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**The Gazette of the Democratic Socialist Republic of Sri Lanka**  
**EXTRAORDINARY**

අංක 1807/4 - 2013 අප්‍රේල් මස 22 වැනි සඳුදා - 2013.04.22  
No. 1807/4 - MONDAY, APRIL 22, 2013

(Published by Authority)

**PART I : SECTION (I) — GENERAL**

**Government Notifications**

*My No. : CI/1800.*

**THE INDUSTRIAL DISPUTES ACT (CHAPTER 131)**

THE Collective Agreement entered into between Mackwoods (Pvt) Ltd., No. 10, Gnanaratha Pradeepa Mawatha, Colombo 10 the one part and the United Tea, Rubber and Local Produce Workers' Union, No. 513 2/1, Elvitigala Mawatha, Colombo 5 of the other part on 18th day of August 2011 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

V. B. P. K. WEERASINGHE,  
Commissioner of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 05,

27th March, 2013.

**Collective Agreement No. 37 of 2011**

The Collective Agreement made this 18th day of August Two Thousand and Eleven pursuant to the Industrial Disputes Act between Mackwoods (Pvt) Ltd., a Company duly registered in Sri Lanka under the Companies Ordinance and

having their registered office at No. 10, Gnanaratha Pradeepa Mawatha, Colombo 10, (hereinafter referred to as "The Employer") of the One Part and The United Tea, Rubber and Local Produce Workers' Union, a Trade Union duly registered and having its registered office at No. 513 2/1, Elvitigala Mawatha, Colombo 5 (hereinafter referred to as "The Union") of the Other Part.

Witnesseth and it is hereby agreed between the parties as follows :-

**PART I**

Containing terms and conditions of employment and matters incidental thereto and connected with.

**1. Employer Covered and Bound**

This Agreement shall cover and bind Mackwoods (Pvt) Ltd. (The Employer).

**2. Employees Covered and Bound**

This Agreement shall cover and bind the members of the Union who are employed on permanent monthly contracts of employment in a driver/manual/labouring capacity in the Establishment of the Employer in grades of employment enumerated in the First Schedule hereto and are in employment at the time of signing of this Agreement.

### 3. *Earlier Collective Agreements*

The provisions of this Agreement shall supersede and replace the provisions of whatever other earlier Collective Agreement or Memorandum of Settlement signed between parties to this Agreement and any such agreement or memorandum of settlement shall stand terminated from the 01st day of January Two Thousand and Eleven.

### 4. *Date of Operation and Duration*

This Agreement shall be effective as from the First day of January Two Thousand and Eleven and thereafter continue in force unless it is determined by either party giving three months' notice in writing to the other subject to the condition that neither party shall give such notice to the other party before the Thirtieth day of September Two Thousand and Thirteen and such notice shall not expire before the Thirty First day of December Two Thousand and Thirteen.

### 5. *General Terms and conditions of Employment*

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

### 6. *Probation*

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

### 7. *Attendance*

1. Unless otherwise specifically instructed by the Employer an Employee shall present himself for work on every day (other than a holiday) at the usual starting

time of the office, store, factory, mill or job and shall there remain available for work throughout the normal working hours.

2. If at an office, store, factory, mill or job work is temporarily not available for an employee in his own occupation, he shall be deemed to be ready and willing to perform work within the capacity and skill in any other occupation at any other work site of the Employer where work is available.
3. Irregular attendance or unpunctuality of an Employee shall constitute neglect of duty for which he shall be liable to appropriate disciplinary action.

### 8. *Hours of Work*

The hours of work in the employer's establishments shall be those customarily worked.

### 9. *Forfeiture of Wages*

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

### 10. *Overtime*

1. If required by this Employer an Employee shall work reasonable overtime which has been authorised by the Employer. Refusal to work overtime in the absence of a satisfactory explanation which is acceptable to the Employer shall constitute neglect of duty for which an employee shall be liable to appropriate disciplinary action.
2. Overtime work (i.e. work performed in excess of normal working hours) shall be remunerated at one and one half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of 18 (a) hereof.

