D Dabare Mawatha, Colombo 5 (herein after referred to as the 'Union') of the SECOND PART

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

TITLE : This Agreement shall be known and referred to as the
DIPPED PRODUCTS LIMITED MANUAL WORKERS' COLLECTIVE AGREEMENT OF 2005.

PART I

CONTAINING TERMS AND CONDITIONS OF EMPLOYMENT AND MATTERS INCIDENTAL THERE TO AND CONNECTED THEREWITH

1. **Persons Covered and Bound.**- This Agreement shall cover and bind the Employer, the Union and the members of the Union who are employed by the Employer in a manual or labouring capacity on monthly contracts of employment and for whom provision has been made in the wage scales set out in Schedule 1(a), (b) and (c) of this Agreement.

2. **Date of Operation and Duration.**- This Agreement shall be effective as from the First day of August Two Thousand and Five and shall thereafter continue in force unless it is determined by either party giving notice in terms of the Industrial Disputes Act in writing to the other subject to the following provisos :-

- (a) That one party hereto shall not give such notice to the other party before the 31st day of July Two Thousand and Eight and no notice given before that date shall be regarded as valid.
- (b) That in the event of a reduction in the par value of the Sri Lankan Rupee under any provision of law, a party shall be at liberty to abrogate this Agreement by giving one month's notice in writing to the other in terms of the Industrial Disputes Act.

3. **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.

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

5. Attendance

- (1) Unless otherwise specifically instructed by his Employer an Employee shall present himself for work on everyday (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 to his own occupation he shall be deemed to be ready and willing to perform work within the 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.

6. Hours of Work.- The hours of work shall be a period of eight (8) hours on a normal working day and a period of five (5) hours on a short working day exclusive of intervals whether on shift or otherwise.

7. 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 his 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.

8. Over time

- (1) If required by his Employer, an Employee shall work reasonable overtime which has been authorized by the Employer. Refusal to work reasonable 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 (that is work performed in excess of normal working hours) shall be remunerated at one and half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of clause 17(a) hereof.

9. Weekly Holiday and Short working day

- (1) In respect of each week every Employee shall be allowed a paid holiday on a particular day of the week which shall be granted as his weekly holiday and such day may be subject to change at intervals of not less than three (3) months in accordance with a roster.
- (2) In the case of each employee a particular day of the week either preceding or succeeding his weekly holiday referred to in clause 9(1) above shall be granted as his short working day.

Provided however, that if any employee has not worked for a period at least twenty eight (28) hours exclusive of any period of overtime during that week he shall be liable to forfeit and his 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 17 hereof.

- (3) In computing the period of twenty eight (28) hours referred to in sub - clause (2) the Employer shall include -
 - (a) Every holiday allowed by the Employer to Employee as annual holiday ;
 - (b) Every public holiday granted by the Employer in terms of clause 11 hereof ;
 - (c) Every day's absence on any ground approved by the Employer
- (4) The Employer may employ any employee on a weekly holiday subject to the following condition :-
 - (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 a 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 17 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 (02) such weekly holiday 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 17 hereof, in lieu of such alternate holiday ; or
 - (b) in case that 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) That in respect of work done on such weekly holiday, the employee shall be paid as remuneration :
 - (a) One and a half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of Clause 17 hereof for the number of hours worked during the first nine (9) hours (exclusive of one (1) hour for a meal) ; and
 - (b) At double the normal hourly rate ascertained in accordance with the provisions of Clause 17 hereof for each subsequent hour of work.

10. **Annual Holidays.**- Annual Holidays shall be allowed to an employee in accordance with the decisions of the relevant Wages Boards.

11. **Public Holidays.** - Public Holidays shall be allowed to an employee in accordance with the decisions of the relevant Wages Boards. Provided however, that an employee may be employed on a public holiday in accordance with the decisions of the aforesaid Wages Boards.

12. **Casual Leave**

- (a) In respect of each year of employment, during which any employee has been continuously in employment that Employee shall be entitled to take on account of private business or other reasonable cause including ill health, if that employee's entitlement to sick leave has been fully utilized, leave (hereinafter referred to as 'Casual Leave') with remuneration for the period or an aggregate of periods not exceeding seven (07) days and the Employer shall allow such Casual Leave and shall be liable to pay such remuneration provided, however, that not more than two (02) days' Casual Leave shall be taken at any time save and except upon the ground of ill health. Provided that any employee shall not be entitled to take Casual Leave immediately preceding or immediately following any period of Annual Holidays. Provided further that in respect of any 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 completed period of two month's service.
- (b) Casual Leave will normally be granted on application without the employee being required to state the reasons for the application. Where an 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.

13. **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 medical certificate (unless waived by his Employer) issued by a registered medical practitioner approved by the Employer (other than in cases of medical certificates issued by state owned institutions) and the employer shall also be entitled to require an employee to submit prescriptions of drugs prescribed and invoices in support of the purchase of drugs relating to the illness in respect of which the medical certificates is issued.
- (b) the Employee shall not be on probation within the meaning of Clause 4 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.

14. **Monthly Consolidated wages**

- (1) Subject to the provisions of Clause 15 hereof, as from the First day of September Two Thousand and Five 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 allowances which were consolidated in terms of clause 14 of the Collective Agreement No. 18 of 1982.
- (3) This Agreement shall not have the effect of changing the incremental date of an Employee.
- (4) (a) At the expiry of the twelve month period commencing from the First day of September Two Thousand and Four the scales of the consolidated wages set out in the First Schedule hereto shall be revised by addition to and consolidation with the wage 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 figure has increased during such twelve month period, multiplied by two (2) and the wage 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 Five.
- (b) At the expiry of each twelve month period commencing from the First day of September Two Thousand and Five the scales of consolidated wages revised in the manner prescribed above shall be revised in a like manner as from the First day of September of the succeeding year by addition to and consolidation with the wage at each stage and grade of the consolidated wages in force in the twelve month period immediately preceding 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 wage 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.

(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 Employer 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.

15. **Conversion to scales of monthly Consolidated Wages .-** For the purpose of ascertaining the wage which an Employee shall receive with effect from the First day of August on the basis of scales of consolidated wages set out in the First Schedule hereto the following provisions subject to the provisions of clause 14 above shall apply :

- (i) An employee who is in employment as at the date of the signing of this Agreement shall have his wage revised with effect from the First day of August Two Thousand and Five by the addition of Rupees One Thousand (Rs 1,000) to the wage drawn by him on the Thirty First day of July Two Thousand and Five.
- (ii) Each employee shall thereafter be placed on the corresponding point of the wage scale set out in the First Schedule.

16. **Agreement relating to higher productivity measures.**— it is agreed by and between parties that the Union and Employees shall co-operate with the Employer to maintain the highest possible levels of productivity in the factory, for which purpose guidelines have been laid down in the Schedule Two hereof

17. **Wages for periods less than one month .-** For the purpose of this Agreement the wages of any employee for periods less than one month shall be computed in the manner following :

- (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
(either morning or afternoon) - a day's wage ascertained as above, divided by (02)
- (d) for one week - a day's wage ascertained as above multiplied by seven (07)

18. **Non- recurring cost of living gratuity**

- (1) As the scales of consolidated wages set out in the First Schedule hereto have been fixed on the basis of the Colombo Consumers' Price Index being 3598.0 an Employee shall, subject to the provisions of the succeeding sub-clause be entitled to receive and the Employer shall be liable to pay a Non- recurring Cost of Living Gratuity to the Employee in September each year in respect of the preceding twelve (12) months (First September to Thirty First August hereinafter referred to as the 'qualifying period') commencing from the First day of September Two Thousand and Five ascertained in accordance with the undernoted formula.

THE FORMULA :-

If the average of the Colombo Consumers' Price Index for the qualifying period exceeds 3598.0 a sum computed at Rs. two (2/-) for each complete point (i.e. 1.0) by which such average exceeds 3598.0 in respect of each month of service during the qualifying period.

