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අති විශේෂ EXTRAORDINARY

අංක 1678/27 – 2010 නොවැම්බර් 03 වැනි බදාදා – 2010.11.03
No. 1678/27 – WEDNESDAY, NOVEMBER 03, 2010

(Published by Authority)

PART I: SECTION (I) – GENERAL Government Notifications

My No.: CI/1770.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between South Asia Gateway Terminals (Pvt) Ltd., No. 130, Glennie Street, Colombo 02 of the one part and Sri Lanka Nidahas Sewaka Sangamaya, No. 301, T. B. Jayah Mawatha, Colombo 10 of the other part on 09th July, 2010, 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. WIJAYAWEEERA,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
19th October, 2010.

Collective Agreement No. 59 of 2010

COLLECTIVE AGREEMENT 2010 – 2013

BETWEEN

SOUTH ASIA GATEWAY TERMINALS (PVT) LTD.,

AND

SRI LANKA NIDAHAS SEWAKA SANGAMAYA

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COLLECTIVE AGREEMENT 2010 – 2013

BETWEEN

SOUTH ASIA GATEWAY TERMINALS (PVT) LTD

AND

SRI LANKA NIDAHAS SEWAKA SANGAMAYA

THIS COLLECTIVE AGREEMENT made and entered into on the Ninth Day of July Two Thousand Ten between SOUTH ASIA GATEWAY TERMINALS (PVT) LTD., having its Registered Office at 130, Glennie Street, Colombo 02 and bearing Company Registered No. PV 326 (hereinafter referred to as the “Employer”) of the ONE PART and the SRI LANKA NIDAHAS SEWAKA SANGAMAYA, being a Trade Union duly registered under the Trade Unions Ordinance and having its Registered office at No. 301, T. B. Jayah Mawatha, Colombo 10, (hereinafter referred to as the “Union”) of the OTHER PART Witnesseth:

WHEREAS the Union has shown to the satisfaction of the Employer that it represents a majority of the Operative Grade Employees employed by the Employer.

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

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

1. **Title.**– This Agreement shall be known and referred to as “**THE OPERATIVE GRADE EMPLOYEES’ COLLECTIVE AGREEMENT 2010 - 2013**”.

2. **Date of operation and Duration.**– This Collective Agreement shall be effective from the First day of April Two Thousand Ten, and may be terminated by either party with one (01) month’s written notice to the other, provided, however, that neither party shall give such notice prior to the Thirty first day of March, Two Thousand Thirteen. Any notice of termination of this Agreement given by either party, prior to the Thirty First day of March, Two Thousand Thirteen, shall not be regarded as valid notice and shall be of no avail.

It is the intention of both Employer and Union to renew the agreement on First day of April Two Thousand Thirteen and therefore negotiations on same will commence by First January Two Thousand Thirteen.

3. **Persons Covered and bound.**- This Agreement shall cover and bind the Employer, the Union (SLNSS), and all the Quay Ganry Crane Operators, Crane Operators, RTG Operators, Controllers Deck/Wharf, Controllers Yard, Fork Lift Operators, Planning Assistants, Operations Assistants, Operations Controllers, ITT Coordinators, Receival Delivery Officers, Assistant Receival Delivery Officers, Foremen Electrical/Mechanical/ Cargo Care, Terminal Engineering Assistants Electrical/Mechanical, Cargo Care Officers, Stores Officers, Assistant Stores Officers only who are employed on permanent contracts of employment by the Employer at its work places in Colombo and who are members of the Union.

4. **Declaration of Principle.**- (a) Both Employer and the Union accept the principle that the special consideration affecting the Employer are such that the wage and salary rates are a proper subject for collective bargaining between the Employer and the Union, and that the actions of other employers including Government Corporations and the Government of Sri Lanka in their capacity as employers of labour, regarding the amount and timing of wage increases are not automatically relevant in the context of the Employer except where otherwise provided by legislation.

(b) In cases in which Government does provide by legislation for benefits including increases in wages. Gratuity, bonus etc. the following shall apply -

- (i) When such benefits are more favourable to the benefits stipulated only the difference between such benefits provided by such legislation and the benefits stipulated herein, shall be added to the said benefits stipulated herein.
- (ii) When such benefits are equal or less favourable to the benefits stipulated herein, they shall not be added to or compounded with the said benefits stipulated herein.

(c) The stipulations contained in Para (b) above are without prejudice to the principle contained in Para (a) above.

5. **Rights and responsibilities of Employer.**- Selection, Placement, distribution, transfer and promotion of personnel, laying down of working hours and working programmes, planning and control of Terminal operations, introduction of new machinery or improved operational methods, expansion of operation facilities, establishment of quality and operations standards, maintenance of efficiency, the consequence thereof maintenance of discipline in the Terminal and for that purpose taking necessary disciplinary action against workmen within the framework of the existing law, regulations and standing orders are exclusively the rights and responsibilities of the employer. Recruitment, selection and placement of employees will depend on employer's requirement which will not be based purely on the machinery plan. However, the management acknowledges that the Union may raise with the employer any grievance or dispute in the opinion of the Union that may have occurred to any of their members.

6. **General terms and conditions of Employment.**- The terms and conditions of this Agreement shall as from the date hereof and during the continuance in force of this Agreement be deemed to be included in all the contracts of employment between the Employer and the Employees covered and bound by this Agreement, whether such contract of employment be written or oral or whether employment was subsisting as at the date hereof or shall come into being at any time after the date hereof but during the continuance in force of this Agreement. Provided, that in the event of any conflict or inconsistency between the terms and conditions of this Agreement and any Pre-existing terms and conditions or practices, the terms and conditions of this Agreement shall prevail.

7. **Variation of terms and conditions of Employment or benefits.**- (a) The Union and its members and the Employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement, they will not seek to vary or add to all or any of the practices, terms and conditions of employment presently applicable to any of the employees covered and bound by this agreement or all or any of the benefits presently enjoyed by any of the workers covered and bound by this Agreement, other than by mutual agreement in writing.

(b) This Agreement shall be deemed to be a full and final settlement of all matters covered herein as well as all matters raised by the Union or incidental thereto and in respect of which negotiations took place between the parties before the conclusion of this Agreement.

8. **Wages.**- (a) As from the first day of April Two Thousand Ten the Employer will grant and increase in wages on the following basis:

- (i) 13% on the consolidated wage applicable to each employee as at March 2010, and thereafter,
- (ii) The wage for April 2010 shall be a consolidated wage.

(b) As from the First Day of April 2011 the Employer will grant an increase in wages of 10% calculated on the consolidated rates as at March 2011 and the said wage for April 2011 shall be a consolidated wage.

(c) As from the First Day of April 2012 the employer will grant an increase in wages of 10% calculated on the consolidated rates as at March 2012 and the said wages for April 2012 shall be a consolidated wage.

09. **Work Practices.**- Both Employer and Union agree that the work practices are as per the employment contract, existing policies, procedures, practices, Job descriptions and agreed work practices indicated in the First Schedule.

10. **Overtime and work on Holidays.**— If required by the Employer, an Employee shall work reasonable overtime authorized by the Employer in excess of his normal working hours. Reasonable hours will be determined as per Laws applicable. Overtime work or work on holidays shall be remunerated at rates presently in force.

