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The Gazette of the Democratic Socialist Republic of Sri Lanka

අති විශේෂ EXTRAORDINARY

අංක 1581/8 – 2008 දෙසැම්බර් 22 වැනි සඳුදා – 2008.12.22

No. 1581 / 8 – MONDAY, DECEMBER 22, 2008

(Published by Authority)

PART I : SECTION (I) – GENERAL

Government Notifications

My No.: IR/20/54/2007.

**THE INDUSTRIAL DISPUTES ACT, CHAPTER 131 OF THE LEGISLATIVE ENACTMENTS OF CEYLON
(1956 REVISED EDITION)**

Order under Section 4(1)

WHEREAS an Industrial dispute in respect of the matter specified in the statement of the Commissioner of Labour which accompanies this order exists between –

Sri Lanka Nidahas Sewaka Sangamaya, No. 301, T. B. Jayah Mawatha, Colombo 10.

AND

Sevanagala Sugar Industries Ltd, No. 362, Colombo Road, Pepiliyana, Boralessgamuwa.

NOW THEREFORE I, Athauda Seneviratne, Minister of Labour Relations and Manpower, do by virtue of the powers vested in me by Section 4(1) of the Industrial Disputes Act, Chapter 131 of the Legislative Enactments of Ceylon (1956 Revised Edition), as amended by Acts, Nos. 14 of 1957, 4 of 1962 and 39 of 1968 (read with Industrial Disputes (Special Provisions) Act, No. 37 of 1968, hereby appoint Mr. P. Navaratne, No. 570/B/1, Ekamuthu Mawatha, off Nugegoda Road, Talawathugoda to be the Arbitrator and refer the aforesaid dispute to him for settlement by arbitration.

ATHAUDA SENEVIRATNE,
Minister of Labour Relations and Manpower.

05th December, 2008,
Colombo 05.

My No.: IR/20/54/2007.

**THE INDUSTRIAL DISPUTES ACT, CHAPTER 131 OF THE LEGISLATIVE ENACTMENTS OF CEYLON
(1956 REVISED EDITION)**

Sri Lanka Nidahas Sewaka Sangamaya, No. 301, T. B. Jayah Mawatha, Colombo 10.

AND

Sevanagala Sugar Industries Ltd, No. 362, Colombo Road, Pepiliyana, Boralessgamuwa.

STATEMENT OF MATTER IN DISPUTE**The matter in dispute between the aforesaid parties is-**

Whether the termination of the services of the following twelve (12) employees of the Sevanagala Sugar Factory by the Sevanagala Sugar Industries Ltd, is justified and if not justified to what relief each of them is entitled.

- | | |
|-------------------------------|-------------------------------|
| 1. Mr. P. T. Lionel | 7. Mr. U. C. Wickramasinghe |
| 2. Mr. S. T. N. U. Rangajeewa | 8. Mr. P. G. Kularatne |
| 3. Mr. S. P. Sumathipala | 9. Mr. W. L. Laksiri Prasad |
| 4. Mr. P. A. Amarasiri | 10. Mr. M. U. Medagamgoda |
| 5. Mr. M. C. Ruwan Kumara | 11. Mr. H. P. Prasad Chaminda |
| 6. Mr. K. P. A. Perera | 12. Mr. A. Sirikelum |

W. J. L. U. WIJAYAWEERA
Commissioner of Labour.

Dated at the office of the Commissioner of Labour, Colombo, this 24th day of November, 2008.

01 - 194

My No.: CI/1457.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Regnis Lanka PLC., No. 53, Ferry Road, off Borupana Road, Ratmalana of the one part and The Ceylon Mercantile, Industrial and General Workers' Union (CMU), No. 3, 22nd Lane, Colombo 03 of the other part on 17th day of October, 2008, is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131 of the Legislative Enactments of Ceylon (Revised Edition 1956).

W. J. L. U. WIJAYAWEERA,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo. 05.
12th December, 2008.

Collective Agreement No. 17 of 2008

This Collective Agreement, made on this 17th day of October, 2008, pursuant to the Industrial Disputes Act, between Regnis Lanka PLC., a Company duly registered in Sri Lanka, under the Companies' Ordinance and having its registered office at No. 52, Ferry Road, off Borupana Road, Ratmalana (hereinafter referred to as of the "the Employer") of the one part, and the Ceylon Mercantile, Industrial and General Workers' Union (CMU), a Trade Union duly registered in Sri Lanka under the Trade Unions' Ordinance and having its registered office at No. 3, 22nd Lane, Colombo 3 (hereinafter referred to as "the Union") of the other part.

