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PART I : SECTION (I) – GENERAL

Government Notifications

My No.: CI/24.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Ceylon Tobacco Company Limited, No. 178, Srimath Ramanathan Mawatha, Colombo 15 of the one part and Food Beverages & Tobacco Industries Employees' Union, No. 513 - 1/ 2, Elvitigala Mawatha, Colombo 05 of the other part on 24 th July, 2007 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

D. SOMAWEERA EDIRISINGHE,
Commissioner-General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
06 th November, 2007.

Collective Agreement No. 45 of 2007

Collective Agreement - 2007

TECHNICAL ASSISTANTS, TECHNICIANS AND JUNIOR TECHNICIANS
(LEAF DEPARTMENT)

CONTENTS

	Page
1. Title	02
2. Date of Operation and Duration	02
3. Persons Covered and Bound	02

	Page
4. Earlier Collective Agreements	02
5. Declaration of Principle	03
6. Management's Rights and Responsibilities	03
7. General Terms and Conditions of Employment	03
8. Variation of Terms and Conditions of Employment or Benefits	03
9. Wages	04
10. Increments	04
11. Non - Recurring Cost of Living Gratuity	04
12. Shift Allowance	05
13. Provident Fund	05
14. Retiring Gratuity	05
15. Leave	05
16. Holiday Advance	06
17. Recreational Allowance	06
18. Holidays	06
19. Overtime and Work on Holidays	07
20. Bonus Plan	07
21. Death of Employees Whilst in Service	09
22. Death of a Member of Employee's Family	10
23. Marriage of an Employee	10
24. Schemes for Children of Senior Employees	10
25. Seniority Award	11
26. Payment for Unutilised Leave	11
27. Travelling Allowance	11
28. Shutdown - Green Leaf Threshing Plant	11
29. Work Arrangements	11
30. Work during official meal Interval	11
31. Check - Off	12
32. Grievance and Disputes Procedure	12
33. Trade Union Action	13

	Page
34. Extension of Benefits to other Technical Assistants, Technicians and Junior Technicians	13
35. Breaches of the Agreement by the Union and / or its Members	13
36. Interpretation of Agreement	14
37. Definitions	14
First Schedule - Salary Ranges Effective 1.4.2007	15
Signatories / Witnesses	16

COLLECTIVE AGREEMENT - 2007
BETWEEN
CEYLON TOBACCO COMPANY LIMITED
AND
FOOD BEVERAGES & TOBACCO INDUSTRIES
EMPLOYEE'S UNION

THIS COLLECTIVE AGREEMENT made and entered into on the Twenty Fourth day of July Two Thousand and Seven between CEYLON TOBACCO COMPANY LIMITED having its Registered Office at No. 178, Srimath Ramanathan Mawatha, Colombo 15 (hereinafter referred to as the 'EMPLOYER') of the ONE PART and the FOOD BEVERAGES & TOBACCO INDUSTRIES EMPLOYEES' UNION, being a Trade Union duly registered under the Trade Unions Ordinance and having its Registered office at No. 513 1/ 2, Elvitigala Mawatha, Colombo 5, (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 Technical Assistants, Technicians and Junior Technicians employed by the Employer in the Leaf Department, Kandy.

AND WHEREAS it is the desire of both the Union and the Employer to enter into an Agreement which will ensure the peaceful adjustment and settlement of all disputes which may arise between the Employer and its Employees and/ or the Union and the promotion of industrial peace, and productivity.

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

1. **Title.** – This Agreement shall be known and referred to as “The Kandy technical Assistants, Technicians and Junior Technicians collective agreement - 2007”.

2. **Date of Operation and Duration.** – This Agreement shall come into force as from the Fifteenth day of May 2007 and shall thereafter continue in force unless it is determined by either party giving Six (6) months notice in writing to the other party. Provided however, that neither party shall give such notice to the other party before the Fourteenth day of May 2010 and such notice shall not expire before the Forteenth day of November 2010.

3. **Persons Covered and Bound.** – This Agreement shall cover and bind the Employer, the Union, the Technical Assistants, Technicians and Junior Technicians attached to the Leaf Department who are employed on monthly contracts of employment by the employer at its work places in the Leaf Department, Kandy and the Depots, who are members of the Union.

4. **Earlier Collective Agreements.** – The provisions of this Agreement shall supersede and replace the provisions of The Collective Agreement 2004 known as “The Kandy Technical Assistants, Technicians and Junior Technicians Collective Agreement - 2004” which shall stand terminated with effect from the date on which this Agreement takes effect.

5. **Declaration of Principle.** – (a) Both the Company and the Union accept the principle that the special considerations affecting the company are such that wage and salary rates are a proper subject for collective bargaining between the Company and the Union, and that the

actions of other employees including Government corporations and the Government of Sri Lanka in their capacity as employers of labour, regarding the amount and timing of wage increases are not automatically relevant in the context of the company except where otherwise provided by legislation.

- (b) In cases in which Government does provide by legislation for benefits including increases in wages, gratuity, bonus etc., the following shall apply -
 - (i) When such benefits are more favourable to the benefits stipulated only the difference between such benefits provided by such legislation and the benefits stipulated herein, shall be added to the said benefits stipulated herein,
 - (ii) When such benefits are equal or less favourable to the benefits stipulated herein, they shall not be added to or compounded with the said benefits stipulated herein,
- (c) The stipulations contain in para (b) above are without prejudice to the principle contained in para (a) above.

6. Management's Rights and Responsibilities.— The workmen agree that selection, placement, distribution, transfer and promotion of personnel, laying down of working hours and working programmes, planning and control of factory operations, introduction of new machinery or new product type or improved production methods, expansion of production facilities, establishment of quality and production standards, maintenance of efficiency, the consequence thereof, maintenance of discipline, in the Greenleaf Threshing plant and the other work aces in the Leaf Department and for that purpose, taking necessary disciplinary action against workmen, within the framework of the existing law, regulations and Standing Orders, are exclusively the rights and responsibilities of the management.

7. General Terms And Conditions of Employment.— The terms and conditions of this Agreement shall as from the date hereof and during the continuance in force of this Agreement be deemed to be included in all the contracts of employment between the Employer and the Employees covered and bound by this Agreement, whether such contract of employment be written or oral or whether employment was subsisting as at 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.

8. Variation of Terms And Conditions of Employment or Benefits.— (a) The Union and its members and the 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 employment presently applicable to any of the employees covered and bound by this agreement or all or any of the benefits presently enjoyed by any of the workers covered and bound by this Agreement, other than by mutual agreement.

- (b) Subject to the provisions of clause 35, the employer agrees with the Union that it shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the employees covered and bound by this Agreement other than by mutual Agreement.
 - (c) Any dispute or difference arising from negotiations under the provisions of sub - clauses (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.
- 9. Wages.**— (a) As from the First Day of April 2007 the company will grant an increase in wages in the following basis :
- (i) Ten percent (10 %) on the consolidated wage applicable to each employee as at March 2007, and thereafter,
 - (ii) The wage for April 2007 shall be a consolidated wage and shall include all allowances.
- (b) The wage range as from the First Day of April 2007 shall be as set out in the First Schedule, hereto.
- (c) As from the First Day of April 2008 the Company will grant an increase in wages of Five percent (5%) calculated on the consolidated rates as at March 2008 and the said wage for April 2008 shall be a consolidated wage and shall include all allowances. The First Schedule hereto shall thereafter be amended accordingly.
- (d) As from the First Day of April 2009 the Company will grant an increase in wages of Five percent (5%) calculated on the consolidated rates as at March 2009 and the said wage for April 2009 shall be a consolidated wage and shall include all allowances. The First Schedule hereto shall thereafter be amended accordingly.

10. Increments.— The Annual Increments provided in each grade of the wage ranges in the First Schedule hereto shall be granted on the normal incremental rate in July 2008, July 2009 and January 2009, January 2010 as applicable, unless as a measure of disciplinary action or on account of unsatisfactory work an increment is suspended, stopped or deferred. (P.S. Annual Increment for July 2007 and January 2008 will be paid in advance with the 2007 Collective Agreement increment).

11. **Non - Recurring Cost of Living Gratuity.**-(a) The existing practise of consolidating the wages with effect from First day of September of each year shall continue during the operation of this Agreement, In consequence of such consolidation each year, the base index figure for purposes of the Non - Recurring Cost of Living Gratuity will be altered accordingly.

- (b) Every employee shall receive in each year in respect of the preceding Twelve (12) months (First day of March to Twenty Eighth day of February, herein after referred to as the "qualifying period") a Non - Recurring Cost of Living Gratuity on the basis of Rupees Two and Cents Fifty (Rs.2/50) for each completed point, by which the average of the Colombo Consumers' Price Index Figure (Computed as at present) for the qualifying period exceeds the relevant index figure in the manner calculated at present.
- (c) The Non - Recurring Cost of Living Gratuity shall also be payable to an employee who is in employment only during a part of the qualifying year, either due to the fact that he joined the Company's service during the qualifying year or is not in the Company's service at the end of the qualifying year, in respect of the completed months he was in service.
- (d) The Non - Recurring Cost of Living Gratuity shall not be taken into account for purpose of Provident Fund, Overtime, Bonus or any other payment of whatever nature.
- (e) No Non - Recurring Cost of Living Gratuity shall be payable to any employee for any period in respect of which he received no wages for any reason whatsoever.

12. **Shift Allowance.**-

- (a) Employees on the First Shift will not be entitled to a Shift Allowance. However, those who are scheduled for First Shift work on a permanent basis will be entitled to a payment of Rupees One hundred and Fifteen (Rs. 115/=) per day on which he so reports to work.
- (b) Whilst the manner and basis on which the Disturbance Allowance is paid to employees who are required to report work before 6.00 a.m. shall remain unchanged, the quantum of such allowance as from the operative date of this Agreement will be Rupees One Hundred and Fifteen (Rs.115/-).
- (c) As from the operative date of this agreement, Boiler men will paid an allowance of Rupees Two Hundred (Rs.200/-) per month.

13. **Provident Fund.**-

- (a) As from the date of this Agreement the Company will contribute on behalf of each employee to the Provident Fund at the rate of Fifteen percent (15%) of the wage in respect of each employee.
- (b) The wage for the purpose of calculating the contributions to the Provident Fund will be the consolidated wage as set out in the First Schedule hereto (as amended) as set out in Clause 9 (c) and (d) of this Agreement.