### 11. *Weekly Holiday*

1. In respect of each week each Employee shall be allowed a holiday on the Sunday in that week as the weekly holiday. Provided however that if any Employee has not worked for a period of at least twenty-eight (28) hours, exclusive of any period of overtime work during that week, he shall be liable to forfeit and his Employer shall be entitled to deduct one day's wage in respect of this weekly holiday for that week in accordance with the provisions of clause 18 (b) hereof.

2. In computing the period of twenty-eight (28) hours referred to in sub-clause (1) the Employer shall include -

- (a) every holiday allowed by the Employer to the Employee as annual holiday ;
- (b) every public holiday granted by the Employer in terms of clause 12 hereof ; and
- (c) every day's absence on any ground approved by the Employer.

3. The Employer may employ any Employee on a weekly holiday subject to the following conditions :

- (i) A day within the six days next succeeding such weekly holiday shall be allowed to that Employee as a holiday with remuneration. Provided however that if any Employee who is employed on a weekly holiday is liable to forfeit and his Employer is entitled to deduct one day's wage in respect of that weekly holiday as provided in sub-clause (1), then and in such event that Employee shall forfeit and his Employer shall be entitled to deduct one day's wage computed in accordance with the provisions of clause 18 (b) hereof in respect of the holiday which shall be allowed to that Employee within six (6) days of that weekly holiday, provided further that in respect of not more than two (2) such weekly holidays in any one calendar month an Employer may with the consent of the Employee -

- (a) instead of allowing an alternate holiday within six (6) days of the weekly holiday in respect of which that Employee shall not be liable to forfeit and the Employer shall not be entitled to deduct one day's wage as aforesaid pay him one day's wage computed in accordance with the provisions of clause 18 hereof in lieu of such alternate holiday, or

- (b) in case that Employee is entitled to an alternate holiday within six (6) days of the weekly holiday as aforesaid in respect of which alternate holiday he shall be liable to forfeit and the Employer shall be entitled to deduct a day's wage as aforesaid employ that Employee on the alternate holiday.

- (ii) In respect of work done on such weekly holiday the Employee shall be paid as remuneration -

- (a) one and a half (1 1/2) times the normal hourly rate ascertained in accordance with the provisions of clause 18 hereof for the number of hours worked during the first nine (9) hours (exclusive of one hour for a meal) ; and

- (b) at double the normal hourly rate ascertained in accordance with the provisions of clause 18 hereof for each subsequent hour of work.

The provisions of this sub-clause shall not apply to Employees engaged on work outside the business premises of the Employer for periods exceeding twelve (12) days in respect of the duration of each such period.

#### 12. Annual Holidays

Annual holidays shall be allowed to an Employee in accordance with the decisions of the Wages Board if any applicable to such Employee or the Coir Mattress and Bristle Fibre Export Trade.

#### 13. Public Holidays

1. Public Holidays shall be allowed to an Employee in accordance with the decisions of the Wages Board for the Engineering Trade. Provided however, that an Employee may be employed on a Public Holiday in accordance with the decisions of the Wages Board for the Engineering Trade.
2. If any Public Holiday to which an Employee is eligible under the provisions of sub-clause (1) falls on a Sunday, a day either in the six (6) days immediately preceding or in the six (6) days immediately succeeding such Public Holiday shall be granted to the Employee as a weekly holiday in accordance with the provisions of clause 11 hereof.
3. If any Public Holiday to which an Employee is eligible under the provisions of sub-clause (1) falls on a Saturday, the number of hours constituting the normal working day (inclusive of one hour for a meal) on the day immediately preceding such Public Holiday shall be six and one half (6 1/2) hours.

#### 14. Casual Leave

1. In respect of each year of employment during which any Employee has been continuously in employment he shall be entitled to take on account of private business or other reasonable cause including ill health if that Employee's entitlement to sick leave has been fully utilized, leave (hereinafter referred to as "casual leave") with remuneration for the period or an aggregate of periods not exceeding seven (7) days and the Employer shall allow such casual leave and shall be liable to pay such remuneration. Provided however, that not more than two (2) days casual leave shall be taken at any one time save and except upon the ground of ill health.

