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## PART I : SECTION (I) – GENERAL Government Notifications

My No. : CI / 113.

### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Ceylon Cold Stores Limited, No. 01, Justice Akbar Mawatha, Colombo 02, of the one part and Sri Lanka Nidahas Sevaka Sangamaya, No. 301, T. B. Jayah Mawatha, Colombo 10 of the other part on 01st December, 2006 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 January, 2007.

### Collective Agreement No. 39 of 2006

COLLECTIVE AGREEMENT

BETWEEN

CEYLON COLD STORES LIMITED

AND

SRI LANKA NIDAHAS SEWAKA SANGAMAYA

(MANUAL LABOUR CATEGORY)

This Collective Agreement made on this First day of December Two Thousand and Six takes effect from the First day of August Two Thousand and Six pursuant to the Industrial Disputes act between Ceylon Cold Stores Limited, a Public Limited Liability Company duly registered in Sri Lanka, and having its registered office at No. 1, Justice Akbar Mawatha, Colombo 2 (herinafter referred to as “the Employer”) of the One Part

and the, Sri Lanka Nidahas Sevaka Sangamaya, a Trade Union duly registered under the Trade Unions Ordinance in Sri Lanka having its registered office at No. 301, T. B Jaya Mawatha, Colombo 10, (hereinafter sometimes referred to as "the Union") of the Other Part.

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

#### PART I

1. **Employer to be Bound.** - This Agreement shall bind Ceylon Cold Stores Limited at whose work places members of the Union are employed in a Manual or Labouring capacity in the Engineering Trade, Motor Transport Trade, Ice and Aerated Waters Trade, and all other Trades in that work place or places in the classes, grades or skills of employee enumerated in the first schedule hereto.

2. **Employees to be Covered and Bound.** - This Agreement shall cover and bind the members of the Union who are employed by the Employer in a Manual or Labouring capacity in the Engineering Trade, Motor Transport Trade, Ice and Aerated Waters Trade, and all other Trades in the classes grades or skills of employees enumerated in the first schedule hereto and who are employed on monthly contracts of employment by the Employer. Provided however the provisions of this agreement will not apply to any new employee recruited to a new factory set up by the Employer elsewhere in the future.

In addition, the provisions of the Memorandum of Understanding entered into between the Union and the Company on 17 May 2006 relating to the Soft Drinks Factory, Ranala will continue to be applicable to the Employees covered and bound in the said MOU.

In circumstances, the provisions of the said MOU will be regarded as part and parcel of this agreement in respect of such employees.

3. **Earlier Collective Agreements.** - The provisions of this agreement shall supersede and replace all terms, which have applied in the past in terms of any Collective Agreement.

4. **Date of Operation and Duration.** - This Agreement wick shall be effective as from the First day of August 2006, and shall continue in force unless determined by either party with six month's notice to other, subject to the following provisions :

- (a) THAT one party hereto shall not give such notice to the other party before 1 February 2009. and such notice shall not expire before the 31 July 2009.
- (b) THAT in the event of a reduction in par value of the Sri Lanka rupee under any provision of law, a party shall be at liberty to abrogate this Agreement by giving on month's notice in writing to the othere in terms of the Industrial Disputes Act.

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

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

#### 7. **Attendance.** -

- (1) Unless otherwise specifically instructed by the Employer an employee shall present himself for work on every day (other than a holiday) at the usual starting time of the store, factory, mill or job and shall there remain available for work throughout the normal working hours.
- (2) If at the store, factory, mill or job work is temporarily not available for an employee in his own occupation he shall be deemed to be ready and willing to perform work within his capacity and skill in any other occupation at any other work site of the Employer where work is available.
- (3) Irregular attendance or unpunctuality of an employee shall constitute neglect of duty for which he shall be liable to appropriate disciplinary action.

8. **Hours of Work.**— The normal working hours shall be those hours which are customarily worked at the store, factory, mill or job of the Employer bound by this Agreement and shall include shift work arrangements as may be operated subject to work exigencies. The work arrangements are also subject to the written understandings (reference CI / 113/ 2004) reached between the Employer and the Union on 19.02.2004 before the Commissioner of Labour (Industrial Relations) and the Memorandum of understanding reached between the Employer and the Union on 17 May 2006 at the Employer's, Federation of Ceylon.

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

10. **Overtime.**—

- (1) If required and authorised by the Employer, an Employee shall work reasonable overtime on the normal working day as well as on the short working day. Refusal to work reasonable overtime in the absence of a satisfactory explanation, which is acceptable to the employer shall constitute neglect of duty for which an employee shall be liable to appropriate disciplinary action.
- (2) Overtime work (i.e. work performed in excess of normal working hours) shall be remunerated at one and one half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of Clause 20 (a) hereof.

11. **Weekly Holidays.**—

- (1) In respect of each week, every employee shall be allowed a holiday in that week as the weekly holiday. Provided however, that if any employee has not worked for a period of at least twenty eight (28) hours, exclusive of any period of overtime work during that week, he shall be liable to forfeit and the Employer shall be entitled to deduct one day's wage in respect of the weekly holiday for that week computed in accordance with the provisions of Clause 20 (b) hereof.
- (2) In computing the period of twenty eight (28) hours referred to in Sub - clause (1) the employer shall include —
  - (a) every holiday allowed by the employer to the worker as annual holiday ;
  - (b) every public holiday granted by the employer in terms of Clause 13 hereof ; and
  - (c) every day's absence on any ground approved by the employer.
- (3) The employer may employ any employee on a weekly holiday subject to the following conditions :
  - (i) A day within the six (6) days next succeeding such weekly holidays shall be allowed to that employee, as a holiday with remuneration. Provided however, that if any employee who is employed on his weekly holiday is liable to forfeit and the employer is entitled to deduct one day's wage in respect of that weekly holiday as provided in Sub - clause (1), then and in such event, that employee shall forfeit and the employer shall be entitled to deduct one day's wage computed in accordance with the provisions of Clause 20 (b) hereof in respect of the holiday which shall be allowed to that employee within six (6) days of that weekly holiday. Provided further that in respect of not more than two (2) such weekly holidays in any one calendar month, the employer may with the consent of the worker —
    - (a) instead of allowing an alternate holiday within six (6) days of the weekly holiday in respect of which that employee shall not be liable to forfeit and the employer shall not be entitled to deduct one day's wage as aforesaid pay him one day's wage computed in accordance with the provisions of clause 20 (b) hereof in lieu of such alternate holiday, or
    - (b) in case that an employee is entitled to an alternate holiday within six (6) days of the weekly holiday as aforesaid in respect of which alternate holiday, he shall be liable to forfeit and the employer shall be entitled to deduct a day's wage as aforesaid employ that employee on the alternate holiday.
  - (ii) That in respect of work done on such weekly holidays, the employee shall be paid as remuneration —
    - (a) One and a half (1.5) times the normal hourly rate ascertain in accordance with the provisions of Clause 20 (a) hereof for the number of hours worked during the first nine (9) hours (exclusive of one hour for a meal); and
    - (b) At double the normal hourly rate ascertain in accordance within the provisions of Clause 20 (a) hereof for each subsequent hour of work.

12. **Annual Holidays.**— Annual Holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Board. Provided, however, that if an Employee is not covered by the decisions of any Wages Board annual holidays shall be allowed to that Employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.

13. **Statutory Holidays.**—

- (1) Statutory Holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Board, provided however, that if an employee is not covered by the decisions of any Wages Board holidays shall be allowed to that Employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.
- (2) The Employer will be entitled if the occasion warrants to require an Employee to work on a statutory holiday in which event that Employee will be employed on that statutory holiday in accordance with the decisions of the relevant Wages Board. Provided however, that if an Employee is not covered by the decisions of any Wages Board statutory holidays shall be allowed to that Employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.
- (3) If any statutory holiday to which an Employee is eligible under the provisions of Sub-clause (1) falls on a weekly holiday, a day either in the six (06) days immediately preceding or in the six (06) days immediately succeeding such public holiday shall be granted to the Employee as a weekly holiday in accordance with the provisions of Clause 2 hereof.
- (4) If any statutory holiday to which an Employee is eligible under the provisions of Sub-clause (1) falls on short working day, the number of hours constituting the normal working day (exclusive of one hour for a meal) on the immediately preceding such public holiday shall be five (5) hours.

14. **Statutory & Customary Holidays .—**

- (1) The following holidays shall be allowed each year as paid holidays:

New Year's Day  
 Thai Pongal Festival Day  
 Sinhala & Tamil New Year (Two Days)  
 Good Friday  
 May Day  
 The day following Wesak  
 Prophet Mohamed's Birthday  
 Christmas Eve (Half Day)  
 Christmas Day  
 Boxing Day.

- (2) (a) If any of the above days is a statutory holiday and if it falls on a weekly half holiday, an additional half holiday shall be granted on the working day immediately preceding it ; and if it falls on a weekly full holiday, a substitute holiday shall be granted on a working day either in the six (06) days preceding or in the six (06) days succeeding such weekly full holiday. No substitute holiday shall be allowed for any day specified above, which is not a statutory holiday, if such day falls on a weekly half holiday or a weekly full holiday.
- (b) if any of the above days is a statutory holiday and some other day not specified above is declared a statutory holiday in substitution for such day, then such day shall be treated as a normal working day.

15. **Casual Leave.**—

1. In respect of each year of employment during which any employee has been continuously in employment that Employee shall be entitled to take on account of private business or other reasonable cause including ill health if that Employee's entitlement to sick leave has been fully utilized, leave (hereinafter referred to as "Casual leave") with remuneration for the period or an aggregate of periods not exceeding seven (7) days and the Employer shall allow such casual leave and shall be liable to pay such remuneration provided however, that not more than two (2) days casual leave shall be taken at any time save and except upon the grounds of ill health. Provided further, that any Employee shall not be entitled to take casual leave immediately preceding or immediately following any period of annual holidays. Provided further that in respect of any Employees first year of employment including any period of probation he shall be entitled to casual leave for that year computed on the basis of one day for each complete period of two months service.
2. Casual leave will normally be granted on application without the employee being required to state the reason for the application. Where the Employer finds it difficult to grant an application for casual leave his difficulty shall be notified to the employee as soon as possible after the application is made and in such case, the Employee may be required to state the reasons for the application in order that the Employer may decide whether it is reasonable in the circumstances to grant him casual leave.

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

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

17. **Salaries.** -

- (1) With effect from First Day of August Two Thousand Six, Employees covered and bound by this Agreement shall be paid salaries in accordance with the salary scales set out in Schedule 1 hereof. The Annual increments payable to Employees shall also be in terms of these scales. The salaries have been consolidated taking into account all statutory and other allowances due as at date hereof.
- (2) To ascertain the stage on which Employee will be placed with effect from 1st August 2006, on the salary scale set out at Schedule 1 hereof, the following method of conversion shall apply.
  - (a) The salary paid to an employee as at 31 July 2006 will be increased by a sum equal to 13% (Thirteen percent) of same.
  - (b) The employee shall thereafter, be placed on the corresponding point on the grade applicable to him in the salary scale set out in Schedule 1 hereto. In the event of there being no corresponding point, he shall be placed on the next higher point in monetary value on the grade applicable to him.
- (3) (a) At the expiry of the twelve month period, commencing 1 st April 2006, the scales of consolidated wages set out in Schedule 1 hereto shall be revised by the addition to and consolidation with the salary at each stage of each grade and amount in rupees equal to the number of complete points by which the Colombo Consumers' Price Index has increased during such twelve month period, multiplied by two and the salary payable to each employee shall accordingly be increase by a like amount with effect from the First day of April 2007.
- (b) During the pendency of this agreement at the expiry of each twelve month period commencing from the First day of April, the scales of consolidated wages revised in the manner prescribed at (a) above shall be revised in like manner as from the First day of April of the succeeding year by addition to and consolidation with the wage at each stage and grade of the consolidated wages in force in the twelve month period immediately preceding an amount equal to the number of complete points by which the Colombo Consumers' Price Index has increased during such preceding twelve month period multiplied by two and the salary of each employee as from First April of the succeeding year shall be increased by like amount.
- (4) With effect from 1 st April 2007, salaries of employees will be further revised by 10% (Ten per cent) and the employee shall be placed thereafter on the corresponding point on the scale.
- (5) With effect from 1st April 2008, salaries of employees will be further revised by 9% (Nine per cent) and the employee shall be placed thereafter on the corresponding point on the scale.
- (6) Upon completion of each 5 year period of employment up to the 25 th year, an Employee shall be entitled to receive a salary increase by way of a fixed number of increments on the scale applicable to him totaling to a sum of Rs. 100/=. In the event of a fixed number of increments not totaling to Rs. 100/=-, the amount shall be the figure immediately higher to Rs. 100/=- on a fixed number of increments. For example, if the salary scale provides for increments of Rs. 30/-, such Employee shall receive an increase of  $\text{Rs. } 30/- \times 4 = \text{Rs. } 120/-$ , if the salary scale provides for increments of Rs. 25/- such Employee shall receive an increase of  $\text{Rs. } 25/- \times 4 = \text{Rs. } 100/-$ . The employee shall thereafter be placed on the corresponding point in the salary scale and grade applicable to him.
- (7) Upon the completion of 30 years in employment an Employee shall be entitled to receive a salary increase by way of a fixed number of increments totaling to the value of Rs. 250/-. In the event of a fixed number of increments not totaling to Rs. 250/-, the amount shall be the figure immediately higher to Rs. 250/- on a fixed number of increments.

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

- a. An Employee shall subject to the provisions of the succeeding sub-clauses be entitled to receive and the Employer shall be liable to pay a Non-recurring Cost of Living Gratuity in April each year in respect of the preceding 12 months (From 1 st April to 31st March, hereinafter referred to as the "Qualifying Period" commencing from the First Day of April Two Thousand Seven in accordance with the under-noted formula).

FORMULA : If the average of the Colombo Consumer's Price Index figure for the qualifying period exceeds 3,923.0 known as the base index figure, a sum computed at Rupees Two (Rs.2/-) for each complete point (i.e. 1.0) by which such average exceeds 3,923.0 in respect of each month of service during the qualifying period.

- b. The Non-recurring Cost of Living Gratuity shall be payable by an Employer to an Employee who is eligible to receive the same by virtue of his service under the Employer during a part of the qualifying year by reason of the fact that he is not in the Employer's service when the Non-recurring Cost of Living Gratuity becomes due in March of any year or he joined the Employer's service during the course of the qualifying year.
- c. The Non-recurring Cost of Living Gratuity shall not be payable to an Employee in respect of any period for which he received no wages for whatever reason.
- d. No Provided Fund, Trust Fund, Overtime or any other payment shall be due or calculated on the Non-recurring Cost of Living Gratuity.
- e. When at the expiry of each 12 month period commencing 01.04.2007, the scales of consolidated wages have been revised in the manner set out in Clause 17 (3) hereof, the base index figure in the formula for the purpose of calculating the Non-recurring Cost of Living Gratuity shall thereafter be increased by the number of points by which the Colombo Consumers' Price Index Figure has risen during each 12 month period as specified in Clause 17 (3) hereof,

19. *Bonus.-*

- (i) Subject to what is stated at Sub - clauses (ii) and (iii) hereunder, the Employer will during the continuance in force of this agreement pay. Subject to prevailing practice, Employees covered and bound by this Agreement who have completed twelve (12) months continuous service in the Company on the date of such bonus payment and are in employment on such date a bonus calculated in terms of the under-noted formula :

FORMULA : A sum equivalent to 3 months (three months) of the annual salary paid to an Employee during the relevant financial year, i.e from 1st April to 31 st March, for which such bonus is declared.