Witnesseth, and its is hereby agreed between the parties as follows:

Title.– This Collective Agreement shall be known and referred to as the Regnis Lanka PLC Collective Agreement of 2008.

Registration.– An application will be made by the Employer to the Commissioner of Labour for registration of this Agreement under the Industrial Disputes Act.

Whereas the Employer and the Union have, consequent to negotiations, arrived at a final settlement in respect of the following:

1. **Employer Covered and Bound.**– Regnis Lanka PLC Ratmalana.

2. **Employees Covered and Bound.**– This Agreement shall cover and bind the Union and its members employed in this manual, clerical, supervisory and quality controllers' grades who are in service with the Employer, in a permanent capacity and in respect of whom salary scales have been set out in Schedule (I) hereof.

3. **Date of operation and Duration.**– This Agreement shall be effective from the 15th day of October, 2008 and shall continue to be in force unless it is terminated by either party with three months notice to the other in writing provided, however, that no such notice shall be given by either party prior to the 15th day of July, 2010, and such notice shall not take effect and this Collective Agreement shall not stand terminated until the 15th day of October, 2010. Any notice of termination given by a party prior to the 15th day of July, 2010 shall have no effect whatsoever.

4. **Salaries.**– The Employer shall increase the salaries as follows:

(1) A 13% salary increase to the *present* basic salary with effect from the 15th day of October, 2008.

(1.1) In addition the employees in the grade of Supervisors, Quality Controllers and Senior Assistant (Accounts/Commercial/ Personnel) would receive a further Rs. 500/= increase to the salaries effective from the 15th day of October 2008.

(2) Rs. 500/= increase to the basic salary with effect from the 15th day of October, 2009.

5. **Ex-Gratia Payment.**– The Employer agrees to pay within a period of seven days from signing of this Collective Agreement Rs. 12,000/- to an employee ex-gratia.

This payment shall not constitute a part of an employee's wages and/or earnings for any consequential benefits whatsoever.

6. **Non-Recurring Cost of Living Gratuity.**– The Employer shall consolidate 2663 points to the current base index at the rate of Rs. 2/- a point, which amounts to Rs. 5326/- into the basic salaries with effect from the 15th day of October, 2008. Consequently, the new base index will be 5854. The Employer agrees to make annual payments relating to Cost of Living in line with the mechanism set out in the EFC/ CMU Collective Agreement of 2004.

7. **Service Award.**– Rs. 25/- per each completed year of service will be added to the basic salary in respect of the period of service of each employee in employment as at 30th day of June, 2008, as a once and for all adjustment. This would be only in this instance.

8. **Shift System.**– Union agrees to work on shifts as and when the management requests to do so. In the case of shift work, the parties have agreed to work on the following basis giving the 8 hours output within the shift.

- a. Morning shift - 6 a.m. to 2.00 p.m.
- b. Evening shift - 2 p.m. to 10.00 p.m.

It is agreed that workers would continue with the evening shift from 10.00 p.m. to 5.00 a.m. on overtime basis whenever required by the management, *subject to the consent of the worker.*

The shift exchanging facility could be availed of only with the prior written approval of the management.

A shift allowance of Rs. 100/- will be provided for shifts operating from 6.00 a.m. to 2.00 p.m. and 2.00 p.m. to 10.00 p.m.

If the management at its discretion decides that it is not necessary to work on a shift basis, then the present work practice will be reverted to, for a specific period of time.

9. Meals.— A meal allowance of Rs. 70/- will be applicable for the following instances:

- i. Those who are assigned to work during 6.00 a.m. to 2.00 p.m. shift, if an employee does overtime work until 10.00 p.m. or is required to continue to work overtime thereafter.
- ii. Those who are assigned to work during 2.00 p.m. to 10.00 p.m. shift, if an employee does overtime until 5.00 a.m. on the following morning.

10. Medical Scheme.— The existing medical scheme will be revised in the following manner:

1. Increase the medical reimbursement of Rs. 700/- to Rs. 1000/- per month.
2. Eligible to claim medical expenses for the seventh month.
3. Registered Government Ayurvedic Doctors will be included in the panel of Doctors. All other conditions of the Medical Scheme will be the same.
4. The Company will register with an institution providing 24 hours ambulance service.

11. Optical Aid Scheme.— An employee will be eligible for reimbursement up to Rs. 4000/- in respect of only one pair of spectacles during employment, prescribed by and Eye Specialist for his/her use. For such reimbursement, the employee should submit the prescription from an Eye Specialist, relevant invoices and the request (declaration) made by the employee.

