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අති විශේෂ EXTRAORDINARY

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(Published by Authority)

PART I : SECTION (I) – GENERAL

Government Notifications

My No.: CI/24 (A).

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 29 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. 46 of 2007

Collective Agreement - 2007

THE SECURITY OFFICERS OF CEYLON TOBACCO COMPANY LIMITED

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COLLECTIVE AGREEMENT - 2007
BETWEEN
CEYLON TOBACCO COMPANY LIMITED
AND
THE SECURITY OFFICERS' OF
CEYLON TOBACCO COMPANY LIMITED

THIS COLLECTIVE AGREEMENT made and entered into on the Twenty Ninth day of June 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) :

1. **Title.** - This Agreement shall be known and referred to as "THE COLOMBO SECURITY OFFICERS' 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 2007 and such notice shall not expire before Forteenth day of November 2010.

3. **Persons Covered and Bound.** - This Agreement shall cover and bind the Employer, the employees of the employer in Security Officers' capacity who are employed on monthly contracts of employment by the Employer at its work places in Colombo.

4. **Earlier Collective Agreements.** - The provisions of this Agreement shall supersede and replace the provisions of "The Colombo Security Officers' Collective Agreement - 2004" and shall stand terminated with effect from the date on which this Agreement takes effect.

5. **Declaration of Principle.** - (a) Both the Company and the employees 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 employees, and that the actions of other employers 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 contained 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 discipline in the factory and other work places in Colombo 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 or practices, the terms and conditions of this Agreement shall prevail.

8. **Variation of Terms And Conditions of Employment or Benefits.** - (a) 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 employees covered and bound by this Agreement, other than by mutual agreement.

(b) Subject to the provisions of clause 29, the employer agrees with the employees 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 on the following basis :

(i) Twelve percent (12 %) 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) 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.

(c) 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.

10. **Increments.** - The Annual Increments provided in each grade of the salary ranges applicable to Security Officers shall be granted on the normal incremental rate in January 2009 and January 2010 respectively, 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 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 complete 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 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 purposes 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 receives no wages for any reason whatsoever.

12. **Shift Allowance.** -

(a) Whilst the manner and basis on which Shift Allowances are paid remain unaltered, the quantum of such allowance in respect of the Night Shift only shall be Rupees Three Hundred (Rs. 300/-) for Security Officers and Head Security Officers, from the date of this Agreement.

13. **Provident Fund.** -

(a) As from the effective 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 purposes of calculating the contributions to the Provident Fund will be the consolidated monthly wage.

14. Retiring Gratuity.-

- (a) The Company agrees to pay a retiring gratuity subject to the same terms and conditions as at the date of this Agreement.
- (b) The wage for the purposes of calculating the gratuity will be the consolidated monthly wage payable to the employees in the last month of his employment prior to retirement.

15. Leave.-

- (i) LEAVE YEAR.- Leave year shall be from the First day of July of one year to Thirtieth day of June of the following 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 Seven (7) 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 recruitment to the Company, employees will be entitled to Annual Leave in the following year proportionately on the following basis.

Recruitment

Entitlement

Between 1 July and 30 September	14 days
Between 1 October and 31 December	10 days
Between 1 January and 31 March	07 days
Between 1 April and 30 June	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 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 agrees to grant special leave up to Fourteen (14) days provided the employee concerned submits a Medical Certificate from the Medical Officer of Health or the District 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 & Excursion Payment.-

- (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 (July to June), 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.
- (b) EXCURSION PAYMENT.- As from the operative date of this Agreement, the company will pay an Allowance of Rupees One Thousand Five Hundred (Rs.1,500/-) per leave year (July to June), per employee for the years 2007, 2008 and 2009, which hereafter is referred to as Excursion Payment in connection with the Annual Excursion. In addition to this, the Company will meet the any other expenses including the cost of the bus fare subject to the present limitations.