- (2) When at the expiry of each twelve (12) month period commencing on the First day of September Two Thousand and Five the scales of consolidated wages have been revised in the manner set out in clause 14(4) hereof, the base index figure in the formula for the purpose of calculating the Non-recurring Cost of Living Gratuity shall thereafter be increased by the number of points by which the Colombo Consumers' Price Index figure has risen during each twelve (12) month period as specified in clause 14(4) hereof.
- (3) The Non-recurring Cost of Living Gratuity shall be payable by the Employer to an Employee who is eligible to receive the same by virtue of his service under the Employer during a part of the qualifying year by reason of the fact that he is not in the Employer's service when the Non-recurring Cost of Living Gratuity becomes due in September of any year or he joined the Employer's service during the course of the qualifying year.
- (4) The Non-recurring Cost of Living Gratuity shall not be payable to an Employee in respect of any period for which he received no wages for whatever reason.
- (5) No Provident Fund, Trust Fund, Overtime or any other payment shall be due or calculated on the Non-Recurring Cost of Living Gratuity.

19. **Provident Fund :**

- (1) The Employer and an Employee shall contribute to the provident fund at rates prescribed by the Employees' Provident Fund Act No. 15 of 1958.

20. **Terminal Benefits**

- (1) The Employer will subject as hereinafter provided pay terminal benefits to Employees in accordance with the Scheme of terminal benefits as set out in this Clause.
- (2) As and by way of terminal benefits the Employer shall pay an Employee a sum equivalent to one month's wage for each year of service less the employer's contribution to the Provident Fund and Trust Fund but excluding interest thereon.
- (3) The wage on which the said terminal benefits under sub-clause 2 hereof shall be payable, will be the last monthly wage receivable by an employee on which Provident Fund is payable and shall not include any Non-recurring Cost of Living Gratuity.
- (4) For the purpose of calculating terminal benefits under this clause a year of service shall be a period of not less than six (06) months.
- (5) The terminal benefits provided for in this clause shall be payable to an employee on the cessation of his services arising from death or any other cause whatsoever. Provided however, that if at the date of cessation of an employee's service there is due to this Employer from the Employee any sum on account of fraud, misappropriation or any other account the same cannot be recovered from the amount in the Employee's credit in the Provident Fund. The same shall be recovered from the terminal benefits provided for herein.
- (6) On the death of an Employee whilst in service who is eligible to receive terminal benefits under this clause the Employer shall pay such terminal benefits to the persons hereinafter set forth.
 - (a) if there is a valid nomination in force for the purpose of the deceased employee's provident fund at the date of his death the nominee/nominees of such employee in conformity with the form of nomination where such nominee is surviving and of full age.
 - (b) Where there is no valid nomination or in the event of the nominee or anyone or more than the nominees having pre-deceased the employee, or in the event of the nominee being a minor at the time that the payment of the terminal benefits become due, the employer shall make payment only after the person/ entitled to the payment have established their claim in law and furnished proof thereof.
- (7) In the event of any written law providing for the payment of Gratuity or Terminal benefits the more favourable scheme shall apply but not both.
- (8) No employee shall be entitled to any Gratuity or Terminal Benefits in addition to the terminal benefits provided for this clause or by any written law as the case may be.

21. **Bonus**

- (1) Without prejudice to existing bonus schemes and without prejudice to the Employer's claim that bonus payment in the past and as provided in this Agreement are ex-gratia, the Employer will, subject as hereinafter provided, continue to pay to each of his employees a bonus which will not be less than the sum of money paid to him as his bonus for the year immediately preceding the signing of the Agreement No. 18 of 1982. If in any year the Employer, in his discretion reduces the bonus to an amount less than the sum of money paid to each of his Employees as bonus for the year immediately preceding the signing of Agreement No. 18 of 1982 the Union may canvas such reduction of bonus with the Employer concerned. If the Union is not satisfied by the Employer in the matter, the Union may pursue this matter with the Employers Federation of Ceylon. If the dispute as to the reduction of bonus is not settled with the Federation, the same shall be referred to a committee of three (3) persons (hereinafter referred to as a 'Bonus Committee') which shall be constituted in accordance with the provisions of sub-clause 2 for settlement in the manner hereinafter set forth.
- (2) At the written request of the parties to the dispute as to the reduction of the bonus the Commissioner General of Labour will constitute a Bonus Committee which shall consist of three (03) senior accountants nominated by the Council of the Institute of Chartered Accountants of Sri Lanka. The said Chartered Accountants shall be persons with at least ten (10) year's post

qualification experience. The selection of the three Chartered Accountants will be communicated by the Institute of Chartered Accountants to the Commissioner General of Labour, the Employer, the Union and to the Federation. Thereupon the Commissioner General of Labour will communicate in writing to each member of the Bonus Committee so constituted a statement of principles and procedures by which the members of the Bonus Committee shall be bound in setting the dispute as to the reduction of Bonus.

- (3) Upon receipt of the submissions and the statement of the principles and procedures from the Commissioner General of Labour the Bonus Committee shall in accordance with the said principles and procedures decide whether the reduction of the bonus by the Employer was justified and if the reduction was not justified to what extent, if any, the bonus should be reduced. The Bonus Committee shall communicate its decision in writing to the Employer, the Union the Federation and the Commissioner General of Labour. If the decision of the Bonus Committee is unanimous, such decision shall be final and binding on the parties to the dispute and the Union and/ or its members shall not pursue the matter further by any form of Trade Union action or otherwise during the continuance in force of this Agreement. If however, the Bonus Committee is divided in its decision then the decision of the Commissioner General of Labour on the matter shall be final and binding on the parties to the dispute and the Commissioner General's decision shall be communicated in writing to the Federation, and the Union or its members shall not pursue the matter further by any form of Trade Union action or otherwise during the continuance in force of this Agreement.
- (4) The Bonus committee shall not be entitled nor be competent to decide that in any year the Employer should pay his Employees a bonus exceeding the sum of money paid as bonus as in the year immediately preceding the signing of this Agreement.
- (5) The fees payable to the members of the Bonus committee shall be borne equally by the parties to the dispute as to the reduction of bonus and be payable on demand by the Commissioner General of Labour.
- (6) The payment of a bonus exceeding the sum of money paid as bonus to employees in the year immediately preceding the signing of Agreement No. 18 of 1982 shall be in the sole discretion of the Employer and shall not be called in question by the Union and/ or its members nor shall the Employer's failure or refusal to pay such bonus be the subject of any dispute.
- (7) The provisions of sub-clauses (1), (2), (3), (4), (5) and (6) shall mutatis mutandis apply to existing bonus scheme.
- (8) At the request of the Commissioner General of Labour the council of the Institute of Chartered Accountants of Sri Lanka will nominate three (3) chartered accountants with not less than ten (10) years of post qualification experience drawn from professional accountancy firm to serve on the Bonus Committee.

22. Annual pilgrimage/ Excursion.— The employer agrees to grant an annual pilgrimage in keeping with the following conditions which are accepted by the Union.

1. That in the previous year all operating divisions of the factory had worked on all days except the days stated below, as has been the practice followed by the company.

The holidays allowed would be -

13 April }
14 April } Sinhala/ Tamil New Year

15 April In the event of either the 13 or 14 falling on a weekly holiday

01 May

Wesak Day and the day after Wesak Poson Full Moon Day

Two additional days for the purpose of pilgrimage (one which could be a Poya Day other than Wesak or Poson).

The Company will close on the 15 April if either the 13 or 14 of April does not fall on a weekly holiday and will set off one day against their leave entitlement.

2. With the prior approval of the Company the Branch Union will be responsible for organizing the pilgrimage/ excursion, obtaining a quotation from the CTB, making payments to the CTB accounting for the funds provided to them for hiring buses and obtaining a refund of the returnable deposit with the CTB.