11. **Bonus / Incentives.**— (a) Annual Scheme.— The following scheme will be applicable for the financial year 2010, 2011 and 2012. Payment applicable for the previous financial year will be made in the month of April each year.

| <i>Bonus (in Months)</i> | <i>Volume</i> |
|--------------------------|-----------------|
| 1 | < 1.60 Mn TEU's |
| 2 | 1.60 Mn TEU's |
| 2.5 | > 1.60 Mn TEU's |
| 3 | > 1.65 Mn TEU's |
| 3.5 | > 1.70 Mn TEU's |
| 3.6 | > 1.73 Mn TEU's |
| 3.7 | > 1.76 Mn TEU's |
| 3.8 | > 1.79 Mn TEU's |
| 3.9 | > 1.82 Mn TEU's |
| 4 | > 1.85 Mn TEU's |

Bonus deductions will be based on the current procedure.

(b) **Year end unutilised Leave Bonus.**— During any calendar year any employee who has an unavailed leave balance of 14 or more days of sick and casual leave, such employee will be granted a bonus equivalent to half a month's basic salary in the month of January in each year. However, any employee who has been placed on no pay leave even for half a day shall not qualify for this bonus payment.

(c) **Leave encashment.**— Employees will be paid for their unutilised sick/casual and annual leave as per the current practice.

(d) **Attendance Incentive**

(i) The Employer will pay a monthly attendance incentive to the Employees subject to the conditions set out herein.

(ii) This incentive will be calculated on a monthly basis and paid once a month based on the following criteria.

(a) An Employees who reports for all rostered shifts in a calendar month will be paid Rs. 5,000.00

(b) An Employees who avails half (1/2) a days or one (01) days leave during a calendar month will be paid Rs. 2,500.00

(c) An Employees who avails one and half (1 1/2) or two days (02) leave during a calendar month will be paid Rs. 1,000.00

(iii) Unauthorized absence of any form of no-pay leave for any period of time will result in the loss of the total incentive for that month.

(iv) Annual leave will, for this purpose be reckoned as days present.

(v) Employees will not be eligible for this incentive once they have exhausted their Sick/Casual/Annual leave quota of that calendar year. However, any justifiable reason e.g. prolonged illnesses/accidents acceptable to the Employer may be considered an exception at the discretion of the Employer.

(e) **Travelling Allowance.**— The Employer shall pay employees engaged in shift duties a daily transport allowance of Rs. 165/- as per the existing practice.

(f) **Government Action on Bonus.**— If at any time during the continuance in force of this Agreement, the Government introduces by legislation or otherwise any scheme for bonus or payment under any attendance incentive or production scheme. the workmen will not be entitled to the benefits of such scheme in addition to the bonus or bonuses provided for in this Agreement. In the event of such Government action, the workmen shall be entitled to the more favorable scheme of bonus or incentive or production payments.

12. **Distress Loan.**— Employees may apply for a distress loan amounting Rs. 20,000/- for an emergency requirement acceptable to the Employer. The recovery period of such loan will be four (04) months commencing from the date of granting the loan. However, the recovery period will be extended to a maximum six (06) months depending on the nature of the distress at the sole discretion of the Employer.

13. **Death Mutual Benefit Scheme.**— The Employer shall grant a sum of Rs. 25,000/- to an Employee in the event of a death of his/her family member as defined in the existing Death Mutual Benefit Scheme. Total employee contribution per such event shall be Rs. 50,000.00 regulated i terms of Death Mutual Benefit Scheme.

14. **Employees Insurance Scheme.**— Employees will be covered with the following insurance schemes.

- (a) Surgical and Hospitalisation Insurance Cover
Indoor - Rs. 144,000.00 per annum
Outdoor - Rs. 16,000.00 per annum
- (b) Group Life Insurance Cover
Rs. 1,500,000.00
- (c) Personal Accident Insurance Cover
Rs. 500,000.00
- (d) Workmen Compensation Insurance Cover
As per the Workmen Compensation Act

Payments will be made as per the agreement between Employer and the Insurance Company.

15. **Check-off.**— (a) This clause shall apply to the employer so long as the Union maintains a membership in the workplace of the employer of not less than forty percent (40%) of the employees covered and bound by this Agreement and so long as this Agreement subsists.

(b) The Employer shall on the written request of an Employee deduct from the wages due to such employee the current monthly Union dues as are specified by the Employee to be payable monthly by Employees to the Union and remit the amount so deducted to the Union.

(c) Every Employee who agrees to the deduction of Union dues from his wages shall sign an “authorisation” and forward it the Employer.

(d) Every Employee shall be entitled to withdraw his agreement to check-off at any time by signing a statement to that effect and forwarding to the Employer.

16. **Employees Grievances Procedure.**— In the event of an Employee grievance, the following procedure shall be followed in resolving such grievance.

- (a) The Employee will, in the first instance discuss the grievance with the Departmental Executive.
- (b) If the grievance is not satisfactorily resolved, the employee may then discuss the matter with the Departmental Manager. The Departmental Manager will if necessary in consultation with the Employer’s Management endeavour to arrive at satisfactory solution in respect of the grievance.
- (c) In the event of the grievance not being resolved at the level of the Departmental Manager, the issue in grievance will then be discussed by the Employee with the Employee Relations Manager/Human Resource Manager of the Employer.
- (d) If no satisfactory solution is arrived at, then the issue in grievance will be discussed by the Branch Union and the Employer’s Management. At such discussion, the number of representatives from each side shall not exceed four (04).

17. **Disputes Resolution Procedure.**— In the event of a dispute not being resolved or settled, both parties agree they shall refer such dispute for settlement in terms of the Dispute Settlement Procedure incorporated in the Agreement signed between Employer and the Union on 06th November, 2009.

18. **Disciplinary Inquiry Procedure.**— 1. Within Five (05) working days of 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.

2. The Employer shall allow a member of the Union in employment of the Employer to be present as a representative at the inquiry.

19. **Trade Union Action.**— The Union 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 form of trade Union action in respect of any Dispute related to this Agreement.

20. **Consequences of Termination of Agreement.**— On the termination of this Agreement, facilities and concessions enjoyed by the Union under this Agreement shall *ipso facto* cease. Employee benefits as per the Collective Agreement will remain unchanged provided Employees continue with the agreed work practices, terms and conditions stipulated in this agreement.

21. **Breaches of the Agreement by the Union and / or its Members**— If in the opinion of the Employers' Federation of Ceylon, the Union or its members have committed a breach of this Agreement, then and in such event the Employer reserves the right to withdraw all or any of the facilities or benefits granted to the Employees, or Union seven (07) days after raising such breach with the Union in writing without prejudice to the Employer's right to restore such facilities or benefits upon such terms and conditions as the Employer and the Employers' Federation of Ceylon may decide. The Union will be entitled to dispute the justification of such withdrawal.

If in the opinion of the Union, the Employers has committed a breach of this Agreement then and in such event, the Union would have the right to refer such matter to the Commissioner of Labor.

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

23. **Definitions.**— Unless the context otherwise requires the following words shall have the following meaning.

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

Words importing the masculine gender shall include the femininely gender.