- (i) The full amount due on this formula to each Employee will be paid in two equal installments in the months of December and April. For example, in respect of the financial year 1st April 2006 to 31st March 2007, the payment of bonus will be made in the month of December 2006 and April 2007.
- (ii) This payment will be extended on a pro-rate basis to any Employee who has retired on reaching the age of retirement during the period for which the bonus is declared.
- (iii) In the case of an employee confirmed in employment after the successful completion of a period of probation, the employer will extend to him a prorated bonus payment notwithstanding such Employee having served less than 12 months.
- (iv) In respect of the financial years April 2006 to March 2007 and April 2007 to March 2008, the Employer will, taking into account the performance of the Company in such financial years, consider the grant of an ex-gratia equal to half months salary per Employee, after the end of such financial years. In the event the Company decides to make such a payment, it is agreed that it would be paid on 30th May.
- (v) In the event of the Employer not granting a payment in terms of the above, the union reserves to itself the right to raise a dispute. Such dispute shall be dealt with under the disputes settlement procedure set out at Clause 29 hereof.

20. *Wages for Periods Less than One Month.* - For the purpose of this Agreement the wages of any Employee for periods less than one month shall be computed in the manner following.



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

21. **Provident fund.** - The Employer shall contribute to the Provident Fund 12% of the Employees' monthly salary and the Employee shall contribute a like sum to the Fund. The rates of contribution are liable to change subject to the requirements of the employees' provident Fund Act, No. 15 of 1958.

22. **Annual Increments.** - The annual increments provided in each of the scales of consolidated wages in the Schedule hereto shall be automatic unless as a matter of punishment for general inefficiency including irregular attendance or punctuality or disciplinary action on account of serious misconduct an increment is suspended, stopped or deferred, in which case where an increment is -

- (a) deferred, the loss of increment shall be continuous throughout the year,
- (b) stopped, the loss of increment shall only be for the period of stoppage during the year,
- (c) suspended, the increment is suspended pending a decision to defer or stop an increment, such decision being dependent upon a consideration of the factors giving rise to the suspension. Where on such decision, an increment is neither stopped nor deferred, then the suspension shall be treated as waived and the full increment from the date of suspension thereof, shall accrue to the employee concerned. Deferment, stoppage or suspension of an increment shall only be effected in cases where the employee has been notified in writing of a complaint against such employee and has been found guilty after due inquiry of inefficiency, fraud or misconduct, which in the circumstances does not merit termination of employment.

23. **Warnings.** - If in the opinion of the employer, an offence warrants a warning the same shall be conveyed to the employee by a letter, a duplicate of which shall be signed by the employee. If the employee refuses to sign the duplicate the warning may be given to the employee orally by the employer in the presence of two witnesses and the fact that such written warning was refused to be taken by the Employee shall be recorded.

24. **Suspension.** -

- (1) An employee may be suspended without pay by his employer -
  - (a) pending an inquiry to be held such employer on a charge or charges of misconduct which warrants dismissal,
  - (b) in order to avoid a breach of peace or damage to the property or disturbance of the business of the employer,
  - (c) as a punishment for misconduct for a period not exceeding fourteen (14) working days after due inquiry.
- (2) At the time of suspension under Sub-clause (1) (a) or within twenty four (24) hours thereof the employer shall provide the employee with a written order of suspension specifying the reasons for such suspension and there after hold an inquiry into the charge or charges in terms of Clause 25 hereof.

25. **Disciplinary Action.** - Where the Employer proposes to proceed against an employee then:

- (1) Irrespective of whether an employee has been suspended under clause 24 hereof or not, the employee shall be furnished with a show cause notice which shall set out the particulars of the charge or charges of misconduct alleged against such employee and such show cause notice shall give the employee not less than three (3) clear working days in which to give the answer or explanation to the charge or charges preferred.
- (2) Within three (3) clear working days after the date of the show cause notice, the employee shall furnish in writing to the employer the answer or explanation to the charge or charges preferred against such employee. Provided however, that if in the circumstances it is reasonable the employee may ask the employer for an extension of time within which to furnish the written answer or explanation to show cause notice and where such request is made by an employee to the employer, the employer shall grant such request for such further period of time as is deemed necessary in the circumstances of the case.
- (3) If the employer is satisfied with the written answer or explanation of the employee, the employee shall if he is under suspension forthwith be reinstated and shall be paid all wages and entitlements due for the period of such suspension.

- (4) If the employer is not satisfied with the written answer or explanation of the employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within ten (10) working days from the date of receipt by him of the written answer or explanation to the show cause notice
- (5) After holding such inquiry, the employer shall notify the employee of the findings of each of the charges in the show cause notice and the punishment, if any, imposed by the Employer. Provided that if the Employer fails to make an order except for reasons beyond the control of the Employer on the charges in the show cause notice within thirty (30) working days from the conclusion of the inquiry into such charges, the employee shall not be liable to be punished thereafter in respect of such charges and not inference adverse to the employee in respect of such charges shall be drawn from such charges.
- (6) If the employee is under suspension and the Employer after such inquiry makes order that :
  - (a) the employee shall not be dismissed then the employee shall resume employment forthwith and shall subject to the provisions of Sub - clause 24(1) hereof be paid all wages and entitlements due for the period of suspension irrespective of such other punishment less than dismissal that may be imposed by the Employer on the finding as to the charges in the show cause notice ;
  - (b) the employee shall be dismissed, then the employee's dismissal shall take effect from the date of the employee's suspension and accordingly the employee shall not be paid for the period of such suspension.
  - (c) In view of the serious or involved nature of the charges, in the show cause notice against the employee, the Employer is unable to make a final order as it is necessary and desirable that the matter be referred to the Police or other authorities for further investigations or inquiries and that the matter be therefore, referred to the Police or other authorities or if in view of the serious or involved nature of the charges preferred against the employee, the matter has been previously referred to the Police or any other authorities for investigations or inquiries that the outcome of such investigations or inquiries be awaited, then in either of such circumstances, the employee may remain suspended without pay.
- (7) If in any case where an employee is suspended as provided for herein the Employer fails to make an order under paragraphs (a) to (c), of the preceding sub-clause for any reason other than that of the employee's own seeking within thirty (30) working days from the date of the employee's suspension, the employee shall be entitled to half his normal remuneration for the period of thirty (30) days from the date of such suspension and to his full remuneration for the period of suspension in excess of thirty (30) days up to the date on which the employer makes and order under paragraphs (a) to (c) of the preceding Sub-clause, irrespective of the outcome of the inquiry.
- (8) In any case where an employee is suspended as provided herein the Employer shall make an order under paragraphs (a) to (c) of sub-clause 6 within ninety (90) days of the date of suspension of the employee unless he is prevented from so doing by reason of the employee's own seeking or for reasons beyond the control of the Employer or it is agreed between the Employer and the Union that in the circumstances of the case, the period of ninety (90) days be extended for such further time as may be agreed.
- (9) An employer shall not be require to hold an inquiry as referred to in Sub-clause (4) and (5) hereof where the employer proposes to warn the employee of where the employee admits to the charge or charges. Provided however, that if the Union disputes the warning or punishment imposed on the employee by the employer and requests the holding of an inquiry the employer shall comply with such request and the provisions relating to the holding of an inquiry shall then apply subject to the exception that the fact that the inquiry had not commenced within ten (10) working days after receipt of the employees explanation shall not be material or relevant.

26. **Retirement.**— In accordance with the existing practice, an employee on reaching the age of sixty years (60) shall *ipso facto* retire and cease to be an employee by the employer and there shall be no obligation on the employer to give the employee notice of such retirement. Provided however, that if an employee is found medically, physically unfit before he reaches the age of sixty (60) years, his services shall be terminated at that stage.

27. **Termination of Service.**—

- (1) Every contract, whether oral or written for the hire of any employee by the employer except for work usually performed by the day, or by the job, or by the journey, shall (subject to the provisions of Clause 6 hereof or unless otherwise expressly stipulated) be deemed and taken in law to be a contract for hire and service for the period of one (1) month and to be renewable, from month to month and shall be deemed and taken in law to be so renewed, unless one month's notice be given by either party to the other of his intention to determine the same and such month has expired.



- (2) Where an employee is engaged for a particular job or period such as casual or temporary work he shall be informed thereof at the commencement of his employment and his contract of service will terminate on the completion of the job or period or on the failure of the employee to complete the job within a reasonable time.

28. **Union Recognition.** - The Union shall be competent to make representations on behalf of any of its members who is employed in any workplace of the employer bound by this Agreement. In regard to issues of general application or the effect of principles such as matters affecting general terms and conditions of employment either in that work place or the trade as a whole the following provisions shall apply:

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

29. **Disputes Procedure.** -

- (1) In the first instance, the Union shall submit any demand on behalf of its members to the Employer and give the Employer at least ten (10) days time within which to reply. If in the Union's opinion the employer's reply is unsatisfactory the Union and the Employer shall explore the possibility of reaching a settlement.
- (2) When the Union concludes that negotiations with the Employer have been abortive it shall ask the Department of labour to intervene and give the Department not less than ten (10) working days to arrange conferences and/ or discussions with a view to a settlement of the dispute. Negotiations under the aegis of the Department of labour shall then proceed until the Department of labour reports failure.
- (3) Subject to the provisions of Clause 29 hereof all disputes between the parties shall be settled in accordance with the provisions of the industrial Disputes Act and the regulations made there - under.
- (4) Any party to this Agreement shall not instigate, support or engage in any unfair labour practice during the currency of this Agreement.

30. **Trade Union Action.** - 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 shall not engage in any strike or other form of trade union action against the employer in respect of any dispute between the employer on the one hand and the union and/ or its members and/ or any employees covered and bound by this Agreement on the other hand whether or not such dispute is related to this Agreement except where such dispute has been caused by an act of an employer, which in the opinion of the controlling body (by whatsoever name called) of the Union is *mala fide* or vindictive or calculated to threaten or undermine the existence of the legitimate activities of the Union and/ or its members or grossly unfair or seriously detrimental to the interest of the Union and/ or its members. Provided however, that at least (07) days notice in writing shall be given by the Union to the employer and the Commissioner of labour before the date of commencement of any intended strike or other form of trade union action consequent to an act of an employer which in the opinion of the controlling body (by whatsoever name called) of the Union is *mala fide* or vindictive or calculated to threaten or undermine the existence of the legitimate activities of the Union and/ or its members of is grossly unfair or seriously detrimental to the interest of the Union and/ or its members.

31. **Benefits/ Concessions.** - A list of Benefits / Concessions including the basis of payment of the Attendance/ Punctuality Bonus is set out in Schedule II hereof.

32. **Variations of terms and Conditions of Employment, Benefits.** -

- (1) 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, alter or add to all or any of the

terms and conditions of employment presently applicable to any of the employees covered and bound by this Agreement as amended or altered in terms of this Agreement, or all or any of the benefits presently enjoyed by any of the employees covered and bound by this agreement other than by mutual Agreement.

- (2) The employer agrees with the Union and its members and the employees covered and bound by this Agreement that he 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.
- (3) Any dispute or difference arising from negotiation under the provisions of Sub - clause (1) or (2) may be resolved by voluntary arbitration but only if all the parties concerned agree to submit such dispute or difference for settlement by voluntary arbitration.

## PART II

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

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

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

2. **Union Meetings.**- The following provisions shall apply to meetings of the Unions-

- a. In respect of each meeting the Union desires to hold at the Employer's premises, an application for permission shall be previously made to the Employer.
- b. If the Employer decides to grant permission, the Employer shall be entitled to impose, *inter alia*, one or more of the under noted conditions :-
  - i. that no person other than an employee who is a member of the Union in the service of the employer shall be present at the meeting of the such Union;
  - ii. On occasions such as the Annual General Meeting of the Union, authorised officials of such Union may with the prior approval of the Employer, attend;
  - iii. Fix a time limit within which a meeting of the Union shall be conducted or adjourned.
- c. It shall be the duty of the Union and its Officials to ensure that the terms on which permissions to hold a meeting of the Union is granted are duly complied with.
- d. It shall be the duty of the Union and its officials to ensure that no damage is caused in the course of or in connection with the meeting of the Union to the Employer's property or any other persons at the Employer's premises and the Union shall indemnify the Employer and keep the Employer indemnified against any such damage.

**3. Duty Leave. -**

1. The following provisions shall apply to duty leave :- Without prejudice to the right of the Employer to refuse to grant permission if, in its discretion, the exigencies of the circumstances warrant refusal. The Employer will generally grant permission for not less than two Office Bearers of the Union :-
  - (a) to be present at conferences held under the aegis of the he Employer's Federation of Ceylon or the Department of Labour, in connection with a dispute between the Employees and Employer,
  - or
  - (b) to attend inquiries before Industrial Court, Arbitrators or Labour Tribunals or Department of Labour without loss of wages for such absence.
2. The Employer will in his discretion, grant leave without remuneration, to an employee to attend a Trade Union Course or Seminar or Conference either in Sri Lanka or abroad, unless the Employee concerned is entitled to annual or other holidays which he wishes to utilize for the purpose.

**4. Check Off. -**

1. For the purpose of this clause the Employer shall be bound to grant check off to the Union only if the membership of the Union is not less than forty percent (40%) of the Employees covered and bound by this Agreement.
2. 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.
3. Every Employee who agrees to the deduction of Union dues from his wages shall sign a statement to that effect in the form set out in Form No. 1 hereinafter referred to as an "Authorization".
4. Every Employee shall be entitled to withdraw his agreement to check off at any time by signing a statement to that effect in the form set out in form No. 2 hereinafter referred to as a "Revocation" as set out in the Third Schedule hereto.
5. As far as practicable, deduction under an authorization shall commence from the wages due immediately after the date of receipt of such authorization and shall continue thereafter until the authorization is cancelled by a revocation.
6. As far as practicable, deductions under an authorizations shall cease from the date of receipt of a revocation canceling such authorization. Provided however -
  - (a) That an Employer shall not be liable in any manner whatsoever to the Union or the Employee concerned for failure to comply with Sub - clause (5) or (6) ;
  - (b) that, at his discretion, the Employer shall be entitled not to make deductions by way of check off in any month in which the deduction by way of check off will together with all other deductions from the Employee's wages in that month exceed the deductions permitted by law.
7. The Employer shall not later than the tenth day of each month remit the Union dues deducted from the wages of the employees in the month immediately preceding to the Treasurer of the Union in accordance with the tenor of each Authorization by a cheque payable to the Treasurer thereof and cross "Account Payee".
8. The cheque shall be sent at the risk of the Union and the Employees concerned by post in a pre-paid envelope addressed to the Treasurer of the Union as its address for the time being.
9. The Treasurer of the Union shall promptly acknowledge receipt of the cheque.
10. The Employer shall not be liable to pay to the Union or to the Treasurer on its behalf, as aforesaid, any sum other than the Union dues actually deducted.