3. Transport costs will be met by the Company at the prevailing CTB rates and the number of buses to be provided will be on the basis of the maximum rated capacity of the type of buses recommended for the route.
4. The duration of the pilgrimage should not exceed two (02) days and the maximum approved mileage will be three hundred and fifty (350) inclusive of dead mileage.
5. If the pilgrimage is organised to take place during working days the employees will work on holidays in lieu, before the schedule date of the pilgrimage, by prior arrangement with the management.
6. Each participant will receive a pilgrimage advance of Rs. 800 a special advance of Rs 250 against NRCOLG (provided sufficient funds are available at the time) and an outright grant of Rs. 100
7. Any employee who obtains the payments of sub - clause 6 above and fails to participate in the pilgrimage would be liable to refund the full sum in the succeeding month. In addition, the company will be entitled to recover the cost of the redundant seat of the bus due to his non - participation.
8. Members of the immediate family of an employee will also be permitted to participate in the annual pilgrimage / excursion. In respect of their participation, the contribution of the Company will be restricted to the cost of transport.

23. **Annual Increments.** - The annual increments provided in each grade of the scales of consolidated wages in the First Schedule here to shall be automatic, unless as a matter of punishment for general inefficiency including irregular attendance or unpunctuality or disciplinary action on account of serious misconduct an increment is 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 increment is suspended pending a decision to defer or stop an increment, such decision being dependent upon a consideration of the factors giving rise to the suspension. Where on such decision an increment is neither stopped nor deferred, then the suspension shall be treated as waived and the full increment from the date of suspension thereof shall occur 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 complain against such employee and has been found guilty after due inquiry of inefficiency, fraud or misconduct which in the circumstances does not merit termination of employment.

24. **Warnings.** - If in the opinion of the Employer an offence warrants a warning the same shall be conveyed to the employee, by a letter, a duplicate of which shall be signed by the employee. If the Employee refuses to sign the duplicate the warning may be given to the Employee orally by the Employer in the presence of two witnesses.

25. **Suspension**

- (1) An employee may be suspended without pay by his Employer :-
 - (a) pending an inquiry to be held by the Employer on a charge or charges of misconduct which warrants dismissal ;
 - (b) In order to avoid a breach of the peace or damage to the property or disturbance of business of the Employer ;
 - (c) as a punishment for misconduct for a period not exceeding seven (7) working days, after the inquiry;
- (2) At the time of the suspension under sub - clause (1) (a) or within twenty four (24) hours thereof the employer shall provide the employee with a written order of suspension specifying the reason for such suspension and thereafter, hold an inquiry into the charge or charges in terms of clause 26 hereof.

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

- (1) Irrespective of whether an employee has been suspended under Clause 25 hereof or not, the employee shall be furnished with a show cause notice which shall set out the particulars of the charge or charges of misconduct alleged against such employee and such show cause notice shall give the employee not less than three (3) clear working days in which to give the answer or explanation to the charge or charges preferred.

- (2) Within three (3) clear working days after the date of the show cause notice, the employee shall furnish in writing to the Employer the answer or explanation to the charges preferred against such Employee. Provided however, that, if in the circumstances it is reasonable, the Employee may ask the Employer for an extension of time within which to furnish a written answer or explanation to the show cause notice and where such request is made by the Employee to the Employer, the Employer shall grant such request for such further period of time as is deemed necessary in the circumstances of the case.
- (3) If the employer is satisfied with the written answer or explanation of the employee the Employee shall, if he is under suspension, forth with be reinstated and shall be paid all wages and entitlements due for the period of such suspension.
- (4) If the Employer is not satisfied with the written answer or explanation of the Employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within ten (10) working days from the date of receipt by him of the written answer or explanation to the show cause notice.
- (5) After holding such inquiry the Employer shall notify the Employee of the findings on each of the charges in the show cause notice and the punishment, if any, imposed by the Employer. Provided that if the Employer fails to make an order except for reasons beyond the control of the Employer on the charges in the show cause notice within thirty (30) working days from the conclusion of the inquiry into such charges, the Employee shall not be liable to be punished thereafter in respect of such charges and no inference adverse to the Employee in respect of such charges shall be drawn from such charges.
- (6) If the employee is under suspension and the Employer after such inquiry makes order that —
 - (a) The employee shall not be dismissed then the employee shall resume employment forth with and shall subject to the provisions of sub - clause 24(1)(c) hereof be paid all wages and entitlements due for the period of suspension irrespective of such other punishment less than dismissal that may be imposed by the Employer on the findings as to the charges in the show cause notice ;
 - (b) the employee shall be dismissed, the Employee's dismissal shall take effect from the date of the employee's suspension and accordingly the Employee shall not be paid for the period of such suspension ;
 - (c) in veiw of the serious or involved nature of the charges in the show cause notice against the Employee, the Employer is unable to make a final order as its is necessary and desirable that the matter be referred to the Police or other authorities for further investigations or inquiries and that the matter be therefore referred to the Police or other authorities or if in view of the serious or involved nature of the charges preferred against the Employee the matter had been previously referred to the Police or other authorities for investigations or inquiries that the outcome of such investigations or inquiries be awaited, then in either of such circumstances the employee may remain suspended without pay.
- (7) If in any case where an Employee is suspended as provided for herein the Employer fails to make order under paragraphs (a) to (c) of the preceding sub - clause for any reason other than that of the Employee's own seeking within thirty (30) working days from the date of the Employee's suspension, the Employee shall be entitled to half his normal remuneration for a period of thirty (30) days from the date of such suspension and to his full remuneration for the period of suspension in excess of thirty (30) days up to the date on which the Employer makes an order under paragraphs (a) to (c) of the preceding sub - clause, irrespective of the outcome of the inquiry.
- (8) In any case where the employee is suspended as provided herein, the Employer shall make an order under paragraphs (a) to (c) of sub clause 6 within ninety (90) days of the date of suspension of the Employee unless he is prevented from so doing by reason of the Employee's own seeking or for reasons beyond the control of the Employer or it is agreed between the Employer and the Union that in the circumstances of the case the period of ninety (90) days be extended for such further times as may be agreed.
- (9) The Employer shall not be required to hold an inquiry as refered to in sub - calauses 4 and 5 hereof where the Employer proposes to warn the Employee or where the Employee admits to the charge or charges. Provided however, that if the Union disputes the warning or punishment imposed on the Employee by the Employer and requests the holding of an inquiry the Employer shall comply with such request and the provisions relating to the holding of an inquiry shall then apply subject to the exception that the fact that the inquiry had not commenced within ten (10) working days after the receipt of the Employee's explanation shall not be material or relevant.
- (10) The Employer may, as an alternative to more serious disciplinary action, recover from an Employee the cost of damage to or loss of the Employers goods or property or a percentage thereof, caused through the negligence of the Employee as determined at a domestic inquiry or on the admission of the Employee.

27. **Retirement.**— On reaching the age of fifty five (55) years an Employee shall *ipso facto* retire and cease to be employed by the Employer and there shall be no obligation on the Employer to give the Employee any notice of such retirement. Provided however, that an Employee who has retired may, in the discretion of the Employer, be employed after his retirement on a temporary basis on such terms as may be mutually agreed.

28. *Termination of Services*

- (1) Every contract whether oral or written, for the hire of any Employee by the Employer except for work usually performed by the day, or by the job, or by the journey, shall (subject to the provisions of clause 4 hereof or unless otherwise expressly stipulated) be deemed and taken in law to be a contract for hire and service for the period of one month and to be renewable from month to month and shall be deemed and taken in law to be so renewed, unless one month's previous notice be given by either party to the other of his intention to determine the same and such month has expired.
- (2) Where an Employee is engaged for a particular job or period such as casual or temporary work, he shall be informed thereof at the commencement of his employment and his contract of service will terminate on the completion of the job or period or the failure of the Employee to complete the job within reasonable time.

29. **Union Recognition.**— The Union shall be competent to make representations on behalf of any of its members who is employed in any workplace of the Employer bound by this Agreement. In regard to issues of general application or to the effect of principle such as matters affecting general terms and conditions of employment either in the workplace or the trade as a whole, the following provisions shall apply.