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

FIRST SCHEDULE

WORK PRACTICES EFFECTIVE

1 APRIL 2010

QUAY CRANE OPERATORS, CRANE/RTG OPERATORS, FORK LIFT OPERATORS, CONTROLLERS YARD, CONTROLLERS DECK/WHARF, RECEIVAL DELIVERY OFFICERS, ASSISTANT RECEIVAL DELIVERY OFFICER.

FOREMEN ELECTRICAL/ MECHANICAL / CARGO CARE, TERMINAL ENGINEERING ASSISTANTS ELECTRICAL/ MECHANICAL, CARGO CARE OFFICERS.

PLANNING ASSISTANTS, OPERATION ASSISTANTS, OPERATIONS CONTROLLERS, ITT COORDINATORS, STORES OFFICERS, ASSISTANT STORES OFFICERS.

Quay Crane Operators

1. Work pattern – 6 hours in the normal shift 3 hrs. in the overtime shift following the normal shift and 6 hrs in the shift after the overtime shift.
2. Operators will change from one crane to another as per the requirements and will drive any crane they are allocated to.
3. An Operator shall drive a maximum of 3 hours continuously in any part of the drive roster and not demann the machine until the relief driver takes over the machine.

Crane/RTG Operators

1. Work pattern – 8 hours in the normal shift 4 hrs in the overtime shift following the normal shift. If an operator requires working three consecutive shifts, he shall work 6 hours in the third shift. However if it is found that the employees abuse this work arrangement to create overtime work the Employer reserves the right to revert to the substantive work arrangement which is 8 hours in the third consecutive shift.
2. An Operators will change from one crane to another as per the requirements and will drive any crane they are allocated to.
3. An Operators any drive a maximum number of hours determined by the Commissioner of Labour continuously in any part of the drive roster and not demann the machine until the relief driver takes over.

Fork Lift Operators

1. Work pattern – 8 hrs. in the normal shift, 4 hrs. in the overtime shift following the normal shift and 8 hrs. in the shift after the overtime shift.
2. An Operator may drive a maximum of 4 hrs. continuously in any part of the drive roster and not demand the machine until the relief driver takes over.
3. The total responsibility for the maintenance of gear stores i.e. ensuring orderliness of gear stores and maintaining the gear. In this regard, they will provide guidance to the assistants.

Controllers Yard

1. Work pattern – 8 hrs. in the normal shift, 4 hrs. in the overtime shift following the normal shift and 8 hrs. in the shift after the overtime shift.
2. Point of Work of the Controller Yard will be changed as per the requirement and they will work any crane they are allocated to.

Controllers Deck / Wharf

1. Work pattern – 8 hrs. in the normal shift, 4 hrs. in the overtime shift and 8 hrs. after the overtime shift.
2. Point of Work of the Controller Deck / Wharf will be changed as per the requirement and they will work any crane they are allocated to.

Quay Crane Operators, Crane / Rtg. Operators, Fork Lift Operators, Controllers Yard and Controllers Deck / Wharf

Employees may leave the work premises, having indicated in the register provided for this purpose and signed out after completion of their driving duties / duties according to the roster ensuring no machine is left unmanned / continuance of work.

Operations Controllers

1. Work pattern – 10.5 hrs. in the normal shift, 6 hrs. in the overtime shift following the normal shift and 10.5 hrs. in the shift after the overtime shift.

Receival Delivery Officers

1. Work pattern – 10.5 hrs. in the normal shift, 6 hrs. in the overtime shift following the normal shift and 10.5 hrs. in the shift after the overtime shift.
2. In the event all six Receival Delivery Officers in the shift are at work two employees may leave the work premises, one employee at 4.30 p.m. / a.m. and the other at 5.00 a.m. / p.m. having obtained permission from line manager / executive and signed out after completion of their duties according to the roster ensuring all four gates are manned.
3. In the event five Receival Delivery Officers are at work, only one employee may leave the work premises at 5.00 a.m. / p.m. having obtained permission from line manager / executive and signed out after completion of their duties according to the roster ensuring all four gates are manned.

Assistant Receival Delivery Officer

1. Work pattern – As per the job description 10.5 hours in the normal shift, 6 hrs. in the overtime shift and 10.5 hrs. in the shift after the overtime shift.
2. In the event of all seven Assistant Receival Delivery Officers are at work one employee may leave the work premises at 4.30 a.m. / p.m. or 5.00 a.m. / p.m. having obtained permission from line manager / executive and signed out after completion of their duties according to the roster ensuring no work disruption.

Foremen Electrical / Mechanical / Cargo Care, Terminal Engineering Assistants Electrical / Mechanical, Cargo Care Officers Planning Assistants, Operation Assistants, Operations Controllers, ITT Co-ordinators, Stores Officers, Assistant Stores Officers

1. Work pattern – As per the Job Description / Current Work Practices.
2. Employees in Engineering Department may work a shift in lieu of the normal shift if they so wish to on requirement of the Employer. In other words, no employee will be forced to change their normal shift. Reduction in number of shifts if any, due to above change will not affect attendance bonus or PBIS.

FOR AND ON BEHALF OF SOUTH ASIA GATEWAY TERMINALS (PVT) LIMITED:


ERWIN HAAZE


UBAYA DISSANAYAKE

FOR AND ON BEHALF OF SRI LANKA NIDAHAS SEWAKA SANGAMAYA :


LESLIE DEVENDRA


RANJITH HETTIARACHCHI

WITNESSES:


G. K. NIROSHAN ANURADHA


P. A. JAYANTHA


SARATH YAHAMPATH


LAKSIRI NONIS


KANISHKA WEERASINGHE

Witnesses to the signature of the said:

ERWIN HAAZE, UBAYA DISSANAYAKE, LESLIE DEVENDRA, RANJITH HETTIARACHCHI

COMMON SEAL OF SOUTH ASIA GATEWAY TERMINALS
(PVT) LTD WAS PLACED IN THE PRESENCE OF
ITS DIRECTORS ROMESH DAVID AND DICANI
ALAKARATNAM ON THIS 4 AUGUST 2010.




Romesh David

My No.: CI/1681.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Memorandum of Agreement entered into between Indian Overseas Bank, No. 139, Main Street, Colombo 11 of the one part and Ceylon Bank Employees' Union, No. 20, Temple Road, Colombo 10 of the other part on 08th September, 2010, regarding the 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,
19th October, 2010.

Memorandum of Collective Agreement No. 58 of 2010

MEMORANDUM OF AGREEMENT
UNDER THE INDUSTRIAL DISPUTES ACT (1950) AS AMENDED
BETWEEN INDIAN OVERSEAS BANK,
HAVING ITS OFFICE AT 139 MAIN STREET, COLOMBO 11
AND THE CEYLON BANK EMPLOYEES' UNION,
HAVING ITS REGISTERED OFFICE AT 20 TEMPLE ROAD, COLOMBO 10
AND THE INDIAN OVERSEAS BANK (COLOMBO) OFFICERS' ASSOCIATION
HAVING ITS REGISTERED OFFICE AT 110 - 114, MAIN STREET COLOMBO 11.

This Memorandum of Agreement between Indian Overseas Bank, Colombo (hereinafter referred to as "the Bank") and the Ceylon Bank Employees' Union and the Indian Overseas Bank (Colombo) Officers' Association (hereinafter referred to as "the Unions") entered into on this 8th day of September, Two Thousand and Ten, states as follows:

1. **Effect of Memorandum.** - It is agreed by and between parties that this Agreement shall constitute a Memorandum of Agreement under Section 12 of the Industrial Disputes Act No. 43 of 1950 as amended.