Provided further that an employee shall not be entitled to take casual leave immediately preceding or immediately following any period of annual holidays. Provided further that in respect of any Employee's first year of employment including any period of probation he shall be entitled to casual leave for that year computed on the basis of one day for each complete period of two month's service.

2. Casual leave will normally be granted on application without the Employee being required to state the reason for the application. Where an Employer finds it difficult to grant an application for casual leave, his difficulty shall be notified to the Employee as soon as possible after the application is made and in such case the Employee may be required to state the reason for the application in order that the Employer may decide whether it is reasonable in the circumstances to grant casual leave.

#### 15. Sick Leave

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

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

#### 16. Salaries

The salaries of all employees who were in employment as at 01st January 2011 and continue to be employment as at the date of signing of this Agreement shall be revised as follows :

- (1) A sum equivalent to 10% of the salary of an employee as at December 2010 shall be added to the salary with effect from 01st January 2011.
- (2) Thereafter, a sum of Rs. 500 will be consolidated into the salary of the employee with effect from 01st January 2011.
- (3) A sum equivalent to 5% of the salary of an employee as at December 2011 shall be added to the salary with effect from 01st January 2012.

- (4) Thereafter a sum of Rs. 500 will be consolidated into the salary of the employee with effect from 01st January 2012.
- (5) A sum equivalent to 5% of the salary of an employee as at December 2012 shall be added to the salary with effect from 01st January 2013.
- (6) Thereafter a sum of Rs. 600 will be consolidated into the salary of the employee with effect from 01st January 2013.

Every Employee in employment as at the date of signing of this agreement will be entitled to receive by way of notional arrears for the period 1st January 2011 to 30th June 2011, a sum equivalent to the amount mentioned in (1) above X 6 and the sum mentioned in (2) above X 6. Notional arrears so calculated will not attract any consequential benefits such as EPF, ETF, Over time, etc.

- (7) If during the continuance in force of this Agreement the Government of Sri Lanka -

- (a) prescribes increases in wages by any written Law applicable to categories covered by this Agreement legally obliging the Employers to make such payment the Employers shall pay such increases in wages prescribed by such written law and in terms of such written law :
- (b) recommends increases in wages, such recommendations will not be applicable to the Employer, irrespective of whether or not such recommendations are applicable to categories covered by the Agreement.

#### 17. Wages for Periods less than One Month

For the purpose of this Agreement the wages of any Employee for periods less than one month shall be computed in the manner following :

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

### 18. Lump sum payment

- (1) A lump sum payment of Rs. 14,000 for each year commencing from 1st January 2011 payable in January the following year in respect of the preceding twelve (12) months (1st January to 31st December hereinafter referred to as the qualifying period) will be paid to each employee covered and bound by this agreement in lieu of non-recurring cost of living gratuity. (NRCLG).
- (2) The lump sum payment shall be payable by the Employer to an Employee who is eligible to receive the same by virtue of his service under the Employer during a part of the qualifying year by reason of the fact that he is not in the Employer's service when the lump sum payment becomes due in January of any year or he joined the Employer's service during the course of the qualifying year.
- (3) The lump sum payment shall not be payable to an Employee in respect of any period for which he received no wages for whatever reason.
- (4) No provident fund, trust fund, overtime or any other payment shall be due or calculated on the lump sum payment.

### 19. Work Norms

Consequent to the salary increase granted to the employees under this Agreement, it is agreed by and between the Employer, Union and the employees that the employees in carrying out their normal daily work shall achieve and maintain the work norms set out in the Second Schedule hereto in respect of the various areas of work identified therein.

### 20. Provident Fund

- (1) The Employer and an Employee shall contribute to the Provident Fund at rates prescribed by the Employees' Provident Fund Act, No. 15 of 1958.
- (2) Subject to the provisions of the Employees' Trust Fund Act, No. 46 of 1980, where the Employer and the Employee as at the date hereof were contributing to a Provident Fund at rates more favourable than those prescribed by the Employees' Provident Fund Act, the more favourable rates of contribution will continue.

### 21. Terminal Benefits

- (1) The Employer will subject as hereinafter provided pay terminal benefits to Employees in accordance with the scheme of terminal benefits set out in this Clause.