- (1) When the Union is representative of not less than forty per cent (40%) of the employees whose membership subscription is not in arrears, the Employer of such employees will recognize the Union for the purpose of general claims and matters and negotiate with it on that basis. If there is any other Union which is also representative of not less than forty percent (40%) of such employees the Employer will be at liberty to require that general claims and matters be discussed and negotiated with the Union competent to make general demands by virtue of the requisite membership and not separately with each such Union.
- (2) when the Employer carries on more than one type of business or has more than one workplace and the claim or matter is restricted to one type of business or one workplace but is applicable or capable of being applicable to other Employees in the service of the Employer, the competence of the Union to make such claims or raise such matter shall be determined by reference to the duly qualified members of such Union in proportion to the total number of Employees in the service of the Employer in Sri Lanka.
- (3) If it becomes necessary to decide the question whether at the establishment of the Employer the Union is, competent to make general claims or raise general matters, the same shall be determined by a referendum which shall be held by the Department of Labour and the result of such referendum shall be binding on the employer and the Union and the parties hereto.

30. *Dispute Procedure*

- (1) In the first instance the Union shall submit any demand on behalf of its members to the Employer of such members and give the Employer at least ten (10) working days time within which to reply. If in the Union's opinion the Employer's reply is unsatisfactory the Union and the Employer shall explore the possibility of reaching a settlement.
- (2) When the union concludes that negotiations with the Employer have been abortive it shall ask the Department of Labour to intervene and give the Department not less than ten (10) working days to arrange conference and/or discussions with a view to a settlement of the dispute. Negotiations under the aegis of the Department of Labour shall then proceed until the Department of Labour reports failure.
- (3) Subject to the provision of clause 30 hereof all disputes between the Union and the Employer or between the parties hereto shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations made thereunder.
- (4) Any party to this Agreement shall not instigate, support or engage in any unfair labour practice during the currency of this AGREEMENT.

30. **How Anomalies in the Course of Implementing this Agreement shall be Dealt with.**— Any anomaly arising from the implementation of this Agreement shall be settled by negotiations between the Employer and the Union, and if the matter cannot be settled by negotiations, the matter shall be settled in accordance with the provisions of the Industrial Disputes Act and regulations made thereunder.

32. **Trade Union Action.**— The Union and the Employees jointly and severally agree with the Employer that during the continuance in force of this Agreement, they shall not engage in any strike or other form of Trade Union action against the Employer, in respect of any dispute between the Union or the Employees the Employer whether or not such dispute is related to the Agreement, except where such dispute has been caused by an act of the Employer which in the opinion of the controlling body (by whatsoever name called) of the Union is *mala fide* or vindictive

or calculated to threaten or undermine the existence or the legitimate activities of the Union and/ or its members or is grossly unfair or seriously detrimental to the interest of the Union and/ or its members. provided, however, that at least seven (7) days notice in writing shall be given by the Union to the Employer, the Federation and the Commissioner General of Labour before the date of commencement of any intended strike or other form of trade union action consequent upon an act of the Employer which in the opinion of the controlling body (by whatsoever name called) of the Union is *mala fide* or vindictive or calculated to threaten or undermine the existence or the legitimate activities of the Union and/ or its member is grossly unfair or seriously detrimental to the internet of the Union and/ or its members.

33. Variation of Term and Conditions of Employment and Benefits.-

- (1) The Union and it the Employees jointly and severally agree with the Employer that during the continuance in force of this Agreement, they will not seek to vary alter or add to all or any of the terms and conditions of employment presently applicable to any of the Employees covered and bound by this Agreement as amended or altered in terms of this Agreement, or all or any of the benefit presently enjoyed by any of the employees covered and bound by this Agreement, other than by mutual agreement.
- (2) The Employer agrees with the Union and the Employees that the Employer shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the Employees other than by mutual agreement.
- (3) Any dispute or difference arising from negotiations under the provision of sub-clauses 1 or 2 may be resolved by voluntary arbitration but only if all the parties, concerned agree to submit such dispute or difference for settlement by voluntary arbitration.

PART II

CONTAINING THE FACILITIES AND CONCESSIONS GRANTED BY THE EMPLOYER TO THE UNION

1. **Breaches of Collective Agreement.-** If in the opinion of the Employer and the Federation, the Union shall commit a breach of any of the terms of this Agreement, then and in any such event the Union shall cease to be entitled to enjoy the facilities and concession granted by the Employer in the succeeding clauses of this Part and same shall stand withdrawn without prejudice to the Employer's right to restore such facilities and concessions upon such terms and conditions as the Employer may decide.

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

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

3. **Annual General Meeting.-** It is agreed that for the Annual General Meeting of the Union the Employer will grant duty leave not exceeding four (4) hours to all employees subject to the following conditions :

- (1) The Union shall give adequate notice to the company regarding the date on which the Annual General Meeting is to be held and the date shall be one which is acceptable to the Company.
- (2) That no person other than an employee in the service of the Employer shall be present at such meeting save and except as provided for in the following sub-paragraph.
- (3) The Parent Union office bearers shall be permitted to attend such meeting on approval being obtained for the individuals concerned for which purpose the union shall specify the names of the persons who would be representing the Union at such meeting.

- (4) The Union shall take appropriate steps to provide a skeleton staff to enable essential functions to go on while the Annual General Meeting is in session.
- (5) It shall be the duty of the Union and its Office Bearers to ensure that no the terms on which permission to hold a meeting of the Union is granted are duly complied with.
- (6) It shall be the duty of the Union and its Office bearers to ensure that not damage is caused in the course of or in connection with the Annual General meeting of the Union to the Employer's property, other employees or persons within the premises and the Union shall indemnify the Employer against any such damage.

4. *Duty Leave*

- (1) The folowing provisions shall apply to duty leave —

Without prejudice to the right 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 —

- (a) to be present at conferences 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.

or

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

- (2) The Employer shall provide the President and the Secretary half day's duty leave on not more than 4 occasions per month to go to the Union Headquarters in connection with Union activities.
- (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 unless the Employee concerned is entitled to annual or other holidays which he wishes to utilise for the purpose.
- (4) The Employer shall grant a day's duty leave to twelve (12) employees to attend the Annual General Meeting of the Parent Union.

5. *Check - Off*

- (1) The facility of check - off shall be granted, subject to Clause 1 of Part II hereof only so long as the Union represent no less than forty (40) percent of the Employees covered and bound by this Collective Agreement.
- (2) The Employer shall on the written request of and Employee deduct from the wages due to such Employees the current monthly Union dues as are specified by the Employee to be payable monthly by the Employee to the Union and remit the amount so deducted to the Union in accordance with the procedure and upon and subject to the conditions hereinafter set forth.
- (3) Every employee who agrees to the deduction of Union dues from his wages shall sign a statement to that effect in the form set out in Form No. 1 referred to as an 'Authorization'.
- (4) Every Employee shall be entitled to withdraw his agreement to check-off at any time by signing a statement to that effect in the form set out in Form No. 2 hereinafter referred to as a 'Revocation'.
- (5) As far as practicable deduction under an authorization shall commence from the wages due immediately after the date of receipt of such authorization and shall continue thereafter until the authorization is cancelled by a revocation.
- (6) As far as practicable deductions under and authorization shall cease from the date of receipt of a revocation canceling such authorization. Provided however —
 - (a) that the Employer shall not be liable in any manner whatsoever to the Union or the Employee concerned for failure to comply with sub-clause 5 or 6 ;
 - (b) that at his discretion the Employer shall be entitled not to make deductions by way of check-off in any month in which the deductions form the Employee's wages in that month exceed the deduction permitted by law ;

- (7) The Employer shall not later than the tenth (10th) day of each month remit the Union dues deducted from the wages of the Employees in the month immediately preceding, to the Treasurer of the Union in accordance with the tenor of each authorization by a cheque payable to the Treasurer thereof and crossed 'Account Payee'.
- (8) The cheque shall be sent at the risk of the Union and the Employees concerned by post in a prepaid envelope addressed to the Treasurer of the Union at its address for the time being.
- (9) The Treasurer of the Union shall promptly acknowledge receipt of the cheque.
- (10) The Employer shall not be liable to pay to the Union or the Treasure on its behalf as aforesaid any sum other than the Union's dues actually deducted.

FORM No .1

Name of Employer : Dipped Products Limited

AUTHORIZATION

As I am an Employee covered and bound by the DIPPED PRODUCTS LIMITED COLLECTIVE AGREEMENT 2005 and I desire to avail myself of the facility for check-off contained in the Collective Agreement to which I am eligible as a member of the INTER COMPANY EMPLOYEES' UNION, please deduct from my wages each month a sum of Rupees (Rs) in respect of my current monthly membership dues to the said Union and remit same to the said Union on my behalf. The first payment should please be made from my wages due immediately following the date hereof.