## SCHEDULE I

## SALARY SCALES EFFECTIVE FROM 01.08.2006

**Ice and Aerated Water Trade**

Grade III	10,101.00	20,566.00	35.00
Grade II	10,107.00	23,562.00	45.00
Grade I	10,130.00	26,575.00	55.00

**Engineering Trade**

Grade III	10,101.00	23,566.00	45.00
Grade II	10,124.00	26,569.00	55.00
Grade I	10,222.00	29,657.00	65.00

**Transport Trade**

Grade B	10,187.00	26,632.00	55.00
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## SCHEDULE II

## BENIFITS/ CONCESSIONS TO EMPLOYEES

1. Soft Drinks Issues.-
  - a. 24 bottles free of charge per month per employee.
  - b. Funeral of an employee 10 dozens free of charge.
  - c. Wedding of an employee - subject to one wedding during an employee's tenure of service - 6 dozens free of charge.
  - d. Funeral of a dependent - 150 bottles at ex-factory price.
2. Ice Cream Issue.- 4 litres of Ice Cream to be issued at the ex-factory price less Rs. 15/- per month per employee.
3. Free Mid-Day Meal.
4. Medical benefit under a surgical and hospitalisation insurance cover, where an employee could claim up to Rupees Thirteen Thousand (Rs. 13,000/-) in any one claim with a maximum limit of Rupees Twenty Thousand (Rs. 20,000/-) for a year.
5. Funeral Aid Scheme.-
  - a. a Grant of Rs. 15,000/- in the event of a death of an employee in service.
  - b. A Grant of Rs. 5,000/- in the event of a death of the spouse or any unmarried children under 18 years and if the employee is unmarried, to his/her parents.
6. Welfare Shop with essential items.
7. Service Awards: -
  - a. On completion of 15 years of service Rs. 5,000/-.
  - b. On completion of 25 years of service - one gold sovereign and a Wall Clock.
  - c. On completion of 30 years of service - one gold sovereign.
8. Uniforms and Shoes of Labour Force.
9. Retirement grant to employees.-
  - a. For employees retiring after a period in excess of 15 years, a gift voucher to the value of Rs. 2,250/- to purchase Company products.
  - b. For employees retiring with less than 15 years service a gift voucher to the value of Rs. 1,250/- to purchase company products.
10. Monthly salaries / wages to be paid on 25th of each month.
11. Opportunities being made available to suitably qualified employees in the Labour and Minor grades to obtain appointments in Clerical and Executive Grades.

12. Annual Excursion.–

Annual Excursion for Labour to be provided by the Company. The excursion shall commence on a Friday from the Company premises and return by Sunday evening.

13. Festival Advance of Rs. 2,600/- to be paid for Sinhala/Tamil New Year or Christmas.

14. An advance of Rs. 1000/- from the NRCLG for Vesak festival, subject to the money lying to the credit of NRCLG.

15. Holiday Bungalow.–

3 Roomed Holiday Bungalow to be provided as and when available. This facility will be reviewed subject to its occupancy levels.

16. Shift Allowances.–

7.00 a.m. to 3.00 p.m.	Rs. 6.00
3.00 p.m. to 10.00 p.m.	Rs. 6.00
10.00 a.m. to 7.00 p.m.	Rs. 10.00

Boiler/ Engineer.–

4.00 p.m. to 12 mid night	Rs. 10.00
12 midnight to 8.00 a.m.	Rs. 10.00

17. Attendance/ Punctuality Bonus.–

a. A total bonus payable Rs. 360/- per month subject to deductions for absence as given below :

DEDUCTIONS FOR LEAVE

<i>Authorised leave taken</i>	<i>Deductions (Rs.)</i>
1/2 day	Nil
1 day	Nil
1 and 1/2 day	Nil
2 days	Nil
2 and 1/2 days	75.00
3 days	150.00
3 and 1/2 days	200.00
4 days	not eligible

- Accident Leave, continuous 7 days Annual Leave, Special Leave and Duty Leave will not be counted as absence for deduction.
- Any walkouts of more than 4 hours continuously will be considered as 1 day's leave for this purpose
- Periods of strikes will be regarded as absence.
- Employees guilty of unauthorised absence and / or who avail themselves of unpaid sick leave for any period will forfeit their right to the attendance/ punctuality bonus.
- Deductions for late attendance :

<i>Late in minutes</i>	<i>Deductions</i>
15	Nil
30	Rs. 15.00
45	Rs. 30.00
60	Rs. 50.00
75	Rs. 75.00
90	Rs. 100.00
105	Rs. 125.00
120	not eligible

A quarterly bonus of Rs. 600/- will be paid for employees who collect the full payment of Rs. 360/- in the 3 months representing such quarter. The year for this purpose shall be from January to December.

18. SPECTACLELOAN.-

A spectacle loan of Rs. 1,250/- subject to prevailing condition.

19. BOOKADVANCE.-

A book advance of Rs. 1000/- in December subject to prevailing conditions.

**FORM No. 1**

**Name of Employer :**

**Authorisation**

As I am an employee covered and bound by the Collective Agreement effecting employees in a manual or Labouring capacity in the Trade ..... and bearing no ..... of and I desire to avail myself of the facility of check off in Clause ..... of the said Collective agreement to which I am entitled to as a member of the .....

Please deduct from my wages each month a sum of Rupees ..... (Rs) in respect of my current monthly membership dues to the said Union and remit the same to the said Union on my behalf. The first payment should please be made from my wages next due immediately following the date hereof.

Signature of Employee :

Date :

Full Name of Employee :

Received on :

(To be filled by Employer)

**FORM No. 2**

**Name of Employer :**

**Revocation**

With reference to the Authorisation submitted by me, please cease to deduct from my wages any further membership dues in favour of the ..... with effect from the wages next due to me immediately following the date hereof.

Signature of Employee :

Date :

Full Name of Employee :

Received on :

(To be filled by Employer)

*PART III*

CONTAINING DEFINITIONS OF CERTAIN WORDS


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





Words	Meaning
Check - off	The act of the Employer deducting, at the request of the Union, Subscription payable to the Union by an employee from the latter's pay with his concurrence.
Dispute	Shall have the same meaning as in the Industrial Disputes Act.
Employee (For convenience sometimes referred to as 'he' or its grammatical variations)	An employee covered and bound by this Agreement
Industrial Disputes Act	The Industrial Disputes Act, No. 43 of 1950
Normal Incremental Date	The date on which an employee would normally receive an increment
Union or Unions	The Union covered and bound by this Collective Agreement
Wage	The monthly wage according to the scales of Consolidated wages in the Schedule hereto.
Week	The period between midnight on any Saturday Night and midnight on the Succeeding Saturday night.
Year	A continuous period of twelve (12) months.


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

IN WITNESS WHEREOF THE PARTIES AFORESAID HAVE HEREUNTO SET THEIR HANDS ON THIS FIRST DAY OF DECEMBER TWO THOUSAND SIX.


  
.....  
M. D. De Silva  
Sector Head (F& B Manufacturing)  
for & on behalf of  
CEYLON COLD STORES LTD.


  
.....  
Leslie Devendra  
General Secretary,  
For & on behalf of  
SRI LANKA NIDAHAS SEVAKA SANGAMAYA.

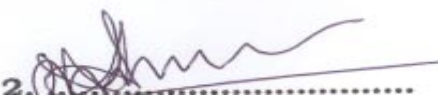
  
.....  
R.F. N. Jayasooriya  
Head-Supply Chain Management  
for & on behalf of  
CEYLON COLD STORES LTD.

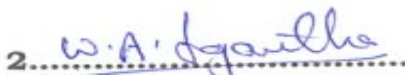
  
.....  
L. P. Saman Pushpakumara,  
Co/ President,  
SRI LANKA NIDAHAS SEVAKA SANGAMAYA.

Witnesses :

  
.....  
K. Weerasinge  
Asst. Director General  
E. F. C.

  
.....  
M.G.A. Rohan,  
Secretary.

  
.....  
Nilanth Jayasingha  
EMPLOYER RELATIONS MANAGER.

  
.....  
W.A. Jayantha,  
B. Secretary.

**THE INDUSTRIAL DISPUTES ACT, CHAPTER 131**

THE Collective Agreement entered into between SriLankan Airlines Limited, Level 19-22, East Tower, World Trade Centre, Echelon Square, Colombo 01 of the one part and Association of Licensed Aircraft Engineers, No. 73/ 1 A, Dhammadara Mawatha, Ratmalana of the other part on 21st November, 2006 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.  
26th February, 2007.

**Collective Agreement No. 40 of 2006**

COLLECTIVE AGREEMENT BETWEEN SRILANKAN AIRLINES LIMITED  
AND  
THE ASSOCIATION OF LICENSED AIRCRAFT ENGINEERS  
2006 - 2009

**SRI LANKAN AIRLINES ENGINEERS COLLECTIVE AGREEMENT 2006**1. **Arrangement and Index. -**

This Agreement is arranged as follows :

<i>Subject Matter</i>	<i>Section Number</i>
Arrangement and Index	1
Title	2
Parties Covered and Bound	3
Short Recital and General Agreement	4
Duration of Agreement	5
Recognition	6
Job Classifications and Engineering Grading Structure	7
Monthly Basic Salary Scales	8
Basic Salary Increases During this Agreement	9
Special Premium Allowance	10
13th Month Incentive Bonus	11
All Other Allowances	12
Income Tax and Statutory Deductions	13
Uniforms	14
Letters of Appointment	15
Probationary Period on Joining	16
Notice Period for Termination of Employment	17
Working Hours	18
Rosters	19
Overtime Pay	20
Leave Entitlements	21
Retirement Age	22
Employee Provident Fund (EPF)	23
Employee Trust Fund (ETF)	24
End-of-Service Gratuity	25
Medical Benefits Scheme	26
Accident Insurance Benefits	27

<i>Subject Matter</i>	<i>Section Number</i>
Illness Insurance Benefits	28
Benefits in the Event of Death due to Natural Causes	29
Group Travel Insurance	30
Workmen's Compensation	31
Staff Travel Benefits and Concessions	32
Training	33
Bonding	34
Car Loan	35
Grievance and Dispute Procedure	36
Disciplinary Inquiry Procedure	37
Trade Union Facilities	38
Signatures of Agreement	39
 <i>Appendices</i>	 <i>Appendix Number</i>
Minimum job and Grade Requirement for E1 - E4	A
Summary of All Approval Allowances	B
Car Loan Policy	C

2. **Title.**— This Agreement is the “SriLankan Airlines Engineers Collective Agreement 2006”, and hereinafter shall be known and referred to as the “Agreement”.

3. **Parties Covered & Bound.**—

- 3.1 This Agreement is hereby made and entered into pursuant to section 5 of the Industrial Disputes Act, No. 43 of 1950, and is effective from **1st March 2006** between the following parties listed in Sections 3.2a and 3.2b and 3.3 below. In this Agreement, the term “Engineers” or “Employees” shall mean all those Engineers in Employment (Grades E1, E2, E3 & E4) as at the date of signing this agreement, covered by either Sections 3.2b or 3.3 in this Agreement below :
- 3.2 This Agreement shall cover & bind:
- 3.2a Sri Lankan Airlines Limited, a Company incorporated in Sri Lanka whose official registered office address is Level 19 - 22, East Tower, World Trade Centre, Echelon Square, Colombo 01, Sri Lanka, hereinafter called the “Company” (which expression wherever the context so admits shall include and mean it's successors and assigns).
- 3.2b The Association of Licenced Aircraft Engineers of SriLankan Airlines, an Employee Association registered in Sri Lanka under section 10 of the Trade Union Ordinance under registration number 7107, whose official registered office address is **73/ 1 A, Dhammadara Mw., Ratmalana**, SriLanka, hereinafter called the “Association” (which expression wherever the context so admits shall mean and include it's successors, assigns, replacement and all Engineers who are fully paid-up members of the Association locally employed in a permanent capacity in grades E1 - E4 of the engineering grade structure and in employment as at the date of signing this agreement who are covered and bound by this Agreement).
- 3.3 Other individual Engineers locally employed in a permanent capacity in grades E1 - E4 of the engineering grade structure and in employment as at the date of signing this agreement, who are not members of the Association but who nevertheless wish to accept the terms and conditions of this Agreement by signing on an individual basis.

4. **Short Recital and General Agreement.**—

- 4.1 WHEREAS demands and requests were made by the Association for a revision of terms and conditions of employment of Engineers employed by the Company (noting that the existing terms and conditions of employment of Engineers were previously been recorded in any Collective Agreement between the Company and the ALAE Association signed on 10th March 2004).
- 4.2 AND WHEREAS the Association has verify to the satisfaction of the Company that it represents at least 40% of the Engineers (E1 - E4) employed in a permanent capacity by the Company in Sri Lanka.
- 4.3 AND WHEREAS having received the demands and requests from the Association, the Management of the Company discussed and negotiated with the Association, and during the process of negotiations were able to finally reach agreement on the matters contained herein, on the understanding that any and all other matters raised would be regarded as having been withdrawn in favour of this finalised “SriLankan Airlines Engineers Collective Agreement 2006”.

- 4.4 AND WHEREAS the intention of both parties was that this Agreement would ensure operational and industrial peace and harmony, improved overall efficiency of the Engineering and Maintenance Department, an improvement in overall performance and productivity, including the ability to rotate and cross - utilise experienced Employees between operational and support areas, co-operation between the Employer and Employee, and a contented and highly motivated workforce. The parties to this Agreement have a common objective in ensuring the proper and successful functioning of the Company, as only this can safeguard the welfare of both the Company and all the Employees.
- 4.5 AND WHEREAS the parties have agreed that there would be strict compliance with all procedures, terms and conditions agreed in this Agreement, and it is agreed by the parties that they would honour and abide by their respective obligations, respecting the rights of each other as set out in this Agreement.
- 4.6 NOW KNOW YE AND THIS AGREEMENT WITNESSETH THAT as a result of said discussions, and that for and in consideration of the above premises and the mutual terms and conditions set out in this Agreement, the Association and the Company have reached this Agreement, which includes clauses for the enhancement of salaries and various allowances to further improve the employment conditions offered by the Company.
- 4.7 AND THAT the parties have agreed that there would be compliance with all existing procedures, processes and regulations that are not otherwise specified in this Agreement, and both parties agree that the Company may in due course publish an Employment Manual which would set out all major policies and regulations of the Company, some of which may be set out in this Agreement, as the intended policies of the Company. 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, then the terms and conditions specified in this Agreement shall prevail.
- 4.8 AND THAT this Agreement covers all the demands and claims of the Association contained in their original requests and demands and other issues brought for negotiation and discussions during the course of bargaining of the said demands in full and final settlement thereof, and that all demands. Claims and requests raised by the Association are hereby withdrawn or settled or satisfied in terms of and /or in consideration of this Agreement.
- 4.9 AND THAT in consideration of this Agreement, the Association and its members and the Management shall not during the continuance of this Agreement seek to vary, alter or add to, all or any of the terms and conditions of employment or benefits contained as provided for in this Agreement, other than by mutual agreement.
- 4.10 AND THAT the terms and conditions of this Agreement effective from 21st November, 2006 shall be deemed to be included in all the contracts of employment between the Company and all Engineers covered and bound by this Agreement, whether such contract of employment be written or not, and which was subsisting as at 10 th March 2004 or shall come into being at any time thereafter during the continuance of this Agreement.
- 4.11 AND THAT if, and in so far as, any provisions contained in this Agreement are superseded by mandatory law in Sri Lanka, all other provisions not so superseded shall remain in full force and effect.
- 4.12 AND THAT it is agreed that any dispute over the interpretation of this Agreement shall be settled by reference to the Commissioner of Labour, or where such decision is not acceptable by voluntary arbitration under section 3 (1) (d) of the Industrial Disputes Act.
- 4.13 IT IS ALSO AGREED THAT the minimum terms and conditions of service which apply to all Engineers employed in a permanent capacity in grades E1 - E4 of the Engineering grade structure who are covered and bound by this Agreement shall be those provided for in this Agreement.
- 4.14a AND THAT the Association and/ or its member shall not resort to any form of Trade Union action except cases stipulated in Clause 4.14 (b) in respect of any matter covered or arising out of this agreement and during the period of this agreement is in force.
- 4.14b The Association reserves the right to resort to Trade Union action after due notice in the event any matters not referred to herein which have been duly brought to the notice and discussion with the management and where no satisfactory solution has been found after having resorted to the grievance and dispute procedures embodied herein.