18. 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 employees may canvass such reduction of the bonus with the Company. If the employees

are not satisfied with the decision of the Company in the matter, the employees may pursue the matter with the Employers' 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 Employers' 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) 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 employees 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.** - Performance Based Bonus payment will be granted from within the effective period of this agreement, and shall apply as follows :
- (i) Performance Based Bonus payment is based on the existing Finished Product Inspection System (FPI) and performance on Productivity.
- (ii) For the computation of Productivity, Modular output as per the Table in the First Schedule and Manufacturing Accuracy Dashboard will be considered.
- (iii) For the computation of quality, Manufacturing quality Index (MQI) of All Brands and centrally Managed Brands (CMB) will be included.
- (iv) The minimum level to qualify for the monthly payment shall be, T1 of the First Shedule, Ninety Five (95) percent of the Dashboard performance, minimum quality level of Eighty (80) and Eighty one (81) for all brands and Centrally Managed Brands (CMBs) respectively.
- (v) In the event a new manufacturing system or a product quality evaluation method is introduced during the continuance of this Agreement, the Management with the agreement of the Union shall adjust the mode of payment given below.
- (vi) New products/ brand/ extensions/ discontinuation of existing brands manufactured at the factory during the continuance of this Agreement will be taken into consideration with the agreement of the Union.
- (vii) In the event the Centrally Managed Brands (CMBs) are not produced during a particular month, the performance of the previous month will be considered.
- (c) **ATTENDANCE BONUS.** -
- (i) The company agrees to extend to the Security Officers the same Attendance Bonus and subject to the same terms and conditions as and agreed to between the Company and the Technical Assistants, Technicians, Junior Technicians, and Clerical & Allied Categories Collective Agreement - 2007"
- (ii) While present working arrangements remain unchanged employees working on the sixth day of the week will be granted the monetary value of 20 Players Gold Leaf Cigarettes and an allowance of Rupees Two Hundred and Fifty (Rs. 250/-) per such day.
- (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 and 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.

19. *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.

20. *Death of a Member of Employee's Family.*– On the death of a member of an employee's family the Company will grant 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.

21. **Marriage of an Employee.**— On the occasion of one marriage of an employee such employee will receive from the Company a gift of Rupees Ten Thousand (Rs. 10,000/=), 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.

22. **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.

23. **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.
- (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 an Award of Rupees Twenty Thousand (Rs. 20,000/=). Such employees at retirement will be entitled to a 29" Colour Television and a Sewing machine.

24. **Payment for Unutilized Leave.**—

The Company will continue to pay in respect of each leave year for unutilized Casual, Sick or Annual Leave (in the latter case not exceeding Nine (9) days) on the same basis as at present.

The Company will also grant the monetary value of 20 Players Gold leaf cigarettes for each day of unutilized leave.

25. **Travelling Allowance.**— With effect from the date of operation of this Agreement each employee will receive a monthly Travelling Allowance of Rupees Two Thousand Five Hundred and Fifty (Rs. 2,550/=) per month.

26. **Check off.** —

- (a) This clause shall apply to the Employer so long as the Union maintains a membership in the workplace of the employer of not less than forty percent (40%) of the employees 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 employees 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 Sub - clause (d) or (e) ;
 - (ii) that, at its discretion, the Employer shall be entitled not to make deductions by way of check-off in any month in which the deductions by way of check-off will, together with all other deductions from an employee's wage in that month, exceed the deductions permitted by law.

27. *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 whatsoever name it may be called, arising between an employee or employees and the Company, the following procedure shall be followed for the settlement of such dispute, or in resolving such grievance.

- (a) The Employee will, in the first instance discuss the dispute or grievance with the Departmental Manager.
- (b) If the dispute or grievance is not satisfactorily resolved the employee may then seek an appointment with the Departmental HR Manager or his representative and in doing so will set out in writing, the grievance or dispute. Departmental HR Manager or his representative will grant an interview to the employee to see him for this purpose.
- (c) If no satisfactory solution is arrived at, then the issue in dispute will be discussed by the employee and the Factory Management.
- (d) If the employee is not satisfied with the decision of the Company in this matter, the employee may pursue the matter with the Employer's Federation of Ceylon, of which the Company is a member.
- (e) 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.
- (f) An award made by an Arbitrator in a voluntary arbitration referred to in sub-clause (e) hereof shall be final and binding on the parties.

28. *Extension of Benefits to other Security Staff Employees.*- 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 Security Staff employees or any other categories of employees in the employment of the Company on such terms and conditions as the Company may determine.

29. *Breaches of the Agreement by the Employees.*- If in the opinion of the Employers' Federation of Ceylon the employees have committed a breach of this Agreement, then and in any such event the Company reserves to itself the right to withdraw all or any of the facilities or benefits granted to the employees, 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 employees will be entitled to dispute the justification of such withdrawal.