2. **Employees to be covered and bound.** - The employees covered and bound by this Agreement shall be the category of employees known and referred to as Managers, Deputy Managers and Assistant Managers in the Bank and hereinafter sometimes referred to as the employees or and employee as required. Provided however, the employer at its discretion may designate Assistant Managers (Grade II) as Deputy Managers in Colombo Main Branch and Foreign Currency Banking Unit and as Managers of Branches or Extension Counters if and when set up in the future. Such employees too will be covered and bound by this Agreement but however, will remain on the same salary scale applicable to them.

3. **Date of operation and duration.** - This Agreement shall be effective for a minimum period of 3 years commencing 1st April 2009. Either party is entitled to give notice in terms of the Industrial Disputes Act of one clear calendar month excluding the month in which the notice is given, but such notice shall not terminate the Agreement before the said date, i.e. 31st of March 2012. The Union however shall have the right to initiate negotiations for a revised Agreement at any time after 1st October 2011.

4. **Basic Salary.** - With effect from 1st April 2009 the salary scales applicable to Assistant Managers, Deputy Managers and Managers:

| | | |
|--------------------|--------------------------------------------------------------------------------------|------------------------------------------------|
| Assistant Managers | Grade I <u>Rs. 26,940 - Rs. 29,775</u> Rs. 405 × 7 | <u>Rs. 32,390 - Rs. 45,130</u> Rs. 455 × 28 |
| Deputy Managers | Grade II <u>Rs. 32,390 - Rs. 35,015 - Rs. 49,505</u> 525 × 5 + 630 × 23 | |
| Managers | Grade III <u>Rs. 39,720 - Rs. 53,720</u> 20 × 700 | |

5. **Cost of Living Allowance.**— The Bank shall pay a cost of living allowance to employees with effect from 01.04.2009 at the rate of Rs. 92.125 (Rupees Ninety Two and cents one two five) per point increase in the Colombo Consumers' Price Index (new index - CCPIN) beyond the base index figure of 71 (which is the base index figure equivalent of 2400 under the old index CCPI).

6. **Immediate Increase and Conversion to Salary Scales.**— Every employee in employment as at the date of this Agreement shall receive the following monetary benefits and salary increases.

- (i) A sum equal to 17% of the gross salary (salary plus cost of living allowance) payable to an employee as at March 2009 shall be added to the salary of an employee as at 1st April 2009.
- (ii) Every employee in employment as at the date of this Agreement shall also receive a further 3% increase calculated on the gross salary as at 31st March 2009 with effect from the 1st April 2010, and thereafter placed on the appropriate point on the scale in the Clause (4) above at the corresponding Ten Rupee point or if there is no such corresponding point, on the next higher point of the said scale.
- (iii) There shall be no revision of salary for the year commencing 1st April 2011.

7. **Honorarium.**— For successful completion of each part of the Institute of Bankers Examination, Sri Lanka or London, an employee shall receive a sum of Rs. 10,800/-.

8. **Bonus.**— (i) (a) Without prejudice to the claim of the Bank that bonus payments are ex-gratia, the Bank will each year pay to every employee covered by this Agreement a bonus of three months basic salary or two months gross salary as drawn by such employee for the month of December whichever is higher in respect of one complete year of service meaning January to December.

(b) In the event of an employee retiring from his services, bonus would be paid to him on a pro-rata basis.

- (ii) Gross salary for this purpose shall be the basic salary, cost of living allowance and the house rent allowance referred to at Clauses 4, 5 and 14 hereof.

9. **Provident Fund.**— (i) *Rates of Contribution.*— The rates of contribution to the Provident Fund by the Bank as from 1st April, 2009 shall be —

| | |
|-------------------------|-----|
| Bank's Contribution | 12% |
| Employee's Contribution | 8% |

For the purpose of Provident Fund the basic salary, cost of living allowance and the house rent allowance will be taken into account.

(ii) *Interest on Provident Fund Contributions held by the Bank.*— Where Provident Fund monies are invested in the Bank, the Bank shall continue to pay the rate of interest paid on 12 months Fixed Deposits for a sum of Rs. 100,000 published by the National Savings Bank prevailing as at 1st January, in the first half of each year, and on the rate prevailing on the 1st July, for the second half of the year on the net Provident Fund monies invested at the Bank.

10. **Retirement.**— The age of retirement will be 60 years and on reaching the age of 60 an employee shall *ipso facto* retire and and cease to be employed by the Bank and there shall be no obligation on the Bank to give such employee any notice of such retirement.

11. **Gratuity on Retirement/Resignation/Termination.**— The payment of gratuity will be made as per the Payment of Gratuity Act, No. 12 of 1983, subject to the following formula:

- (a) One month of every completed year of service upto a maximum of 24 months and half month for number of years service completed after 30 years.
- (b) Basic salary, cost of living allowance and house rent allowance will be taken into account for purpose of calculating gratuity.

12. **Death Gratuity.**— On the death of an employee who has been confirmed and is in the permanent employment of the Bank, the Bank will make a compassionate payment of two months' gross salary for each year of completed service subject to a minimum of nine months gross salary, to the legitimate dependents of the deceased employee as may be determined by the Bank at its sole discretion on the basis of information supplied to it. The gross salary for this purpose shall be the last drawn basic salary plus the cost of living allowance plus the house rent allowance. Provided however that in the event of death arising out of and in the course of employment the dependents shall be entitled to and receive either the death gratuity referred to herein or payment by way of compensation under any Laws in force at the time on account of employees' compensation or under any other Law or an Award of Court, whichever is higher.

13. **Conveyance Allowance.**— The Bank agrees to pay reimbursement of conveyance to employees covered and bound by this Agreement as follows:

| <i>With effect from</i> | <i>01.04.2009</i> | <i>With effect from</i> <i>01.04.2010</i> |
|-------------------------|-------------------|----------------------------------------------|
| Assistant Managers | 4,715 | 4,856 |
| Deputy Managers | 5,894 | 6,071 |
| Managers | 7,254 | 7,446 |

14. **House Rent Allowance.**— The Bank agrees to make payment on the following basis:

20% of basic salary mentioned in Clause (4) above subject to the following maximum limits:

| | | |
|---------------------------|------------|----------------|
| Grade I from 01.04.2009 | 31.03.2012 | Rs. 6,100 p.m. |
| Grade II from 01.04.2009 | 31.03.2012 | Rs. 7,500 p.m. |
| Grade III from 01.04.2009 | 31.03.2012 | Rs. 8,800 p.m. |

15. **Closing Allowance.**— The Bank shall pay Rs. 1,250 as closing allowance to those officials connected with the annual closing work immediately after the close of the Bank's financial year.

16. **Out-of-pocket Allowance/Working on Holidays.**— It was agreed between the parties that Assistant Manager, Deputy Managers and Managers in the Bank if called upon to work on holidays will be paid Rs. 900 if they work upto 4 hours and Rs. 150 for every additional hour.