14. **Retiring Gratuity.**-

- (a) A permanent employee who retires from the services of the Company on attaining the age of retirement but provided he has completed a minimum of Ten (10) years service, as a permanent employee on a monthly contract of employment with the Company, will be paid a gratuity of One (01) month's wage for each completed year of service.
- (b) The wage for the purpose of calculating the gratuity will be the consolidated wage payable to the employee in the last month of his employment prior to retirement.

15. **Leave.**-

- (i) **Leave year.**- Leave year shall be the period from First day of January to Thirty First day of December of each year.
- (ii) **ANNUAL LEAVE.** - Employees will be entitled to earned Annual Leave of Fourteen (14) days per year and such leave will be allowed at times mutually convenient to the Company and the employees subject to the conditions that at least Five (5) days have to be taken consecutively on the basis of a roster prepared at the beginning of each Leave Year. In the case of employees who complete Twenty five (25) years of service (or attain Fifty (50) years of age with a minimum of Five (5) years service) they will be entitled to Seven (7) days extra Annual Leave in the succeeding years.

Annual Leave has to be applied for and approved in advance. On recruiting to the Company, employees will be entitled to Annual Leave in the following year proportionately on the following basis.

<i>Recruitment</i>	<i>Entitlement</i>
Between 1 January and 31 March	14 days
Between 1 April and 30 June	10 days
Between 1 July and 30 September	07 days
Between 1 October and 31 December	04 days

(iii) *CASUAL LEAVE*. - Employees will be entitled to Seven (7) days casual leave per year. Casual Leave will normally be granted on application without the employee being required to state the reason for the application. Where an Employer finds it difficult to grant an application for casual leave, his difficulty shall be notified to an 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 be decide whether it is reasonable in the circumstances to grant him casual leave.

(iv) *SICK LEAVE*. - Employees covered by this Agreement shall be entitled to Twenty One (21) days sick leave for a year. In the case of infectious diseases the Company agree to grant special leave up to Fourteen (14) days provided the employee concerned submits a Medical Certificate from the Medical Officer of the area in which the employee resides.

16. **Holiday Advance.** - Each employee who avails himself of Five (5) days Annual Leave on consecutive days as provided for in this Agreement, will be granted an advance of Rupees One Thousand (Rs.1,000/-) which shall be deducted from the monthly wages or other dues.

17. **Recreational Allowance.** -

- (a) **RECREATIONAL ALLOWANCE.** - As from the operative date of this Agreement, the company will pay each employee a Recreational Allowance of Rupees One Thousand Five Hundred (Rs.1,500/-) per leave year (January to December), which hereafter is referred to as Recreational Allowance subject to the condition that it shall be paid only when an employee avails himself of Five (5) days annual leave on consecutive days as rostered during the leave year in question. The Company will pay each employee with over fifteen (15) years of service a Recreational Allowance of Rupees Two Thousand Two Hundred and Fifty (Rs. 2,250/=).

18. **Holidays.** - The present system of holidays will continue subject to the Company's right at its discretion to declare any Saturday as a normal working day without the payment of any enhanced remuneration in respect of such day, in which event the Company will grant a day off in lieu. The Company will consult the Union prior to arriving at a decision in regard to the declaration of any Saturday as a normal working day.

19. **Overtime and work on Holidays.** - If required by the Company, an employee shall work reasonable overtime authorised by the Company in excess of his normal working hours and shall work on any holiday, if called upon to do so by the Company. Refusal to work such overtime or on such holiday in the absence of a satisfactory explanation acceptable to the Company shall render an employee liable to disciplinary action. Overtime work or work on holidays shall be remunerated at rates presently in force.

20. **Bonus Plan.** -

- (a) **ANNUAL BONUS**
- (i) Without prejudice to existing bonus schemes and without prejudice to the Company's claim that bonus payments by the Company in the past and as provided in this Agreement are ex-gratia, the Company will, subject as hereinafter provided, continue to pay each employee 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 this Agreement. If in any year the Company at its discretion reduces the bonus to an amount less than the sum of money paid to each Employee as bonus for the year immediately preceding the signing of this Agreement, the Union may canvass such reduction of the bonus with the Company. If the Union is not satisfied with the decision of the Company in the matter, the Union may pursue the matter with the Employer's Federation of Ceylon of which the Company is a member. If the dispute as to the reduction of the bonus is not settled with the Employer's Federation, the same shall be referred to a committee of three persons (hereinafter referred to as a 'Bonus Committee') which shall be constituted in accordance with the provisions of sub-clause (ii) hereby for settlement in the manner hereinafter set forth.
- (ii) At the request of the Company or the Union or both parties with notice thereof to the other made in writing to the Commissioner of Labour, the Honourable Minister of Labour will constitute a Bonus Committee that shall be bound in settling the dispute as to the reduction of Bonus.

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's decision shall be communicated in writing by the Commissioner - General of the Labour 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.

- (iii) The payment of a bonus exceeding the sum of money paid as bonus to employees in the year immediately preceding the signing of this Agreement, shall be at the sole discretion of the Company and shall not be called in question by the Union nor shall the Company's failure or refusal to pay such bonus be the subject of any dispute.
- (iv) An employee who resigns or retires or who joins the services of the Company during the course of the bonus year will receive a proportionate bonus in terms of the practise presently prevailing. An employee who is dismissed by the Company during the course of the bonus year will not receive any proportionate bonus in respect of that year.

(b) PERFORMANCE BASED BONUS

- (i) Performance Based Bonus payment will be granted from within the effective period of this agreement, and shall apply as follows :

<i>Performance Criteria</i>	<i>Amount Rs.</i>
Throughput - above 5700 Kgs/ hr on F/ C	1000
5400 - 5699 Kgs/ hr on F/ C	750
4250 - 5399 Kgs/ hr on F/ C	600
Quality ratio - above 75% @s/ l<2.2%	750
FMI - above 75%	500
Energy - overall - > 175 kwh/ 1000kgs	600
Energy - overall - > 190 - 174 kwh/ 1000kgs	500
Energy - overall - > 191 - 205 kwh/ 1000kgs	400
<i>Lamina Yield</i>	
> 68%	500
< 68%	-500
<i>GLTP Down Time</i>	
Mech + Elect. + Operational B' down <5.5%	500
>5.5%	-500

- (ii) However, in the event there is collective unauthorised absence by the membership, the above will be calculated on a pro rata basis, taking into account the estimated loss in production as a consequence to such action.

(c) ATTENDANCE BONUS

- (i) The company will pay an Attendance Bonus of Rupees Four Hundred and Twenty Five (Rs.425/=) per week to every employee subject to the conditions setout herein.
- (ii) This Bonus will be calculated on a weekly basis and paid once a month.
- (iii) An employee who is on Annual / Casual / Sick Leave within his entitlement on one day will entail the complete loss of the Attendance Bonus for that week. In a given month within his leave entitlement, an employee who avails himself to a part of a day (half day) within a month on more than two occasions will entail complete loss of attendance bonus for that week.
- (iv) Unauthorised absence of any form of leave in excess of his entitlement for any period of time will result in the loss of the total Attendance Bonus for that week.
- (v) Accident, Lieu leave and Company Holidays will, for this purpose be reckoned as days present.

- (d) PROFIT BONUS.- A Profit Related Bonus payment will be made to employees at the sole and unfettered discretion of the employer based on the BAT/ Regional guidelines. The performance of the Company will be rated on the profits made on such other key business parameters as determined by the Employer which may be reviewed and revised as per the BAT Regional Guidelines at the sole discretion of the Employer.

Basis of payment will be as follows :

Company Performance Measures	Weightage	Company Bonus Allocation based on overall company performance (months of salary)			
		Threshold	Target	Normal Max	Extra Max
Operating Profit	20%	-	0.2	0.4	0.6
Volume Share	20%	-	0.2	0.4	0.6
Cash Flow	20%	-	0.2	0.4	0.6
GDB Volume	20%	-	0.2	0.4	0.6
Net Turnover	20%	-	0.2	0.4	0.6
Total	100%	-	0.2	0.4	0.6

Threshold – the performance point has to be exceeded to attract any incentive award.

Target – Company plan/ budget objectives achieved.

Normal Maximum – Company plan objectives surpassed by a wide, but achievable margin.

Extra Maximum – maximum stretch.

To reinforce balanced delivery, performance above the Normal Maximum can only be realised where all measures are delivered at the Target level as a minimum.

- (i) The profit for this payment will be calculated based on the accounts for the period 1 January 2007 to 31 December 2007, 1 January 2008 to 31 December 2008, 1 January 2009 to 31 December 2009. The respective payments as applicable will be made in April 2008, April 2009 and April 2010 on salaries received as in December 2007, December 2008 and December 2009 respectively.
- (ii) Employees leaving or joining the Company during the bonus year will be paid their proportionate share of the bonus on a basis identical as that of the Annual Bonus.
- (iii) No bonus will be paid to an employee whose performance for the year is evaluated as unsatisfactory.
- (e) GOVERNMENT ACTION ON BONUS.– If at any time during the continuance in force of this Agreement the Government introduces by legislation or otherwise any scheme for bonus or payment under any attendance incentive or production scheme, the workmen will not be entitled to the benefits of such scheme in addition to the bonus or bonuses provided for in this Agreement. In the event of such Government action, the workmen shall be entitled to the more favourable scheme of bonus or incentive or production payments.

21. *Death of Employees whilst in Service.*–

- (a) Where an employee dies while in the employment of the Company, the Company will make an ex-gratia payment of Rupees Seventy Five Thousand (Rs. 75,000/=) to the deceased's next of kin.

The next of kin will also be paid a special gratuity of Sixty (60) month's salary or One (01) months' salary for each month of future service whichever is lower.
- (b) The Company will reimburse the monetary value of 400 Viceroy Cigarettes and 400 Players Gold Leaf Cigarettes to the next of kin of the deceased.
- (c) Where the funeral of a deceased employee takes place on a normal working day, the Company depending on the necessity may release, a reasonable number of employees with pay, nominated by the Union representing its membership at all the workplaces in Colombo to enable such employees to participate at such funeral.
- (d) The selection of the employee representatives referred to in sub clause (c) hereof will be on the following basis :

- (i) If the Company cannot release a particular employee due to exigencies of service, the Union shall be entitled to nominate another representative from any other Department/ Section in his place.
- (ii) The duration of the period employees will be released with pay will be at the discretion of the Company whose decision will be on the merits of each case.
- (iii) Provided that in any event such period not exceed half a day and any period in excess of half a day will be deemed to be leave without pay.
- (iv) In addition to the leave prescribed herein for the purpose of attending the funeral of a deceased employee, the Company will grant employees not covered by (ii) herein the normal quota of leave applicable to each Department/ Section against their leave entitlement on the day of the funeral of the deceased employee.