.....
(Date of signing)

.....
(Signature of Employee)

.....
(Full name of Employee)

.....
Checkroll Number

Received on
(To be filled by the Employer)

FORM NO. 2

Name of Employer : DIPPED PRODUCTS LIMITED

REVOCATION

With reference to the authorization submitted by me, please cease to deduct from my wages any further membership dues in favour of INTER COMPANY EMPLOYEE'S UNION with effect from the wages next due to me immediately following the date hereof.

.....
(Date of signing)

.....
(Signature of Employee)

.....
(Full name of Employee)

.....
Checkroll Number

Received on
(To be filled by the Employer)

PART III

CONTAINING DEFINITIONS OF CERTAIN WORDS

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

<i>Words</i>	<i>Meaning</i>
Branch Union	The Branch Union at the factory
Check-off	The act of the Employer deducting in terms of Clause 5 of Part II the subscriptions payable to the Union by an employee from the latter's pay.
Dispute	Shall have the same meaning as in the Industrial Disputes Act.
Employee	An employee covered and bound by this (For convenience sometimes Agreement referred to as 'he' or its grammatical variations)
Employer	Dipped products Ltd.
Federation	Employer's Federation of Ceylon
Industrial Disputes Act	The Industrial Disputes Act, No. 43 of 1950
Normal Incremental Date	The date on which an employee would normally receive an increment
Relevant Wages Board	The Wages Board which covers the Trade in which the particular employee is employed in.
Union	Inter Company Employee's Union
Wage	The monthly wage according to the scales of consolidated wages in the First Schedule hereto.
Week	The period between midnight on any Saturday night and midnight on the succeeding Saturday night.
Year	A continuous period of twelve (12) months

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

SCHEDULE I (A)

WAGE SCALES APPLICABLE TO STORES & ALLIED MANUAL WORKERS CONSOLIDATED AT 3598.0
WITH EFFECT FROM 01 SEPTEMBER, 2004

<i>Stage</i>		<i>Grade I</i>		<i>Grade II</i>		<i>Grade III</i>
1.	99 × 25.00	8,511.00	99 × 30.00	8,526.00	10 × 32.50	8,596.00
2.		8,536.00		8,556.00		8,628.50
3.		8,561.00		8,586.00		8,661.00
4.		8,586.00		8,616.00		8,693.50
5.		8,611.00		8,646.00		8,726.00
6.		8,636.00		8,676.00		8,758.50
7.		8,661.00		8,706.00		8,791.00
8.		8,686.00		8,736.00		8,823.50
9.		8,711.00		8,766.00		8,856.00
10.		8,736.00		8,796.00		8,888.50

11.	8,761.00	8,826.00	10×35.50	8,921.00
12.	8,786.00	8,856.00		8,956.00
13.	8,811.00	8,886.00		8,991.00
14.	8,836.00	8,916.00		9,026.00
15.	8,861.00	8,946.00		9,061.00
16.	8,886.00	8,976.00		9,096.00
17.	8,911.00	9,006.00		9,131.00
18.	8,936.00	9,036.00		9,166.00
19.	8,961.00	9,066.00		9,201.00
20.	8,986.00	8,096.00		9,236.00
21.	9,011.00	9,126.00	79×40.00	9,271.00
22.	9,036.00	9,156.00		9,311.00
23.	9,061.00	9,186.00		9,351.00
24.	9,086.00	9,216.00		9,391.00
25.	9,111.00	9,246.00		9,431.00
26.	9,136.00	9,276.00		9,471.00
27.	9,161.00	9,306.00		9,511.00
28.	9,186.00	9,336.00		9,551.00
29.	9,211.00	9,366.00		9,591.00
30.	9,236.00	9,396.00		9,631.00
31.	9,261.00	9,426.00		9,671.00
32.	9,286.00	9,456.00		9,711.00
33.	9,311.00	9,486.00		9,751.00
34.	9,336.00	9,516.00		9,791.00
35.	9,361.00	9,546.00		9,831.00
36.	9,386.00	9,576.00		9,871.00
37.	9,411.00	9,606.00		9,911.00
38.	9,436.00	9,636.00		9,951.00
39.	9,461.00	9,666.00		9,991.00
40.	9,486.00	9,696.00		10,031.00
41.	9,511.00	9,726.00		10,071.00
42.	9,536.00	9,756.00		10,111.00
43.	9,561.00	9,786.00		10,151.00
44.	9,586.00	9,816.00		10,191.00
45.	9,611.00	9,846.00		10,231.00
46.	9,636.00	9,876.00		10,271.00
47.	9,661.00	9,906.00		10,311.00
48.	9,686.00	9,936.00		10,351.00
49.	9,711.00	9,966.00		10,391.00
50.	9,736.00	9,996.00		10,431.00
51.	9,761.00	10,026.00		10,471.00
52.	9,786.00	10,056.00		10,511.00
53.	9,811.00	10,086.00		10,551.00
54.	9,836.00	10,116.00		10,591.00
55.	9,861.00	10,146.00		10,631.00
56.	9,886.00	10,176.00		10,671.00
57.	9,911.00	10,206.00		10,711.00
58.	9,936.00	10,236.00		10,751.00
59.	9,961.00	10,266.00		10,791.00
60.	9,986.00	10,296.00		10,831.00
61.	10,011.00	10,326.00		10,871.00
62.	10,036.00	10,356.00		10,911.00
63.	10,061.00	10,386.00		10,951.00
64.	10,086.00	10,416.00		10,991.00
65.	10,111.00	10,446.00		11,031.00
66.	10,136.00	10,476.00		11,071.00
67.	10,161.00	10,506.00		11,111.00
68.	10,186.00	10,536.00		11,151.00

SCHEDULE I (A) (Continued)

WAGE SCALES APPLICABLE TO STORES & ALLIED MANUAL WORKERS CONSOLIDATED AT 3598.0
WITH EFFECT FROM 01 SEPTEMBER 2004

Stage	GRADE I	GRADE II	GRADE III
69.	10,211.00	10,566.00	11,191.00
70.	10,236.00	10,596.00	11,231.00
71.	10,261.00	10,626.00	11,271.00
72.	10,286.00	10,656.00	11,311.00
73.	10,311.00	10,686.00	11,351.00
74.	10,336.00	10,716.00	11,391.00
75.	10,361.00	10,746.00	11,431.00
76.	10,386.00	10,776.00	11,471.00
77.	10,411.00	10,806.00	11,511.00
78.	10,436.00	10,836.00	11,551.00
79.	10,461.00	10,866.00	11,591.00
80.	10,486.00	10,896.00	11,631.00
81.	10,511.00	10,926.00	11,671.00
82.	10,536.00	10,956.00	11,711.00
83.	10,561.00	10,986.00	11,751.00
84.	10,586.00	11,016.00	11,791.00
85.	10,611.00	11,046.00	11,831.00
86.	10,636.00	11,076.00	11,871.00
87.	10,661.00	11,106.00	11,911.00
88.	10,686.00	11,136.00	11,951.00
89.	10,711.00	11,166.00	11,991.00
90.	10,736.00	11,196.00	12,031.00
91.	10,761.00	11,226.00	12,071.00
92.	10,786.00	11,256.00	12,111.00
93.	10,811.00	11,286.00	12,151.00
94.	10,836.00	11,316.00	12,191.00
95.	10,861.00	11,346.00	12,231.00
96.	10,886.00	11,376.00	12,271.00
97.	10,911.00	11,406.00	12,311.00
98.	10,936.00	11,436.00	12,351.00
99.	10,961.00	11,466.00	12,391.00
100.	10,986.00	11,466.00	12,431.00

SCHEDULE I (B)