17. **Medical Benefits.**— The medical benefits available to the employees of the Bank would be as follows and reimbursements will be as per the existing practice:

- (a) Rs. 5,550 per annum on declarations without bills.
- (b) Rs. 30,450 per annum based on prescriptions and bills.
- (c) Hospitalization: Rs. 240,000 per annum with stipulation of an event limit on the basis of an insurance policy.
- (d) *Spectacles, Dentures and Hearing-Aids.*— The bank will reimburse an employee on a non-cumulative basis up to a maximum of Rs. 7,000 for each of the above referred items and the facility would be available once in three years. In the case of spectacles, bills and receipts submitted for reimbursement must be supported by prescription from a Medical Eye Specialist.

The Second Schedule sets out the terms on which reimbursement of medical expenditure will be affected.

18. **LEAVE.**—

1. ANNUAL LEAVE

- (i) **ENTITLEMENT.**— In respect of each year of employment (which means the period January to December) during which an employee has been in continuous employment, he shall be entitled to taken in the following year 30 calendar days paid leave, including intervening holidays, subject to the conditions in sub-clause (iii) hereof.
- (ii) At the end of the first year of employment the employee qualifies for proportionate leave as follows:
 - (a) The full annual Leave of 30 calendar days including intervening holidays if his employment commenced on or after 1st January but before 1st April.
 - (b) Leave of 21 calendar days including intervening holidays if his employment commenced on or after 1st April but before 1st July.
 - (c) Leave of 15 calendar days including intervening holidays if his employment commenced on or after 1st July but before 1st October.
 - (d) Leave of 08 calendar days including intervening holidays if his employment commenced on or after 1st October
- (iii) **AVAILMENT.**— The availment of annual leave shall be by prior authorization of the Bank upon the employee's application, giving sufficient notice to the Bank so as to ensure availment at times mutually convenient.
- (iv) **ACCUMULATION.**— Annual leave may be accumulated by an employee exclusively for the following purposes.
 - (a) Of availment in full, immediately preceding retirement by mutual arrangement with the Bank.
 - (b) For the purpose of attending on a family member who is seriously ill or on the occasion of death of a family member.
 - (c) For travel abroad for which purpose one month's prior notice shall be given
 - (d) For marriage of the employee.
 - (e) Prolonged illness of the employee.

- (f) For purposes of nursing 3rd and 4th children beyond the maternity leave entitlement. Provided that in the case of (b) to (d) the approval of such leave shall be at the discretion of the management, Family member for purposes of (b) above shall mean spouse, children or parents.
- (v) Accumulated annual leave up to 180 calendar days can be encashed prior to Retirement. This will only be in the case of Retirement and not in the event of death, resignation or termination of services.
- (vi) Local Officers are also entitled to the facility of encashing 15 days annual leave for every 2 years at the time of availing leave fare concession. The leave fare concession is more fully described in schedule I hereto.

A. MEDICAL LEAVE

- (i) **ENTITLEMENT.** - An employee shall be entitled to not less than thirty (30) calendar day leave exclusive of weekly or other holidays in any one year, in case of sickness on full pay subject to the conditions in sub-clause (ii) hereof.
- (ii) **AVAILMENT.** The Bank will be entitled to refuse to grant pay for any days of absence on grounds of sickness not supported by a Certificate from a Registered Medical Practitioner,
 - (a) Where such period of absence exceeds two consecutive days including weekly or other holidays, or
 - (b) Where the number of days already allowed on full pay on grounds of sickness uncertified by a Medical Practitioner is in excess of Twelve (12) days in any one year.
- (iii) **ACCUMULATION.** - An employee who takes less than his entitlement in any one year as prescribed above shall be entitled to avail himself of the balance of his entitlement for such year in any succeeding year or years, subject to the following provisions.
 - (a) In no case shall the entitlement to medical leave on full pay by reason of such accumulation, exceed ninety (90) days, and
 - (b) The accumulated medical leave may only be availed of on account of prolonged illness, hospitalization or similar circumstances, supported by a Certificate from a Registered Medical Practitioner.
 - (c) Where an employee has exhausted his current year's sick leave as a result of prolonged illness such as an infectious disease or prolonged hospitalization, the employer may permit him to set off any further absence on grounds of ill health against such accumulated sick leave up to the extent of the leave taken for such earlier prolonged illness.
- (iv) The Bank will be entitled after inquiry and advising the employee concerned, to refuse to pay and/or take any action as appropriate in situations where the absence on grounds of sickness not supported by a Certificate from a Registered Medical Practitioner occurs in the following circumstances.
 - (a) Where the Bank has reasonable cause to suspect the *bona fides* of the application and/or reason for absence of an employee, or
 - (b) Where the absence of the employee on grounds of sickness immediately follows or precedes any weekly or other holiday and the Bank has reasonable cause to suspect the *bona fides* of the application and/or reason for absence of the employee.

1. **Casual Leave.** - An employee shall be entitled to a maximum of twelve (12) days casual leave inclusive of intervening holidays in each year of employment whereof not more than four (4) days shall be taken at any one given time and such leave shall not precede or follow any period of annual leave. All casual leave shall be by prior approval of the Bank, unless the reason for such absence is justified to the satisfaction of the Bank as being in circumstances that could not have been foreseen by such employee.

Unavailed casual leave will be added to annual leave in the following year.

19. **Suspension.** - (i) Where an employee is suspended pending a disciplinary inquiry on investigations, he will subject to the provisions of sub-clauses (ii) and (iii) below, receive half his salary (basic salary plus cost of living allowance plus house rent allowance) from the date of suspension up to 6 months and full pay thereafter.

(ii) Where the suspension is on account of charges involving financial dishonesty such as fraud or misappropriation, the employee will not be entitled to any salary during the period of suspension unless the inquiry is not concluded within 6 months of the date of suspension in which event he will receive half his salary (basic salary plus cost of living allowance plus house rent allowance) during his/her suspension beyond the said 6 months period. Provided that if the delay beyond 6 months is due to the employee's own conduct or due to the employee being in custody or remand thereby making it impossible for the Bank to hold or conclude the inquiry, half such salary as aforementioned will not be payable.

(iii) In cases not involving financial dishonesty as aforementioned where the employer is prevented from concluding the inquiry within 6 months of suspension for reasons beyond the employer's control such as where the employee makes repeated requests for postponements or where he is remanded or in Police custody or where the matter is under investigation by the Police, the employee will continue to receive half his salary and will not receive full pay in these circumstances.

20. **Disciplinary Procedure.**— Where the Bank proposes to take disciplinary action against an employee except, however, in the case of oral warning, letters of advice, caution or warnings for minor misconduct, the following procedure shall apply.