22. Death of a Member of Employee's Family.— In the event of a death of a member of an employee's family the Company will grant Rupees Fifteen Thousand (Rs. 15,000/=) and the monetary value of 400 Players Gold Leaf Cigarettes and also will permit such employee to purchase from the Company 500 cigarettes and the purchase price of these cigarettes will be recovered from such employees in Five (5) monthly instalments. "Family" for this purpose shall have the same meaning as in the Death Mutual Benefit Scheme.

23. Marriage of an Employee.— On the occasion of one marriage of an employee such employee will receive from the Company a gift of Rupees Fifteen Thousand (Rs. 15,000/=), the monetary value of 200 Viceroy cigarettes and 400 Players Gold Leaf cigarettes, but he shall not receive any transport facility in connection with such marriage.

24. Schemes for Children of Senior Employees.—

EMPLOYMENT OPPORTUNITY.— The Company will, as far as possible, endeavour to provide employment for the children of employees without prejudice to the Company's rights in the matter of recruitment.

SCHOLARSHIP SCHEMES.—

- (a) Where an employee has over fifteen (15) years (completed) service with the Company, the Company will provide a scholarship for one of his children to undergo technical training/ apprenticeship course in a recognised Institute in Sri Lanka, which would lead to a Diploma/ Certificate, or Professional Courses in Affiliated Universities.
- (b) Where an employee has over five (5) years (completed) service with the Company, the Company will provide a scholarship for one of his children to undergo local University Course leading to a degree.

25. Seniority Award.—

- (a) An Employee who has been employed by the Company continuously on a monthly contract of employment for a period of Fifteen (15) years service, will be granted a Seniority Award of Rupees Thirty Thousand (Rs. 30,000/=) and a medal with one Gold Sovereign. Such employees at retirement will be entitled to a 29" Colour Television.
- (b) An Employee who has been in the Company continuously on a monthly contract of employment for a period of Twenty Five (25) years of service, will be granted on Award of Rupees Twenty Thousand (Rs. 20,000/=). Such employees at retirement will be entitled to a 29" Colour Television and a Sewing machine.

26. Payment for Unutilized Leave.—

- (a) The Company will continue to pay in respect of each leave year for unutilized Casual, Sick Leave or Annual Leave (in the latter case not exceeding Nine (9) days) on the same basis as at present.
- (b) The Company will also grant the monetary value of 20 Players Gold leaf cigarettes for each day of unutilized leave, provided number of leave days does not exceed 30.

27. Travelling Allowance.— With effect from the date of operation of this Agreement, the monthly Travelling Allowance will be Rupees Two Thousand Five Hundred and Fifty (Rs. 2,550/=) for Junior Technicians and Technicians, and Rupees Two Thousand Seven Hundred and Fifty (Rs. 2,750/-) for Technical Assistants.

28. Shutdown - Green Leaf Threshing Plant.— The Company may stop production in the Green leaf Threshing Plant each year for maintenance purposes, and during the period of such stoppage, employees will be required to perform duties in connection with or related to maintenance work. During this period, skilled employees may be called upon to perform jobs related to maintenance work. However, skilled

employees will not be required to do duties which are menial in nature. Any employee who refuses to perform such work will not be entitled to be provided with work by the Company and he will not receive any remuneration on such a day.

29. **Work Arrangements.**– (Refer “Team Work Agreement 2004” & “Team Work Agreement 2007”)

The Union and the Employer agrees that Technical Assistants, Technicians, and Junior Technicians and Trainee Junior Technicians will be responsible for:

- (a) overall performance of the machines including volume, quality, runnability and maintenance.
- (b) will assist each other in training and transferring knowledge to enhance the skill levels of the above categories.
- (c) will be responsible for overall house keeping of their respective areas.

30. **Work During Official Meal Interval.**– Whenever it becomes necessary to work during the official lunch/ dinner break so as to maintain production due to machine breakdown or any other reason earlier in the day, employees will work during the official (normal) lunch/ dinner interval between 11.00 a. m. and 12. 30 p.m. on the First Shift and Common Shift or an interval between 7.00 p.m. and 9.00 p.m. on the Second Shift or between 3.00 a.m. and 3.45 a.m. on the Third Shift.

31. **Check off.** –

- (a) This clause shall apply to the Employer so long as the Union maintains membership of not less than forty percent (40%) of the employees in each category covered and bound by this Agreement and so long as this Agreement subsists.
- (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 “Authorization” 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 it to the employer.
- (e) As far as practicable, deduction under an authorization shall cease from the date of receipt of revocation cancelling such authorization provided however-
 - (i) that the Employer shall not be liable in any manner whatsoever to the Union or the employee concerned for failure to comply with Subclause (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.

32. **Grievance and Disputes Procedure.** – Subject to the provisions of clause 8 in the event of any dispute or grievance other than a dispute or grievance in relation to any kind of bonus by whatever name it may be called, arising between an employee or employees and the Company, or between the Union and the Company, the following procedure shall be followed for the settlement of such dispute, or in resolving such grievance.

- (a) The employee or the Branch Union Departmental representative will, in the first instance discuss the dispute or grievance with the Departmental Executive.
- (b) If the grievance or dispute is not satisfactorily resolved the employee or the Departmental Union representative may then discuss the matter with the Leaf Processing Manager or the Shift Manager. The Leaf Processing Manager will, if necessary in consultation with the plant Management endeavour to arrive at a satisfactory solution in respect of the grievance or dispute.
- (c) In the event of the grievance or dispute not being resolved at the level of the Leaf Processing Manager, the issue in dispute will then be discussed by the employee or Branch Union Secretary and the Departmental Union Representative with the Departmental Human Resource Manager or with his representative.
- (d) If no satisfactory solution is arrived at, then the issue in dispute will be discussed by the Branch Union and the Leaf Department Management. At such a discussion, the number of representatives on each side shall not exceed Four (4). Such

discussion will be arranged by the personnel Department as far as possible, within Five (5) working days of a request being made by the Branch Union Secretary.

- (e) The Branch Union Secretary or the Departmental Union Representative who wishes to discuss any matter with the Leaf Processing Manager or the Departmental Human Resource Manager will do so by prior appointment.
- (f) If the dispute or grievance remains unresolved, the Branch Union may then raise the issue for discussion with the Company through the Parent Union. The Company will then, within Ten (10) days of a request being made by the parent Union, arrange to discuss the issue in dispute with the parent Union in association with the Employer's Federation of Ceylon.
- (g) In the event of a dispute or grievance not being resolved or settled under the preceding sub-clauses then provided that both parties agree they shall refer such dispute or grievance to voluntary arbitration in terms of section 3 (i) (d) of the Industrial Disputes Act (1950) for settlement. If both parties agree to voluntary arbitration they shall agree on a statement of the matter in dispute and if there is no agreement on such statement they shall request the Commissioner of Labour to determine the statement of the matter in dispute after affording the parties an opportunity to state their case in regard to the statement of the matter in dispute. If the parties are unable to jointly nominate an Arbitrator he shall be nominated by the Commissioner of Labour.
- (h) An award made by an Arbitrator in a voluntary arbitration referred in sub-clause (g) hereby shall be final and binding on the parties.

33. **Trade Union Action** .- The Union and the workmen covered and bound by this Agreement jointly and severally agree with the company that during the continuance in force of this Agreement they shall not engage in any strike or other form of Trade union action in respect of any dispute whether or not such dispute is related to this Agreement.

Provided however that where such dispute has been caused by an act of the employer which in the opinion of the Executive Committee of the Parent Union is mala fide and / or vindictive or calculated to threaten or undermine the existence of the legitimate activities of the Union and/ or its members or is grossly unfair or seriously detrimental to the interests of the Union and/or its members, then the Union shall be entitled to engage in a strike or other form of Trade union action after at least Seven (7) days notice in writing is given by the Union to the Employer, the Employers' Federation of Ceylon and Commissioner of Labour before the date of commencement of such strike. Provided further that in the event of any such strike or trade union action by the union and/or its members it shall be without prejudice to the Company's right to dispute the justification of such action.

The Company for its part, undertakes during the currency of this Agreement, not to enforce any lockout against its employees.

34. **Extension of Benefits to other Technical Assistants, Technicians and Junior Technicians**.- The Company reserves to itself the right to extend the benefits accruing under this Agreement to employees referred to in clause 3 of this Agreement, to all Technical Assistants, Technicians and Junior Technicians or any other categories of employees (Refer Section 3 - Persons covered and bound and Section 36 definitions) in the employment of the Company on such terms and conditions as the Company may determine.

35. **Breaches of the Agreement by the Union and/ or its members**.- If in the opinion of the Employers' Federation of Ceylon the Union or its members have committed a breach of this Agreement, then and in such event the Company reserves to itself the right to withdraw all or any of the facilities or benefits granted to the employees, or Union, without prejudice to the Company's right to restore such facilities or benefits upon such terms and conditions as the Company and the Employers' Federation of Ceylon may decide. The Union will be entitled to dispute the justification of such withdrawal.

36. **Interpretation of Agreement**.- Any dispute over the interpretation of this Agreement shall be settled by voluntary arbitration under Section 3 (i) (d) of the Industrial Dispute Act (1950).

37. **Definitions** .- Unless the context otherwise requires the following words shall have the following meaning -

- (a) "Employee" or "Workmen" shall mean an employee in the permanent establishment and covered and bound by this Agreement.
- (b) "Dispute" shall have the same meaning as an "Industrial dispute" in the Industrial Disputes Act (1950) as amended or in any Act enacted by the parliament to replace the Industrial Disputes Act subject to the proviso that it shall not include a dispute involving a variation of this Collective Agreement.

Words importing the masculine gender shall include the feminine gender.