WAGE SCALES APPLICABLE TO ENGINEERING TRADE WORKERS CONSOLIDATED AT 3598.0
WITH EFFECT FROM 01 SEPTEMBER 2004

STAGE	U- SK	S - SK	SK
1. 99 × 25.00	8,511.00	8,526.00	8,596.00
2.	8,536.00	8,561.00	8,638.50
3.	8,561.00	8,596.00	8,681.00
4.	8,586.00	8,631.00	8,723.50
5.	8,611.00	8,666.00	8,766.00
6.	8,636.00	8,701.00	8,808.50
7.	8,661.00	8,736.00	8,851.00
8.	8,686.00	8,771.00	8,893.50
9.	8,711.00	8,806.00	8,936.00
10.	8,736.00	8,841.00	8,978.50
11.	8,761.00	8,876.00	9,021.00
12.	8,786.00	8,911.00	9,063.50
13.	8,811.00	8,946.00	9,106.00

SCHEDULE I (B) (Continued)

Stage	U- SK	S - SK	SK
14.	8,836.00	8,981.00	9,148.50
15.	8,861.00	9,016.00	9,191.00
16.	8,886.00	9,051.00	9,233.50
17.	8,911.00	9,086.00	9,276.00
18.	8,936.00	9,121.00	9,318.50
19.	8,961.00	9,156.00	9,361.00
20.	8,986.00	9,191.00	9,403.50
21.	9,011.00	9,226.00	9,446.00
22.	9,036.00	9,261.00	9,488.50
23.	9,061.00	9,296.00	9,531.00
24.	9,086.00	9,331.00	9,573.50
25.	9,111.00	9,366.00	9,616.00
26.	9,136.00	9,401.00	9,658.50
27.	9,161.00	9,436.00	9,701.00
28.	9,186.00	9,471.00	9,743.50
29.	9,211.00	9,506.00	9,786.00
30.	9,236.00	9,541.00	9,828.50
31.	9,261.00	9,576.00	9,871.00
32.	9,286.00	9,611.00	9,913.50
33.	9,311.00	9,646.00	9,956.00
34.	9,336.00	9,681.00	9,998.50
35.	9,361.00	9,716.00	10,041.00
36.	9,386.00	9,751.00	10,083.50
37.	9,411.00	9,786.00	10,126.00
38.	9,436.00	9,821.00	10,168.50
39.	9,461.00	9,856.00	10,211.00
40.	9,486.00	9,891.00	10,253.50
41.	9,511.00	9,926.00	10,296.00
42.	9,536.00	9,961.00	10,338.50
43.	9,561.00	9,996.00	10,381.00
44.	9,586.00	10,031.00	10,423.50
45.	9,611.00	10,066.00	10,466.00
46.	9,636.00	10,101.00	10,508.50
47.	9,661.00	10,136.00	10,551.00
48.	9,686.00	10,171.00	10,593.50
49.	9,711.00	10,206.00	10,636.00
50.	9,736.00	10,241.00	10,678.50
51.	9,761.00	10,276.00	10,721.00
52.	9,786.00	10,311.00	10,763.50
53.	9,811.00	10,346.00	10,806.00
54.	9,836.00	10,381.00	10,848.50
55.	9,861.00	10,416.00	10,891.00
56.	9,886.00	10,451.00	10,933.50
57.	9,911.00	10,486.00	10,976.00
58.	9,936.00	10,521.00	11,018.50
59.	9,961.00	10,556.00	11,061.00
60.	9,986.00	10,591.00	11,103.50
61.	10,011.00	10,626.00	11,146.00
62.	10,036.00	10,661.00	11,188.50
63.	10,061.00	10,696.00	11,231.00
64.	10,086.00	10,731.00	11,273.50
65.	10,111.00	10,766.00	11,316.00
66.	10,136.00	10,801.00	11,358.50

SCHEDULE I (B) (Continued)

WAGE SCALES APPLICABLE TO ENGINEERING TRADE WORKERS CONSOLIDATED AT 3598.0
WITH EFFECT FROM 01 SEPTEMBER 2004

Stage	U- SK	S - SK	SK
67.	10,161.00	10,836.00	11,401.00
68.	10,186.00	10,871.00	11,443.50
69.	10,211.00	10,906.00	11,486.00
70.	10,236.00	10,941.00	11,528.50
71.	10,261.00	10,976.00	11,571.00
72.	10,286.00	11,011.00	11,613.50
73.	10,311.00	11,046.00	11,656.00
74.	10,336.00	11,081.00	11,698.50
75.	10,361.00	11,116.00	11,741.00
76.	10,386.00	11,151.00	11,783.50
77.	10,411.00	11,186.00	11,826.00
78.	10,436.00	11,221.00	11,868.50
79.	10,461.00	11,256.00	11,911.00
80.	10,486.00	11,291.00	11,953.50
81.	10,511.00	11,326.00	11,996.00
82.	10,536.00	11,361.00	12,038.50
83.	10,561.00	11,396.00	12,081.00
84.	10,586.00	11,431.00	12,123.50
85.	10,611.00	11,466.00	12,166.00
86.	10,636.00	11,501.00	12,208.50
87.	10,661.00	11,536.00	12,251.00
88.	10,686.00	11,571.00	12,293.50
89.	10,711.00	11,606.00	12,336.00
90.	10,736.00	11,641.00	12,378.50
91.	10,761.00	11,676.00	12,421.00
92.	10,786.00	11,711.00	12,463.50
93.	10,811.00	11,746.00	12,506.00
94.	10,836.00	11,781.00	12,548.50
95.	10,861.00	11,816.00	12,591.00
96.	10,886.00	11,851.00	12,633.50
97.	10,911.00	11,886.00	12,676.00
98.	10,936.00	11,921.00	12,718.50
99.	10,961.00	11,956.00	12,761.00
100.	10,986.00	11,991.00	12,803.50

SCHEDULE II(C)

WAGE SCALES APPLICABLE TO MOTOR TRANSPORT TRADE WORKERS CONSOLIDATED AT 3598.0
WITH EFFECT FROM 01 SEPTEMBER 2004

Stage	CLASS B
1.	99 × 35.00 8,571.00
2.	8,606.00
3.	8,641.00
4.	8,676.00
5.	8,711.00
6.	8,746.00
7.	8,781.00
8.	8,816.00
9.	8,851.00
10.	8,886.00
11.	8,921.00

<i>Stage</i>	CLASS B
12.	8,956.00
13.	8,991.00
14.	9,026.00
15.	9,061.00
16.	9,096.00
17.	9,131.00
18.	9,166.00
19.	9,201.00
20.	9,236.00
21.	9,271.00
22.	9,306.00
23.	9,341.00
24.	9,376.00
25.	9,411.00
26.	9,446.00
27.	9,481.00
28.	9,516.00
29.	9,551.00
30.	9,586.00
31.	9,621.00
32.	9,656.00
33.	9,691.00
34.	9,726.00
35.	9,761.00
36.	9,796.00
37.	9,831.00
38.	9,866.00
39.	9,901.00
40.	9,936.00
41.	9,971.00
42.	10,006.00
43.	10,041.00
44.	10,076.00
45.	10,111.00
46.	10,146.00
47.	10,181.00
48.	10,216.00
49.	10,251.00
50.	10,286.00
51.	10,321.00
52.	10,356.00
53.	10,391.00
54.	10,426.00
55.	10,461.00
56.	10,496.00
57.	10,531.00
58.	10,566.00
59.	10,601.00
60.	10,636.00
61.	10,671.00
62.	10,706.00
63.	10,741.00

SCHEDULE II (C) (*Continued*)WAGE SCALES APPLICABLE TO MOTOR TRANSPORT TRADE WORKERS CONSOLIDATED AT 3598.0
WITH EFFECT FROM 01 SEPTEMBER 2004

<i>Stage</i>	CLASS B
64.	10,776.00
65.	10,811.00
66.	10,846.00
67.	10,881.00
68.	10,916.00
69.	10,951.00
70.	10,986.00
71.	11,021.00
72.	11,056.00
73.	11,091.00
74.	11,126.00
75.	11,161.00
76.	11,196.00
77.	11,231.00
78.	11,266.00
79.	11,301.00
80.	11,336.00
81.	11,371.00
82.	11,406.00
83.	11,441.00
84.	11,476.00
85.	11,511.00
86.	11,546.00
87.	11,581.00
88.	11,616.00
89.	11,651.00
90.	11,686.00
91.	11,721.00
92.	11,756.00
93.	11,791.00
94.	11,826.00
95.	11,861.00
96.	11,896.00
97.	11,931.00
98.	11,966.00
99.	12,001.00
100.	12,036.00