30. *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).

31. *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

MODULAR OUTPUT TABLE

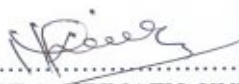
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GDKI	3.7 - 3.8	180	3.81 - 3.9	198	3.91 - 4	216	4.01 - 4.3	240
GDK3	3.7 - 3.8	180	3.81 - 3.9	198	3.91 - 4	216	4.01 - 4.3	240
HL F	0.9 - 0.96	180	0.961 - 1.02	198	1.021 - 1.08	216	1.081 - 1.14	240
HL K	0.7 - 0.75	180	0.751 - 0.780	198	0.781 - 0.82	216	0.821 - 0.85	240

FOR AND ON BEHALF OF CEYLON TOBACCO COMPANY LIMITED :

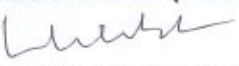

.....
DAYALAGE SAMITHA MANJUSRI PERERA
Human Resources Director


.....
AJITH NIRANJAN PERERA
Business Security and Brand Enforcement Manager

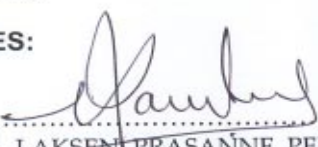

.....
MAHAGEDERAWATTAGE DON CHINTHAKA PUSHPAJITH DHARMASENA
Supply Chain Manager



.....
MANJULA SRINATH KUDA BANDARA KARALLIYADDE
Supply Chain HR Manager

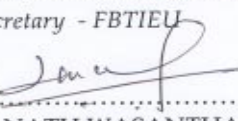
**FOR AND ON BEHALF OF THE FOOD BEVERAGES & TOBACCO INDUSTRIES
EMPLOYEES UNION (FBTIEU)**

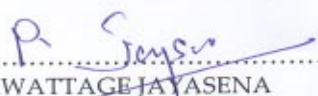

.....
DON WIMALASIRI SUBASINGHE
General Secretary

WITNESSES:


.....
RAVINDRA LAKSEN PRASANNE PEIRIS
Director General, Employers' Federation of Ceylon


.....
DAYAWANSA MALAVISOORIYA
Assistant Secretary - FBTIEU


.....
CHANDRANATH WASANTHA KEERTHISOMA
Convenier, FBTIEU (CTC Security Branch)


.....
PITIYAWATTAGE JAYASENA
Treasurer, FBTIEU (CTC Security Branch)

Witnesses to the signature of the said :

DAYALAGE SAMITHA MANJUSRI PERERA, MAHAGEDARA WATTAGE DON CHINTHAKA PUSHPAJITH DHARMASENA,
AJITH NIRANJAN PERERA, MANJULA SRINATH KUDABANDARA KARALLIYADDE, DON WIMALASIRI SUBASINGHE,
RAVINDRA LAKSEN PRASANNE PEIRIS, DAYAWANSA MALAVISOORIYA, CHANDRANATH WASANTHA KEERTHISOMA,
PITIYAWATTAGE JAYASENA

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 29 th June, 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. 47 of 2007

Collective Agreement - 2007

**TECHNICAL ASSISTANTS, TECHNICIANS, JUNIOR TECHNICIANS
AND CLERICAL & ALLIED CATEGORIES**

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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 Ninth day of June 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 at Colombo.

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 and quality.

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 technical Assistants, Technicians, Junior Technicians' and , clerical & allied categories 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, and all the Technical Assistants, Technicians and Junior Technicians, including Clerical & Allied Categories only who are employed on monthly contracts of employment by the employer at its work places in Colombo and who are members of the Union.

4. **Earlier Collective Agreements.** - The provisions of this Agreement shall supersede and replace the provisions of "The Technical Assistants, Technicians and Junior Technicians' Collective Agreement - 2004" and 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 employers 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 *inter - alia* 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 factory and other workplace in Colombo 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 34, 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 the 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 on the following basis :

- (i) Twelve percent (12 %) 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 salary ranges in the First Schedule hereto shall be granted on the normal incremental rate in January 2009, January 2010 respectively, 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 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 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 receives no wages for any reason whatsoever.