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

FIRST SCHEDULE

**SALARY RANGES EFFECTIVE
1 ST APRIL 2007**

TECHNICAL ASSISTANTS, TECHNICIANS AND JUNIOR TECHNICIANS

GROUP 4 (a)

Rs. 9,000/= - Rs. 40,451/=
Increment - Rs. 197/=

GROUP 4 (b)

Rs. 9,900/= - Rs. 41,876/=
Increment - Rs. 287/=

GROUP 3 (a)

Rs. 10,800/= - Rs. 43,139/=
Increment - Rs. 289/=

GROUP 3 (b)

Rs. 11,700/= - Rs. 44,455/=
Increment - Rs. 343/=

GROUP 2

Rs. 12,600/= - Rs. 46,330/=
Increment - Rs. 390/=

GROUP 1

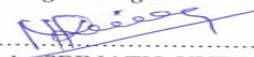
Rs. 13,500/= - Rs. 48,489/=
Increment - Rs. 454/=

FOR AND ON BEHALF OF CEYLON TOBACCO COMPANY LIMITED


GERSON PESSOA DE FIGUEIREDO LIMA NETO
Supply Chain Director


DAYALAGE SAMITHA MANJUSRI PERERA
Human Resources Director


MAPA HAMILLAGE ROHANA WEERASINGHE BANDARA
Leaf Processing Manager


MANJULA SRINATH KUDA BANDARA KARALLIYADDE
Supply Chain HR Manager


**FOR AND ON BEHALF OF THE FOOD BEVERAGES & TOBACCO INDUSTRIES EMPLOYEES
UNION (FBTIEU)**


DON WIMALASIRI SUBASINGHE
General Secretary

WITNESSES:


MAKAVITAGE DON ABEYRATNE
President - FBTIEU (CTC) - Kandy Branch


ABEYSINGHE MUDIYANSEELAGE WIJERATNE
Secretary - FBTIEU (CTC) - Kandy Branch


RANATHUNGA MUDIYANSEELAGE SHANTHI GAMINI ABEYWARDENA
Treasurer - FBTIEU (CTC) - Kandy Branch


KORUWAKANKANAMLAGE DON JOY CHRISTOPHER
President - FBTIEU (CTC Branch)

Witnesses to the signature of the said :

GERSON PESSOA DE FIGUEIREDO LIMA NETO, DAYALAGE SAMITHA MANJUSRI PERERA, MAPA HAMILLAGE ROHANA WEERASINGHE BANDARA, MANJULA SRINATH KUDABANDARA KARALLIYADDE, DON WIMALASIRI SUBASINGHE, MAKAVITAGE DON ABEYRATNE, ABEYSINGHE MUDIYANSEELAGE WIJERATNE, RANATHUNGA MUDIYANSEELAGE SHANTHI GAMINI ABEYWARDENA, KORUWAKANKANAMLAGE DON JOY CHRISTOPHER

My No.: CI/ 1775.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Millers PLC, No. 121, Biyagama Road, Kelaniya of the one part and Ceylon Mercantile Industrial and General Workers' Union (CMU), No. 03, 22nd Lane, Colombo 03 of the other part on 24th August, 2007 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

D. SOMAWEERA EDIRISINGHE,
Commissioner-General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
06th November, 2007.

Collective Agreement No. 43 of 2007

COLLECTIVE AGREEMENT

THE CEYLON MERCANTILE, INDUSTRIAL & GENERAL WORKERS' UNION (CMU) ON THE ONE PART AND MILLERS PLC OF THE OTHER PART

The Ceylon Mercantile, Industrial and General Workers' Union (CMU), a Trade Union, duly registered, and having its registered office at No. 3, 22nd Lane, Colombo 03, hereinafter referred to as 'the Union' and Millers PLC, a company duly registered and having its registered office at No. 121, Biyagama Road, Kelaniya, and hereinafter referred to as the 'Company' agree as follows :-

1. **Parties Covered and Bound.** - This Agreement shall cover and bind the Company, the Union and all permanent employees in service in the Company as at 1st April 2007 who are members of the Union and in respect of whom salary scales have been provided in the First Schedule hereto.

2. **Salaries.** - As from 1st April 2007 every employee covered and bound by this Agreement shall be paid salaries in accordance with the salary scales setout in the First Schedule hereto.

Salaries of employees covered and bound by this agreement will be revised in the following manner during the period of the agreement.

- (a) with effect from 1st April 2007 a sum of Rs. 2,000/- shall be added from the non - recurring cost of living representing 1,000 points of the Colombo Consumers' Price Index figure multiplied by 2.
- (b) with effect from 1st April 2008 a sum of Rs. 1,300/- shall be added to the salaries of employees representing 650 points which will be added to the base index.

In view of the addition of Rs. 2,000/- from the non - recurring cost of living gratuity as stated as (a) above, the base index for the payment of non - recurring cost of living gratuity to employees with effect from 1st April 2007 shall be increased to 3, 200, i.e. by the addition of 1,000 points to the previous base index figure of 2,200.

Similarly, the base index figure will accordingly change on 1st April 2008 in view of (b) above.

3. **Non-recurring Cost of Living Gratuity .-**

- (i) As the scales of consolidated salaries setout in the First Schedule hereto have been fixed on the basis of the Colombo Consumer's Price Index being 3, 200 each employee in service in April of each year, commencing April 2007 shall receive a Non-recurring Cost of Living Gratuity in respect of the preceding 12 months (i. e. 1 st April to 31st March, hereinafter referred to as the "Qualifying Period" in accordance with the under-noted formula).

THE FORMULA : If the average of the Colombo Consumer's Price Index for the qualifying period (1st April 2007 - 31st March 2008) exceeds 3,200 a sum computed at Rupees Two (Rs.2/-) for each complete point by which such average exceeds 3,200 in respect of each month of service during the qualifying period.

- (ii) The Non-recurring Cost of Living Gratuity shall be payable by the Company to an Employee who is eligible to receive the same by virtue of his service under the Company during only a part of the qualifying year by reason of the fact that he is not in the Company's service when the Non-recurring Cost of Living Gratuity becomes due in April of any year or he joined the service of the Company during the course of the qualifying year.
- (iii) The Company will be entitled to make proportionate deductions from the Non - Recurring Cost of Living Gratuity in respect of any period of absence at work without pay.

Similarly the base index during the period of the Agreement will change on account of 2 (b) above to 3, 850 at the end of succeeding qualifying years.

4. **Lunch Subsidy.**- During the continuance in force of this Agreement the Company shall continue to extend the lunch subsidy that is presently given to employees.


5. **Variation of Terms and Conditions.**- Parties agree that all terms and conditions and benefits enjoyed by the employees will remain unaltered for the duration of this Agreement and that any changes will be affected only by negotiations.

6. **Date of Operation and Duration.**- This Agreement shall be effective from 1st April 2007 and continue in force for a minimum period of 2 years and thereafter unless it is terminated by either party giving one (1) month's notice in writing to the other.

7. **Trade Union Action.**- The Union and the employees agree with the Company that they shall not, during the continuance in force of this Agreement, resort to any trade union action in respect of any matter covered under this Agreement.

In witness hereof parties have hereunto set their hands on this 24th day of August Two Thousand and Seven at Colombo.


For & on behalf of
MILLERS PLC


For & on behalf of the
**Ceylon Mercantile, Industrial
& General Workers' Union
(CMU)**


Name: T. D. E. Sagarathne
Designation: Managing Director

Name: Bala Tampoe
Designation: General Secretary

Witnesses:

1. M. G. Perera
Name: Mrs. M. G. Perera
Designation: GM - Finance & Admin.

2. T. A. S. de Seneviratne
Name: Tania de Seneviratne
Designation: Telephone/Operator

MILLERS PLC
PQ 28

Director
S. R. Balachandran
Director
24/8/2007

FIRST SCHEDULE

MILLERS LIMITED											
Proposed Salary Scales effective from 01st April 2007 (Base NRCLOG Index at 3,200)											
	Clerks, Cashiers, Typists, Stenographers, Sales Assistants, Store-keepers, Telephone Operators and Pharmacists				Laboratory Technicians, Technical Assistants, Mechanics and Merchandising Assistants			Peons, Delivery Boys and Labourers		Drivers and Three Wheeler Operators	
STAGE	SPECIAL GRADE	HIGHER GRADE	GRADE I	GRADE II	GRADE I	GRADE II	GRADE III	MINOR I	MINOR II	DRIVERS I	DRIVERS II
Increment	240.00 x20	120.00 x20	90.00 x20	70.00 x20	120.00 x20	90.00 x20	70.00 x20	65.00 x20	60.00 x20	75.00 x20	70.00 x20
01	12,800	12,750	11,100	9,520	11,600	10,500	9,480	9,410	8,100	9,460	8,140
02	13,040	12,870	11,190	9,590	11,720	10,590	9,550	9,475	8,160	9,535	8,210
03	13,280	12,990	11,280	9,660	11,840	10,680	9,620	9,540	8,220	9,610	8,280
04	13,520	13,110	11,370	9,730	11,960	10,770	9,690	9,605	8,280	9,685	8,350
05	13,760	13,230	11,460	9,800	12,080	10,860	9,760	9,670	8,340	9,760	8,420
06	14,000	13,350	11,550	9,870	12,200	10,950	9,830	9,735	8,400	9,835	8,490
07	14,240	13,470	11,640	9,940	12,320	11,040	9,900	9,800	8,460	9,910	8,560
08	14,480	13,590	11,730	10,010	12,440	11,130	9,970	9,865	8,520	9,985	8,630
09	14,720	13,710	11,820	10,080	12,560	11,220	10,040	9,930	8,580	10,060	8,700
10	14,960	13,830	11,910	10,150	12,680	11,310	10,110	9,995	8,640	10,135	8,770
11	15,200	13,950	12,000	10,220	12,800	11,400	10,180	10,060	8,700	10,210	8,840
12	15,440	14,070	12,090	10,290	12,920	11,490	10,250	10,125	8,760	10,285	8,910
13	15,680	14,190	12,180	10,360	13,040	11,580	10,320	10,190	8,820	10,360	8,980
14	15,920	14,310	12,270	10,430	13,160	11,670	10,390	10,255	8,880	10,435	9,050
15	16,160	14,430	12,360	10,500	13,280	11,760	10,460	10,320	8,940	10,510	9,120
16	16,400	14,550	12,450	10,570	13,400	11,850	10,530	10,385	9,000	10,585	9,190
17	16,640	14,670	12,540	10,640	13,520	11,940	10,600	10,450	9,060	10,660	9,260
18	16,880	14,790	12,630	10,710	13,640	12,030	10,670	10,515	9,120	10,735	9,330
19	17,120	14,910	12,720	10,780	13,760	12,120	10,740	10,580	9,180	10,810	9,400
20	17,360	15,030	12,810	10,850	13,880	12,210	10,810	10,645	9,240	10,885	9,470
21	17,600	15,150	12,900	10,920	14,000	12,300	10,880	10,710	9,300	10,960	9,540
Increment	300.00 x20	140.00 x20	110.00 x20	90.00 x20	140.00 x20	110.00 x20	90.00 x20	70.00 x20	65.00 x20	80.00 x20	75.00 x20
22	17,900	15,290	13,010	11,010	14,140	12,410	10,970	10,780	9,365	11,040	9,615
23	18,200	15,430	13,120	11,100	14,280	12,520	11,060	10,850	9,430	11,120	9,690
24	18,500	15,570	13,230	11,190	14,420	12,630	11,150	10,920	9,495	11,200	9,765
25	18,800	15,710	13,340	11,280	14,560	12,740	11,240	10,990	9,560	11,280	9,840
26	19,100	15,850	13,450	11,370	14,700	12,850	11,330	11,060	9,625	11,360	9,915
27	19,400	15,990	13,560	11,460	14,840	12,960	11,420	11,130	9,690	11,440	9,990
28	19,700	16,130	13,670	11,550	14,980	13,070	11,510	11,200	9,755	11,520	10,065
29	20,000	16,270	13,780	11,640	15,120	13,180	11,600	11,270	9,820	11,600	10,140
30	20,300	16,410	13,890	11,730	15,260	13,290	11,690	11,340	9,885	11,680	10,215
31	20,600	16,550	14,000	11,820	15,400	13,400	11,780	11,410	9,950	11,760	10,290
32	20,900	16,690	14,110	11,910	15,540	13,510	11,870	11,480	10,015	11,840	10,365
33	21,200	16,830	14,220	12,000	15,680	13,620	11,960	11,550	10,080	11,920	10,440
34	21,500	16,970	14,330	12,090	15,820	13,730	12,050	11,620	10,145	12,000	10,515
35	21,800	17,110	14,440	12,180	15,960	13,840	12,140	11,690	10,210	12,080	10,590
36	22,100	17,250	14,550	12,270	16,100	13,950	12,230	11,760	10,275	12,160	10,665
37	22,400	17,390	14,660	12,360	16,240	14,060	12,320	11,830	10,340	12,240	10,740
38	22,700	17,530	14,770	12,450	16,380	14,170	12,410	11,900	10,405	12,320	10,815
39	23,000	17,670	14,880	12,540	16,520	14,280	12,500	11,970	10,470	12,400	10,890
40	23,300	17,810	14,990	12,630	16,660	14,390	12,590	12,040	10,535	12,480	10,965
41	23,600	17,950	15,100	12,720	16,800	14,500	12,680	12,110	10,600	12,560	11,040