12. Duty leave for General Council Meetings of the Union.— If a written request is made for permission to attend a meeting of the General Council of the Union 48 hours prior to such date, the Employer at its discretion would generally grant permission to designated members (not more than six) of the General Council of the Union. This would not preclude or prejudice the right of the Employer to refuse to grant permission if in its discretion the exigencies of the circumstances warrant refusal. The duty leave if granted would be to leave office not earlier than 2.00 p.m. on the designated day of the General Council Meeting and would be on one occasion per month.

The Union hereby undertakes to furnish the employer a list of names of the designated members of the General Council of the Union from amongst its members (up to a maximum of six) and keep the employer informed of any changes made therein from time to time.

13. Count Setting Mechanism.— The management and the Branch Union have agreed to the following:

- (1) The management Representative and the Representative Machine Operators will discuss and work together to achieve maximum output of the operation and then it will be discussed and agreed with Branch Representatives.
- (2) Failing above, two Managers and Representative Machine Operators will check the actual timing etc. and jointly work to achieve the maximum output. It will be agreed with Branch Representatives.
- (3) Failing above, Machine Operators, Branch Union Committee and the Management Representatives will discuss and agree on count.
- (4) If a settlement cannot be achieved, a time study/work study will be carried out by a time study/work study practitioner and parties will try to arrive at a settlement based on its findings.
- (5) If yet a settlement fails, a discussion will be convened with the Parent Union under the auspices of the Employer's Federation of Ceylon to arrive at a settlement after discussions based on time study/work study Practitioner's findings.
- (6) While discussions and negotiations as above are proceeding, the operations in question will continue.

14. Trade Union Action.— The Company, the Union and the employees covered and bound by this Agreement agree that no party shall attempt to amend, vary or alter the terms of this Agreement during its period of operation and the Union and the employees shall not resort to any form of Trade Union action whatsoever in relation to any matter covered by this Agreement or related to the remuneration package of employees.

15. Dispute Settlement Procedure.— In the event of a dispute that may arise between parties, the following procedure shall be followed for the resolution of such dispute.

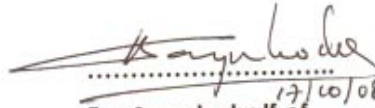
- (a) The Branch Committee of the Union will initially raise such dispute with the management and the parties shall endeavour to have such dispute resolved through discussions.
- (b) in the event of no resolution of the matter in dispute. the Branch Committee of the Union will refer the dispute to the Union and the Union will raise it with the management direct or with the Employers' Federation of Ceylon for resolution through discussions.
- (c) In the event of no satisfactory resolution of the dispute after discussions in terms of (b) above, the Union or the Company may seek the intervention of the Department of Labour under the provisions of the Industrial Disputes Act for conciliation.
- (d) Subject to clause 14 hereof, the Union and the employees agree that they shall not resort to any form of Trade Union action without having complied with the procedure set out above for the settlement of an industrial dispute and in the event of any Trade Union action, the Company shall be given reasonable notice of such action.

16. The Union and its members shall co-operate with the Company in the maintenance of discipline, avoidance of waste, maintenance of safe working conditions, improvement of quality, improvement of productivity and securing efficiency in such manner as to augment the competitive strength of the Company.

Witness hereof, the parties hereunto set their hands on this 17th day of October Two Thousand and Eight.



For & on behalf of
REGNIS LANKA PLC



For & on behalf of
THE CEYLON MERCANTILE,
INDUSTRIAL & GENERAL
WORKER'S UNION

Name: U. K. Vidyanatha

Name: M. S. JAYAKODY


Designation: Factory Director.

Designation: DEPUTY GENERAL SECRETARY

Witnesses: 

Name: Ramasundara

Name:


17-10-2008

A. B. Nishantha.

Designation: Manager - HR.

Designation:

Branch Secretary.