- (2) The scheme shall apply to every Employee in the service of the Employer as at First November 1988 and to those who joined the service of the Employer on any day thereafter, so long as this Agreement continues in force.
- (3) As and by way of terminal benefits the Employer shall pay an Employee a sum equivalent to one month's wages for each year of service less the Employer's contribution to the Provident Fund and trust Funds but excluding interest thereon.
- (4) The wage on which he said terminal benefits under sub-clause 3 hereof shall be payable will be the last monthly wage receivable by an Employee on which Provident Fund is payable and shall not include any non-recurring cost of living gratuity.
- (5) For the purpose of calculating terminal benefits under this clause a year of service shall be a period of not less than six months.
- (6) The terminal benefits provided for in this clause shall be payable to an Employee on the cessation of his services arising from death or any other cause, whatsoever. Provided however, that if at the date of cessation of an Employee's service there is due to his Employer from the Employee any sum on account of fraud, misappropriation or any other account and the same cannot be recovered from the amount in the Employee's credit in the Provident Fund the same shall be recovered from the terminal benefits provided for herein.
- (7) The provisions of this clause shall not apply to Employers who operate a more favourable scheme of terminal benefits.
- (8) On the death of an Employee whilst in service and is eligible to receive terminal benefits under this Clause, the Employer shall pay such terminal benefits in the manner and to the persons hereinafter set forth -
  - (a) If there is a valid nomination in force for the purpose of the deceased Employee's Provident Fund at the date of his death to the nominee or nominees of such Employee in conformity with the form of nomination where such nominee is surviving and of full age.
  - (b) Where there is no valid nomination or in the event of the nominee or any or more of the nominees having pre-deceased the Employee or in the event of the nominee being a minor at the time that the

payment of the terminal benefits become due, the Employer shall make payment only after the person or persons entitled to the payment have established their claim in Law and furnished proof thereof.

Committee so constituted a Statement of Principales and Procedure by which the members of the Bonus Committee shall be bound in settling the dispute as the reduction of Bonus.

- (9) In the event of any written law providing for the payment of gratuity or terminal benefits the more favourable scheme shall apply but not both.
- (10) No Employee shall be entitled to any gratuity or terminal benefits in addition to the terminal benefits provided for in this clause or by any written law as the case may be.

- (3) Upon receipt of the submissions and the Statement of the Principles and ; Procedure from the Commissioner of Labour the Bonus Committee shall in accordance with the said Principles and Procedures decide whether the reduction of the bonus by the Employer was justified and if the reduction was not justified to what extent, if any, the bonus shall be reduced. The Bonus Committee shall communicate the decision in writing to the Federation, the Employees and the Commissioner of Labour. If the decision of the Bonus Committee is unanimous such decision shall be final and binding on the parties to the dispute and the Employees or anyone or more of them and/or its or their members shall not pursue the matter further by any form of Trade Union action or otherwise during the continuance in force of this Agreement. If, however, the Bonus Committee is divided by its decision, then the decision of the Commissioner of Labour on the matter shall be final and binding on the parties to the dispute and the Commissioner's decision shall be communicated in writing by the Commissioner of Labour to the Federation and the Employees and/or its members shall not pursue the matter further by any form of Trade Union action or otherwise during the continuance in force of this Agreement.

## 22. Bonus

- (1) Without prejudice to existing bonus schemes and without prejudice to the Employer's claim that bonus payments in the past and as provided in this Agreement are ex-gratia, the Employer will subject as hereinafter provided, continue to pay to each of his Employees a bonus which" will not be less than the sum of money paid to him as his bonus for the year immediately preceding the signing of this Agreement. If in any year the Employer, in his discretion reduces the bonus to an amount less than the sum of money paid to each of his Employees as bonus for the year immediately preceding the signing of this Agreement, the Employees may canvass such reduction of bonus with the Employer concerned, If the Union is not satisfied by the Employer in the matter, the Union may pursue this matter with the Employers' Federation of Ceylon (hereinfter called the "Federation"). If the dispute as to the reduction of bonus is not settled with the Federation, the same shall be referred to a Committee of three persons (hereinafter referred to as "a Bonus Committee") which shall be constituted in accordance with the provisions of sub-clause (2) for settlement in the manner hereinafter set forth.
- (2) At the written request of the parties to the dispute as to the reduction of the bonus, the Commissioner of Labour will constitute a Bonus Committee which shall consist of three Senior Accountants nominated by the Council of the Institute of Chartered Accountants of Sri Lanka. The said Chartered Accountants shall be persons with at least 10 years post qualification experience, The selection of the three Chartered Accountants will be communicated by the Institute of Chartered Accountants to the Commissioner of Labour, to the Employer, the Employees and the Federation, Thereupon the Commissioner of Labour will communicate in writing to each member of the Bonus