MILLERS LIMITED C.M.U.CONTRIBUTION As at 31/08/2007			
	Name	Amount (Rs.)	DEPT
1	SILVA P.S.MISS.	75.00	ACCOUNTS
2	IRANGANIE W.G.MISS.	75.00	ACCOUNTS
3	JAYATISSA G.P.D.T.	50.00	ACCOUNTS
4	RUPASINGHE A.	50.00	ACCOUNTS
5	WEERASOORIYA M.MRS.	75.00	ACCOUNTS
6	SIVAKUMAR M.	50.00	ACCOUNTS
7	WIJESOORIYA H P	50.00	ACCOUNTS
8	PERERA K L S	50.00	ACCOUNTS
9	LASANTHIE T A I	50.00	ACCOUNTS
10	CHITRAMAYAN M.	50.00	NUG/LAB
11	DISSANAYAKE D M P	75.00	NUG/LAB
12	PERERA N I G	75.00	NUG/LAB
13	DHARMARANSI H D N S	50.00	NUG/LAB
14	AMARASINGHE N J	30.00	STORES
15	CHANDIMA M K	40.00	STORES
16	DUMINDA H A	40.00	STORES
17	FERNANDO W.W.SUMITH	50.00	STORES
18	GUNASENA H A M	30.00	STORES
19	NILANTHAKUMARA G A	30.00	STORES
20	NISHANTHA H M	30.00	STORES
21	PRABATH H A S	30.00	STORES
22	PUSHPAKUMARA W S	30.00	STORES
23	RAMAKRISHNAN P.	50.00	STORES
24	SIRIWARDENA W.A.	50.00	STORES
25	SAMAN A D	50.00	STORES
26	WEERASINGHE C D W K	50.00	STORES
27	ANANDA W.S.	50.00	STORES
28	KAMALSIRI V	50.00	STORES
29	NIMAL K.G.	50.00	STORES
30	WIJESINGHE W D D N	50.00	STORES
31	KUMARA P.C.S.	50.00	STORES
32	SUDHARSHANA R M J	50.00	STORES
33	LAKSHMAN B.W.A.	75.00	STORES
34	WIJEWARDENA P G T	50.00	STORES
35	PERERA K A R	50.00	STORES
36	WEERASINGHE S N	50.00	STORES
37	B U D S SENANAYAKE	40.00	STORES
38	TROWEL N P	50.00	STORES
39	FERNANDO W M R S	50.00	STORES
40	RATNAYAKE B.L.J.	50.00	STORES
41	MALLAWARACHCHI C	50.00	STORES
42	SABARATNAM S	40.00	STORES
43	JAYANTHA A.M.R.	50.00	PER/ADM
44	BALASUBRAMANIUN B MISS	50.00	JAIC LAB
45	THILLAKASIRI K D	50.00	JAIC LAB
46	LIYANAGE A.S.C.	75.00	JAIC LAB
47	R B C T RATNAYAKE	50.00	JAIC LAB
48	KODAGODA D S N	50.00	JAIC LAB
49	C G ANESTEEN	40.00	GEN-MARKT
50	JAYATHILLAKE M R A R	30.00	GEN-MARKT
51	KAVIRATNA A L	30.00	GEN-MARKT
52	RUPASINGHE I P K	75.00	GEN-MARKT
53	TELDENIYA S T	50.00	GEN-MARKT

MILLERS LIMITED C.M.U.CONTRIBUTION As at 31/08/2007		
	Name	Amount (Rs.)
54	WICKREMARATNA W W A C	50.00
55	SENEVIRATNE T.A.E.DE J	75.00
56	RANGA COORAY	40.00
57	SOMARATNE U.S.K.	50.00
58	ANTON PERERA W S	50.00
59	W A PUSHPAKUMARA	40.00
60	DISSANAYAKE S P B	50.00
61	PRIYANKARA H K M R	50.00
62	SENANAYAKE K K D M K	50.00
63	NIYAS M.	75.00
64	E M DE COSTA	50.00
65	NIXON J.R.	75.00
66	De Alwis A M S	50.00
67	SELVARAJAH R.	75.00
68	CHANDRASIRI H.A.T.	75.00
69	SILVA S P D A	50.00
70	SAMANTILLEKE M	75.00
71	JAYAH M A S	75.00
72	RAMAKRISHNAN M.	50.00
73	SAMARATUNGA S.L.N.	50.00
74	CHAMINDA K G A	50.00
75	ABREHAM R S	40.00
76	FONSEKA H I L	30.00
77	VENISTUS G S	75.00
78	WICKREMANAYAKE K S M	50.00
79	RATNAYAKE R T K	50.00
80	SURENDRA G S	50.00
81	Wijemanne K	50.00
	TOTAL	4,190.00

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Nestle Lanka, PLC, No. 440, T. B. Jayah Mawatha, Colombo 10 of the one part and all Ceylon Commercial and Industrial Workers' Union, No. 457, Union Place, Colombo 02 of the other part on 18 th July, 2007 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, Legislative Enactments of Ceylon (Revised Edition 1956).

D. SOMAWEERA EDIRISINGHE,
Commissioner-General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
13th November, 2007.

Collective Agreement No. 40 of 2007

NESTLE LANKA PLC. KURUNEGALA FACTORY

COLLECTIVE AGREEMENT

OF

2007

COLLECTIVE AGREEMENT

Between

NESTLE LANKA PLC. KURUNEGALA FACTORY

And

ALL CEYLON COMMERCIAL AND INDUSTRIAL WORKERS' UNION

CONTENTS

Article

Page

PART I - GENERAL

1.	Title	05
2.	Date of Operation and Duration	05
3.	Earlier Collective Agreements	05
4.	Persons Covered and Bound	05
5.	General Terms and Conditions	05
6.	Variation of Terms and Conditions of Employment or Benefits	06
7.	Check Off	06
8.	Union Meetings / Duty Leave	06 & 07
9.	Trade Union Action	07

PART II - PROBATION

10.	Probation on Recruitment	08
-----	--------------------------------	----

PART III - WORKING HOURS

11.	Working Hours	09
-----	---------------------	----

PART IV - WAGE ADMINISTRATION AND ALLOWANCES

12.	Initial Salary Points	10 & 26
13.	Salaries	10 & 11
14.	Non-Recurring Cost of Living Cratuity	12

<i>Article</i>	<i>Page</i>
15. Performance Based Payment	12 & 13
16. Overtime	13
17. Weekly Holidays	13
18. Statutory Holidays	13 & 14
19. Festival Advance	14
20. Uniforms	14
21. Bonus	14
22. Shift Allowance	15
23. Free Tea / Coffee	15
PART V – LEAVE	
24. Annual Leave	16
25. Casual Leave	16 & 17
PART VI – SICK LEAVE AND MEDICAL BENEFITS	
26. Sick Leave	18
27. Medical Benefits / Hospitalisation	18 & 19
PART VII – RETIREMENT AND TERMINAL BENEFITS	
28. Age of Retirement	20
29. Provident Fund	20
30. Employees' Trust Fund	20
PART VIII – ATTENDANCE & CARRYING OUT EMPLOYER'S INSTRUCTIONS	
31. Attendance	21
32. Carrying Out Employer's Instructions	21
PART IX – SUSPENSION, DISCIPLINARY PROCEDURE AND GRIEVANCE & DISPUTE PROCEDURE	
33. Suspension	22
34. Disciplinary Procedure / Domestic Inquiry	22, 23 & 24
35. Grievance & Disputes Procedure	24 & 25
APPENDICES	
Appendix I - Initial salary points of all employees	26
Appendix II - Grading of all employees	27
Appendix III - Overtime payments Schedule	28

COLLECTIVE AGREEMENT
BETWEEN
NESTLE LANKA PLC. KURUNEGALA FACTORY
AND
ALL CEYLON COMMERCIAL AND INDUSTRIAL WORKERS' UNION

This Collective Agreement made and entered into on the 18 day of July, Two Thousand and Seven between NESTLE LANKA PLC. Factory located at Pannala, in the district of Kurunegala, having its registered office at No. 440, T B Jayah Mawatha, Colombo 10 (hereinafter referred to as the "Employer") of the One Part and the, All Ceylon Commercial and Industrial Workers' Union, being a trade Union duly registered under the Trade Unions, Ordinance having its registered office at No. 457, Union Place, Colombo 2, (hereinafter referred to as the "Union") of the Other Part.

WITNESSETH

WHEREAS the Union has shown to the satisfaction of the employer that it represent a majority of the employees.

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

PART I - GENERAL

1. **Title.** - This Agreement shall be known and referred to as “**Nestle Lanka PLC. Kurunegala Factory Collective Agreement of 2007**”.