29/10/08

Schedule 01

**REGNIS LANKA (PLC) - SALARY SCALE
WITH EFFECT FROM 01ST OCTOBER 2008**

Production / Maintenance/Stores Employee Grade II	13,050.00	150	×	52.50	20,925.00
Production / Maintenance / Stores Employee Grade I	14,500.00	150	×	55.00	22,750.00
Asst. Technician / Counterman Grade II	15,350.00	150	×	60.00	24,350.00
Technician Grade II / Counterman Grade I	16,250.00	150	×	65.00	26,000.00
Technician Grade I / Store men	17,150.00	150	×	70.00	27,650.00
Master Technician / Senior Store men	17,850.00	150	×	75.00	29,100.00
Supervisor	14,500.00	150	×	70.00	25,000.00
Supervisor Special Grade II	15,350.00	150	×	75.00	26,600.00
Supervisor Special Grade I	16,350.00	150	×	80.00	28,350.00
Senior Production Supervisor	19,100.00	125	×	85.00	29,725.00
Senior Production Supervisor Special Grade II	20,350.00	125	×	90.00	31,600.00
Senior Production Supervisor Special Grade I	21,350.00	125	×	95.00	33,225.00
Quality Controller	14,300.00	150	×	65.00	24,050.00
Quality Controller Special Grade II	15,200.00	150	×	70.00	25,700.00
Quality Controller Special Grade I	16,150.00	150	×	75.00	27,400.00
Senior Quality Controller	18,950.00	125	×	80.00	28,950.00
Senior Quality Controller Special Grade II	20,050.00	125	×	85.00	30,675.00
Senior Quality Controller Special Grade I	20,900.00	125	×	90.00	32,150.00
Chief Quality Controller Grade II	14,800.00	150	×	80.00	26,800.00
Chief Quality Controller Grade I	15,600.00	150	×	85.00	28,350.00
Chief Quality Controller Special Grade II	18,400.00	125	×	90.00	29,650.00
Chief Quality Controller Special Grade I	19,700.00	125	×	95.00	31,575.00
Driver Grade III	13,850.00	150	×	60.00	22,850.00
Grade II	14,750.00	150	×	65.00	24,500.00
Grade I	15,650.00	150	×	70.00	26,150.00
Delivery Employee Grade III	13,550.00	150	×	50.00	21,050.00
Grade II	14,400.00	150	×	52.50	22,275.00
Grade I	15,250.00	150	×	55.00	23,500.00
Accounts / Personnel / Commercial					
Junior Assistant	13,750.00	150	×	55.00	22,000.00
Assistant	14,700.00	150	×	62.50	24,075.00
Senior Assistant	15,650.00	150	×	70.00	26,150.00
Office Aid Grade II	13,650.00	150	×	52.50	21,525.00
Grade I	14,500.00	150	×	55.00	22,750.00
Stenographer Grade II	13,750.00	150	×	55.00	22,000.00
Grade I	14,700.00	150	×	62.50	24,075.00
Special Grade II	16,100.00	150	×	75.00	27,350.00
Special Grade I	17,050.00	150	×	80.00	29,050.00

My No.: CI/1543

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Associated Ceat (Pvt) Limited, Nungamugoda, Kelaniya of the one part and the Inter Company Employees Union, No. 158/18, E. D. Dabare Mawatha, Colombo 05 of the other part on 27th day of October, 2008, is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

W. J. L. U. WIJAYAWEERA,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo. 05.
16th December, 2008.

Collective Agreement No. 16 of 2008

Collective Agreement entered into between *Associated Ceat (Pvt) Limited*, a Company duly registered in Sri Lanka and having its registered office at Nungamugoda, Kelaniya, (hereinafter referred to as "*The Employer*" or "*The Company*" as the case may be) and *Inter Company Employees' Union*, a Trade Union duly registered in Sri Lanka and having its office at No. 158/18, E. D. Dabare Mawatha, Colombo 5, (hereinafter referred to as "*The Union*") on this 27th day of October Two Thousand and Eight.

WHEREAS, the Union by its letter dated 23rd January, 2008 submitted certain demands in respect of their members employed in the factory of the said Employer, situated at Nagoda in Kalutara, parties have, after negotiations, agreed on the following terms as a full and final settlement.

1. **Parties Covered and Bound.**— The provisions of this Agreement shall apply to the Employer, the Union and Members of the Union engaged on permanent contracts of employment in the factory of the Employer. The provisions of this Agreement shall not apply to trainees.

2. **Salaries.**— With effect from 1st September 2008, the salaries of the employees covered and bound by this Agreement will be increased in the following manner. The following revisions will be subject to achieving the production norms and efficiency parameters set out in schedule (i) hereof.

- (i) With effect from 01st September, 2008, a sum of Rs. 1,850 will be added to the basic salary paid to each employee as at August 2008.
- (ii) With effect from 1st April 2009, the basic salary of each employee will be further revised by a sum of Rs. 1500.
- (iii) With effect from 1st April 2010, a further increase of Rs. 1300 will be made to the basic salary of each employee.

By way of notional arrears for the month of September 2008, the Employer will grant a sum of Rs. 1850 to the employees. The notional arrears will be paid in the month of October 2008. The payment of notional arrears will not constitute a part of an Employee's salary for any purposes such as overtime, shift allowance, bonus or such like, except for Provident Fund and Trust Fund contributions.

Employees who are confirmed in employment during the year would be entitled to the immediately succeeding increase in salary only on a pro rata basis.