- (4) The Bonus Committee shall not be entitled nor be competent to decide that in any year an Employer should pay his Employee a bonus exceeding the sum of money paid as bonus in the year immediately preceding the signing of this Agreement.
- (5) The fees payable to the members of each Bonus committee shall be borne equally by the parties to the dispute as to the reduction of bonus and be payable on demand by the Commissioner of Labour.
- (6) The payment of a bonus exceeding the sum of money paid as bonus to Employees in the year immediately preceding the signing of this Agreement shall be in the sole discretion of each Employer and shall not be called in question by the Employees nor shall any Employer's failure or refusal to pay such bonus be the subject of any dispute.
- (7) The provisions of sub-clauses (1), (2), (3), (4), (5) and (6) shall *mutatis mutandis* apply to existing bonus schemes.

- (8) At the request of the Commissioner of Labour, the Council of the Institute of Chartered Accountants of Sri Lanka will nominate three Chartered Accountants with not less than 10 years of post qualification experience drawn from professional Accountancy Firms to serve on the Bonus Committee.

### 23. Annual Increments

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

- (a) deferred the loss of increment shall be continuous throughout the year ;
- (b) stopped, the loss of increment will only be for the period of stoppage during the year ;
- (c) suspended, the increment is suspended pending a decision to defer or stop an increment, such decision being dependent upon a consideration of the factors giving rise to the suspension. Where on such decision an increment is neither stopped nor deferred, then the suspension shall be treated as waived and the full increment from the date of suspension thereof shall accrue to the Employee concerned. Deferment, stoppage or suspension of an incremental shall only be effected in cases where the employee has been notified in writing of a complaint against such Employee and has been found guilty after due Inquiry or inefficiency, fraud or misconduct, which in the circumstances does not merit termination of employment.
- (d) The scales of the consolidated wages set out in Schedule I hereto include all statutory allowances as at the date of this agreement.
- (e) This Agreement shall not have the effect of changing the incremental date of an Employee.

### 24. Warning

If in the opinion of the Employer an offence warrants a warning the same shall be conveyed to the Employee by a letter, a duplicate of which shall be signed by the Employee. If the Employee refuses to sign the duplicate the warning may be given to the employee orally by the employer in the presence of two witnesses.

### 25. Suspension

- (1) An Employee may be suspended without pay by his employer :-
  - (a) pending an inquiry to be held by such Employer on a charge or charges of misconduct which warrants dismissal.
  - (b) in order to avoid a breach of the peace or damage to the property or disturbance of the business of the Employer.
  - (c) as a punishment for misconduct for a period not exceeding seven (7) working days after due inquiry.
- (2) At the time of suspension under sub-clause (1) (a) or within twenty four (24) hours thereof the Employer shall provide the Employee with a written order of suspension specifying the reason or charges in terms of clause 26 hereof.

### 26. Disciplinary Action

Where the Employer proposes to proceed against an Employee then -

- (1) irrespective of whether an Employee has been suspending under Clause 25 hereof or not, the Employee shall be furnished with a show cause notice which shall set out the particulars of the charge or charges of misconduct alleged against such Employee and such show cause notice which shall give the Employee not less than three (3) clear working days in which to give the answer or explanation to the charge or charges preferred.
- (2) within three (3) clear working days after the date of the show cause notice, the Employee shall furnish in writing to the Employer the answer or explanation to the charge preferred against such Employee, provided however that if in the circumstances it is reasonable the Employee may ask the Employer for an extension of time within which to furnish the written answer or explanation to the show cause notice and where such request is made by an Employee to the Employer, the Employer shall grant such request for such further period of time as is deemed necessary in the circumstances of the case.
- (3) If the Employer is satisfied with the written answer or explanation of the Employee, the Employee shall if he is under suspension forthwith be reinstated and shall be paid all wages and entitlements due for the period of such suspension.