##### 5. *Duration of Agreement.-*

- 5.1 This Agreement shall come into effect from 1st March 2006, and shall remain in force and binding on all parties for THREE years from 1st March 2006 until 28th February 2009. This shall not preclude discussions taking place and commencing at any time after 1 st September 2008 between parties for a revision of the Agreement to effective from 1 st March 2009.

- 5.2 Subject to section 4.7 earlier, this Agreement replaces in full the previous Agreement between the Company and the Engineers Association dated 10 th March 2004, which was valid from 1st March 2004 and expired on 28 th February 2006. Any clause that may have been in the previous agreement is considered revoked unless repeated and carried-forward into this new Agreement.
- 5.3 Subject to section 4.7 earlier, this Agreement replace in full all prior agreements, and replaces all prior working practices, and replaces all prior terms and conditions of employment for Engineers employed in a permanent capacity in grades E1-E4 of the engineering grade structure.

#### 6. **Recognition.-**

- 6.1 The Company recognises the right of the Association to represent the interests of, and when required negotiate on behalf of, all categories of locally Employed permanent Engineers that are classified in the E1-E4 engineering grades of the SriLankan Airlines grading structure in Sri Lanka who are fully paid-up members of the Association.
- 6.2 The Company recognises the right of the Association to exercise the Association function in accordance with the laws of Sri Lanka, and to manage the Association affairs without interference.
- 6.3 Recognition by the Company of the Association shall continue as long as the Association holds the status of Collective Bargaining Agent of the Engineers in the E1-E4 engineering grade of the Company, and can verify that at least 40% of all locally employed Engineers in the grades E1-E4 inclusive are fully paid-up members of the Association. However, in the event the Association representative strength falling below 40%, it will not prejudice the Association operating as an independent trade union.
- 6.4 The Association recognises the right of the company to plan, organise and manage the operation of each location in order to achieve maximum safety, efficiency and profitability in the operation. This right includes, inter-alia, the recruitment, engagement, control, discipline, termination, upgrading, promotion, demotion, transfer and dismissal of Employees (always in accordance with the laws of Sri Lanka and the procedures and manuals of the Company). This right also includes, inter-alia, the use of contract Engineers from time to time as operationally required. This right also includes, inter-alia, the determination of the rosters, working patterns and times methods and manner of working, the introduction of technical improvements, and the decision to modify, extend, curtail or cease operations, and all safety aspects of the operation. The Company will always exercise the above mentioned right within the limits prescribed under all applicable laws of Sri Lanka and in accordance with all applicable procedures and manuals of the Company.

#### 7. **Job Classifications and Engineering Grading Structure.-**

- 7.1 Grading structure and job classification system for Engineering are as follows :

<i>Grade</i>	<i>Generic Title</i>
E1	Engineer I
E2	Engineer II
E3	Engineer III
E4	Duty Engineer/ Assistant Manager/Maintenance Control Duty Engineer/ Quality Assurance Inspector

- 7.2 The Management agrees that vacancies will be advertised internally before deciding on external recruitment for E1 to E4 grades and that this will be done at all times as per the Recruitment Policy.
- 7.3 In order for and Engineer to be considered for promotion to a higher grade, then the minimum job and grade requirements of that higher grade must be met as defined by Appendix A of this Agreement by that Engineer. Any such promotions are subject to budget and / or operational requirements and availability of vacancies.
- 7.4 All jobs will be graded and placed in the grading structure based upon the job evaluation system.
- 7.5 The Managment agrees to advertise all vacancies internally for overseas postings. Engineers are required to serve in india or Maldives, prior to being posted to an European country.
- 7.6 Managment agrees that the Engineers will be considered as an independent group without any comparison with other categories in the Company.

- 7.7 For the purpose of authority, privileges and other benefits other than remuneration, the following equivalency to other grades will be as follows :

E1, E2 & E3 - Grade 8.2

- 7.8 For the purposes of authority, privileges and other benefits other than remuneration, the following equivalency to other grades will be as follows :

E4 - Grade 9

8. **Monthly Basic Salary Scales.**—

- 8.1 The monthly basic salary scales will be adjusted effective from **1st March, 2006** until 31st May, 2007, and expressed in Sri Lankan Rupees (Rs.) per month are :

<i>Grade</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>
E1	41,640	52,050	62,460
E2	74,830	93,535	112,240
E3	110,610	138,260	165,910
E4	134,970	168,710	202,450

- 8.2 The monthly basic salary scales will be increased by 7.0 % effective from **1st June, 2007** until 31st May, 2008, and thereafter until amended, and expressed in Sri Lankan Rupees (Rs.) per month are:

<i>Grade</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>
E1	44,550	55,685	66,820
E2	80,070	100,085	120,100
E3	118,350	147,940	177,530
E4	144,420	180,525	216,630

- 8.3 The monthly basic salary scales will be increased by 7.5% effective from **1st June, 2008** until 28th February 2009, and thereafter until amended, and expressed in Sri Lankan Rupees (Rs.) per month are:

<i>Grade</i>	<i>Minimum</i>	<i>Midpoint</i>	<i>Maximum</i>
E1	47,890	59,860	71,830
E2	86,070	107,585	129,100
E3	127,230	159,035	190,840
E4	155,250	194,060	232,870

- 8.4 Under no circumstances may the monthly basic salary of an Engineer exceed the prescribed limit maximum salary of their grade.

- 8.5 All new external recruited Engineers who will be taken on the payroll of the Company subsequent to the date of signing this Agreement will normally start at the minimum of scale. However, the Management reserves the sole right to offer a commencing salary at a higher level than the minimum of scale depending upon merits as considered appropriate by the Management.

9. **Basic Salary Increases during this Agreement.**—

- 9.1 The actual individual monthly basic salaries (not the special premium) as at **28th February, 2006** will be increased effective 1st March, 2006 by an amount equivalent to US \$ as mentioned below :

E1 US \$	73	E2	US \$	335
E3 US \$	630	E4	US \$	815

The company exchange rate at the time of signing the Agreement will be considered for the conversion of above said amounts and placement of salary points.



- 9.2 ANNUAL MERIT INCREMENT ON 1ST JUNE, 2006.- The actual individual monthly basic salaries as at 31st May, 2006 of all Engineers covered by this Agreement (except those on probation as at 01 st April 2006) will receive a performance-related merit increased to their monthly basic salary, and such increases will normally range from 0.0% to 6.0% (which an average of 3.0%), depending upon individual performance. This increase will also be applicable to the Special Premium Allowance.
- 9.3 ANNUAL MERIT INCREMENT ON 1ST JUNE, 2007.- The actual individual monthly basic salaries as at 31st May, 2007 of all Engineers covered by this Agreement (except those on probation as at 01 st April 2007) will receive a performance-related merit increased to their monthly basic salary, and such increases will normally rang from 0.0% to 6.0% (which an average of 3.0%), depending upon individual performance. This increase will also be applicable to the Special Premium Allowance.
- 9.4 FIXED INCREMENT ON 1ST JUNE, 2007.- The actual individual monthly basic salaries as at 31st May, 2007 (after the merit increase in June 2007) of all Engineers covered by this Agreement will be increased by 7.0% effective from **1st June, 2007**. This increase will also be applicable to the Special Premium Allowance.
- 9.5 ANNUAL MERIT INCREMENT ON 1ST JUNE, 2008.- The actual individual monthly basic salaries as at 31st May, 2008 of all Engineers covered by this Agreement (except those on probation as at 01 st April 2008) will receive a performance-related merit increased to their monthly basic salary, and such increases will normally range from 0.0% to 6.0% (which an average of 3.0%), depending upon individual performance. This increase will also be applicable to the Special Premium Allowance.
- 9.6 FIXED INCREMENT ON 1ST JUNE, 2008.- The actual individual monthly basic salaries as at 31st May, 2008 (after the Merit increase in June, 2008) of all Engineers covered by this Agreement will be increased by 7.5% effective from **1st June, 2008**. This increase will also be applicable to the Special Premium Allowance.
- 9.7 If an Engineer is promoted or upgraded to the next higher grade, the Engineer will receive an increase of 4.0% on their existing monthly basic salary only (not the special premium). However, if after this 4.0% increase the resulting basic salary is still lower than the minimum of the salary scale for the new grade, then the basic salary shall be further increased to that minimum level.
- 9.8 The Company agrees that in the event a Duty Engineer in grade E4 is transferred as Assistant Manager in the same grade, he will receive a sum, which is equivalent to the shift allowance plus a 10% increase on the basic salary and special premium. This will come into effect from 1st March 2006.
- Existing Assistant Managers at the time of signing the CBA in E 4 will get a 10% increase in special premium only with effect from 01st March 2006.
- 9.9 If the Company intends to recruite Expatriate Engineers or any other staff in E grades in the future, the Company has the right to offer annualised salary up to the equivalent value of the annual salary of an Engineer recruited on local terms. This salary will not be higher than the annualised salary of an Engineer on local terms. This will not apply in respect of Child Education and Housing Allowance.

10. *Special Premium Allowance.-*

- 10.1 Certain clearly defined categories of Engineers are eligible to receive a fixed monthly special premium allowance in addition to monthly basic salary. The Company may from time to time determine which categories of Engineers are eligible for this fixed monthly special premium allowance. This will be done in consultation with the Association.
- 10.2 The categories of Engineers that are deemed by the Company to be eligible for special premium allowance are as follows :
- (a) Holders of two or more ICAO type II (CASL equivalent) Aircraft Maintenance Engineering Licences will be paid 100% of the special premium allowance.
  - (b) Holders of Engineering Structural Design Approvals related to Primary Systems or Primary Structures will be paid 100% of the special premium allowance.
  - (c) Holders of PCN level II in all five NDT areas and full NDT approval will be paid 100% of the special premium allowance.
  - (d) Holders of one ICAO type II (CASL equivalent) Aircraft Maintenance Engineering Licences and or Holders of Engineering Structural Design Approvals related to Secondary Systems or Secondary Structures will be paid "CATEGORY B" of the special premium allowance.

- (e) Holders of Instructor Type Approvals in a minimum of two categories, having successfully completed a graduate engineering training programme, will be paid 100% of the special premium allowance.
- (f) Holders of Basic Instructor Approval, having successfully completed a graduate engineering training programme, will be paid "CATEGORY B" of the special premium allowance.
- (g) Holders of Graduate Degree in Aeronautical / Aerospace Engineering, Mechanical, Electrical or Electronics Engineering (Recognised and accepted by the University Grants Commission of Sri Lanka) related discipline or full Equivalent will be paid 100% of the special premium allowance.
- 10.3 If any Engineer qualifies under more than one of the above criteria then they will only be entitled to payment under one criteria, and no Engineer can qualify for more than 100% of the special premium allowance in any one month. (This will not be applicable to performance - related merit increase as per clause 10.6)
- 10.4 The value of 100% of the fixed monthly special premium allowance expressed in Sri Lankan Rupees (Rs) per month is :

**CATEGORY A**

Grade	W. e. f. 01/03/2006 (min)	W. e. f. 01/06/2007 (min)	W. e. f. 01/06/2008 (min)
E1	52,690	56,380	60,610
E2	87,220	93,320	100,320
E3	128,880	137,900	148,240
E4	135,990	145,510	156,420

- 10.5 CATEGORY B Fixed monthly special premium allowance expressed in Sri Lankan Rupees (Rs.) per month is :

Grade	W. e. f. 01/03/2006 (min)	W. e. f. 01/06/2007 (min)	W. e. f. 01/06/2008 (min)
E1	38,450	41,140	44,220
E2	58,730	62,840	67,550
E3	82,600	88,380	95,010
E4	86,150	92,180	99,090

- 10.6 The performance - related merit increases will also be applicable to special premium allowance :

**11. 13th Month Incentive Payment.-**

- 11.1 Subject to satisfactory financial performance by the Company, a 13th month incentive payment may be payable each year in the end - December payroll as per the rules and regulations that are announced each year at the sole discretion of the Management Company to all Employees.
- 11.2 Subject to the rules and regulations announced as per section 11.1 above, each Employee is eligible to receive any such 13th month incentive payment based upon their applicable monthly salary.
- 11.3 In the case of Engineers covered and bound by this Agreement, the applicable monthly salary for any 13th month incentive payment shall be a combination of both monthly basic salary as defined in Section 8 of this Agreement plus any applicable monthly special premium allowance as defined in section 10 of this Agreement.
- 11.4 The 13th month incentive payment is only paid to those Employees who have completed nine months of service and are still in current employment with the Company on the payment date in December. Where service on the payment date is less than one year but more than nine months, then a pro - rata 13th month incentive payment will be paid.
- 11.5 However, if employment has terminated prior to the payment date due to retirement or due to contract - expiry, then the Employee will still be eligible and a pro - rata payment will be made.

12. *All Other Allowances.*-

- 12.1 FUEL EXPENSES - EFFECTIVE FROM 1ST MARCH 2006 .- All Engineers in all grades E1 - E4 inclusive will be granted fuel expenses of minimum Rs. 27,000 per month. These fuel expenses of Rs. 27,000 per month will be paid in monthly payroll and is fully taxed as per the prevailing tax regulations.

This fuel amount will be further revised in 18th months from 1st March 2006 (effective 1st September 2007), taking into consideration 200 L of petrol and prevailing rate at the time of revision, using the same formula :

- 12.2 TELEPHONE ALLOWANCE. - Effective from 1st March 2006.- If an Engineer who is covered and bound by this Agreement is required to use their own personal mobile telephone for Company business, then they will receive a flat monthly telephone allowance of Rs. 3,000 per month w.e.f. 1st March 2006. If an Engineer is paid this monthly telephone allowance then they will be expected to be contactable at all times as and when required including their working hours.
- 12.3 PAYMENT FOR WORKING ON A DAY - OFF. - There is no eligibility for overtime payments for Engineers who are covered and bound by this Agreement. It is agreed by all parties that on occasions an Engineer will be required to work beyond their rostered shift for operational reasons, and that no overtime payments apply for these required extension hours on a rostered working day except under (a).

However, on occasions an Engineer may be required for work on a day - off. In these cases when an Engineer work on a day - off, they shall receive a working on day - off payment of Rs. 1000 per hour for each hour worked on a day-off, subject to a minimum payment of Rs. 6,000 per day-off. There shall be no entitlement for any time-off-in-lieu. The revised rate for the second year and third year will apply as per (a) below:

- (a) If an Engineer continues to work after duty for 4 hrs or more, or they are called early for duty before 02 or more hours, payment will be made for each hour at the rate of working on a day off payment as below :

First year ( from the date of signing the Agreement) upto **28th February 2007** - Rs. 1,000 per hour  
Second year upto **29 th February 2008** - Rs. 1,100 per hour  
Third year upto the end of the CBA - Rs. 1,200 per hour

Current 4 hour minimum payment is increased to 6 hours.

- 12.4 FLYING SPANNER ALLOWANCE. - It is agreed that on occasions an Engineer may be required for work on a day-off as a flying spanner. Performing flying spanner duties means that an Engineer is required to accompany an aircraft for the purposes of certification of that aircraft at an overseas on - line station.