- (a) Irrespective of whether such employee has been suspended, the employee shall be furnished with a 'show cause' letter which shall set out the particulars of the charges against such employee and such 'show cause' letter shall give the employee not less than ten (10) calendar days within which to tender his explanation in writing to the charges preferred.
- (b) Within ten calendar days after the date of the 'show cause' letter, the employee shall tender in writing to the Bank his explanation to the aforesaid charges provided however that if in the circumstances it is reasonable, the employee may request the Bank for an extension of time within which to tender the written explanation and where such request is made, the Bank shall consider granting such request for such further period of time as is considered necessary by the Bank in the circumstances.
- (c) If where the employee tenders his explanation within the period of time allowed to the employee to 'show cause' and the Bank is satisfied with such explanation, the Bank shall withdraw the Charge or charges against the employee and if the employee is under suspension, the Bank shall forthwith reinstate the employee and shall pay to such employee his salary and entitlement in respect of the period of such suspension.
- (d) Where the employee tenders his explanation within the time allowed to him to show cause and the Bank is not satisfied with such explanation, the Bank shall subject to sub-clause (e) hereof, hold an inquiry into the charges against such employee.
- (e) The Bank shall commence an inquiry as referred to in sub-clause (d) hereof within 21 working days from the date of receipt by them of the written explanation to the 'show cause' letter unless it is not possible to do so for reasons beyond the Bank's control, or by reason of the employee's own conduct or seeking, or by reason of unforeseen circumstances.
- (f) The Bank will permit a member of the branch union of the same Grade or of a Higher Grade than the accused employee or an office bearer of the branch union irrespective of grade (in which case the Bank reserves to itself the right to object to the person concerned which decision shall be final) to defend the accused employee at a domestic inquiry provided the defending employee has not obtained a legal qualification. The defendant employee will not suffer any loss of salary for absence from work on this account. The Bank will further allow another member of the branch union to be present at the inquiry as Observer without loss of salary for absence from work. The accused employee shall submit to the Bank in writing the name of the defending employee and Observer not less than 48 hours before the time appointed for the commencement of the inquiry. The defending employee shall be entitled to examine the witnesses for the accused employee and cross-examine witnesses for the Bank. The inquiring Officer will be entitled to require a defending employee or Observer who obstructs the inquiry to withdraw therefrom and the defending employee or Observer shall forthwith comply with such requirement. The absence of a defending employee or Observer from the whole or any part of an inquiry for any reason whatsoever shall not vitiate such inquiry, nor the proceedings thereat, nor the findings pursuant thereto. The Observer shall not be entitled to participate in the proceedings but he may answer any question which the Inquiring Officer may ask him.
- (g) The Bank as hitherto shall appoint a member of the Supervisory Staff of the branch of the same or higher grade (local-based or India-based Officer) than the accused, as Prosecuting Officer other than the Inquiry officer to present the case of the Bank at Domestic Inquiry. The Prosecuting Officer shall function as such and be entitled to present the Bank's case, examine the Bank's witnesses and cross-examine the accused employee and his witness/es.
- (h) The union will be entitled to a copy of the proceedings of the inquiry conducted subject to the observer and the accused employee signing proceedings as a correct record. After the proceedings have been certified and a copy issued to the accused employee for all purposes thereafter the proceedings shall be taken as a true copy of such proceedings before the inquiry officer.
- (i) Within thirty (30) working days after the conclusion of the inquiry the Bank, shall inform the employee, in writing, of the findings in respect of the charges and of the punishment, if any, imposed by the employer.
- (j) Where the Bank fails too inform the employees as aforesaid within the said period of thirty (30) working days except for reasons beyond the control of the Bank or by reason of the conduct of the employee, such employee shall not be punished thereafter in respect of such charges and no inference adverse to the employee shall be drawn in respect of such charges.

- (k) Notwithstanding the preceding provisions, the Bank shall not be required to hold a domestic inquiry on any of the following circumstances:
- (i) Where the employee fails to tender his written explanation before the expiry of the time allowed to 'show cause' in which event the Bank shall be entitled to take disciplinary action on the basis that such employee had no cause to show.
 - (ii) Where the employee makes a written admission of the charges against him.
 - (iii) Where the Bank proposes to warn an employee but without prejudice to the Union's right to request the employer thereafter to hold an inquiry, in which event the fact that the inquiry did not commence within twenty one (21) working days after receipt of the employee's explanation shall not be material or relevant.
- (l) The findings of the domestic inquiry and the punishment if any imposed by the Bank shall be final and binding on the Bank and the employee and the union, unless the employee or the union shall within three (03) months from the date on which such Bank had notified such employee of the findings or punishment, raises a dispute in respect of such findings and/or punishment.
- (m) Where an employee is under suspension and the Bank makes order that -
- (i) the employment of the employee shall be terminated, then the termination of such employment shall take effect as from the date of suspension or such later date as the Bank may determine; provided further that the Bank shall not be entitled to recover from the employee any payment made in respect of salary to the employee in respect of such period of suspension, if any such payment has been made.
 - (ii) the employment of the employee shall not be terminated, then the employee shall be employed forthwith and shall be paid the entirety of his salary in respect of the period of suspension without prejudice to the right of the Bank to impose such other punishment other than termination which may include the whole or part of salary for the period of suspension pending inquiry, on the basis of the findings of the inquiry.
- (n) The observance by the Bank of Sub-clauses (e), (i) and (j) shall not be necessary where an inquiry is not held in view of the fact that the matter under inquiry is being referred or has been referred to the Police or other authorities for investigation or inquiries or in view of the fact that criminal charges are pending against the employee.
- (o) The above provisions shall only apply in respect of inquiries that commenced after the date of signing of this Agreement.

21. Trade Union Action.-

Matters Related and Covered in this Agreement.- The unions and their members covered and bound by this Agreement jointly and severally agree with the Bank that during the continuance in force of this Agreement they shall not engage in any strike or other form of trade union action including go-slow, boycott or demonstrations or picketing or any form of collective action against the Bank in respect of any dispute related to any matter covered by this Agreement.

SCHEDULE I

Leave Fare Concession

- (1) LFC facility is available to local officers.
- (2) No monetary benefit shall be extended in lieu of LFC.
- (3) Once in each block of two years for travel to any place in Sri Lanka. Block is to be framed from the date of promotion.
- (4) Member should give a minimum of 30 days notice for availing the facility.
- (5) Officers can encash 15 days annual leave once in 2 years block only at the time of availing LFC facility. When they avail LFC facility they will be required to take a minimum of 7 days annual leave.
- (6) Mode of Travel: By Air/Train/Bus/Taxi supported by tickets/receipts. Incidental expenses are not allowed (Such as vehicle retaining charges/Batta etc.)
- (7) Members should specify the correct distance in kilometers of the places visited.
- (8) Member can travel to India after availing the facility and any travel expenses beyond the Sri Lankan boundary is not reimbursed.
- (9) Sanctioning of LFC and passing of relative bills for LFC availed by local officers will be processed/sanctioned at the Branch itself.
- (10) In respect of travel by car, reimbursement will be restricted to the actual amount incurred or the prevailing rate per kilometer as advised by the Automobile Association of Sri Lanka/reputed Travel Agents from time to time, whichever is less.
- (11) The member shall produce some sort of evidence as required by the Bank to prove that he/she has actually visited the place mentioned in their application/bill or Leave Fare Concession.
- (12) Standard list, chart depicting distance in kilometers from Colombo to various places in Sri Lanka will be available with Establishment Department.

- (13) If the member does not submit the claim forms within 15 days after reporting to work, his/her LFC will be cancelled and member should refund the leave encashment and his leave will be credited accordingly. The encashment of leave will not be considered without availing Leave Fare Concession under any circumstances.
- (14) LFC facility is available to local officers, their spouses and unemployed dependant children only. However, in case of travel by car, dependant parents may accompany them.
- (15) Grade I Officers Employees are not eligible for travel by air. Where no other mode of travel other than by air is available, Bank may permit such employee to travel by air but the reimbursement shall be restricted to train/bus/taxi fare, whichever is less.
- (16) When the spouse is also an employee of the Bank, only one is eligible to avail this facility. The employee opting to avail LFC under this provision will have to give an irrevocable option in this regard.
- (17) The maximum limit on LFC at any given time for a single block of 2 years will be Rs. 42,750.