12. **Shift Allowance.** -

- (a) Whilst the manner and basis on which Shift Allowances are paid remain unaltered, the quantum of such allowance in respect of the Second Shift only shall be Rupees Five Hundred and Forty Five (Rs. 545/=) for Junior Technicians and Technicians, and Rupees Five Hundred and Seventy (Rs.570/=) or Technical Assistants, from the date of this Agreement.
- (b) 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 Seventy Five (Rs. 75/=) per day on which he so reports to work.

13. **Provident Fund.** -

- (a) As from the effective 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 purposes 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 the month's wage for each completed year of service.
- (b) The wage for the purposes 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 from the First day of July of one year to Thirtieth day of June of the following 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 Seven (7) 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 recruitment to the Company, employees will be entitled to Annual Leave in the following year proportionately on the following basis.

Recruitment

Entitlement

Between 1 July and 30 September	14 days
Between 1 October and 31 December	10 days
Between 1 January and 31 March	07 days
Between 1 April and 30 June	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 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 Health or the District Medical Officer of the area in which the employee resides.

16. **Holiday Advance.-** Each employee who avails himself of Five (5) days 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 & Excursion payment. -

- (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 (July to June), 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/-).
- (b) EXCURSION PAYMENT.-
As from the operative date of this Agreement, the Company will pay an allowance of Rupees One Thousand Five Hundred (Rs. 1500/=) per leave year (July to June), per employee for the year 2007, 2008 and 2009, which hereafter is referred to as Excursion Payment in connection with the Annual Excursion. In addition to this, the Company will meet the any other expenses including the cost of the bus fare subject to the present limitations.

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 holidays, 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.**— Performance Based Bonus payment will be granted within the effective period of this agreement, and shall apply as follows :
- (i) Performance Based Bonus payment is based on the existing Finished Product Inspection System (FPI) and performance on Productivity.
 - (ii) For the computation of Productivity, Modular output as per the Table in the Second Schedule and Manufacturing Accuracy Dashboard will be considered.
 - (iii) For the computation of Quality, Manufacturing Quality Index (MQI) of All Brands and Centrally Managed Brands (CMB) will be included.
 - (iv) The Minimum level to qualify for the monthly payment shall be, T 1 of the Second Schedule, Ninety Five (95) percent of the Dashboard performance, Minimum quality level of Eighty (80) and Eighty One (81) for All Brands and Centrally Managed Brands (CMBs) respectively.
 - (v) In the event a new manufacturing system or a product quality evaluation method is introduced during the continuance of this Agreement, the Management with the agreement of the Union shall adjust the mode of payment given below.

- (vi) New products/ brand extensions/ discontinuation of existing brands manufactured at the factory during the continuance of this Agreement will be taken into consideration with the agreement of the Union.
- (vii) In the event the Centrally Managed Brands (CMBs) are not produced during a particular month, the performance of the previous month will be considered.

Performance Indicators	Sub Element	Stage 1		Stage 2		Stage 3		Stage 4	
Productivity	Modular Output	T 1	Rs. 900	T 2	Rs. 990	T 3	Rs. 1,080	T4	Rs. 1,200
	Manu. Accuracy Dashboard %	95-96	Rs. 600	96.1-97.5	Rs. 660	97.6-99.9	Rs. 720	100	Rs. 800
Quality	All Brands	80-82	Rs. 750	83-85	Rs. 825	86-89	Rs. 900	90& above	Rs. 1,000
MQI	CMB	81-83	Rs. 750	84-86	Rs. 825	87-89	Rs. 900	90& above	Rs. 1,000
			Rs.3,000		Rs. 3,300		Rs. 3,600		Rs.4,000

Please refer to the modular Output Table in the Second Schedule for T1-T4 figures.

(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 and 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 1st January 2007 to 31st December 2007, 1st January 2008 to 31st December 2008 and 1st January 2009 to 31st 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 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 Ten Thousand (Rs. 10,000/=), 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 an 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. **Work during Official Meal Interval.**— Whenever it becomes necessary to work during the official meal interval so as to maintain production due to machine breakdown earlier in the day, or for any other reason employees will work during the official (normal) lunch/ dinner interval provided that they are given an interval between 11.00 a.m. and 12.30 p.m. on the First Shift or an interval between 7.30 p.m. and 9.00 p.m. on the Second Shift or an interval between 11.00 a.m. and 1.00 p.m. on the Common Shift.