In these cases when an Engineer works on a day-off to perform flying spanner duties, they shall receive an hourly flying spanner allowance (FSA) of US\$ 20.00 per hour for each hour worked on a day-off, subject to a minimum payment for 4 hours which is a minimum of US\$ 80.00 per occasion, and subject to a maximum payment of US\$ 300.00 per occasion. The flying spanner allowance (FSA) is only applicable when the Engineer goes away from Colombo and returns to Colombo with the same aircraft on the return leg except on layover flights. There shall be no entitlement for any time-off-in-lieu.

Payment of FSA per occasion will commence at initial chocks-off in Colombo, and will finish at the final chock-on back in Colombo. Actual qualifying time will then be rounded down or up to the nearest full hour. However, if the Engineer is away from the aircraft (either whilst on a layover during a hotel stay away from Sri Lanka, or whilst the aircraft is grounded for any reason at the overseas destination), then the FSA ceases from the time the Engineer leaves the aircraft at the overseas destination until returning to duty at the aircraft at the overseas destination. However, during the said period Meal Allowance and Night Stop Allowance will be applicable as per the Per-diem Policy.

If an Engineer is asked to perform duties as a flying spanner on a normal rostered working day, then flying spanner allowance (FSA) does not apply. Nor is there any eligibility for overtime payments for Engineers who are covered and bound by this Agreement who have to extend a normal rostered working day by performing flying spanner duties.

The revised rates will be applicable from the date of signing the Agreement.

When an Engineer receives flying spanner allowance for operating as a flying spanner on a day-off, then they do not receive any other payment as described in section 12.3 for working on a day-off.

Business Class seat will be allocated for Engineers on all flight observation duties only.

All LAEs who perform planned flight observation duties which consist of 15 hours or more (long sectors) minimum of 08 hours rest should be provided with Hotel Accommodation. (Lay over to be planned prior to departure from CMB).

After attending to AOG situations in overseas stations where we have on line operations, if LAEs have been working for continuous 12 hours or more, subject to possibility of arranging entry permits by the Station staff, hotel accommodation will be provided with a minimum rest of 08 hours.

Wherever possible, management will endeavour to provide passenger aircraft for LAEs to travel on AOG situations.

Transport facilities for flight observer duties - For flight above 15 hours or more company to provide home drops & pick-ups.

- 12.5 MEAL ALLOWANCES AS A FLYING SPANNER.- When an Engineer goes on duty as a flying spanner (both on a normal rostered working day, and on a day-off), meal allowances will be paid as follows :

<i>Allowance</i>	<i>Payment</i>	<i>Timing</i>
Breakfast	US\$ 20.00	07.30-08.30
Lunch	US\$ 20.00	12.30-13.30
Dinner	US\$ 20.00	19.30-20.30

All time schedules for applicability of meal allowances as listed above are shown in local times (LT). Engineers will be eligible for these meal allowances commencing one hour before scheduled departure and finishing half an hour after actual time of arrival (arrival / departure timings same as Cabin Crew / Tech Crew).

In addition to meal allowances, for a flight departing from or returning to Colombo where an overnight stay is required at an overseas slip location in a hotel whilst on-duty as a flying spanner, then a night-stop allowance will be paid as follows :

Night - Stop		
E1-E3	US\$ 24.00	On-duty at 00.01 and layover included.
E4	US\$ 34.00	On-duty at 00.01 and layover included.

- 12.6 **APPROVAL ALLOWANCE.**- A detailed summary of all approval types and associated approval allowance payments that apply to locally employed permanent Engineers in grades E1-E4 inclusive is provided in **Appendix B** to this Agreement.

The Company has the sole right to determine the number of Engineers who are required to have approval types to meet operational requirements for aircraft of both Sri Lankan Airlines and other airlines certified by SriLankan Airlines.

The Underlying intention and philosophy of the Company is to pay a monthly approval allowance of Rs. 8,000 regardless of aircraft - type for each recognised and required approval - type to any Engineer who holds a recognised approval - type and is required to utilise that approval as part of their regular working duties on an aircraft that is part of the SriLankan Airlines fleet.

This same underlying philosophy of Rs 8,000 per month per approval - type has also been used as the underlying philosophy in determining other types of license pay or approval pay on a relative pro-rata basis for other types of certifications and approvals.

Where the approval-type relates to a current approval on an aircraft that is in operation in the SriLankan Airlines fleet at the time of payment, then 100% of the relevant approval allowance shall be paid. However, such payment shall immediately cease to be payable if and when an aircraft type ceases to be in operation in the SriLankan Airlines fleet. There will be no negative impact to the remuneration package of individual Engineers in the event of this being implemented.

The Company may, if future business plans so determine, choose to phase-in or phase-out any other aircraft types at its sole discretion, and payment of approval allowances will apply in accordance with such phase-in and phase-out.

Likewise, payment of approval allowance shall immediately cease to be payable if and when the approval held by the Engineer is no longer current or the validity of their approval expires.

Where the approval-type relates to a current approval on an aircraft that is in scheduled operation of another airline for whom SriLankan Airlines provides certification (but not in operation in the SriLankan Airlines fleet) at the time of payment, then 50% of the relevant approval allowance shall be paid. However, such payment shall immediately cease to be payable if and when an aircraft type ceases to be maintained for the other airline by SriLankan Airlines. Likewise, such payment shall immediately cease to be payable if and when the Engineer is no longer current or the validity of their approval expires.

The overall cumulative maximum monthly approval allowance that an individual Engineer may receive in any one month shall be Rs. 90,000 per month.

12.7 STATIONING.-

- a. If a Station Engineer is required to be away from the station for operational or urgent personal reasons approved by the Management for two days or more, Management will take steps to send a relief Engineers depending on the operational requirement.
- b. If a relief Engineer is sent to a station to cover duties of the Station Engineers, he should be given HOTAC as per the Perdiem Policy of the company.
- c. Tickets - Posting & Deposting - same priority which is ID00S1/ 02.
- d. Medical benefits - Medical benefits given to Posted Country Managers & / or Station Managers in the same station will be applicable to LAEs' on Postings.
- e. Airport Lounge facility for posted Engineers - Posted Engineers on duty, to get lounge facility in Colombo and in Overseas stations as per Staff Travel Manual.
- f. Domestic Duty Travel within India - Payment of local currency equivalent of meal allowance currently being paid to Tech Crew & Cabin Crew, during AOG situations: Within India this will be paid based on Breakfast/ Lunch/ Dinner timings, as for Tech Crew & Cabin Crew.

12.8 SHIFT ALLOWANCE.- The normal core office hours of 08.15-16.45 on Mondays-Fridays inclusive is regarded as the regular day pattern, and is not a rostered shift pattern.

Daily shift allowance will be paid at a flat monthly rate, expressed in Sri Lankan Rupees (Rs) per shift of :

<i>Grade</i>	<i>Interim Shift Allowance</i>
E1	Rs 4,000 per month
E2	Rs 5,000 per month
E3	Rs 5,000 per month
E4	Rs 5,000 per month

12.9 WARM-CLOTHING ALLOWANCE.- The warm-clothing allowance for Engineers who are required to perform duty-travel to overseas locations where warm-clothing is deemed necessary is as follows :

<i>Grade</i>	<i>Warm-Clothing Allowance</i>
E1	US\$ 275 every five years
E2	US\$ 325 every five years
E3	US\$ 325 every five years
E4	US\$ 350 every five years

12.10 OTHER ALLOWANCES.- There are no other allowances or payments that apply to Engineers who are locally employed in Grades E1-E4 inclusive of the Engineering grade structure other than those listed in this Agreement.

13. **Income Tax and Statutory Deductions.-**

13.1 It is agreed by all parties that the individual Employee is at all times fully responsible for their own income tax liabilities and payments and for payment of any other statutory Employee contributions and deductions.

13.2 There will be no income tax subsidies or rebates or payments by the Company of any kind for any Employee of the Company.

14. **Uniforms.-**

14.1 Employees who are required to wear a uniform during duty hours must do so, and the Employee must ensure that the uniform is worn in compliance with the standards set by the Company. Uniforms will be issued according to Company requirements and will remain at all times the property of the Company. All uniforms are issued by the Company free of charge. Employees are fully responsible for keeping their uniform clean, presentable and in good condition at all times.

A set of Uniforms per annum will comprise of the following :

- a) Qty 05 Black trousers
- b) Qty 07 White short sleeve shirts
- c) Qty 02 White long sleeve shirts
- d) Qty 02 Black Sri Lankan ties
- e) Qty 01 Belt (annually)
- f) Qty 01 Sri Lankan tie pin
- g) Qty 01 Pair of safety shoes
- h) Qty 03 Set of egaulettes
- i) Qty 01 Blazer (double breast) for LAEs
- j) Qty 01 Travel bag set (01 small & 01 large) for LAEs
- k) Qty 02 Grey overalls - 02 pieces (To be discussed with Engineering Management)
- l) Qty 01 Weather beater

Current entitlement with regard to Uniforms will continue. Any change to the current entitlement will be done in consultation with the ALAE, by the Engineering Management.

14.2 There is no laundry allowance or reimbursement payable to Engineers in grades E1-E4 inclusive.

14.3 A member of the Association will be included in the Uniform Committee for the selection of materials for uniforms.

**15. Letters of Appointment.-**

15.1 Upon successfully completing a medical examination conducted by a registered medical practitioner recognised / nominated by the Company, and upon successfully completing all other pre-employment formalities, each newly appointed Employee shall be issued with a letter of appointment in duplicate along with JD. Both parties will be required to sign this letter, and a copy shall be kept by each party for their individual records.

15.2 This letter of appointment shall state, *inter-alia*, the job title, grade, salary, and other terms and conditions of employment, including the probationary period. It will also state that the Employee concerned will only be confirmed in their employment after the satisfactory completion of the necessary probation period.

16. **Probationary Period on Joining.-** For new Employees the period of probation on joining the Company is six months. Employment may be terminated by either party at any time during the period of probation without notice and without any reason in accordance with the provisions of the applicable Labour Laws of Sri Lanka.

17. **Notice Period for Termination of Employment.-** For all Engineers (except Employees under probation) the period of notice to terminate employment is three months for Grades E1-E4 inclusive from either party.

**18. Working Hours.-**

18.1 The standard working week of the Company in Sri Lanka is 40 working hours (excluding breaks) per week and may be day work, split or rotating shift. The standard regular day pattern is composed of 5 working days, with 2 days-off per week. Consequently a standard working day is therefore defined as 8 working hours (excluding breaks). For example, the current regular working pattern is as follows (but the Company may change this pattern at its reasonable discretion):

*Regular Day Pattern :*

- \* work time of regular day pattern of 08.15 - 16.45
- \* elapsed length of 8 hours and 30 minutes
- \* contains one break of 30 minutes
- \* hence actual working hours are exactly 8 hours
- \* pattern is normally 5-on and 2-off
- \* this equates to 40.0 working hours per 7 day cycle

18.2 Alternatively for Employees on a 28-day roster cycle, standard working hours are expressed as 160 working hours (excluding breaks) per 28- day roster cycle. For such Employees on a 28- day roster cycle, the working cycle is normally composed of no more than 20 working days, and no less than 8 rostered days-off per 28- day cycle. Regardless of the type of roster, a standard working day is always defined as 8 working hours (excluding breaks).



19. **Rosters.**—

- 19.1 All rosters will be constructed at the reasonable discretion of the Company in accordance with operational requirements after appropriate discussion and consultation with the Association. However the Company reserves the right to change the starting/finishing times for operational reasons as and when necessary. It is the sole right of the Company to determine the times, methods and manner of working, the introduction of technical improvements, the decision to modify, extend, curtail or cease operations, and all safety aspects of operations.
- 19.2 The Company may exercise reasonable discretion to determine when, where and how an Employee is detailed to work (including multi-tasking), or to transfer an Employee from one function or location to another.
- 19.3 All rosters will be constructed so that actual working hours per week (excluding breaks) are 40 working hours per week, or 160 working hours per 28 day roster cycle. As one illustrative example (but this is not an exhaustive list of all possible shift types).

*Base Shift Pattern :*

- \* day shift time of 08.00 - 19.25
- \* elapsed length of 11 hours and 25 minutes
- \* contains one break of 30 minutes and two breaks of 15 minutes each
- \* hence actual working hours are 10 hours and 25 minutes
  
- \* night shift time of 19.00 - 08.25
- \* elapsed length of 13 hours and 25 minutes
- \* contains one break of 30 minutes and two breaks of 15 minutes each
- \* hence actual working hours are 12 hours and 25 minutes
  
- \* pattern is normally 1-day plus 1-night plus 2-off, repeated 7 times in a 28 day roster
- \* this equates to a total of 159 hours and 50 minutes per 28 day cycle

20. **Overtime Pay.**—

- 20.1 As the aviation industry operates on a twenty-four hour cycle it is recognised that all Employees may on occasions be required to work additional hours beyond 40 working hours (excluding breaks) per week as and when requested by the Company to do so.
- 20.2 Engineers in grades E1 - E4 are not eligible to for overtime payments, other than those payments specified in section 12.3 for working on a day-off or section 12.4 for operating as a flying spanner on a day-off. Nor are there any entitlements to time-off-in-lieu.

21. **Leave Entitlements.**—

- 21.1 Debit System for all Types of Leave Expressed in Working Days.—  
Since one standard working day is defined in section 18 as 8.0 working hours (excluding breaks) this means that where any leave entitlement is expressed in working days, then it shall mean a period of 8.0 working hours (excluding breaks) unless otherwise specified in this Agreement.

A few sample calculations of how leave will be debited in working days are as follows :

(a) *Regular Day Pattern :*

- \* shift time of regular day pattern of 08.15-16.45
- \* elapsed length of 8 hours and 30 minutes
- \* contains one break of 30 minutes
- \* hence actual working hours are exactly 8 hours
- \* thus this is therefore considered as **1.00 working day** for all leave purposes

(b) *Long - Day Shift in Base Pattern :*

- \* Day shift time of 08.00-19.25
- \* elapsed length of 11 hours and 25 minutes
- \* contains one break of 30 minutes and two breaks of 15 minutes each
- \* hence actual working hours are 10 hours and 25 minutes (or 10.42 hours)
- \* thus this is therefore considered as 1.302 working days for all leave purposes

(c) *Long - Night Shift in Base Pattern :*

- \* night shift time of 19.00-08.25
- \* elapsed length of 13 hours and 25 minutes
- \* contains one break of 30 minutes and two breaks of 15 minutes each
- \* hence actual working hours are 12 hours and 25 minutes (or 12.42 hours)
- \* thus this is therefore considered as **1.302 working days** for all leave purposes

**All leave will simply be debited as–**

- \* 1.00 working day for the normal “8 hour shift”
- \* 1.50 working day for the longer “12 hour shift”

The above will apply up to 31st December 2006

21.1a With effect from 01st January 2007 all leave will simply be debited as :

- \* 1.00 working day for the normal “8 hour shift”
- \* 1.00 working day for the longer “12 hour shift”
- \* 1.00 working day for the any shift regardless of shift length

21.2 ANNUAL LEAVE.– The paid leave entitlement for Engineers in engineering grades E1-E3 covered and bound by this Agreement is 24 working days and 30 working days for E4 grade of paid annual leave per calendar year. The entitlement to annual leave applies to the calendar year. Each Engineer is required to utilise at least 50% of their annual leave entitlement in one continuous block, and this period will be defined as the annual long-leave block.

This hourly deduction will be replaced by normal deduction as per 21.1 a. This will come into effect from 01 st January 2007. The balance hours as at 31st December 2006 will be credited on the basis of 1.5 days for 12 hours. As a result of this there will be no head count increase and loss of productivity (Except those internal promotions to E1 grade from T grades).