SCHEDULE II

1. (a) The benefits of the Scheme will accrue to the employee but will cover those persons specified in Clause 17 of the Agreement. It shall be the duty of the employee to enroll members of his family immediately on becoming eligible to be included in this Scheme.

(b) No reimbursements will be made in respect of members of the family who have not been enrolled.

2. Reimbursements will only be effected on hospitalization involving at least one night's stay in a hospital.

3. Banks must be notified promptly, and in any event not later than on the first business day following admission to hospital.

4. Banks will be entitled to take out Insurance Policies covering reimbursements under this Scheme and the employee shall be required to make declarations (including completion and signing of Insurance Proposal forms) and submit documentation required by Bank/ Insurers in a proper form and timely manner to enable Banks to obtain reimbursement from the Insurance Companies. Banks will advise by internal circular issued from time to time the documentary requirements and time limits within which documents should be submitted. Where an employee does not comply, he will not be entitled to benefits under this Scheme.

5. Employees shall uphold the principle of uberrimai fides when making declarations and submitting claims under this Scheme and any deviation would disqualify the employee from receiving any benefit under this Scheme. In addition, the employee will be liable to disciplinary action in accordance with the provisions set out in this Agreement.

6. (a) Banks will circulate by internal circular published from time to time a list of hospitals/nursing homes, expenses incurred at which, will be eligible for reimbursement under the Scheme. Additions and/or deletions to this list will also be made by internal circular.

(b) If for reasons of geographical location any employee believes he may not be in a position to use any of the Institutions given in the list, he may apply to the Bank in writing within 30 days of publication of the list of amendments to the list referred to in the preceding sub-paragraph, requesting special dispensation to use a named Institution or Institutions and the Banks shall consider such application on a case by case basis and, where deemed appropriate, will grant such special dispensation, provided however, that the decision of the Bank on this matter shall be final and conclusive.

7. *Exclusions.*— The Scheme shall not cover benefits/expenses:

(a) Arising from an injury sustained or a sickness contracted outside Sri Lanka or for treatment outside Sri Lanka.

(b) Occasioned by or happening through:

- (i) The participation by the employee or other eligible family members in War, Invasion, Act of Foreign Enemy, Hostilities (Where war be declared or not). Civil War, Rebellion, Revolution, Insurrection, Mutiny or Usurped Power, Military, Popular Rising or while serving as a member of any Defence, Police, Security Force, Home Guard etc.
- (ii) Attempted Suicide, Alcoholism, Venereal Disease, Insanity and illnesses resulting from Acquired Immune Deficiency Syndrome.
- (iii) Normal child birth or pregnancy subject to Clause 17(iv). Provided that if an employee has been employed for a continuous period of twelve months, the Bank will pay the medical expenses incurred for any abnormality of maternity which is in excess of what a normal child birth would have cost. The responsibility for furnishing the Bank with the required proof of the extra cost involved, such as a letter from the Doctor/Hospital, will be on the employee who makes the claim.
- (iv) Earthquake, Volcanic Eruption or Tidal Wave.

- (c) Incurred whilst travelling in an aircraft other than as a ticket holding passenger in a fully licensed standard type of civil aircraft operated by a recognized Airline on a regular route or in a fully licensed standard type of civil aircraft having two or more engines operated by a recognized Air Charter Company or owned by a commercial or industrial Firm and piloted by a Pilot holding a Commercial Pilot's License.
- (d) In respect of Eye Tests or Dental treatment.
- (e) Arising from any physical defect or infirmity which existed prior to confirmation in the Bank's service.

8. The benefits under this Scheme shall not be cumulative and the word's "any one Year" in Clause 17(iii) of the Agreement shall be deemed to be the period 1st January to 31st December. In the case of employees who join during the course of a year the overall limit and event limit up to the period ending the next 31st December will be pro-rated to the number of full months of service up to 31st December.

9. In respect of claims for hospitalization which span the end of any year, reimbursement will be made out of the entitlement of either or both years, subject, however, to the event limit specified in Clause 17(iii) of the Agreement.

10. In respect of hospitalization commencing prior to the effective date of this Agreement, the benefits accruing to the employees will be in accordance with the provisions of the Memorandum of Agreement entered into between the parties on 6th day of June 2005.

In witness hereof the parties have hereunto set their hands on this 8th day of September, Two Thousand and Ten.

For and On behalf of
Indian Overseas Bank



Name: C. Rajachandramohan
Designation: Country Head



For and On behalf of
Ceylon Bank Employees' Union



1.

Name: Sunil Jayalath
Designation: Acting President

For and on behalf of
**Indian Overseas Bank (Colombo)
Officers' Association**



2.

Name: N. Arunagiri
Designation: President

WITNESSES:



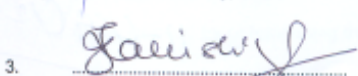
1.

Name: G. Sriram
Designation: Senior Manager, IOB



2.

Name: Asoka Dharmasiri
Designation: Asst. Secretary, CBEU



3.

Name: Kanishka Weerasinghe
Designation: Deputy Director-General, EFC.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Macson Mesh Industries (Pvt) Ltd., Suwarapola, Piliyandala of the one part and Inter Company Employee's Union, No. 158/18, E. D. Dabare Mawatha, Colombo 05 of the other part on 17th August, 2010, is hereby published in terms of Sections 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

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

Department of Labour,
Labour Secretariat,
Colombo 05.
19th October, 2010.

Collective Agreement No. 60 of 2010

COLLECTIVE AGREEMENT

WHEREAS Inter Company Employees Union, a Trade Union duly registered under the Trade Unions' Ordinance, having its Registered Office at No. 158/18, E. D. Dabare Mawatha, Colombo 5, hereinafter referred to as the "Union" represents the manual workers of the factory situated at Suwarapola, Piliyandala of Macson Mesh Industries (Pvt.) Limited, a company duly registered under the Companies' Ordinance hereinafter referred to as the "Company".

WHEREAS, the authorized worker representatives by their letter dated 13th January 2010 requested, *inter alia*, the revision of the terms of employment, including wages of the said workmen and after discussions between the said authorized worker representatives and the Company, the parties hereby agree on the following terms and conditions as a full and final settlement of all matters raised by the authorized worker representatives in their letter referred to above on this 17th day of August 2010.

Witnesseth:

Title: This Collective Agreement shall be known and referred to as "The Macson Mesh Industries (Pvt.) Limited Manual Workers' Collective Agreement of 2010"

1. **Parties covered and bound.**— This Collective Agreement shall cover and bind Macson Mesh Industries (Pvt) Limited, (the Employer), the Inter Company Employees' Union, (the Union) and its members employed by the Employer in manual work at the factory (the Workmen), as at the date of signing this Agreement and thereafter.

2. **Date of operation and Duration.**— This Collective Agreement shall be effective from the First day of April Two Thousand Ten, (01.04.2010) and shall be continue to be in force unless it is terminated by either party with six (06) months notice given to the other, in writing, provided, however, that no such notice shall be given by either party, prior to the Thirty first day of March, Two Thousand Thirteen(31.03.2013) and this Collective Agreement shall not stand terminated until the Thirty First day of March Two Thousand andThirteen (31.03.2013). Any notice of termination given by a party prior to the Thirty First day of March Two Thousand and Thirteen (31.03.2013) shall have no effect whatsoever.