- (4) if the employer is not satisfied with the written answer or explanation of the Employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within ten (10) working days from the date of receipt by him of the written answer or explanation to the show cause notice.
- (5) after holding such inquiry the Employer, shall notify the Employee of the findings of each of the charges in the show cause notice and the punishment, if any, imposed by the Employer. Provided that if the Employer fails to make an order except for reasons beyond the control of the Employer on the charges in the show cause notice within Thirty (30) working days from the conclusion of the inquiry into such charges the Employee shall not be liable to be punished thereafter in respect of such charges and no inference adverse to the Employee in respect of such charges shall be drawn from such charges.
- (6) if the Employee is under suspension and the Employer after such inquiry makes order that,-
  - (a) the employee shall not be dismissed then the employee shall resume employment forthwith and shall subject to the provisions of sub-clause 25(1) (c) hereof be paid all wages and entitlements due for the period of suspension irrespective of such other punishment less than dismissal that may be imposed by the Employer on the findings as to the charges in the show cause notice ;
  - (b) the employee shall be dismissed, the Employee's dismissal shall take effect from the date of the Employee's suspension and accordingly the employee shall not be paid for the" period of such suspension ;
  - (c) in view of the serious or involved nature of the charges in the show cause notice against the employee the employer is unable to make a final order as it is necessary and desirable that the matter be referred to the Police or other authorities for further investigations or inquiries and that the matter be therefore referred to the Police or other authorities or if in view of the serious or involved nature of the charges preferred against the Employee the matter had been previously referred to the Police or any other authorities for investigations or inquiries that the outcome of such investigations or inquiries be awaited, then in either of such circumstances the Employee may remain suspended without pay.
- (7) If in any case where an Employee is suspended as provided for herein the Employer fails to make an order under paragraphs (a) to (c) of the preceding sub-clause for any reason other than that of the Employee's own seeking within Thirty (30) working days from the date of the Employee's suspension, the Employee shall be entitled to half his normal remuneration for the period of thirty (30) days from the date. of such suspension and to his full remuneration for the period of suspension in excess of thirty (30) days up to the date of which the Employer makes an order under paragraphs (a) to (c) of the preceding sub-clause irrespective of the outcome of the Inquiry.
- (8) in any case where an Employee is suspended as provided herein the Employer shall make an order under paragraphs (a) to (c) of sub-clause 6 within ninety (90) days of the date of suspension of the Employee unless he is prevented from doing so by reason of the Employee's own seeking or for reasons beyond the control of the Employer or it is agreed between the Federation and any of the Employees that in the circumstances of the case the period ninety (90) days be extended for such further time as may be agreed.
- (9) the employer shall not be required to hold an inquiry as referred to in sub-clause (4) and (5) hereof where the Employer proposes to warn the Employee or where the Employee admits to the charge or charges, provided however that if the Employee disputes the warning or punishment imposed on the Employee by the Employer and requests the holding of an inquiry the Employer shall comply with such request and the provisions relating to the holding of an Inquiry shall then apply subject to the exception of the fact that the inquiry had not commenced within ten (10) working days after receipt of the Employee's explanation shall not be material or relevant.

## 27. Retirement

On reaching the age of fifty five (55) years an Employee shall ipso facto retire and cease to be employed by his Employer and there shall be no obligation on the Employer to give the Employee any notice of such retirement, provided however, that an Employee who has retired may, in the discretion of his Employer, be employed after his retirement on a temporary basis on such terms as may be mutually agreed.