The debit system of annual leave will be based on the rule that one working day of annual leave is defined as 8.0 working hours (excluding breaks) as detailed in Section 21.1 in this Agreement.

Annual leave not utilised in one year may at the discretion of the Company be rolled - over to the next year only, and thus the maximum accrual of paid annual leave shall not exceed 48 working days for E 1 - E3 and 60 working days for E 4. Annual leave may not be encashed if unused.

21.3 CASUAL LEAVE.– The paid Annual leave entitlement defined in Section 21.2 of 24 working days per annum includes any provisions under the Labour Laws of Sri Lanka for casual leave, so there is no additional entitlement to casual leave for Engineers.

21.4 LEAVE FOR ACCIDENTS OCCURRING WHILST ON DUTY.– In the event of an accident whilst on duty, which renders the Employee unable to perform their duties, then subject to approved medical certification by the Company Medical Officer (CMO) and after evaluation by the Safety Section, paid accident leave of up to 3 calendar months may be granted by the Company.

This paid accident leave will be paid on the basis of a combination of monthly basic salary as defined in section 8 of this Agreement plus monthly special premium allowance as defined in Section 10 of this Agreement. However, if there are any payments under the accident insurance policy (as defined in section 27 later) then such insurance payments will be deducted from the accident leave pay to be paid by the Company.

At the discretion of the Company, accident leave may be extended beyond 3 calendar months based upon a medical review by a specialist doctor and the Company Medical Officer (CMO), and will normally continue to be paid. However in no circumstances will the Company extend the total leave for accident whilst on duty beyond 12 calendar months in total.

In this context if an accident occurs whilst travelling from residence to work or vice-versa, then such an accident will be treated in accordance with this section as an accident whilst on duty, only in instances where staff meet with an accident whilst travelling in Company transport. In the event of staff meeting with an accident whilst travelling in a vehicle, which is not a Company transport, then, the compensation will be made under Accident Insurance (Clause 27) or Workmen’s Compensation (Clause 31) as determined by the Manager Insurance.

Further, in the event of Engineers who have to use their own vehicles to come to work or vice - versa, meeting with an accident whilst travelling in a vehicle, which is not a Company transport, a committee comprising of the President or the Secretary of the ALAE, Human Resources Manager (Personnel Relations) and Line Management will determine, if the employee was travelling to work from home or vice versa, and if so, whether the accident could be treated in accordance with this section as an accident whilst on duty.

During any approved period of accident leave, all associated medical expenses will be borne in full by the Company after appropriate evaluation by the Company Medical Officer (CMO). Such accident medical expenses are to be treated separately and outside from the normal limits of the medical benefits scheme detailed in section 26 of this Agreement.

- 21.5 SICK LEAVE.- The sick leave eligibility for all Employees in grades E1 -E4 covered and bound by this agreement is upto 14 working days of paid sick leave per calendar year. In exceptional circumstances, subject to the approval by the Company Medical Officer(CMO), additional unpaid sick leave of up to further 90 calendar days may be granted.

For the purposes of calculating sick leave debits for Employees on the normal 8-hour day pattern, each 8-hour working day that they are sick is debited simply as 1 working day of sick leave.

For the purposes of calculating sick leave debits in working days for Employees on restored shift patterns, the following procedure will apply :

- (a) First, the total period of sickness will be determined in calendar days, and this total period will commence from the time that the Employee reports sick and will end at the time that the Employee reports fit and returns to work. If this total period includes any rostered days-off, then those days-off will also be fully included in this total period of sickness in calendar days.
- (b) Second, regardless of shift-type or shift-length in working hours, a pro-rata number of days-off will be deducted from this total period of sickness to aid the conversion of sick leave from calendar days to working days (based on the underlying philosophy for the regular day pattern that 7 calendar days equates to 5 working days). Thus the number of working days of sick leave that will be debited will be calculated as per the table below :

<i>Full Period of Sickness</i>	<i>Less Pro-Rata Days-Off</i>	<i>Debited Working Days</i>
1 calendar day	nil	debit as 1 working day
2 calendar days	nil	debit as 2 working days
3 calendar days	less 1 day-off	debit as 2 working days
4 calendar days	less 1 day-off	debit as 3 working days
5 calendar days	less 1 day-off	debit as 4 working days
6 calendar days	less 2 days-off	debit as 4 working days
7 calendar days	less 2 days-off	debit as 5 working days
8 calendar days	less 2 days-off	debit as 6 working days
9 calendar days	less 2 days-off	debit as 7 working days
10 calendar days	less 3 days-off	debit as 7 working days
11 calendar days	less 3 days-off	debit as 8 working days
12 calendar days	less 3 days-off	debit as 9 working days
13 calendar days	less 4 days-off	debit as 9 working days
14 calendar days	less 4 days-off	debit as 10 working days
15 calendar days	less 4 days-off	debit as 11 working days
16 calendar days	less 4 days-off	debit as 12 working days
17 calendar days	less 5 days-off	debit as 12 working days
18 calendar days	less 5 days-off	debit as 13 working days
19 calendar days	less 5 days-off	debit as 14 working days

- (c) Notice therefore that this above method of determining the debit for sick leave in working days is irrespective of the length of the underlying rostered working day.

Any sick leave not utilised in one year may not be rolled-over and may not be accumulated. Nor may unutilized sick leave be encashed. However, in the event of any critical illness identified by the Company Medical Officer, staff may utilized, unutilized Medical Leave accumulated for the last three years. (Maximum of 42 calendar days). Under no circumstances the un - utilized Medical leave will be encashed.

- 21.6 SICK LEAVE CERTIFICATION.- On the first day of any illness it is the duty of the Employee to inform the Company of their absence due to sickness, the nature of their illness, and the expected duration of their absence.

On the first three occasions of sicknesses per annum, the first two days of sickness per occasion may be uncertified, but for each period of sickness exceeding two days an Employee is required to submit a medical certificate. On the fourth and subsequent occasion of sicknesses per annum a medical certificate is always required.

On the first three occasions of sickness per annum, if a medical certificate is required then it will be accepted from any recognised doctor. On the fourth and subsequent occasion of sickness per annum, only medical certificates issued by one of the doctors on the specified list of a panel of doctors will be accepted.

In areas of Sri Lanka where there are no appointed doctor on the panel of doctors reasonably accessible to the employee, the Company will accept medical certificates from any registered medical practitioner in that area. But in cases where the Company has reasonable doubt over the authenticity or credibility of a particular doctor, then the Company reserves the right to reject medical certificates from such doctors after prior advice to employees.

The Association recognise and agree that wherever practically possible, all employees who need to take sick leave will provide prior notification and apply for such leave as much as possible in advance, unless the reason for the absence is one which could not have been foreseen.

- 21.7 MATERNITY LEAVE.- All female Employees company-wide including Female engineers are entitled to 84 paid working days maternity leave for the first two children, then 42 paid working days for the third child onwards.

This maternity leave will be paid on the basis of monthly basic salary as defined in section 8 of this Agreement plus monthly special premium allowances as defined in section 10 of this Agreement.

When a rostered female Employee goes on to maternity leave, then they should be taken off their usual roster and be placed instead on a regular day pattern (of 5 working days per calendar week), and then maternity leave debits in working days should be debited accordingly based upon the usual regular day pattern of 5 working days per calendar week. Thus 84 working days is one day short of 17 calendar weeks.

- 21.8 PUBLIC AND STATUTORY HOLIDAYS.- If an Engineer is required to work on a statutory public holiday or poya day, then no alternative day-off-in-lieu will be granted. Likewise, if such a holiday coincides with a day-off then the holiday is not rolled-over and no alternative day-off-in-lieu is granted.

If any statutory public holiday and / or poya day falls during the annual long-leave block, (see Section 21.2), then that public holiday and / or poya day will not be recorded or debited as part of annual leave.

22. **Retirement Age.**- At present the retirement age of all categories of Employees employed by the Company in Sri Lanka is 55 years. If the company as a policy decides to extend the retirement age of employees beyond 55 years, this will apply to Engineers as well. For all intents and purposes including the purpose of retirement, the date of birth given by the Employee at the time of appointment shall be the sole and conclusive date of their birth.

23. **Employee Provident Fund ( EPF ).-**

- 23.1 Contributions to the Central Government Employee Provident Fund (EPF) are mandatory for all Employees covered by this Agreement.

- 23.2 For locally employed Employees, the Company contribution rate shall be 15.0% of eligible monthly salary, and the Employee contribution rate shall be 10.0% of eligible monthly salary.

- 23.3 For the purposes of EPF contributions, eligible monthly salary for all Engineers covered by this Agreement is a combination of monthly basic salary as defined in Section 8 of this Agreement plus any applicable monthly special premium allowance as defined in Section 10 of this Agreement. This policy on EPF applies to all Engineers regardless of date-of-joining and this revised policy supersedes any previous definition of eligible monthly salary.

24. **Employee Trust Fund ( ETF ).-**

- 24.1 Contributions to the Central Government Employee Trust Fund (ETF) are mandatory for all Employees covered by This Agreement.

24.2 For locally employed Employees the Company contribution rate shall be 3.0% of eligible monthly salary, and is non-contributory for the Employee.

24.3 For the purposes of ETF contributions, eligible monthly salary for all Engineers covered by this Agreement is a combination of monthly basic salary as defined in section 8 of this Agreement plus any applicable monthly special premium allowance as defined in section 10 of this Agreement. This policy on ETF applies to all Engineers regardless of date-of-joining and this revised policy supersedes any previous definition of eligible monthly salary.

**25. End-of-Service Gratuity.-**

25.1 All locally employed Employees are entitled to end-of-service gratuity benefits provided they complete five continuous years of service with the Company. No gratuity is payable if the Employee does less than five completed years of continuous service. The gratuity payment shall be in accordance with the Gratuity Act, No. 12 of 1983.

25.2 The end-of-service gratuity is 0.5 months of applicable salary for each completed year of service, and the applicable monthly salary is the final salary in issue on the last day of service which shall be used to determine the full amount of the gratuity payable.

25.3 The applicable monthly salary for all Engineers covered by this Agreement is a combination of monthly basic salary as defined in section 8 of this Agreement plus any applicable monthly special premium allowance as defined in section 10 of this Agreement.

**26. Medical Benefits Scheme.-**

26.1 All locally employed Engineers are covered by medical benefits scheme which apply to all Managerial and Executive Employees and equivalent grades (including Engineers in grades E1 - E4 inclusive) subject to the terms and conditions and exclusions of the medical benefits scheme as described in the medical benefits handbook, which may be amended at any time at the discretion of the Company; and the company will ensure that any changes are not less favourable than the existing.

26.2 The medical benefits scheme covers the Employee and Family, where Family coverage is defined to be for spouse and unlimited children who are unmarried and un - employed upto their 24 th birthday.

26.3 Contributions per person covered are :

- (a) Employee : Rs. 500 per month
- (b) Spouse : Rs. 500 per month
- (c) Child : Rs. 500 per month per child

26.4 The main benefits of the medical scheme for all Engineers are as follows :

- (i) COMPANY CLINIC BENEFITS.- The Employee only (and not Family dependants) may use the company clinic free of use without limits, and all medicines from the clinic are free - of - charge for the Employee.
- (ii) PANEL OF DOCTORS.- The Employee and Family dependants may get consultations free - of - charge from the specified list of a panel of doctors, but any medicines from this panel of doctors is deducted from the limit for out - patient benefits.
- (iii) OUT - PATIENT TREATMENT.- Coverage for out-patient treatment is Rs. 5,000 per annum per person covered. Benefits of one Family member may be used by another covered Family member. However any high - cost special investigations performed as an out - patient would be fully reimbursed by deducting instead from the limit for in - patient benefits.
- (iv) DENTAL CARE.- Included in the limit for out - patient benefits are treatments for dental care. This includes consultations free - of - charge from the Company - appointed dentist for the Employee and family members, but any medicines and any costs of procedures will be deducted from the limit for out - patient benefits.
- (v) IN - PATIENT TREATMENT .- Coverage for in-patient treatment including hospitalisation is upto Rs. 150,000 per annum per employee covered. Coverage for Family members (spouse and children) is Rs. 100,000 per annum per person covered. The benefits of one Family member may be used by another covered Family member after appropriate medical evaluation by the Company Medical Officer (CMO).

All in-patient bills are reimbursed 100% in full within the limit for in-patient benefits.

For hospitalization or planned surgeries, upon request, a credit letter will be issued by the Medical Centre within a period of 24 hours, for Engineers covered & bound by this agreement.

Company will issue a credit letter to the value of the amount entitled by the employee or the family member covered and also as and when required for members of the ALAE company agrees to make a payment to the hospital up to a maximum of Rupees One Million (including normal hospitalization quota available and the amount for Critical Care which is a life time payment- if applicable) only for staff. The company shall deduct the excess amount from the LAE concerned, in maximum of 24 installments. The association will be responsible in recovering the excess amount to be paid by the LAE's.

However if the hospitalization is in a Government hospital, then a supplemental allowance of double the monthly contribution of the person covered is paid for each day of such hospitalization.

Standard Rooms - If a standard room is not available, the existing conditions will be extended up to 48 hours.

(vi) OPTICAL CARE.- Coverage for optical care benefits is Rs 15,000 every two years for each person covered, which provides 100% full reimbursement for approved spectacles frames and lenses within this limit. Benefits of one family member may not be used by another covered family member.

(vii) MEDICAL SCREENING.- As an additional benefit, an annual medical screening of the employee only (and not for family dependants) is performed free of charge at the Sri Jayawardenapura Hospital or the Nawaloka Hospital.

The above enhancements and the contributions will be effective from 01 st January 2007. In the event if any member has to utilize the enhanced hospitalisation amount during the year 2006, it will be treated on a case by case basis, provided the individual member will be required to contribute the revised contribution of Rs. 500 per member per month, effective from 01 st January 2007.

## 27. ***Accident Insurance Benefits.-***

27.1 All locally employed Employees are insured by the Company through an insurance policy under a very comprehensive "Group Personal Accident/ Illness and Travel Policy", for a capital-sum insured of 84 months applicable salary, subject to the terms and conditions and exclusions governing the policy. This policy may be amended at any time at the discretion of the Company, in consultation with the insurer and the company will ensure that any changes are not less favourable than the existing.

27.2 For the purposes of this "Group Personal / Accident and Travel Policy", applicable monthly salary for all Engineers covered by this Agreement is a combination of both monthly basic salary as defined in section 8 of this Agreement plus any applicable monthly special premium allowance as defined in Section 10 of this Agreement.

27.3 The global coverage which operates 24 hours per day for accident insurance benefits is as follows :

### (i) *Death:*

Coverage for death from an accident is 100% of the capital sum- insured of 84 months applicable salary.

### (ii) *Permanent Total Disablement:*

Coverage for permanent total disablement resulting from an accident is 100% of the capital sum- insured of 84 months applicable salary.

### (iii) *Permanent Partial Disablement:*

Coverage for permanent partial disablement resulting from an accident is 100% of the capital sum insured of 84 months applicable salary only for specific purposes of :

- \* total and irrecoverable loss of sight of both eyes
- \* total and irrecoverable loss of sight of one eye
- \* loss of two or more limbs
- \* loss of one limb

### (iv) *Temporary Total Disablement:*

Coverage for temporary total disablement resulting from an accident is -

- \* 0.6% of capital sum - insured (of 84 months applicable salary) per week
- \* subject to a maximum of 100% of average weekly salary



In nearly all cases, the maximum limit of average weekly salary per week (100%) comes into effect (as 0.6% of sum insured is 0.6% of 84 months, which is 0.5 months salary per week, so the maximum of 100% of weekly wage is normally triggered).