3. **If During the Continuance in force of this Agreement the Government of Sri Lanka.**—

- (i) Prescribes in any year, increases in salary/and or any allowances by any written law applicable to categories of employees covered by this Agreement, the Employer shall be entitled to take credit for the salary increases granted to an employee in respect of such year in terms of Clause 2 hereof and determine the increase. if any, that is to be granted to an employee accordingly.
- (ii) Recommends increases in salaries/and or any allowances, such recommendations will not be applicable to the Employer regardless of whether or not such recommendation is applicable to the categories of employees covered by this Agreement.

4. **Meal Allowance.**— The Employer will increase the meal allowance up to Rs. 50 per day for every day on which such employee reports for work. This meal allowance will be calculated on a daily basis and paid at the end of the month. Arrears of Rs. 350 for the month of September 2008 will be paid to the employees in the month of November 2008.

5. **Annual Increments.**— Unless otherwise decided on disciplinary grounds in terms of this Agreement, an employee shall be entitled to an annual increment in the month of April each year in terms of the salary scale applicable to each employee, subject to the performance evaluation of each employee. The annual increment will be increased to Rs. 125 with effect from 01st April 2009.

6. **Probation.**— Each employee recruited to the permanent cadre of the Company will be required to serve a minimum period of six months' probation during which the Employer will assess the suitability for confirmation through an evaluation process and written/practical test on skills and competence. The Employer reserves the right to extend the period of probation of any employee. During the period of probation or extended period of probation, where applicable, the Employer shall have the right to terminate such probationary employment without any notice.

7. **Bonus.**— Provided the Company registers a profit, the employees will be paid a bonus in respect of each year in keeping with the existing practice. The payment will be made in two instalments, as follows:—

- (a) Advance payment in December subject to half-yearly performance and profits made as at 30th September in relation to that year.
- (b) Final payment in April of the following year, subject to the previous year's performance.

The quantum of bonus payable will be decided by the Employer. No bonus will be declared in case the Company registers a loss in respect of any year.

8. **Hours of Work and Overtime.**— Subject to changes due to exigencies of work, the normal working hours during the continuance in force of this Agreement shall be those that are worked by the employees as at present, i. e. three shifts per day on 7 days of the week. The employees shall work reasonable overtime, as and when required by the Employer for which the employee shall be paid overtime as stipulated by law. The Company will arrange for a meal to be given to every employee, who is required to work more than six hours overtime beyond normal working hours. It is compulsory for the employees in the Engineering Division to report for work on Sundays, Poya days and Statutory holidays. (as per the roster or special programme) The employees of the Production Division will be required to report for work as and when called for on the days mentioned above. Any employee, who may be unable to report for work, when required on any of the days mentioned above, should inform the relevant Head of the Department, in writing, at least 48 hours in advance, setting out the reasons for such inability. The Head of the relevant Department may accept or reject such a request by an employee taking into consideration the exigencies of business and the reasons cited by the employee. The decision taken by the Manager concerned in respect of such a request shall be binding on the worker concerned.

9. **Shift Allowance.**— The Employer agrees to pay a shift allowance to employees engaged in the second and third shifts, i. e. from 2.30 p. m. to 10.30 p. m. and from 10.30 p. m. to 6.30 a. m. respectively, calculated at the rate of 15% of the employee's daily basic wage in respect of each shift worked. The daily basic wage for this purpose will be ascertained by dividing the monthly salary by 30.

10. **Production Allowance.**— The Employer will continue to pay to employees the production allowance / bonus, calculated at Rs. 20/- per day for building operators and at Rs. 16/- per day for all other employees, provided the employees achieve production norms and efficiency parameters in respect of each shift on any given day as set out in Schedule (i) hereof. Employees who fail to achieve any production norms other than in a situation of machine breakdown or non-availability of raw material for reasons exclusively within the control of the management, shall forfeit this allowance/bonus, apart from any other action the Employer may initiate as considered necessary.

11. **Production Bonus.**— In addition to the production allowance/bonus scheme set out in clause 10 above, the Company will introduce a new production bonus scheme on the following basis to take effect from 01st September 2008.

- * If the monthly ticket is not sufficient to achieve the monthly average target of 20 metric tons per day, this scheme will not be applicable for such months.
- * To be eligible for the payment under the production bonus scheme, the Company should achieve a minimum average of 20 metric tons per day as per the available working days for that particular month. If the planned working days are not covered due to any reason or unavoidable circumstances, the average production tonnage will be calculated as per the planned working days.
- * The payment for the production bonus will be calculated on a daily basis as per the production bonus scheme. If the production tonnage in any particular day is below 20 metric tons, the said amount will be taken for the calculation on monthly average basis.
- * The Company does not hold any liability for machine breakdown, material shortages, power failure, lack of semi products, lack of supply of material from the Kelaniya/Kalutara plants, absenteeism or any other reason which will have an impact on achieving the monthly average target.