## 28. Termination of Service

- (1) Every contract, whether oral or written for the hire of any Employee by the Employer except for work usually performed by the day, or by the Job, or by the journey, shall (subject to the provisions of Clause 6 hereof or unless otherwise expressly stipulated) be deemed and taken in law to be a contract for hire and service for the period of one month and to be renewable from month to month and shall - be deemed and taken in law to be so renewed, unless one month's notice be given by either party to the other of his intention to determine the same and such month has expired.
- (2) Where an Employee is engaged for a particular job or period such as casual or temporary work he shall be informed thereof at the commencement of his employment and his contract of service will terminate on the completion of the job or period or on the failure of the Employee to complete the job within a reasonable time.

## 29. Union Recognition

The Union shall be competent to make representations on behalf of its members who are employed in any work place of the Employer. In regard to issues of general application or to the effect of principle such as matters affecting general terms and conditions of employment either in the work place or the trade as a whole the following provisions shall apply :-

- (1) When the Union is representative of not less than forty per centum (40%) of the Employees whose membership subscription is not in arrears, the Employer will recognize the Union for the purpose of general claims and matters and negotiate with it on, that basis. If there is any other Union which is also representative of not less than forty per centum (40%) of such Employees the Employer will be at liberty to require that general claims and matters be discussed and negotiated with all the Unions competent to make general demands by virtue of the requisite membership and not separately with each such Union.
- (2) When the Employer carries on more than one type of business or has more than one work place and the claim or matter is restricted to one type of business or one work place but is applicable or capable of being applicable to other Employees in the service of the Employer the competence of the Union to make such, claim or raise such matter shall be determined by reference to the duly qualified members of such Union in proportion to the total number of Employees in the service of the Employer in Sri Lanka.

- (3) If it becomes necessary to decide the question whether at the establishment of the Employer the Union is competent to make general claims or raise general matters the same shall be determined by a referendum which shall be held by the Department of Labour and the result of such referendum shall be binding on the Employer and that Union and the parties thereto.

## 30. Disputes Procedure

- (1) In the first instance the Employees shall submit any demand on behalf of its members to the Employer and (give the Employer at least ten (10) working days' time within which to reply. If in the Employees' opinion the Employer's reply is unsatisfactory the Employees and the Employer shall explore the possibility of reaching a settlement.
- (2) When the Employees conclude that negotiations with the Employer have been abortive to shall ask the Department of Labour to intervene and give the Department not less than ten (10) working days to arrange conferences and/or discussions with a view to settlement of the dispute. Negotiations under the aegis of the Department of Labour shall then proceed until the Department of Labour reports failure.
- (3) Subject to the provisions of Clause 33 hereof all disputes between the Employees and the Employer shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations made thereunder.
- (4) Any party to this Agreement shall not instigate, support or engage in any unfair labour practice during the currency of this Agreement.

## 31. How Anomalies in the course of Implementing this Agreement shall be Dealt with

Any anomaly arising from the implementation of this Agreement shall be settled by negotiation between representatives of the Federation and the Employees. If the matter cannot be settled by negotiation the matter shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations thereunder.

## 32. Trade Union Action

The Unions and its members and the Employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement they shall not engage in any strike or other form of Trade Union action against the Employer in respect of any

dispute between the Employer on the one hand and the Union and/or its members and/or any Employees covered and bound by this Agreement on the other hand whether or not such dispute is related to this Agreement, except where such dispute has been caused by an act of the Employer which in the opinion of the of the controlling body (by whatsoever name called), of the Union is mala fide or vindictive or calculated to threaten or undermine the existence of the legitimate activities of that Union and/or its members or is grossly unfair or seriously detrimental to the interests of the Union and/or its members. Provided however that at least seven (7) days' notice in writing shall be given to the Union by the Employer concerned, the Federation and the Commissioner of Labour before the date of commencement of any intended strike or other form of trade union action consequent on an act of an Employer which in the opinion of the controlling body (by whatsoever name called) of the Union is mala fide or vindictive or calculated to threaten or undermine its members or is grossly unfair or seriously detrimental to the interests of that Union and/or its members.