This temporary total disablement insurance starts after 14 days, and continues thereafter until 104 weeks. Thus the first 14 days is covered by Company policy for sick leave, and then this insurance comes into effect for temporary total disablement.

(v) *Temporary Partial Disablement:*

There is no coverage for temporary partial disablement resulting from an accident.

**28. *Illness Insurance Benefits.-***

28.1 All locally employed Employees are insured by the Company through an insurance policy under a very comprehensive “Group Personal Accident / Illness and Travel Policy”, for a capital-sum insured of 84 months applicable salary, subject to the terms and conditions and exclusions governing the policy. This policy may be amended at any time at the discretion of the Company, in consultation with the insurer and the company will ensure that any changes are not less favourable than the existing.

28.2 For the purposes of this “Group Personal / Accident and Travel Policy”, applicable monthly salary for all Engineers covered by this Agreement is a combination of both monthly basic salary as defined in section 8 of this Agreement plus any applicable monthly special premium allowance as defined in section 10 of this Agreement.

28.3 The global coverage which operates 24-hours per day for illness insurance benefits is as follows :

(i) *Death:*

There is no coverage for death from an illness. However, whilst death from illness is not covered, it is instead covered by a scheme that provides benefits in the event of death due to natural causes (including illness) as described in section 31 of this Agreement.

(ii) *Permanent Total Disablement:*

Coverage for permanent total disablement by paralysis from an illness is 100% of the capital sum-insured of 84 months applicable salary.

(iii) *Permanent Partial Disablement:*

Coverage for permanent partial disablement resulting from an illness of any kind is 100% of the capital sum-insured of 84 months applicable salary only for the specific purpose of total and irrecoverable loss of sight of both eyes.

(iv) *Temporary Total Disablement:*

Coverage for temporary total disablement resulting from an illness is :

- \* 0.6% of capital sum-insured (of 84 months applicable salary) per week
- \* subject to a maximum of 75% of average weekly salary.

In nearly all cases, the maximum limit of average weekly salary per week (75%) comes into effect (as 0.6% of sum-insured is 0.6% of 84 months, which is 0.5 months salary per week, so the maximum of 75% of weekly wage is normally triggered).

This temporary total disablement insurance starts after 14 days, and continues thereafter until 104 weeks. Thus the first 14 days of a major illness is covered by Company policy for sick leave, and then this insurance comes into effect for temporary total disablement.

(v) *Temporary Partial Disablement:*

There is no coverage for temporary partial disablement resulting from an illness.

**29. *Benefits in the Event of Death due to Natural Causes.-***

29.1 All locally employed Employees are covered through a scheme that provides benefits in the event of death due to natural causes, which pays a capital sum of 60 months applicable salary in the event of death due to natural causes, and applies 24-hours per day with global coverage, subject to the terms and conditions and exclusions governing the scheme. This scheme may be amended at any time at the discretion of the Company and the company will ensure that any changes are not less favourable than the existing.

29.2 For the purposes of this scheme which provides benefits in the event of death due to natural causes, the applicable monthly salary for all Engineers covered by this Agreement is a combination of both monthly basic salary as defined in section 8 of this Agreement plus any applicable monthly special premium allowance as defined in Section 10 of this Agreement.

**30. *Group Travel Insurance on Company Business.*–**

- 30.1 All locally employed Employees are insured by the Company through an existing insurance policy under a very comprehensive “Group Personal Accident/Illness and Travel Policy”, subject to the terms and conditions and exclusions governing the policy. This scheme may be amended at any time at the discretion of the Company and the company will ensure that any changes are not less favourable than the existing.
- 30.2 This “Group Personal Accident/Illness and Travel Policy” provides group travel benefits for the Employee whilst travelling on business for and on behalf of the Company in respect of journeys which extend beyond the confines of Sri Lanka as follows:
- \* medical expenses of upto UU\$ 10,000
  - \* loss of money insurance of upto US\$ 1,000
  - \* Personal liability insurance of upto US\$ 500,000
  - \* loss or destruction of or damage to baggage of upto US\$ 1,000
  - \* funeral and repatriation expenses of upto US\$ 350
- 30.3 These group travel benefits also apply to Family members of the Employee including spouse and children (excluding children over age 16 years) and parents, whilst officially accompanying the Employee on business duty-travel at the specific and prior request of the Company.

**31. *Workmen’s Compensation.*–**

- 31.1 All locally employed Employees have the benefit of the statutory “Workmen’s Compensation Ordinance”, subject to the terms and conditions and exclusions specified in the Ordinance.
- 31.2 However, where any payments are made to an Employee under the terms and conditions of the Workmen’s Compensation Ordinance, then such payments will be deducted from any other payments due from the Company under other benefits and insurance policies described in Sections 27-30 inclusive of this Agreement.

**32. *Staff Travel Benefits and Concessions.*–**

- 32.1 All Engineers shall be entitled to 1 set of free sub-load tickets per annum for Privilege travel. For this set of tickets, staff will not be required to pay the fuel surcharge but have to bear any applicable taxes.
- 32.2 All engineers in E1-E3 grades shall be entitled to 1 set of free sub-load tickets per annum for Concessional travel. For this set of tickets, staff will be required to pay the fuel surcharge and applicable taxes.
- 32.3 All Engineers in E4 grade shall be entitled to 5 sets of free sub-load tickets per annum for Concessional travel. For this set of tickets, staff will be required to pay the fuel surcharge and applicable taxes.
- 32.4 A set of tickets is defined for an Engineer as :
- \* For a single Employee it means the Employee plus two dependants
  - \* For a married Employee it means employee plus three dependants
  - \* For employee with three children it means the Employee plus Spouse plus three children
- 32.5 The standard list of qualifying dependants is:
- \* Spouse
  - \* Children (under age 24 and should be unemployed)
  - \* Parents
  - \* Brothers or Sisters (under age 24 and should be unemployed)
- 32.6 The Management will provide a set of ID90 tickets on firm basis on “Y” class for Engineers in grades E2, E3 & E4, who have served as an Engineer for a period of 10 or more continuous years; or for current Engineers with total of 15 or more continuous years of service. This will apply for those in company service only.

The set of tickets is defined as per Clause 32.4.

In keeping with the clause 32.6 of the Sri Lankan Airlines Engineers Agreement 2006, the following criteria will apply-

1. Max 5 seats will be allocate on any flight
2. Priority will be ID90YS1/5
3. booking class : "S"
4. Booking will be accepted only when the tickets are issued by the travel counter.
5. No refund once tickets issued unless cancelled 7 days before, with advise to staff travel.
6. Booking will be on first come first served basis
7. Priority will be given to the S/No. if it is on the same grade, If not the higher grade will get priority
8. Applicable on UL operated flights only. The entitlement will not be carried forward.

These tickets will be issued for Engineers who have served as Engineers in Grade E2, E3, E4 for a period of 10 or more continuous years; or for current Engineers with total of 15 or more continuous years of service. This set of tickets will be issued on Y/cl with the endorsement "UPGRD TO C/CL IF SEATS AVLBLE".

32.7 The following amendment will be included to the Current Staff Travel Manual:

Class of Travel/ Upgrade Facility :

- \* Engineers in grade E4 will get the same benefits as the present E5 grade.
- \* Engineers in grades E1, E2, and E3 will get the same benefits as the P1 grade.

32.8 Staff who resign/retire after completing 13 years of continuous service in the company in permanent employment will be entitled to 5 sets of free (FOC) tickets on UL services, one set of tickets per year. These tickets will not be allowed to carry forward.

Staff who resign/ retire after completing 15 (or more) years of continuous service in the company in permanent employment will be entitled to free (FOC) tickets as per current staff travel policy.

32.9 All other staff travel facilities will be as per SriLankan Staff Travel Manual.

### 33. **Training.-**

- 33.1 The Company will endeavour to ensure that all Employees are adequately and properly trained to perform all of their required job functions.
- 33.2 In addition, the Company will provide training opportunities wherever possible and operationally practical for career advancement. The philosophy of the Company is to give preference to internal candidates for promotional vacancies.
- 33.3 The selection of an Employee to attend a training course will be based upon merit, performance, current job requirements and future job / career requirements.
- 33.4 All existing applicable bonding policies of the Company will continue to apply to all Engineers.
- 33.5 Company will give preference for eligible children of LAEs for the Aircraft Maintenance Basic course conducted by the Technical Training School subject to them meeting all selection criteria including any entry test /s

### 34. **Bonding.-**

- 34.1 At the discretion of the Company, if an Employee is trained by the Company then they may be required to enter into a bonding agreement which states, amongst other things, that they remain in the service of the Company for a stipulated period of time. The Employee may be asked to provide upto two guarantors to this bonding agreement.
- 34.2 If an Employee is dismissed from service or resigns during the subsequent bonded period as specified in the boding agreement, then the Employee or their guarantors will be liable to pay liquidated damages to the Company within 14 days of termination of employment.
- 34.3 If an Employee who has been dismissed or has resigned is subsequently unable to pay liquidated damages then there will be a surcharge by way of interest at the rate of 30% compound per annum for the period during which the sum due under the bonding agreement remains unpaid.

35. **Car Loan.** - All Engineers in grade E1-E4 will be eligible to apply for a Car Loan of Rs. 1,000,000.00 or the actual price of the vehicle, which even is lower, which will be organised through a reputed bank in Sri Lanka, as per the Car Loan Policy given in Appendix C.

36. **Grievance And Dispute Procedure.**- In the event of any dispute or grievance 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 (or a representative from the Association) will in the first instance, discuss the dispute or grievance with their immediate Line Manager and the said line Manager shall grant an appointment within one week of such request.
- (b) If the grievance or dispute is not satisfactorily resolved within 14 days, then the Employee (or a representative from the Association) could then discuss the matter with the Departmental Manager within 14 days of such reference. Who will endeavour to arrive at 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 a representative from the Association) with the Human Resources Manager (or their representative).
- (d) If no satisfactory solution is arrived at, then the issue in dispute will be discussed by the Association with the Company Management. At such discussion, the number of representatives on each side shall not exceed four (4), Such discussion shall be arranged by Human Resources Manager as far as possible within five (5) working days of a request being made by the Association.
- (e) The Association representative who wishes to discuss any matter with the Human Resources Manager will do so only by prior appointment except where the matter is very urgent where the Human Resources Manager shall grant a meeting within one week of such requests.
- (f) If the dispute or grievance remains unresolved, the Association may then raise the issue for discussion with the Company in association with the Employers' Federation of Ceylon. The Company will, within 10 days of a request being made by the Association, arrange a discussion meeting in Association with the Employers' Federation of Ceylon.
- (g) In the event of a dispute or grievance not being resolved or settled under the preceding subsection within a period of two months then, by mutual consent of both parties, they shall refer such dispute or grievance to voluntary arbitration in terms of section 3(1) (d) of the Industrial Disputes Act for Settlement.
- (h) If both parties agree to 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 dispute. If the parties are unable to jointly nominate an Arbitrator he shall be nominated by the Commissioner of Labour.
- (i) An award made by an Arbitrator in a voluntary arbitration referred in sub-section (h) above hereby shall be final and binding on the parties, save except in a case where the finding is perverse or not consistent with the available evidence and / or applicable procedure rules and regulations of the Company.

37. **Disciplinary Inquiry Procedure.**- All Engineers will be governed by the Disciplinary Procedure of the Company along with the Engineering Manual Section 2, part 3-2, pages 8 to 11.

38. **Trade Union Facilities.**- Executive Committee members could be released to attend Executive Committee meetings of the Union provided that the operational requirements of the company are not disrupted in any way.

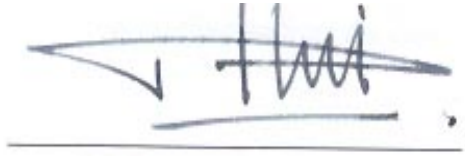
One two occasions per year maximum of 02 Executive Committee members could be granted maximum of 02 working days to attend any International Trade Union meetings, seminars and Conferences, provided that the operations requirements of the company are not disrupted.

39. **Signatures of Agreement.**-

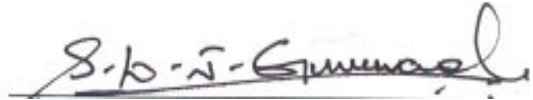
39. 1 This settlement is signed in Colombo on 21st November 2006 and witnessed as follows :

39.2 For and on behalf of the Company :

For and on behalf of the Association :



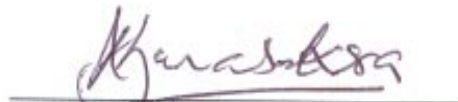
MR. PETER HILL,  
Chief Executive Officer.



MR. S.K.J. GUNAWARDANA,  
President



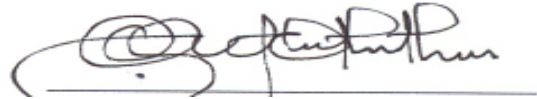
CAPTAIN R.W. HUTTON,  
Chief Technical Officer.



MR. M.A. GUNASEKARA,  
Secretary.



MR. SUNIL DISSANAYAKE,  
Head of Human Resources.



MR. C. SATCHITHANATHAN,  
Treasurer.



MR. IAN DUNNING,  
Senior Manager Aircraft Maintenance.

#### APPENDIX A

#### MINIMUM JOB AND GRADE REQUIREMENTS FOR E1-E4 (LINE & BASE)

##### LAE-E1 to E4 Engineers who hold Certification Approvals on the Aircraft.-

All promotions, and recruitment to Engineering grades in all areas will be strictly governed by the minimum promotion and recruitment criteria set out in this appendix and are all times subject to budget/ operational requirements. This is effective from the date of signing this agreement.

##### GRADE E1

1. A&C (Cat B1) or E&I&R (Cat B2) licenses.
2. Full type approval or full cabin approval on minimum of one aircraft type operated by SriLankan Airlines.
3. 5 years aircraft maintenance experience OR 3 years post graduate aircraft maintenance experience.
4. Include at least 6 months as full type approval holder/ full cabin approval holder.

##### GRADE E2

1. A&C (Cat B1) or E&I&R (Cat B2) licenses.
2. Full type approval or full cabin approval on minimum of two aircraft types operated by SriLankan Airlines.
3. Minimum of 2 years experience in grade E1.

## GRADE E3

1. A&C (Cat B1) or E&I&R (Cat B2) licenses.
2. Full type approval or full cabin approval on minimum of three aircraft types operated by SriLankan Airlines.
3. Minimum of 3 years experience in grade E2 or total of 5 years experience as an Engineer in E1 and E2 grades.

## GRADE E4

1. Minimum of 3 years experience in above grade E3.
2. Vacancy of Assistant Manager, Duty Engineer or Quality Assurance Inspector, Maintenance Control Duty Engineer.

## APPENDIX A

## MINIMUM JOB AND GRADE REQUIREMENTS FOR E1-E4 (WORKSHOPS)

All promotions, and recruitment to Engineering E1 - E4 grades in the workshop areas will be strictly governed by the minimum promotion and recruitment criteria set out in this appendix and are at all times subject to budget/ operational requirements. This is effective from the date of signing this agreement.