Provided, however, that the Employer shall have the right to terminate this Agreement without any notice and after informing the commissioner-General of Labour in writing, in the event of the Union and/or the Workmen jointly or severally violates, commits acts of misconduct in a manner inconsistent with clause 12 hereof.

All parties agreed to put forward their proposals for renewal of the Collective Agreement, in writing, at least 6 months prior to expiry of the Agreement.

3. **Hours of work and overtime.**— The normal working hours shall, during the operation of this Agreement, be those that are worked by Workmen as at present. As and when requested by the Employer, workmen shall work reasonable overtime for which the employee shall be paid overtime. Provided that, any change in work arrangements in the future by reason of requirements of business, exigencies of services or any other unforeseen circumstances, shall be done by mutual agreement between the parties.

4. **Salaries.**— (a) With effect from 01st April, 2010, basic salaries of Workmen covered by the Agreement will be increased by twenty per centum (20%) *i.e.*— 20% of the monthly basic salary as at 31st March, 2010;

(b) With effect from 01st April, 2011, basic salaries of Workmen covered by this Agreement will be increased by seven and a half per centum (7½) or Rs. 1,300 whichever figure is higher;

(c) With effect from 01st April, 2012, basic salaries of Workmen covered by this Agreement will be increased by seven and a half per centum (7½) or Rs. 1,300 whichever figure is higher;

Provided, however, that Apprentices/Trainees shall be entitled to the percentage increase referred to in Sub-clauses (b) and (c) of this Clause only and shall not be entitled to the numerical increase of Rs. 1,300 and Rs. 1,300 respectively. New recruits (Trainees) who commence employment after 01st April, 2010 will be paid a salary of Rs. 9,000 per month.

(d) National arrears based only on the 20% wage increase for the months of April, May, June and July, 2010, will be paid in August, 2010, to Workmen who are in employment at the date of payment. The Union agrees that this payment will not attract EFP and ETF contributions or any other connected consequential payments/benefits.

5. **Annual Increments.**— Unless otherwise decided on disciplinary grounds, a confirmed Workman with not less than one year's service, will be entitled to an annual increment in the month of January each year and the Annual Increment applicable to each Grade is set out below:

| | | Rs. |
|----------------------|-----|--------|
| Apprentices/Trainees | ... | 85 00 |
| Unskilled | ... | 85 00 |
| Semi Skilled (IV) | ... | 125 00 |
| Semi Skilled (III) | ... | 150 00 |
| Semi Skilled (II) | ... | 175 00 |
| Skilled | ... | 225 00 |
| Technicians | ... | 250 00 |

6. **Government Intervention in Private Sector Wages.**— If during the operation of this Agreement the Government of Sri Lanka –

(a) Prescribes in any year, increases in salary by any written law applicable to categories of Workmen 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 4 hereof and determine the increase, if any, that is to be granted to an employee accordingly.

(b) Recommends increases in salaries, such recommendation will not be applicable.

7. **Monthly Attendance Bonus.**— The Union and Workmen covered under this Agreement accept that the Company operates 8 hour work shifts from Monday to Saturday. The Employer will pay an Attendance Bonus of Rs. 2,000 per month if a workman reports for work on all working days of the month and remains at work throughout the full 8 hours of work, including Saturdays. A workman who abstains from work without authority on any day of the month shall not be entitled to this payment. A workman who has utilized (01) one day's paid leave in a month and goes off on (02) two Saturdays after completing 5½ hours of work, will be paid Rs. 1,250 per month. A workman who has utilized (02) days paid leave in a month and goes off on Saturdays after completing 5½ hours of work will be paid Rs. 750 per month. A workman who has utilized (02) two days paid leave in a month and reports for work late or takes short leave on any subsequent date, will be regarded as having utilized more than (02) two days paid leave in a month. Working days for the purpose of this Clause excludes Weekly Holidays, Poya Holidays and Statutory Holidays.

8. **Night Shift Bonus.** (a) Based on the premise that the Company operates 8 hour work shifts from Monday to Saturday, the Employer will pay a Night Shift Bonus of Rs. 200 per day, provided a workman reports for work on a working days of the week and remains at work for the full 8 hour shift, including Saturdays.

(b) A workman who takes paid leave on (01) one night shift within the week or goes off after working only 5½ hours on (01) one Saturday, will be paid Rs. 125 per day.

9. **Manning Levels.**— Consequent to the relocation of the factory from Piliyandala to Horana and with the re-arrangement of machinery lay-out, the existing manning levels will be revised by mutual agreement. The Union and the workmen will co-operate with the Employer in this regard.

10. **Computation of Annual Leave.**— Saturday shall be considered a short working day. If a workman takes leave on a Saturday, one day's leave will be set off against his leave entitlement. If a workman is absent from work on a Saturday, one day's salary will be deducted from his monthly salary. It is agreed between the parties that if a worker works for two hundred and thirty two (232) days in a calendar year such worker shall be allowed in the next succeeding calendar year Annual Leave calculated at the rate of one day for each unit of four (04) days which such worker works in excess of two hundred and thirty two (232) days to a maximum of fourteen (14) days Annual Leave.

11. **Dispute Settlement Procedure.**— (a) In the event of any dispute that may arise between parties during the operation of this Agreement the Branch of the Union in the Employers establishment shall raise such dispute with the Factory management of the Employer and parties shall take all efforts to resolve such dispute 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 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.

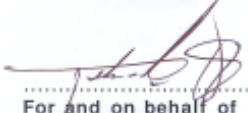
12. **Trade Union Action.**— The Union and the Workmen jointly and severally agree that they shall not, during the operation of this Agreement, resort to Trade Union action of any form in respect of any dispute that may arise between parties, whether such dispute relates to a matter covered by this Agreement or not, but have such dispute settled in the manner provided herein.

13. **Trade Union Activity.**— The Employer will continue to release a committee member once in 3 months for not more than 4 hours on duty leave to attend a meeting, provided the Union gives at least 48 hours prior notice. With regard to Branch Committee meetings, no duty leave can be granted to attend monthly committee meetings. However, the Employer may grant permission to hold monthly committee meetings to be held within the factory premises on a non-working day (Saturday or Poya Day) and this meeting should be concluded within 3 hours without interrupting other work processes in the factory.

With regard to the Annual Delegates Conference of the Union, the practice followed for the first time in 2006 in releasing 03 Committee Members of the Branch Union on duty leave for one day will continue provided the Branch Union had maintained good industrial relations during the year.

14. **English Text to prevail.**— In the event of an inconsistency between the English and the Sinhala text of this Agreement, the English text shall prevail.


In witness whereof, the parties have hereunto set their hands on this
Seventeenth day of August Two thousand and Ten.


For and on behalf of
MACSON MESH INDUSTRIES (PVT) LTD.

M.J.M. Ariff
Managing Director


For and on behalf of
INTER COMPANY EMPLOYEES UNION

W.U. Priyashantha
Vice President

WITNESSES:

Mayura Rupatunga
Factory Manager


A.H. Pradeep Kumara
Branch President

cd/-