- * The Company does not agree to extend the working hours of employees or to introduce any other systems to achieve the average target which have a negative impact and/or financial implications for the Company.
- * Any scrap/defect tyres if produced will not be accounted under this production bonus scheme and the employees are required to maintain the highest quality of product as per the specifications.
- * With the introduction of new technology, machinery, curing pressers and increase of manpower, the monthly average and daily average production targets will also be proportionately increased and a new production bonus scheme will be introduced.
- * The company has the sole discretion to withdraw, modify, ammend or introduce on an intermittent basis the bonus scheme according to situations that any require such changes, This will be communicated to the employees at least two days prior to such action.
- * If an employee absents himself from work for more than 5 days in a month due to any reason either by way of utilizing, his leave entitlement, suspension on disciplinary grounds or any other reason whatsoever, such employee will not be eligible for the production bonus for the relevant month.
- * The production bonus will be paid along with the salary for that particular month and the production bonus will not be considered for Employees Provident Fund (EPF), Employees Trust Fund (ETF), Gratuity or any other statutory payments or allowances such as bonus, advances overtime payments, etc.

The payment will be calculated –

	<i>Production bonus</i> Rs.
An Average of 20 metric tons per day for a month	500
An Average of 21 metric tons per day for a month	750
An Average of 22 metric tons per day for a month	1,500
An Average of 23 metric tons and above per day for a month	2,000

- * The payment under the production bonus scheme will be subject to the number of days present at work. If an employee is absent from work due to any reason, the payment will be made on a pro rata basis.

Eg: The number of days planed in the month	25
Daily average of production per month	22 MT
Production bonus entitlement per month	Rs. 1500
No. of days present for work	20
Production bonus per month	Rs. 1500/25 X20 days Rs. 1200

The company has agreed to pay Rs. 500 as the production bonus for the achievement of the production target in the month of August 2008 as a gesture of good will and the said payment will be made in November 2008.

12. **Production Norms.**– It is agreed between parties that the production norms and efficiency parameters in the factory shall be in accordance with Schedule (i) hereof and the employees shall maintain such norms efficiency parameters in their day-to-day work. The norms and efficiency parameters shall be subject to change in the event of the introduction of new machinery/technology, upgrading of existing machinery /technology or work processes geared towards improving production in the factory. The employees will strive towards controlling scrap and rejects and work towards the overall improvement of product quality. Any change in the pattern or design of the production, according to market/customer requirements, will not change the norms and efficiency parameters agreed under this paragraph.

13. **Work Assignments.**– Employees should be willing and ready to work on any machine in the factory to which they may be assigned from time to time for which the Employer shall provide adequate training wherever necessary.

14. **Annual Picnic.**– The Company agrees to grant a sum of Rs. 800 per employee for 2 days on account of the annual picnic. The payment would be made by the Company upon the Union submitting a list signed by employees, indicating their desire to participate in the picnic. The Company will also provide suitable and adequate transport. The annual picnic shall not exceed two days duration and shall be organized by the Union. If due to operational Exigencies of the business, it is agreed by both parties to have a one day picnic, the Company will grant a sum of Rs. 600 per employee. If a one day picnic is arranged it should be either on a statutory holiday or a Poya day.

The picnic shall be arranged to include a Sunday if it's a two-day picnic. Any week day or a Sunday on which the factory functions, if affected, should be covered either through Poya days or Statutory Holidays. The Union and employees undertake to conduct themselves in an appropriate manner during the picnic and refrain from tarnishing the image of the Company. The Company will be entitled to take disciplinary action upon inquiry against any employee or employees who resort to acts of indiscipline during the picnic. The Union undertakes to submit to the management, an accurate detailed account of the expenses of the annual picnic.

15. **Leave.**— Employees shall be entitled to a maximum of 14 days' annual leave in accordance with the provisions of the respective Wages Boards Decisions applicable to the trade. In addition to annual leave, employees will be entitled to seven days' casual leave subject to the condition that absence on account of sickness in excess of two days should be supported by a Medical Certificate from a registered Medical Practitioner and whatever rules pertaining to leave in the Company.

16. **Disciplinary Action.**— Where the employer proposes to proceed against an employee on disciplinary grounds, the following procedure will be adopted.