SCHEDULE II
GUIDELINES FOR ENHANCED PRODUCTIVITY

- i. The Union and the Employees agree to co-operate with the employer by taking the necessary initiative to ensure *inter alia*, the following in all departments of the factory :-
- (A) Increased Production
 - (B) Increased Productivity
 - (C) Improved quality
 - (D) Maintain ISO Systems
 - (E) Ensure Proper Housekeeping
 - (F) Control Waste
 - (G) Business Process Review
 - (H) 5 'S' Projects
 - (I) Total Product Maintenance

ii. The Issues that will be addressed in achieving the aforementioned measures are referred to hereunder :-

(1) INCREASE IN PRODUCTION

Monitor Stoppages due to -

- (a) Breakdowns
- (b) Planned Maintenance
- (c) Unplanned Breakdowns
- (d) Monitor job completion times
- (e) Interruption to services
- (f) Delays due to shortage of compounds
- (g) Quality Problems
- (h) Bypassing
- (i) Latex Tank changes
- (j) Lack of Employees
- (k) Attendance on Poya/holidays
- (l) Bowl Efficiency and Factory Efficiency
- (m) Sorting output

(2) INCREASE PRODUCTIVITY

Monitor pairs produced per man-hour-

- (i) Monitor man-hours
- (ii) Programme to eliminate unnecessary hours
- (iii) Reduce Supervision Time
- (iv) Ensure first time correct
- (v) Monitor kg per man-hour

(3) IMPROVEMENT TO QUALITY

- (a) Reduction of scraps and rejects
- (b) Reduce grade 2 defects
- (c) Increase grade 1 Level
- (d) Control correct specification of Centrifuged Latex
- (e) Control correct re-sorting Level
- (f) Monitor and control specification of compounds
- (g) Monitor and control quality problems due to compounds

(4) ISO SYSTEMS

Responsibility for -

- (a) Audits
- (b) Training participation
- (c) Adhere to laid down Systems
- (d) Control charts and Trend charts

(5) HOUSEKEEPING

Involvement of the members to create a better working environment.

(6) WASTAGE

Monitor and control-

- (a) Dipping levels
- (b) Weights and thickness of gloves
- (c) Steam consumption
- (d) Compressed air consumption
- (e) Water consumption
- (f) Flock consumption
- (g) Compound consumption
- (h) Chemical Consumption

- iii. It is agreed that employees engaged in Plant C of the factory will be assigned to Plants A and B and the said two Plants will be operated by company employees.
- iv. As additional work the employees would have to take part in organized Group meetings to monitor the results.
- v. The employees agreed to the following:
 - (1) Increase Plant B output by running at 70 sec cycle.
 - (2) Ensure to increase production by one batch per hour in Plant A to achieve the maximum output from a given cycle.
 - (3) Focus attention of their members in the plants to reduce breakage of former.
 - (4) Further improve productivity in other departments as well and Centrifuging in particular.
 - (5) To open bank accounts and obtain all payments through the Bank including wages, bonus payment and other payments.
- vi. The Company agreed to increase the shift allowance by 75%
Accordingly payment for 2nd Shift would be Rs. 40/- and the 3rd Shift Rs. 60/-
- vii. The Company agreed to increase the existing meal allowance to Rs. 25/-
- viii. Whereas both parties agree that it is in the overall interest and stability of the enterprise to adhere to the guidelines set out herein, the parties shall cooperate with each other in a sense of mutual trust to adhere to the said guidelines.

IN WITNESS WHEREOF PARTIES AFORESAID HAVE HEREUNTO SET THEIR HANDS IN COLOMBO, ROHANA KEERTHI WITHANACHCHI FOR AND ON BEHALF OF DIPPED PRODUCTS LIMITED AND PIYASENA HETTIARACHCHI FOR AND ON BEHALF OF THE INTER COMPANY EMPLOYEES' UNION ON THE TWENTY THIRD DAY OF SEPTEMBER TWO THOUSAND AND FIVE.

R.K. WITHANACHCHI
Director
DIPPED PRODUCTS LTD.

P. HETTIARACHCHI
for General Secretary
INTER COMPANY EMPLOYEES' UNION

Witness to the said signature of
R. K. WITHANACHCHI

Witness to the said signature of
P. HETTIARACHCHI :

J. R. SAMARATUNGE
Industrial
Advisor- EDC

BRANCH PRESIDENT
Inter Company Employees' Union

03 - 694

My No.: CI/1373.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Polytex Garments Limited, Minuwangoda Road, Ekala, Ja - Ela, of the one part and Polytex Ekamuthu Sevaka Sangamaya, IPZ Koggala, Habaraduwa of the other part on 06th October, 2005 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.
24th February, 2006.

Collective Agreement No. 35 of 2005

AGREEMENT

THIS AGREEMENT made and entered into between Polytex Garments Ltd., an Employer duly registered in Sri Lanka and having its registered office at Minuwangoda Road, Ekala, Ja - Ela and hereinafter referred to as "the Employer" and Polytex Ekamuthu Sevaka Sangamaya, a trade Union duly registered in Sri Lanka and having its registered office at IPZ Koggala, Habaraduwa, (affiliated to the All Ceylon Federation of Free Trade Unions) hereinafter referred to as "the Union" on this 6th day of October, 2005 at Colombo.

1. This Agreement shall cover and bind the Employer, and the members of the Union, at the Koggala factory, hereinafter referred to as the 'Employees'.
2. The Employer will grant the following salary increases to the Employees with effect from 1st April, 2005:-
 - (a) All Machine Operators, Checkers and Ironing Operatives (Grade III employees described in Schedule I attached herewith) with more than one year's service as at 16th April, 2004 will receive a salary increase of Rs. 1000/-.
 - (b) All Helpers/ Unskilled Workers (Grade IV employees describe in Schedule I attached herewith) with more than one year's service as at 16th April, 2004 will receive a salary increase of Rs. 1000/-.

In respect of employees in the staff categories, revision of salaries will be based on each employee's Performance Appraisal. On the basis of the Performance Appraisal of each employee and the grading obtained, the revision for the current year will be as follows :-

Grade A	-	Rs. 1300/-
Grade B	-	Rs. 1150/-
Grade C	-	Rs. 1050/-
Grade D	-	Rs. 900/-
Grade E	-	Nil

3. **Union Facilities** . — The Employer agrees to grant the facility of union subscription dues "check off" to the Union in respect of its members subject to request forms being submitted by the employees concerned.

The Employer agrees to provide a notice board on the understanding that all notices which are to be displayed will have to be approve by the Employer.

Duty leave will be granted to two members of the Branch Committee to attend to the General Council Meetings of the Union once a month. Provided however, prior notice will have to be given to the Employer in this regard.

The Branch Union may have Union Committee Meetings in the Company canteen. However, the Branch Union will have to notify the Employer in advance and obtain prior permission in this regard. The Committee Meetings will be held after normal working hours.

4. The Union and the employees agree with the Employer that they shall not up to 31st March, 2006 raise any further issues / demands with regard to employee wages, bonuses or other related monetary benefits and shall not resort to any form of trade union action on such matters.

5. The Union and the employees further agree that in the event of any industrial dispute that may arise during the course of this Agreement, the following procedure shall be complied with :-
 - (a) The Branch Committee of the Union will initially raise the dispute with the Manager directly concerned and thereafter, if necessary, with the general management for resolution. Should however, the Branch Committee consider it expedient to do so, they may first inform the Union of any dispute for the Union to take steps in terms of paragraph (b) hereof.
 - (b) In the event of no satisfactory resolution after discussions with the Employer, the Branch Committee will refer the matter to the Union and the Union will raise it with the Employer direct or through the Employer's Federation of Ceylon for resolution through discussions.
 - (C) In the event of no satisfactory resolution after discussions in terms of (b) above, the Union or the Employer may seek the intervention of the Department of Labour under the provisions of the Industrial Disputes Act for conciliation.