2. **Date of Operation and Duration.** - This Agreement shall come into force with effect from 1 st December 2007 and shall be in force up to 30 th day of November in the year 2010, but shall continue to remain in force thereafter, until such time as valid notice of termination of the Agreement is given by either party. No notice will be valid unless given in writing by either party and is of at least six (6) calendar months duration. The earliest date at which such notice could validly terminate the contract is 31 st May 2010.

3. **Earlier Collective Agreements.** - The provisions of this agreement shall supersede and replace the provisions of any earlier Collective Agreement including the provisions of the “The Nestle Lanka Limited, Kurunegala Factory Collective Agreement of 2005”, which shall stand terminated with effect from the date on which this Agreement takes effect.

4. **Persons Covered and Bound.** - This Agreement shall cover and bind the Employer, the Union, employees who are members of the Union and all the employees who are employed on permanent monthly contracts of employment by the employer.

5. **General Terms and Conditions.** - The terms and conditions of this Agreement shall as from the date hereafter and during the continuance in force of this Agreement be deemed to be included in all contracts of employment between the Employer and the Employees covered and bound by this agreement.

6. **Variation of Terms and Conditions of Employment or Benefits.** -

6.1. The Employer, the Union and its members, and employees covered and bound by this Agreement, agree that, during the continuance of this Agreement, that neither party will seek to vary or add to any of the terms and conditions of employment and benefits presently covered and bound by this Agreement and existing benefits and privileges not specified in the agreement.

6.2. Any variations or additions required to any of the terms and conditions and benefits covered and bound by this Agreement should only be done by mutual agreement.

7. **Check Off.** -

7.1. The Employer agrees to deduct Union Subscriptions from the wages of Union members and remit such subscriptions monthly to the Union provided prior consent in writing is received by the Employer from each member.

7.2. The above membership deductions under sub - clause 7.1 would be subject to the Union having a minimum membership of 40% of employees in categories covered by this Collective Agreement.

8. **Union Meetings/ Duty Leave.** -

8.1. The Union or the Branch Union may with the agreement of the Employer hold Committee meetings and General meetings of the Union within the Employer’s premises at such places and times as agreed by Management. No person who is not in the employment of the Employer shall attend such meetings without the written agreement of the Employer.

8.2. **DUTY LEAVE.** - Without prejudice to the rights of the Employer, to refuse to grant permission if in his discretion the exigencies of the circumstances warrant refusal, the Employer will generally grant permission for not more than two (2) office bearers of the union to attend to the following matters in connection with the membership in the Company without loss of wages for such absence.

8.2.1. To be present at conferences to be held under the aegis of the Employer or the Employers’ Federation of Ceylon or the Department of Labour in connection with a dispute between the Union and the Employer.

8.2.2. To attend inquiries before Industrial Courts, Arbitrators or Labour Tribunals.

8.3. The Employer will in his discretion grant leave without remuneration to an employee to attend a Trade Union course or seminar or conference, either in Sri Lanka or abroad. However, the employee concerned is entitled to make use of his annual leave or statutory holidays for the purpose.

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

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

PART II - PROBATION

10. **Probation on Recruitment.** –

10.1 All employees on first employment to the company shall be on probation for a period of six (6) months that may be extended by three (3) months if the Employer is not satisfied with the Progress of such employee.

10.2 On successful completion of the probationary period, the employee shall be advised in writing by the Employer of his confirmation.

10.3 During the period of probation or extended probation, either party shall have the right to terminate the service without notice.

PART III - WORKING HOURS

11. **Working Hours.** – The hours of work shall be as stipulated below subject to any changes which may have to be effected as a result of the government or policy decision of the Company to meet any exigencies. However, any changes should be by mutual agreement between the two parties.

11.1 GENERAL OFFICE STAFF. – The normal hours of work will be from 8.00 a.m to 5.00 p.m. from Monday to Friday each work.

11.2 All other categories of staff. – The normal working hours per week shall be forty - four (44) hours excluding meal times. Schedules of working hours and rosters for shift employees shall be determined by the employer and these times shall be displayed on the notice boards.

PART IV - WAGE ADMINISTRATION AND ALLOWANCES

12. **Initial salary points.** –

12.1 As from the First day of December, Two Thousand & Seven, the initial salary points applicable to the categories of employees covered and bound by this agreement shall be as set out in Appendix I hereof.

12.2 At the expiry of the twelve (12) months period commencing from 01st December 2007, the scales of consolidated salaries set out in Appendix I will be increased by the same percentage (%) by which the Colombo Consumers' Price Index figure stands increased during such twelve (12) months period. Thereafter, during the pendency of this Agreement the initial salary points will be increased in a similar manner at the end of each succeeding twelve (12) months period.

12.3 The increase in the initial salary points, as set out at clause 12.2 above shall not result in any corresponding increase in the monthly consolidated salaries applicable to individual employees.

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

13. **Salaries.** – As from the First day of December, Two Thousand and Seven, the monthly salaries of the employees shall be revised as set out hereunder ;

- 13.1 With effect from 1st December 2007, the consolidated salary as at 30th November 2007 drawn by each employee will be increased by

Salary Group	Percentage Increase
Below Rs. 34,000.00	10%
Rs. 34,000.00 & Above	9%

The Basic Salary as at 30th November 2007 is taken for the above purposes. All employees earning a consolidated salary below Rs. 34,000.00 as at 30th November 2007 will not exceed Rs. 37,060.00 with this increase.

- 13.2 With effect from 1st December 2008, the monthly - consolidated salary of an employee as at 30th November 2008 will be increased by

Salary Group	Percentage Increase
Below Rs. 34,000.00	9%
Rs. 34,000.00 & Above	7%

The Basic Salary as at 30th November 2008 is taken for the above purposes. All employees earning a consolidated salary below Rs. 34,000.00 as at 30th November 2008 will not exceed Rs. 36,380.00 with this increase.

- 13.3 With effect from 1st December 2009, the monthly - consolidated salary of an employee as at 30th November 2009 will be increased by

Salary Group	Percentage Increase
Below Rs. 34,000.00	9%
Rs. 34,000.00 & Above	7%

The Basic Salary as at 30th November 2009 is taken for the above purposes. All employees earning a consolidated salary below Rs. 34,000.00 as at 30th November 2009 will not exceed Rs. 36,380.00 with this increase.

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

- 13.5 It is agreed and understood that the consolidated salaries stated above, clauses 13.1, 13.2, 13.3 and 13.4 are all - inclusive and shall not attract any additional amounts by way of annual increments on a salary scale or revision on account of cost of Living based on a consumer price index.

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

- 14.1 The initial salary points of the consolidated salaries set out in Appendix I have been fixed on the basis of the Colombo Consumers' Price Index of November 2006. An Employee shall be entitled to receive and the Employer is liable to pay a non-recurring Cost of Living Gratuity to the Employee's in service in December 2007, in respect of the preceding twelve (12) months (hereinafter referred to as the "Qualifying Period") commencing from the First day of December Two Thousand and Seven ascertained in accordance with the under noted formula.

FORMULA

If the average of the Colombo Consumers' Price Index for the qualifying period exceeds Colombo Consumers' Price Index of November 2007 a sum computed at Rupees Two and Fifty cents (Rs.2.50) for each complete point (i.e. 1.0) by which such average exceeds Colombo Consumers' Price Index of November 2007 in respect of each month of service during the qualifying period.

- 14.2 When at the expiry of each twelve (12) month period commencing on the First day of December Two Thousand and Seven the initial salary points of the consolidated salaries have been revised in the manner set out in clause 12 of this Agreement; the base index figure in the formula for the purpose of calculating the non-recurring Cost of Living Gratuity shall thereafter be increased by the number of points by which the Colombo Consumers' Price Index has risen during the twelve (12) month period as specified in clause 12 during the continuance in force of this agreement.
- 14.3 The non-recurring Cost of Living Gratuity shall be payable by the Employer to an Employee by virtue of his service under the Employer during a part of the qualifying year by reason of the fact that he is not in the Employer's service when the non-recurring Cost of Living Gratuity becomes due in December of any year or he joined the Employer's service during the course of the qualifying year. When the non-recurring cost of living gratuity is paid at the end of the qualifying year, deductions are made there from on account of any period of absence without pay.

15. Performance based payments.-

- 15.1 With the introduction of the initial points as provided as clause 12 hereof, it is agreed by and between parties that there shall be no fixed automatic increments applicable to any category of employees and whatever payments in the form of lump sum and/or increases during the period of this collective agreement shall be determined by the employer subject to a performance appraisal of each employee. The decision of the employer with regard to the grant/ non-grant of this payment in the form a lump sum and/or increase shall be final and shall not be the subject of an industrial dispute.

16. Overtime .-

- 16.1 Overtime work shall mean work performed in excess of normal working hours.
- 16.2 If required by the Employer, due to exigency of the services, overtime work will be performed by the Employee as and when and for such period as the Employer may reasonably require. An employee shall have a good reason for such refusal to do any overtime work required by the Employer.
- 16.3 Work performed in excess of the normal hours shall be remunerated as per the over time schedule shown in Appendix III of this agreement.

17. Weekly Holidays.- In respect of each week every industrial Employee shall be allowed one (1) weekly holiday and every shop and office employee one and a half (1 1/2) days as weekly holidays, Provided that an employee has worked for a period of at least twenty-eight (28) hours exclusive of any overtime work for that week and otherwise the Employer shall be entitled to deduct a day's wage in respect of the weekly holiday for that week.

- 17.1 In computing the period of twenty-eight (28) hours referred to the Employer shall include -

- 17.1.1 Every holiday allowed by the Employer to the Employee as the annual holiday ;
- 17.1.2 Every public holiday granted by the Employer ;
- 17.1.3 Every day's absence on any grounds approved by the Employer.

18. Statutory Holidays.-

- 18.1 Employee will be granted Statutory holidays and poya holidays as determined by legislation subject to exigency of work.
- 18.2 If any of the Statutory holidays falls on a weekly half day, an additional half-day shall be granted on the working day immediately preceding it and if it falls on a weekly holiday, a substitute holiday shall be granted on the working day immediately succeeding such weekly full holiday.

19. Festival Advance.- The employer agrees to pay an advance not exceeding the amount stated below, for the respective years, for one festival per year of the employee's choice.

2008	-	Rs. 10,000.00
2009	-	Rs. 11,000.00
2010	-	Rs. 12,000.00

This will be recovered ordinarily in ten (10) monthly installments or where the employee leaves the Employer's employment, the full balance will be deducted from his balance salary/ final payment.