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. **Check off.**—

- (a) This clause shall apply to the Employer so long as the Union maintains membership in the workplace of the employer of not less than forty percent (40%) of the employees 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 employees 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.

31. **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 whatsoever 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 Departmental Manager. The Departmental Manager, will if necessary in consultation with the Factory 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 Departmental 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 Factory Management. At such a discussion, the number of representatives on each side shall not exceed Four (4). Such discussion will be arranged by the Departmental HR Managers Office, 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 Production Departmental Manager will do so by prior appointment except where the matter is very urgent.
- (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.

32. **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 for such action.

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

33. **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.

34. **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.

35. **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).

36. **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 1st APRIL 2007

TECHNICAL ASSISTANTS, TECHNICIANS AND JUNIOR TECHNICIANS

GROUP 4 (a)

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

Increment - Rs. 197/=

GROUP 3 (a)

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

Increment - Rs. 289/=

GROUP 2

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

Increment - Rs. 390/=

GROUP 4 (b)

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

Increment - Rs. 287/=

GROUP 3 (b)

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

Increment - Rs. 343/=

GROUP 1

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

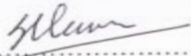
Increment - Rs. 454/=


SECOND SCHEDULE

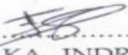
MODULAR OUTPUT TABLE

Machine	T1	Rs.	T2	Rs.	T3	Rs.	T4	Rs.
GDRI	3.8 - 3.9	180	3.91 - 4	198	4.01 - 4.3	216	4.31 - 4.5	240
GDKI	3.7 - 3.8	180	3.81 - 3.9	198	3.91 - 4	216	4.01 - 4.3	240
GDK3	3.7 - 3.8	180	3.81 - 3.9	198	3.91 - 4	216	4.01 - 4.3	240
HL F	0.9 - 0.96	180	0.961 - 1.02	198	1.021 - 1.08	216	1.081 - 1.14	240
HL K	0.7 - 0.75	180	0.751 - 0.780	198	0.781 - 0.82	216	0.821 - 0.85	240

FOR AND ON BEHALF OF CEYLON TOBACCO COMPANY LIMITED

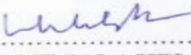

 DAYALAGE SAMITHA MANJUSRI PERERA
 Human Resources Director


 MAHAGEDERAWATTAGE DON CHINTHAKA PUSHPAJITH DHARMASENA
 Supply Chain Manager

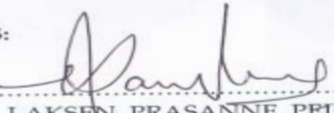

 JANAKA INDRANATH GINIGE
 Secondary Manager

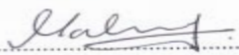

 MANJULA SRINATH KUDA BANDARA KARALLIYADDE
 Supply Chain HR Manager

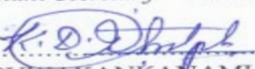
FOR AND ON BEHALF OF THE FOOD BEVERAGES & TOBACCO INDUSTRIES EMPLOYEES UNION (FBTIEU)

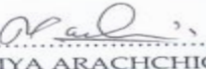

 DON WIMALASIRI SUBASINGHE
 General Secretary

WITNESSES:


 RAVINDRA LAKSEN PRASANNE PEIRIS
 Director General - Employers' Federation of Ceylon


 DAYAWANSA MALAVISOORIYA
 Assistant Secretary - FBTIEU


 KORUWAKANKANAMLAGE DON JOY CHRISTOPHER
 President - FBTIEU (CTC Branch)


 BALASURIYA ARACHCHIGE NANDASIRI
 Secretary - FBTIEU (CTC Branch)

Witnesses to the signature of the said :

DAYALAGE SAMITHA MANJUSRI PERERA, MAHAGEDERAWATTAGE DON CHINTHAKA PUSHPAJITH DHARMASENA, JANAKA INDRANATH GINIGE, MANJULA SRINATH KUDABANDARA KARALLIYADDE, DON WIMALASIRI SUBASINGHE, RAVINDRA LAKSEN PRASANNE PEIRIS, DAYAWANSA MALAVISOORIYA, KORUWAKANKANAMLAGE DON JOY CHRISTOPHER, BALASURIYA ARACHCHIGE NANDASIRI.