- (a) A show-cause notice setting out the misconduct alleged against the employee will be furnished to the employee regardless of whether the employee is suspended or not.
- (b) The employee shall be required to submit a written explanation to the show-cause letter within five clear working days. The employee may, if he so requires, seek an extension of time to submit his explanation and the Employer may, at its discretion, grant such an extension of time as being required.
- (c) The Employer shall conduct a domestic inquiry into the alleged misconduct on receipt of the employee's written explanation.
- (d) The employee shall be informed, in writing, the findings of the inquiry and any punishment that has been imposed after the conclusion of the domestic inquiry.
- (e) The employer shall not be required to conduct a domestic inquiry in terms of sub-clause c) above, where the employee has admitted the acts of misconduct alleged against him or where the employee shall only be warned in respect of an act of misconduct.
- (f) The services of an employee may be suspended without pay by the Employer pending disciplinary action or by way of punishment upon the findings of a domestic inquiry.
- (g) In the event of an employee being suspended without pay and the Employer is unable to conclude the domestic inquiry within a period of three months from the date of suspension, other than for reasons beyond the control of the Employer, the employee shall, pending the finalisation of the inquiry, be entitled to receive half month's wages in respect of each month in excess of such three months.

17. **Variation of Terms and Conditions.**— During the continuance in force of this Agreement, neither party shall seek or attempt to vary, alter or change any of the terms and conditions contained herein and / or terms and conditions or other benefits which are applicable to employees as at the date of signing this Agreement, other than by way of mutual agreement between parties.

18. **Disputes Settlement Procedure.**— (a) In the event of any dispute that shall arise between parties during the continuance in force of this Agreement, the Branch of the Union in the Employer's Establishment shall raise such dispute with the factory Management of the Employer and parties shall take all reasonable efforts to resolve such disputes amicably.

- (b) If no settlement of the dispute can be reached between parties, the Branch of the Union may request the Union to raise the matter in dispute with the Employer and / or with The Employers' Federation of Ceylon and the Union, the Employer and the Federation shall thereafter take all reasonable possible steps to resolve the dispute.
- (c) Failing a settlement of the dispute as provided in the preceding sub-clause, the Union may raise the dispute with the Department of Labour and move to have the dispute resolved under the provisions of the Industrial Disputes Act.

19. **Trade Union Action.**— The Employees and the Union agree that they shall not, during the continuance in force of this Agreement, resort to Trade Union action of any form in respect of any dispute that may arise between parties which is covered by this agreement. Any such dispute may be settled in the manner provided herein. The employees and the union further agree that in relation to any dispute which is not covered by this collective agreement, if arise, they shall not resort to any form of trade union action without having followed the dispute settlement procedure set out herein and in the event of any trade union action thereafter, they shall give at least 14 days notice of such trade union action to the Employer.

20. **Safety Instructions / Shoes.**- All Employees should follow the safety instructions and safeguards. The Company will provide three T shirts, two pairs of trousers and one pair of safety shoes to each workman, every year as uniform. Failure to wear uniforms / safety shoes while on duty will result in disciplinary action being taken against such employees.

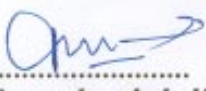



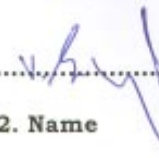

21. **Year 5 Scholarship Award.**- Annually, five children of the permanent employees will be awarded a sum of Rs. 9,000/- each during the month of December of that particular year, in recognition of their achievements. The Awards will be made to the five best students at the Year 5 Scholarship Examination. The employee should submit a written request with an application and related documents before the month of December. Selection process will be done by an independent Committee consisting of management and the representatives of the Union.

22. **Housing Loans Through External Banks.**- To facilitate an employee's request for a housing loan through an external Bank, on the request of a permanent employee, the Company will issue salary particulars and other certification for such purpose. Any instructions for remittance of the monthly instalments from the monthly salary of an employee, the Company will make such deductions subject to the applicable laws and only in relation to the following Banks:

- (a) Sabaragamuwa Development Bank
- (b) Co-operative Rural Bank
- (c) National Savings Bank

23. **Date of Operation and Duration.**- Subject to the payment of salaries in accordance with Clause 2 above, this Agreement shall take effect from the date hereof and shall remain in force unless terminated by either party, in writing with three months notice to the other, subject to the condition that neither party shall give such notice prior to 31st May 2011 and this Agreement shall not stand terminated prior to the 31st day of August 2011.

In witness hereof the parties have hereunto set their hands on this 27th day of October Two Thousand and Eight.