The Union and the employees undertake that they shall not resort to any form of trade union action without having complied with the procedural steps in terms of (a) & (b) above and in the event of any trade union action, they shall give notice to the Employer.

6. It is hereby agreed between parties to have an understanding with regard to transferability of employees from one line to another according to operational requirements.
7. The Employer will implement the production incentive scheme in terms of the targets set out in the attached Schedule 2.
8. The union and the employees hereby agree to utilise annual leave in accordance with a roster covering a period of 4 consecutive days.
9. It is hereby agreed between the parties that in respect of the months in which absenteeism is less than 5% the Monthly Attendance Bonus will be Rs. 500. Provided, however, that in respect of months in which absenteeism is 5% and above, the said Attendance Bonus will be Rs. 400 per month.
10. It is hereby agreed between parties that on the condition that the overall efficiency levels averaging at 55% during the period October to December 2005, the employer will make arrangements to provide transport facilities to employees on a subsidized basis.
11. The Employer agrees to make payment of an annual bonus on the following basis :-

<i>Years of Service</i>	<i>Quantum</i>
1-3 years	1 month's salary
3-5 Years	1 1/2 months' salary
over 5 years	2 months' salary

12. In this regard it is also hereby agreed that when there is an urgent need, the employees will be agreeable to work up to 10.00 p. m. voluntarily.
13. Both parties agree and undertake that they shall not resort to any form of unfair labour practices and will act in good faith with a view to maintaining industrial harmony and work efficiencies.
14. This Agreement shall take effect from 1st April, 2005 and continue to operate up to 31st March, 2006.

SCHEDULE 1

Machine Operators	}	Grade III
Checkers		
Ironing Operatives		
Helpers / Unskilled Workers		Grade IV

SCHEDULE 2 (See attached Sheets)

IN WITNESS HEREOF PARTIES HAVE HEREUNTO SET THEIR HANDS ON THIS 6TH DAY OF OCTOBER, TWO THOUSAND AND FIVE.

(Sgd.)

.....
For and on behalf of
POLYTEX GARMENTS LTD.

(Sgd.)

.....
For and on behalf of
POLYTEX EKAMUTHU SEVAKA SANGAMAYA

(Sgd.)

STANLEY AMARASEKERA
General Manager (Admin)

Sgd. Affiliated to the all Ceylon Federation of Free Trade Unions.
Secretary General

Witnesses :

PIYAL DHAMMIKA SALWATHURA
Group Human Resources Manager

UYANAGE JAYANTHI
President
Polytex Ekamuthu Sevaka Sangamaya.

R. L. P. PEIRIS
Deputy Director General
EFC

M. S. SHAMALI
Secretary,
Polytex Ekamuthu Sevaka Sangamaya.

SCHEDULE 2

September 24, 2005.

INCENTIVE SCHEMES

Sewing Department.— Incentive payment is proportionate to the Efficiency.

Daily Sewing Line Efficiency = Standard Minute Value * Sewing Output (Pcs)
((Sewing Operators + Helpers + Supervisor) * No. of worked Minutes)

Entitled Employees.— MO's, Helpers, Checkers, QC's, Supervisors, Recorders & Mechanics are entitled to receive the efficiency payment according to the Schedule below :

Effi.	Rs.	Effi.	Rs.	Effi.	Rs.
30%	10	56%	43	81%	93
31%	11	57%	45	82%	95
32%	12	58%	47	83%	97
33%	13	59%	49	84%	99
34%	14	60%	51	85%	101
35%	15	61%	53	86%	103
36%	16	62%	55	87%	105
37%	17	63%	57	88%	107
38%	18	64%	59	89%	109
39%	19	65%	61	90%	111
40%	20	66%	63	91%	113
41%	21	67%	65	92%	115
42%	22	68%	67	93%	117
43%	23	69%	69	94%	119
44%	24	70%	71	95%	121
45%	25	71%	73	96%	123
46%	26	72%	75	97%	125
47%	27	73%	77	98%	127
48%	28	74%	79	99%	129
49%	29	75%	81	100%	131
50%	31	76%	83	101%	133
51%	33	77%	85	102%	135
52%	35	78%	87	103%	137
53%	37	79%	89	104%	139
54%	39	80%	91	105%	141
55%	41				

Cutting.— Incentive payment is based on the daily Targeted bundling, numbering output.

Incentive Target Output (10 Hrs) - 82.75 pcs.

All the Helpers (28), Supervisor (1), Cutters,(2) Recorder (2) are entitled to receive Rs. 50/= if they achieve the targeted output within the worked hours.

Since the company has planned to expand to the cutting section, the incentive target may be revised.

Finishing – Packing.— All the workers are considered as one group, Incentive payment is proportionate to daily sewing output.

Minimum production of 4000 pcs (10 hrs) should achieve to entitle for incentive payment.

They will start receiving the incentive once they have completed packing of 85% of the sewing production.

In case of delay of Finishing accessories & washed garments finishing section workers can exceed 100% target

All the finishing Helpers (66) & Supervisors (02) are receiving the incentive according the below chart.

<i>Target</i>	<i>Rs.</i>	<i>Target</i>	<i>Rs.</i>	<i>Target</i>	<i>Rs.</i>
85%	40	125%	60	163%	79
87%	41	127%	61	165%	80
89%	42	129%	62	167%	81
91%	43	131%	63	169%	82
93%	44	133%	64	171%	83
95%	45	135%	65	173%	84
97%	46	137%	66	175%	85
99%	47	139%	67	177%	86
101%	48	141%	68	179%	87
103%	49	143%	69	181%	88
105%	50	145%	70	183%	89
107%	51	147%	71	185%	90
109%	52	149%	72	187%	91
111%	53	151%	73	189%	92
113%	54	153%	74	191%	93
115%	55	155%	75	193%	94
117%	56	157%	76	195%	95
119%	57	159%	77	197%	96
121%	58	161%	78	199%	97
123%	59				

Finishing — Pressing .— Styles are categorized as Normal, Difficult & Samples.

Iron Operators (42) & Supervisors (2) will be entitled for the scheme.

All the Iron Operators who achieved the Target will receive the Payments as follows.

Normal Order		Difficult Orders		Samples	
<i>Target</i>	<i>Rs.</i>	<i>Target</i>	<i>Rs.</i>	<i>Target</i>	<i>Rs.</i>
24	30	16	30.00	12	30.00
25	32	17	34.00	13	36.00
26	34	18	38.00	14	42.00
27	36	19	44.00	15	50.00
28	40	20	50.00	17	56.60
29	44	22	55.00	19	63.20
30	50	24	60.00	21	69.80
32	53.20	26	65.00	23	76.40
34	56.40	28	70.00	25	83.00
36	59.60	30	75.00	27	89.60
38	62.80	32	80.00	29	96.20
40	66.00	34	85.00	30	100.00
42	69.20	36	90.00		
44	72.40	38	95.00		
46	75.60	40	100.00		
48	78.80				
50	82.00				
52	85.20				
54	88.40				
56	91.60				
58	94.80				
60	100.00				

Supervisors are getting only a percentage of the total incentive, from number of total working Irons.

Target achieved Iron Tables * 100
Total Iron Tables

According to the efficiency gained payments are given as below :

Percentage	Rs.
>= 40%	30.00
>= 50%	32.00
>= 60%	35.00
>= 70%	39.00
>= 80%	44.00
>= 90%	50.00

Other Sections — All are receiving a performance based incentive payment .— The Total Incentive payment is Rs. 400/=. The amount considered by monitoring the Attendance, Work Output & the Quality of the work

Attendance - 50/=
Work Output - 200/=
Quality of work - 150/=

Entitled Sections & No. of EMP's —

Administration Dept.	- Peon (1)/ Nurses (3)
Security	- Internal O.I.C's (3)
TED Dept.	- Assistant (1)
Co- coordinator	- Assistant (1)
Training School	- Supervisor (1)
Transport	- Driver (1)
Maintenance	- Helpers (38)
EMB	- M/O (8)/ Supervisors (2)
QC	- QC's (5)/ QA's (3)