## Grade E1

- Either (a)
  1. Full workshop approval on 2 groups of workshop approvals OR Full workshop Approval on 1 type of aircraft/ engine operated by SriLankan Airlines.
  2. A&C(Cat B1) or any Two of E-1-R (Cat B2 restricted) licenses.
  3. 5 years workshop maintenance experience in the relevant workshop.
  4. Included at least 6 months as full workshop approval holder.
- or (b)
  1. Full workshop approval on 2 groups of workshop approvals OR 1 type of aircraft/ Engine operated by SriLankan Airlines.
  2. A or C(Cat B1 restricted) or any one of E-1-R Licenses(Cat B2 restricted).
  3. 15 years workshop maintenance experience in the relevant workshop.
  4. Included at least 2 years as full workshop approval holder.

## Grade E2

- Either (a)
  1. Full workshop approval on 4 groups of workshop approvals or 50% of workshop Approval whichever is lower.
  2. A&C(Cat B1) or E&I&R (Cat B2) licenses.
  3. Minimum of 2 years experience in grade E1.
- or (b)
  1. Full workshop approval on 2 types of aircraft/ engine operated by SriLankan Airlines.
  2. A & C(Cat B1) or E&I&R (Cat B2) licenses..
  3. Minimum of 2 years experience in grade E1.

## Grade E3

- Either (a)
  1. Full workshop approval on all groups of workshop approvals for that workshop
  2. A&C(Cat B1) or E&I&R (Cat B2) licenses.
  3. Minimum of 3 years experience in grade E2 or total of 5 years experience as an Engineer in E1 and E2 grades.
- or (b)
  1. Full workshop approval on 3 types of aircraft/ engine operated by SriLankan Airlines.
  2. A & C(Cat B1) or E&I&R (Cat B2) licenses.
  3. Minimum of 3 years experience in grade E2 or total of 5 years experience as an Engineer in E1 and E2 grades.

## Grade E4

1. Minimum of 3 years experience in grade E3.
2. Vacancy of Assistant Manager, Duty Engineer.



APPENDIX A

**MINIMUM JOB AND GRADE REQUIREMENTS FOR E1 - E4 ENGINEERING INSTRUCTOR  
(TECHNICAL / TRAINING)**

All promotions, and recruitment to Engineering E1 - E4 grade instructors in Technical Training area will be strictly governed by the minimum promotion and recruitment criteria set out in this appendix and are at all times subject to budget/operational requirements. This is effective from the date signing of this agreement.

**A. Grade E1 - Basic Instructor**

1. Entry requirements are as stipulated in TCM.

**B. Grade E2 - Type Instructor**

1. Two type approvals on company fleet
2. 2 years experience as a type instructor in E1.
3. Successfully completed Instructional Techniques course

**C. Grade E3 - Type Instructor**

1. Three type approvals on company fleet
2. 5 years experience in Grade E1 & E2 as an instructor
3. Successfully completed Instructional Techniques course
4. A good knowledge on 'Basic' and 'Type' course schedules, Instructor development, maintenance programme & reliability programme in which he/she is type approved, maintenance intervals and operations within an airline maintenance division.

**D. Grade E4 - Knowledge Examiner (Mechanical/Avionics)**

1. Approvals on all types of aircraft operated by the company
2. 10 years aviation experience (three years in above grade E3 - Type instructor)
3. Thorough knowledge on regulatory requirements (local, EASA and FAA) and operational aspects in an airline maintenance environment and training regulations
4. Vacancy of Knowledge Examiner (either Mechanical or Avionics)

**Bachelors Degree in Engineering :**

Where ever applicable for A, B, C & D above, Bachelors Degree in Aeronautical/ Mechanical / Electrical /Electronics Engineering, Should be recognised and certified by University Grant Commission of Sri Lanka.

APPENDIX A

**MINIMUM JOB AND GRADE REQUIREMENTS FOR E1 - E4 (TECHNICAL SERVICES)**

All promotions, and recruitment to Technical services Engineering E1 - E4 grades in technical services will be strictly governed by the minimum promotion and recruitment criteria set out in this appendix and are at all times subject to budget/operational requirements. This is effective from the date signing of this agreement.

**Grade E1**

- Either (a)
  1. A & C (Cat B1) or E & I & R (Cat B2) licenses
  2. Full type approval or full cabin approval on minimum of one aircraft type operated by Sri lankan Airlines.
  3. 5 years aircraft maintenance experience.
  4. Include at least 6 months as full type approval holder/full cabin approval holder.
- or (b)
  1. Graduate in Engineering or equivalent qualifications (recognised and certified by the University Grants Commission of Sri Lanka)
  2. Successful completion of Graduate Engineer Training Scheme.
  3. 3 years post graduation experience in Aircraft Maintenance/Engineering.

**Grade E2**

- Either (a)
  1. A & C (Cat B1) or E & I & R (Cat B2) licenses
  2. Full type approval or full cabin approval on minimum of two aircraft type operated by Sri lankan Airlines.
  3. Minimum of 2 years experience in grade E1.

- or (b)
1. Graduate in Engineering or equivalent qualifications (recognised and certified by the University Grants Commission of Sri Lanka).
  2. 2 years experience in grade E1.
  3. Two full Sri lankan Technical Services approvals.

**Note :** One full Type approval (operated by Sri lankan Airlines) **and** one full Tech services approval (different group/type) will also qualify.

### Grade E3

- Either (a)
1. A & C (Cat B1) or E & I & R (Cat B2) licenses
  2. Full type approval on minimum of three aircraft type operated by Sri lankan Airlines.
  3. Minimum of 3 years experience in grade E2 or total of 5 years experience as an Engineer in E1 and E2 grades.
- or (b)
1. Graduate in Engineering or equivalent qualifications (recognised and certified by the University Grants Commission of Sri Lanka).
  2. Minimum of 3 years experience in Grade E2 or 5 years experience in grades E1-E2.
  3. Three full Sri lankan Technical Services approvals.
- Note :* Any combination of SriLankan Tech. Services and Full type approvals (operated by SriLankan Airlines) will also qualify.

### Grade E4

1. Minimum or 3 years experience in above grade E3.
2. Vacancy of Assistant Technical Services Manager.

## APPENDIX A

### Minimum Job and Grade Requirements for E1-E4 (Production Planning)

All promotions, and recruitment to Production Planning Engineers E1-E4 grades in Production planning will be strictly governed by the minimum promotion and recruitment criteria set out in this appendix, and are at all times subject to budget / operational requirements. This is effective from the date signing of this agreement.

### Grade E1

- Either (a)
1. A \$ C (Cat B1) or any two of E-I-R (Cat B2 restricted) licenses.
  2. Full type approval or full cabin approval on minimum of one aircraft type operated by Sri Lankan Airlines.
  3. 5 years aircraft maintenance experience.
  4. Include at least 6 months as full type approval holder/ full cabin approval holder.
- or (b)
1. Graduate in Engineering or equivalent qualifications.  
**In case of Equivalent qualifications it should be recognised and Certified by the University Grant Commission of Sri Lanka.**
  2. One full Sri Lankan Planning Approval.
  3. Successful completion of Graduate Engineer Training Scheme.
  4. 3 years post graduation experience in Aircraft Maintenance/ Engineering.
- or(c)
1. A & C (Cat B1) or any two of E-I-R (Cat B2 restricted) licenses.
  2. Minimum one full Sri Lankan Planning Approval.
  3. Minimum of five year Aircraft Maintenance/ Engineering experience including Two years continuous production planning experience at Sri Lankan.
  4. Include at least 6 months as full planning approval holder.

### Grade E2

- Either (a)
1. A& C (Cat B1) or E&I&R (Cat B2) licenses.
  2. Full type approval or full cabin approval on minimum of two aircraft types operated by Sri Lankan Airlines.
  3. Minimum of 2 years experience in grade E1.

- or (b)
1. Graduate in Engineering or equivalent qualifications.  
**In case of Equivalent qualifications it should be recognised and Certified by the University Grant Commission of Sri Lanka.**
  2. Two year experience in grade E1.
  3. Two full Sri Lankan production planning approvals.  
*Note : One full Type approval (operated by Sri Lankan Airlines) and one full Sri Lankan Planning approval. Will also qualify.*
- or (c)
1. A & C (Cat B1) or E&I&R (Cat B2) licenses.
  2. Minimum Two full Sri Lankan Planning Approval.
  3. Minimum Two year experience in grade E1.
  4. Include at least 6 months as full planning approval holder.

#### Grade E3

- Either (a)
1. A & C (Cat B1) or E&I&R (Cat B2) licenses.
  2. Full type approval on minimum of three aircraft type operated by Sri Lankan Airlines.
  3. Minimum of 3 years experience in grade E 2 or total of 5 years experience as an Engineer in E1 and E2 grades.
- or (b)
1. Graduate in Engineering or equivalent qualifications.  
**In case of Equivalent qualifications it should be recognised and Certified by the University Grant Commission of Sri Lanka.**
  2. Minimum of 3 years experience in grade E2 or total of 5 years experience in Grades E1-E2.
  3. Three full Sri Lankan production planning approvals.  
*Note : Any combination of Sri Lankan Production planning and full Type approval (operated by Sri Lankan Airlines) Will also qualify.*

#### Grade E4:

1. Minimum of 3 years experience in above E3 grade.
2. Vacancy of Assistant Production Planning Manager.

#### APPENDIX B

#### SUMMARY OF ALL APPROVAL ALLOWANCES FOR ENGINEERS

Full details of each scheme are contained in the applicable approval scheme booklet.

- (1) **Licensed Aircraft Engineers in line and Hangar Maintenance**  
(Also applies to Technicians and Executive With Full Approval)

Following approval allowances are **per type of aircraft**. A320, A330, A340

Cabin approval full Air Frame	Rs 5,000 per month
Cabin approval full Avionics	Rs 7,000 per month
A or C	Rs 8,000 per month
A&C Full without EGR	Rs 12,000 per month
A&C Full with EGR	Rs 16,000 per month (Considered as two categories)
Boroscope (Engine and APU)	Rs 5,000 per month (Rs 3,500 for Engine & Rs 1,500 for APU)
Avionics (E&I&R)	Rs 18,000 per month (Elect Rs 8000, Instrument Rs 8000, Radio Rs 2000)
IFE (R only) per system	Rs 3,500 per month
Cabin 'E' Full	Rs 3,500 per month
DHC-3T (Turbo Otter)	
A&C Full with engine run	Rs 8,000 per month
A&C limited	Rs 4,000 per month
Avionics (E&I&R)	Rs 8,000 per month
Avionics limited	Rs 4,000 per month

*Note :- an "A" approval includes all ATA chapters covered by a full Cabin approval.*

(2) **Certifying Technicians Engineers in line and Hangar Maintenance**

Not applicable.

(3) **Workshop Engineers in Workshop**

For each decimal point of 0.1, Rs.600 per month.

## APPENDIX B

(4) **Engineers in Production Planning for Planning Approvals**

Detailed below is the policy for payment for each sub-section as applicable to the following three different areas for Production Planning Approvals :

	(1)	Aircraft Planning (APA)	
	(2)	Workshop Planning (WPA)	
	(3)	Component Control (CCA)	
(1)	APA.1	(a)	Rs. 2,000 per month
		(b)	Rs. 2,000 per month
		(c)	Rs. 2,000 per month
	APA.2	(a)	Rs. 2,000 per month
		(b)	Rs. 2,000 per month
		(c)	Rs. 2,000 per month
	APA.3	(a)	Rs. 2,000 per month
		(b)	Rs. 2,000 per month
		(c)	Rs. 2,000 per month
(2)	WPA.1		Rs. 6,000 per month
	WPA.2		Rs. 6,000 per month
	WPA.3		Rs. 6,000 per month
(3)	CCA.1	(a)	Rs. 3,000 per month
		(b)	Rs. 3,000 per month
		(c)	Rs. 3,000 per month
	CCA.2	(a)	Rs. 3,000 per month
		(b)	Rs. 3,000 per month
		(c)	Rs. 3,000 per month

Note : \* Maximum Approval allowance paid per type of aircraft = Rs. 18000

**Transfer / Promotion :**

- Approval allowance will be paid for approvals relevant to current work area. i.e approval allowance paid will either be maintenance or support area. eg An A320 A&C approval holder moving to Production Planning and obtaining A320 planning approval will be paid the allowance higher of the two that he holds. i.e. no negative impact to the remuneration package with regard to the approval allowances already being received.

## APPENDIX B

(5) **Engineers in Engineering Services for Design Approvals**

Each full design approval for A320	Rs. 8,000 per month
Each half design approval for A320	Rs. 4,000 per month

Each full design approval for A330	Rs. 8,000 per month
Each half design approval for A330	Rs. 4,000 per month
Each full design approval for A340	Rs. 8,000 per month
Each half design approval for A340	Rs. 4,000 per month

The main groupings and sub - groupings of full - design approval categories are -

A1.	Structure
A2.	Interior
B1.	Aircraft Systems
B2.	Weight and Balance
C1.	Engine
C2.	Engine Systems and Health Monitoring
D1.	Radio
D2.	Radar
E1.	Electrical Systems
E2.	Instrument

Note : \* Maximum Approval Allowance paid per type of aircraft = Rs. 18,000.

**Transfer / Promotion :**

- Approval allowance will be paid for approvals relevant to current work area. i.e. approval allowance paid will either be maintenance or support area. eg An A320 A&C approval holder moving to production Planning and obtaining A320 planning approval will be paid the allowance higher of the two that he holds. i.e. no negative impact to the remuneration package with regard to the approval allowances already being received.

**APPENDIX B**

**(6) Technical Training Instructor Approvals**

Basic Instructor Approval	Rs. 8,000 per month	
A320 A or C	Rs. 8,000 per month	
A320 A and C Full	Rs. 16,000 per month	(considered as two categories)
A320 Avionics (E&I&R)	Rs. 18,000 per month	(equivalent to two categories)
A330 A or C	Rs. 8,000 per month	
A330 A and C Full	Rs. 16,000 per month	(considered as two categories)
A330 Avionics (E&I&R)	Rs. 18,000 per month	(equivalent to two categories)
A340 A or C	Rs. 8,000 per month	
A340 A and C Full	Rs. 16,000 per month	(considered as two categories)
A340 Avionics (E&I&R)	Rs. 18,000 per month	(equivalent to two categories)

Note : \* Maximum Approval Allowance paid per type of aircraft = Rs. 18,000.

**Transfer / Promotion:**

- Approval allowance will be paid for approvals relevant to current work area. i.e. approval allowance paid will either be maintenance or support area. eg An A320 A&C approval holder moving to production Planning and obtaining A320 planning approval will be paid the allowance higher of the two that he holds. i.e. no negative impact to the remuneration package with regard to the approval allowances already being received.

**APPENDIX C**

**Car Loan Policy**

The Management will continue the Car Loan Policy by granting a car loan, through a reputed Bank, for Engineers in grade E1 - E4 on the following criteria and subject to the Engineers entering into an agreement with the Company.

**Eligibility :**

All Engineers in Grades E1 - E4.

**Effective Date:**

From the date of signing this Agreement.

**Loan :**

It is the Individual responsibility to obtain the Loan organized through a Bank. This Loan should be for the purpose of purchase of a Car only.

**Collateral :**

Vehicle to be mortgaged to the Lender as required by the Terms and Cindtions of the Loan.

**Recovery :**

48 equal installments including interest, from payroll.

**Interest**

Applicable interest rate on the Car Loan of Rs. 1,000,000.00 or the actual price of the vehicle, wichever is lower, would be 5 % less than the prevailing bank rates (cost of funds to the Company). Deduction could be made upto 3.5M thro Payroll.

**Frequency for fresh Loan :**

- (i) Once every 4 years for replacing of vehicle only, after the earlier loan has been liquidated.
- (ii) During the tenure of the loan for replacing of vehicle only, by settling the balance outstanding on the existing loan.