 For and on behalf of ASSOCIATED CEAT (PVT) LTD.	 For and on behalf of INTER COMPANY EMPLOYEES UNION
Name: Nishantha Liyanage	Name: එම්.එම්. සමරසිංහ
Designation: Deputy General Manager - HR	Designation: සාමාන්‍ය සේවක
Witnesses:  1. Name: A.W. Wijerathna	 1. Name: D. H. D. ගුණරත්න
Designation: Deputy General Manager - ACCL  2. Name Vajira Fernando Designation: ADH. Etc.	Designation: සාමාන්‍ය සේවක  2. Name B.W.S. ගුණරත්න Designation: සාමාන්‍ය සේවක

FACTORY PRODUCTION NEW NORMS SETTINGS FOR ACPL PLANT - KALUTARA

DEPT	ACTIVITY AREA	ACTUAL PUES	100% POSSIBLE TARGET	NORMS PER SHIFT (CURRENT)	PROPOSED NORMS 2005-2008	PROPOSED NORMS 2008-2011	2 nd Proposal for 2008-2011	Agreed Norms for 2008-2011
BUILDING	4.00-8 FM / AR	4	114	81	111	111	96	96
	6.00-14	6	70	57	69	69	60	58
	6.50-14 (8) PR	6	70	50	69	69	52	51
	6.00-16 (8) SMT	6	68	47	57	57	50	48
	6.50-16 (8) PR	6	68	46	57	57	48	47
	7.00-15 (10/12) PR	4	65		57	57	44	41
	7.00-15 (10/12) PR	6	64	40	53	53	42	41
	7.00-16 (10/12) PR	4	68		57	57	44	41
	7.00-16 (10/12) PR	6	64	40	53	53	42	41
	7.00-16 (10) T2001	4	68		57	57	44	41
	7.00-16 (10) T2001	6	64	40	53	53	42	41
	7.50-15 (10/12) PR	4	66		55	55	42	39
	7.50-15 (10/12) PR	6	62	36	51	51	40	39
	7.50-16 (8/10/12) PR	4	64	43	53	53	45	44
	7.50-16 (10/12) PR	6	46	35	45	45	37	36
	7.50-16 (14) PR	6	42	33	41	41	35	35
	7.50-16 (16) PR LP	6	42	33	41	41	35	34
	7.50-20	6	34	26	33	33	27	27
	9.00-16 SMT	6 (BAND)	28	20	27	27	22	22
	8.25-20 (14/16) PR	6 (BAND)	30	24	29	29	25	25
	8.25-20 (14/16) PR	8 (BAND)	28	21	27	27	22	22
	9.00-20 (14/16) PR	6 (BAND)	30	23	29	29	24	24
	9.00-20 (14/16) PR	8 (BAND)	28	20	27	27	22	21
	10.00-20 (16) PR	6 (BAND)	28	22	27	27	23	23
	10.00-20 (16) PR	8 (BAND)	26	20	25	25	21	21
BAND BUILDING	B. BUILDING (S.P.E.)	WITH CUSHION-BRAKERS	675	560	661	661	600	595
BEAD	WINDING (NOS)	MIXED	4900	2700	4802	4802	2850	2825
	FILLING (NOS)	MIXED	1100	925	1078	1078	950	930
	FLUPERING (NOS)	MIXED	1000	850	980	980	700	695
SLITTING	SLITTING (ROLLS)		16	10	11	14	12	11
BIAS CUTTER	BIAS CUT (NOS)		6600	3700	5292	5500	4000	3900
CALENDER	SQUEEGEE ROLLS		96	74	78	88	80	79
	FILLER EXTRUDER		35	27	34	34	30	30
EXTRUDER	KG/SHIFT		3600	3600	3600	3600	3750	3750
CURING	LOADING/UNLOADING TIME	MINUTES (3W)	1.5	1.5	1.5	1.5	1.5	1.5
		MINUTES (LT)	2.0	2.5	2.0	2.0	2.0	2.0
		MINUTES (TT)	3.0	5.0	4.0	4.0	4.0	4.0

NOTE:

- 1 Please note curing cycle changed will be depend upon technical changes.
- 2 Extruder out-put will be depend upon technical changes & modification of the machine.
- 3 Calender out-put will be depend upon technical changes & modification of the machine.
- 4 Slitting out put will be depend upon technical changes & modification of the machine.
- 5 Any new Equipment / Operation will be finalised with time & work study.

EFFICIENCY PARAMETERS

<i>Task</i>			<i>Agreed Time (Minutes) to be completed</i>
Bladder Change Time	3W		15
	LT		20
	TT		30
Mould Change Time	3W	One Mould	90
		Two Mould	140
	LT	One Mould	120
		Two Mould	200
	TT	One Mould	180
		Two Mould	330
Drum Change Time	3W	Only Drum	15
		Only Segment	20
		Drum & Segment	30
	LT	Only Drum	25
		Only Segmsent	30
		Drum & Segment	45
	TT	Only Drum	35
		Only Segment	35
		Drum & Segment	45

Note Only Drum Change for 750-20 agreed to 35 Minutes