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

21. **Bonus .**— The employer agrees to pay a bonus to employees each year for the period of this Agreement on the following basis ;

21.1 Two (2) months' salary each year.

21.2 In addition to the bonus at 21.1 half-month's salary, as bonus will be paid subject to a scheme for non-utilisation of 7 days of the casual and Sick leave. On this basis, for each day unutilised of these 7 days, he will be paid half-month's salary divided by 7. Any No pay leave (authorised or unauthorised) will also be set off against the seven days for the purpose of this scheme.

21.3 The payment of bonus may be stopped totally or partly for disciplinary reasons.

22. **Shift Allowance.**— Employees required to work on shift will be paid a shift allowance on the following basis. Shift allowance will be paid, only for the days the employee presents himself for full day's work.

<i>Shift</i>	<i>From</i>	<i>To</i>	<i>Amount</i>
Morning	06:00 Hrs	14:00 Hrs	Rs. 50.00
Afternoon	14:00 Hrs	22:00 Hrs	Rs. 50.00
Night	22:00 Hrs	06:00 Hrs	Rs. 175.00

23. **Free Tea / Coffee.**— The company will provide a cup of tea / coffee to all employees during the two-tea/coffee intervals.

Part V - Leave

24. **Annual Leave.**—

24.1. Employees' are entitled to earned annual leave of a maximum of fourteen (14) working days per calendar year and such leave will be allowed at times convenient to the Employer and the employees subject to the condition that at least seven (7) days have to be taken consecutively on the basis of a roster prepared at the beginning of each leave year. However, any changes to this roster due to exigencies of work should be only by mutual Agreement.

Annual leave has to be applied for and approved in advance. However, an employee may opt to set off absence due to ill health in excess of twenty one (21) day's sick leave allowed under clause 26 against his Annual leave entitlement.

24.2. **New Employees** shall be granted Annual leave during the following year on a proportionate basis as follows :

Employees joining between –

1st January and 31 st March	-	14 days
1st April and 30 th June	-	10 days
1st July and 30 th September	-	07 days
1st October and 31 st December	-	04 days

25. **Casual Leave.**—

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

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

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

Part VI - Sick Leave & Medical Benefits

26. *Sick Leave.*—

- 26.1. An employee shall be granted up to a maximum of Twenty one (21) working days leave on full pay in any one calendar year in the case of sickness.
- 26.2. The Employer may request an employee to support his sickness by a medical certificate from a Registered Medical Practitioner where necessary.
- 26.3. The Employer will be entitled to refuse to grant pay for any days of absence on grounds of sickness not supported by a certificate from any Medical Practitioner registered in the Medical Council of Sri Lanka or Ayurvedic Medical Council of Sri Lanka.
- 26.4. An Employee shall endeavour to inform the Company immediately of such sickness or at least within two (2) days and produce a Medical Certificate within three (3) days.
- 26.5. An Employee who takes less than Twenty one (21) days sick leave in any one calendar year, as allowed above (clause 26.1) may avail himself of the balance sick leave by accumulation to a maximum of Ninety (90) days with pay in any one year. The accumulated sick leave shall only be in account of **Prolonged Illness, Hospitalisation, Infectious Diseases** or similar circumstances, and such sick leave should be supported by a medical certificate from a Registered Medical Practitioner and should be approved by the Company Medical Officer unless this requirement is waived by the employer. An employee shall in the first instance avail himself of the accumulated sick leave before utilising his twenty one (21) days sick leave in respect of that year.
- 26.6. During the period of probation employees are not entitled to any sick leave. However, after confirmation in respect of the first year of employment, employees will be allowed sick leave during that year up to 31st of December, computed on the basis of one and half (1 1/2) days for each month of employment.

27. *Medical Benefits / Hospitalisation.*—

- 27.1. The Employer agrees to reimburse medical expenses in terms of the Company Medical Scheme of the following basis :

2008	-	Rs. 15,000.00
2009	-	Rs. 18,000.00
2010	-	Rs. 20,000.00

The Employer agrees for the employee to accumulate to a maximum of Rs. 30,000.00 unutilised reimbursement of medical expenses.

- 27.2. Medical expenses are reimbursed only for employees and their immediate families. Immediate families are defined as Husband / Wife and dependent legitimate children of employees. This is on condition that the Husband / Wife is not covered by another Medical Benefits Scheme of their employer ; and in such case the Employer does not allow duplication.
- 27.3. **HOSPITALISATION.**— For hospital treatment, employees are granted a Medical Insurance Scheme through the Insurance Corporation of Sri Lanka. The Scheme "A" of the Corporation is applicable and both the employee and the Employer pay 50% of the insurance premium each. This scheme covers hospitalisation of the employee only.

Employee may cover the immediate family (Spouse and Children) at their own discretion under the said Insurance Scheme, the employee and Employer pay 50% each of the insurance premiums for this purpose.

PART VII - RETIREMENT AND TERMINAL BENEFITS

28. **Age of Retirement.**— On reaching the age of Fifty five (55) years an employee shall *ipso facto* retire and cease to be employed by the Employer. There shall be no obligation on the Employer to give the employee any notice of such retirement. In the event of an employee being offered employment after retirement, such employee shall not be covered by this Agreement.

29. **Provident Fund.**— Contributions to Provident Fund will be at the rate of 12% by the employer and 8% by the employee of the consolidated monthly salary as prescribed by legislation.

30. **Employees, Trust Fund.**— The Employer shall contribute to the Employees' Trust Fund at the rates prescribed by legislation.

PART VIII - ATTENDANCE & CARRYING OUT EMPLOYER'S INSTRUCTIONS

31. **Attendance.**— Unless otherwise specifically instructed by Management, an employee shall present himself / herself for work on every day (other than holidays) at the usual starting time for the job and shall remain there available for work throughout the normal working hours.

32. **Carrying out Employer's Instructions.**—

- 32.1 If an employee considers any duty, which he / she is required to perform by the Employer, does not fall within the scope of his / her employment under the Employer, he / she shall be entitled to bring this matter to the notice of the Employer. If notwithstanding such notification the Employer requires the employee to carry out such instructions, then the employee shall be entitled to request the Employer to give him / her such instructions in writing.
- 32.2 If the Employer gives the employee such instructions in writing, the employee shall carry out the same but without prejudice to the rights of the Union on his / her behalf to dispute such matters with the Employer thereafter as provided in this Agreement.
- 32.3 If the Employer refuses to give such instructions in writing, the employee shall be entitled not to carry out such instructions and in such event the Employer shall have no right of action against the employee.
- 32.4 If the Employer give such instructions in writing but the employee fails to carry out the same, the Employer shall be entitled to suspend the employee immediately without pay and to take disciplinary action against him / her without prejudice to the rights of the employee or the Union on his / her behalf to dispute such suspension or such disciplinary action as may be taken against the employee as provided in this Agreement.
- 32.5 Irregular attendance or un - punctuality of the employee shall constitute neglect of duty for which the employee is liable for appropriate disciplinary action.

PART IX - SUSPENSION, DISCIPLINARY PROCEDURE AND GRIEVANCE & DISPUTES PROCEDURE

In case of misconduct, the Employer is entitled to start DISCIPLINARY ACTION, which is detailed hereunder.

DISCIPLINARY ACTION

33. **Suspension.**—

- 33.1 An employee may be suspended without pay by the Employer ;
 - 33.1.1 Pending an inquiry to be held by the Employer on a charge or charges of misconduct which are appeared to be against the company,
 - 33.1.2 In order to avoid a breach of the peace or damage to property or disturbance of the business of the employer,
 - 33.1.3 In case of fraud, theft, misappropriation or like offence by the employee in the course of his employment,

- 33.1.4 In case of abuse, threat or gross insubordination by the employee to a member of the Management Staff of the Employer,
- 33.1.5 For failing to carry out Employer's instructions in terms of clauses 31 and 32.
- 33.2 At the time of suspension or within twenty - four (24) hours the Employer shall provide the employee with a written order of suspension specifying the reasons for such suspension.

34. **Disciplinary procedure/ Domestic Inquiries.** - Where the Employer proposes to proceed against an employee then :-

- 34.1 Irrespective of whether an employee has been suspended under clause 33 hereof or not, an employee shall be furnished with a show cause notice, which shall set out the particulars of the charges of misconduct alleged against such employee. Such show cause notice shall give the employee not less than Three (3) clear working days within which to give the answer.
- 34.2 Within Three (3) working days after the day of the show cause notice the employee shall furnish in writing to the employer, the answer or explanation to the charges against such employee. The employee may request for an extension of time for reply. The Employer may grant such request for such further period of time if deemed necessary in the circumstances of the case.
- 34.3 If the employer is satisfied with the written answer or explanation of the employee, the employee shall, if he is suspended, be reinstated forthwith and be paid all entitlements due to him for the period of such suspension.
- 34.4 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 Seven (7) working days from the date of receipt by him of the written answer or explanation to the show cause notice.
- 34.5 After holding such inquiry, the employee shall normally be informed of the findings of each of the charges in the show cause notice and the punishment, if any, within thirty (30) working days from the date of the conclusion of the inquiry. If the Employer fails to inform the employee, except for reasons beyond the control of the Employer, the employee shall not be liable to be punished in respect of the charges and no inference adverse to the employee in respect of such charges shall be drawn.
- 34.6 If the employee is under suspension and the Employer after inquiry decides that ;
- 34.6.1 The employee is not guilty of the charges, the employee shall be reinstated immediately and all wages and entitlements paid.
- 34.6.2 The employee is guilty of one or more charges, the employee shall be informed of the findings and the punishment imposed by the Employer.
- If the punishment given to the employee is not dismissal, suspension without pay shall not exceed seven (7) working days. If the service of the employee is to be terminated, such termination shall take effect from the date of suspension of the employee and the employee shall not be paid for the period of suspension.
- 34.7 It is in opinion of the Employer the nature of the charges is serious and the case has been referred or is to be referred to the police or other authorities for investigation, and the Employer is unable to inform the employee of the outcome of the inquiry, the employee shall remain under suspension without pay until the investigations are completed and the Employer is able to decide on the outcome of the inquiry.
- 34.7.1 If the Employer fails to inform the employee of the outcome of the inquiry within thirty (30) working days due to reasons beyond the control of the Employer, the employee shall be paid half his monthly wages for the first thirty (30) working days and full wages after thirty (30) days to the time a decision is taken regarding the outcome of the inquiry. This will not apply in cases where the inquiry is postponed or a decision is unable to be taken on the outcome of the inquiry for any reasons due to the employee's own seeking.

34.8. **Domestic Inquiries.** -

- 34.8.1. An employee may request the Employer to allow an '**observer**' to be present at the inquiry to be held into the charges. The '**observer**' who shall be another employee, shall be present at the inquiry without loss of wages due to absence from the workplace.
- 34.8.2. The employee shall inform the Employer the mane of the '**observer**' one (1) working day before the commencement of the inquiry.
- 34.8.3. The '**observer**' shall not be entitled to represent the employee or otherwise participate in the inquiry.

- 34.8.4. If an '**observer**' obstructs such inquiry, the officer who conducts the inquiry shall be entitled to request the '**observer**' to withdraw from the inquiry immediately and the '**observer**' shall comply with such request.
- 34.8.5. The absence of an '**observer**' from whole or any part of an inquiry for any reason shall not change or nullify the inquiry, the proceedings or the findings.
- 34.8.6. The employee may make a written submission to the Employer within one (1) working day on conclusion of the inquiry on any special observations he wishes to make in the manner in which the inquiry was held or the evidence was recorded.
- 34.8.7. The Union may make written submissions to the Employer within one (1) working day on conclusion of the inquiry regarding the manner in which the inquiry was held or the evidence was recorded.

35. **Grievance & Disputes Procedure.-**

- 35.1 Recognising the value and importance of full discussion in clearing up misunderstanding and preserving harmonious relations, every effort shall be made by the Employer and the Union to dispose of any inquiries, complaints, grievances or disputes as soon as possible. The following procedure shall be followed in respect of such matter and for any interpretation.
- 35.2 An employee may present his grievance or complaint to his immediate supervisor or to his head of department. The employee may be accompanied by his Branch Union representative. If the employee is not satisfied with the answer he receives, he may then proceed to clause 35.3.
- 35.3 An employee may present his grievance or complaint to the Factory Human Resources Manager. The employee may be accompanied by his Branch Union representative. If the employee is not satisfied, he may then proceed to clause 35.4.
- 35.4 The Branch Union may present the grievance or complaint in writing to the Vice President-Technical. The Vice President - Technical may consult the parties involved before submitting a reply in writing. If the Branch Union is not satisfied with the written explanation of the Vice President - Technical, the Branch union may request for a discussion between the Vice President - Technical and the Branch Union.
- 35.5 If the Branch Union and the employees are not satisfied with the outcome of the discussion with the Vice President - Technical, the Branch union may refer it to the Union. The Union may make a written submission to the Vice President - Technical with a copy to the Vice President Human Resources of the employer in Colombo. If the Union is not satisfied with the written explanation given by the Vice President - Technical or Vice President Human Resources in Colombo, the Union may request for a discussion with the Vice President - Technical and the Vice President Human Resources.
- 35.6 If the Union is not satisfied with the outcome of the discussion with the vice President - Technical and the Vice President Human Resources, the Union may refer the matter to the Employer's Federation of Ceylon, who will endeavour to bring about an amicable settlement in the matter and, if desired, utilising the offices of the Department of Labour.
- 35.7 In the event where the grievance or dispute is not resolved with the Employers' Federation of Ceylon, the matter by agreement shall be referred to an arbitrator or a panel of arbitrators jointly selected by the parties under section 3(1) (d) of the Industrial Disputes Act for settlement by arbitration. If the parties fail to agree on an arbitrator or a panel of arbitrators, such selection shall be made by the Commissioner of Labour. The decision and award of the arbitrator or the panel of arbitrators shall be final and binding on both parties.
- 35.8 In case the Employer or the Union is of the opinion that in view of importance of the dispute there is need for quick settlement of such grievance or dispute, either party may decide to refer the matter to the Employers' Federation of Ceylon, in which event the procedure to be followed shall be as laid down in 35.6 and 35.7.

Appendix 1

NESTLE LANKA PLC,- KURUNEGALA FACTORY

INITIAL SALARY POINTS - ALL EMPLOYEES

<i>Grade</i>	<i>Minimum</i>
Multi Skilled	Rs. 17,270.00 p.m.
Highly Skilled	Rs. 15,810.00 p.m.
Skilled	Rs. 14,490.00 p.m.
Semi Skilled	Rs. 13,370.00 p.m.

APPENDIX II

NESTLE LANKA PLC. - KURUNEGALA FACTORY

GRADING OF EMPLOYEES

	Multi Skilled	Highly Skilled	Skilled	Semi Skilled
Production	<ul style="list-style-type: none"> • Lead Operator 	<ul style="list-style-type: none"> • Area Operator 	<ul style="list-style-type: none"> • Filling Operator • In-Line Operator • Evaporator Operator • Drier Operator • Culinary Operator • Wrapper Operator 	<ul style="list-style-type: none"> • Liquid Operator • Assistant Drier Operator • Mixing Operator • Tote Bin Operator • Machine Operator
Engineering	<ul style="list-style-type: none"> • Lead Technician 	<ul style="list-style-type: none"> • Senior Technician • Shift Technician 	<ul style="list-style-type: none"> • Utility Technician • Store Keeper • Technician 	<ul style="list-style-type: none"> • Assistant Technician
Quality Assurance	<ul style="list-style-type: none"> • Lead QA Analyst 	<ul style="list-style-type: none"> • Senior QA Analyst 	<ul style="list-style-type: none"> • QA Analyst • Documents Administrator 	<ul style="list-style-type: none"> • QA Assistant
Accounts & Administration And Others	<ul style="list-style-type: none"> • Lead Accounts Clerk 	<ul style="list-style-type: none"> • Senior Accounts Clerk • Senior Systems Operator • Senior HR Clerk 	<ul style="list-style-type: none"> • Accounts Clerk • Data Analyst • Coordinator – Factory Services 	<ul style="list-style-type: none"> • Assistant Accounts Clerk

APPENDIX III

NESTLE LANKA PLC. - KURUNEGALA FACTORY

OVERTIME PAYMENT SCHEDULE

WORKED ON	OFFICE STAFF	OTHER INDUSTRIAL EMPLOYEES INCLUDING ENGINEERING TRADE & DRIVERS.
Over Normal Working Hours.	1 1/2 times the normal hourly rate.	1 1/2 times the normal hourly rate.
Weekly 1/2 holiday OR Short working day for the week	1-4 hrs. @ 1 1/2 times 4 1/4 - 9 hrs. @ 2 times Over 9 hrs. @ 3 times & 1/2 day's pay for work over 4hrs.	Over 4 hrs. @ 1 1/2 times
Weekly holiday	1-4 hrs. 1 day's salary + 1/2 day's salary OR 1/2 day's lieu leave. 4 1/4 - 9 hrs. 2 day's salary + 1 day's salary OR 1 day's lieu leave. Over 9 hrs. 3 days salary + 1 day's salary OR 1 day lieu leave.	1-4 hrs. @ 1 1/2 times + 1/2 day's salary 4 1/4 - 8 1/2 hrs. @ 1 1/2 times + 1 day's salary. * Over 8 1/2 hrs. @ 3 times + 1 day's salary. * Engineering trade employees for Sunday work, one day alternate holiday or 1 day's salary.
Statutory Holiday	1-4 hrs. 1 day's salary + 1/2 day's salary OR 1/2 day's lieu leave. 4 1/4 - 9 hrs. 2 day's salary + 1 day's salary OR 1 day lieu leave	1-4 hrs. @ 1 1/2 times + 1/2 day's salary. 4 1/4 - 8 1/2 hrs. @ 1 1/2 times + 1 day's salary.
Poya day	2 1/2 times the normal Hourly rate.	2 1/2 times the normal Hourly rate.

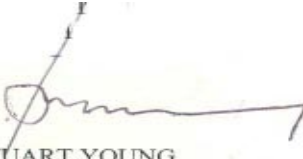
The above overtime payments are in addition to the monthly salary.
No overtime should be paid for Lunch/ Dinner breaks.

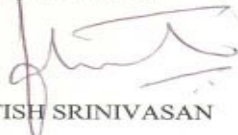
Normal Hourly rate = salary / 240

The above overtime payments are in addition to the monthly salary.
No overtime should be paid for Lunch/Dinner breaks

Normal Hourly rate = salary / 240

IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Makandura, Gonawila STUART YOUNG, Managing Director of NESTLE LANKA PLC., MANDEEP SINGH CHHATWAL, Finance Director of NESTLE LANKA PLC., SATISH SRINIVASAN, Vice President - Technical of NESTLE LANKA PLC., GONSALU KORALAGE SURENN DE CHICKERA, vice president - Human Resources, NESTLE LANKA PLC. have set their hands for and on behalf of the said Company on the 18 day of JULY, TWO THOUSAND AND SEVEN.


STUART YOUNG


SATISH SRINIVASAN

Witness to the signatures of the said ,

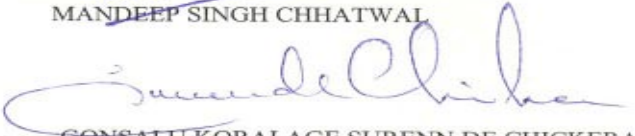
STUART YOUNG

MANDEEP SINGH CHHATWAL

SATISH SRINIVASAN

GONSALU KORALAGE SURENN DE CHICKERA


MANDEEP SINGH CHHATWAL


GONSALU KORALAGE SURENN DE CHICKERA


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IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Makandura, Gonawila SIRIWARDANA ARACHCHIGE SOMA SIRIWARDANA, General Secretary, All Ceylon Commercial and Industrial Workers' Union, HEWA AMARATHUNGA PIYADASA, Acting General Secretary, All Ceylon Commercial and Industrial Workers' Union, JAYASINGHE MUDIYANSELAGE SOMAPALA, President, All Ceylon Commercial and Industrial Workers' Union NESTLE LANKA PLC, Kurunegala Factory Branch, Union, JOHN CHRISTOPER MIRANDA, Secretary, All Ceylon Commercial and Industrial Workers' Union, NESTLE LANKA PLC. Kurunegala Factory Branch union, have set their hands for and on behalf of the said Union on the 18 day of JULY, TWO THOUSAND AND SEVEN.


SIRIWARDANA ARACHCHIGE SOMA
SIRIWARDANA / HEWA AMARATHUNGA PIYADASA


JAYASINGHE MUDIYANSELAGE
SOMAPALA


JOHN CHRISTOPER MIRANDA

Witness to the signatures of the said

SIRIWARDANA ARACHCHIGE SOMA SIRIWARDANA /
HEWA AMARATHUNGA PIYADASA

JAYASINGHE MUDIYANSELAGE SOMAPALA

JOHN CHRISTOPER MIRANDA


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