### 33. *Variations of Terms and conditions of Employment Benefits*

- (1) The Union and its members and the Employees covered and bound by this Agreement jointly and severally agree with the Employer that during the continuance in force of this Agreement they will not seek to vary, alter or add to all or any of the terms and conditions of employment presently applicable to any of the Employees covered and bound by this Agreement as amended or altered in terms of this Agreement, or all or any of the benefits presently enjoyed by any of the Employees covered and bound by this Agreement other than by mutual Agreement.
- (2) The Federation and the Employers bound by this Agreement jointly and severally agree with the Union, and its members and the Employees covered and bound by this Agreement that they shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the Employees covered and bound by this Agreement other than by mutual agreement.
- (3) Any dispute or difference arising from negotiation under the provisions of sub-clause (1) or (2) may be resolved by voluntary arbitration but only if the parties agree to submit such dispute or difference for settlement by voluntary arbitration.

## PART II

### 1. *Breaches of Collective Agreement*

If in the opinion of the Employer the Union commits a breach of any of the terms of this Collective Agreement, then and in any such event the Union shall cease to be entitled to enjoy the facilities and concessions granted by the Employer in the succeeding clauses of this Part and the same shall stand withdrawn without prejudice to the Employer's right to restore such facilities and concessions upon such terms and conditions as the Employer may decide.

### 2. *Domestic Inquiries*

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

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

### 3. *Union Meetings*

The following provisions shall, apply to meetings of the Union :-

- (a) In respect of each meeting which the Union desires to hold at the Employer's premises, an application for permission shall be previously made to the Employer.

(b) If the Employer decides to grant permission, the Employer shall be entitled to impose, inter alia, one or more of the undernoted conditions :-

- (i) that no person other than an employee in the service of the Employer shall be present at a meeting of the Union.
- (ii) on occasions such as the Annual General Meeting of the Union, the Office Bearers of the parent Union may, with the previous approval of the Employer, attend)
- (iii) fix a time limit within which a meeting of the Union shall be concluded or adjourned.

(c) It shall be the duty of the Union and its office bearers to ensure that the terms on which permission to hold a meeting of such Union is granted, are duly complied with.

(d) It shall be the duty of the Union and its office bearers to ensure that no damage is caused in the course of) or in connection with) a meeting of the Union to the Employer's property or an other persons at the Employer's premises and the Union shall indemnify the Employer and keep the Employer indemnified against any such damage.

#### 4. Duty Leave

(1) The following provisions shall apply to duty leave :-

Without prejudice to the right of the Employer to refuse to grant permissions if, in his discretion, the exigencies of the circumstances warrant refusal, the Employer will generally grant permission for not less than two office bearers of the Union :-

- (a) to be present at conferences held under the aegis of the Employer or the Employers' Federation of Ceylon or the Department of Labour in connection with a dispute between the Union and the Employer, or
- (b) to attend inquiries before Industrial Courts, Arbitrators or Labour Tribunals.

without loss of wages for such absence.

(2) The Employer will, in his discretion, grant leave without remuneration to an Employee to attend a Trade Union, Courts or Seminar or Conference either in Sri Lanka or abroad, unless the Employee concerned is entitled to annual or other holidays which he wishes to utilise for the purpose.

#### 5. Check Off

(1) In this clause "Employer" shall mean the Employer bound by this Collective Agreement in whose establishment the members of the Union is not less than forty per centum (40%) of the category of Employees covered and bound by this Collective Agreement.

(2) The Employer shall on the written request of an employee deduct from the wage due to such employee the current monthly union dues as are specified by the Employee to be payable monthly by the Employee to the Union and remit the amount as deducted to the Union, in accordance with the procedure and upon and subject, to the conditions hereinafter set forth.

(3) Every Employee who agrees to the deduction of Union dues from his wages shall sign a statement to the effect in the form set out in Form No. 1 hereinafter referred to as an "Authorization" as set out in the Second Schedule hereto.

(4) Every Employee shall be entitled to withdraw his agreement to check off at any time by signing a statement to that effect in the form set out in Form No. 2 hereinafter referred to as a "Revocation" as set out in the Second Schedule hereto.

(5) As far as practicable deduction under an authorization shall commence from the wages due immediately after the date of receipt of such authorization and shall continue thereafter until the authorization is canceled by a revocation,

(6) As far as practicable deductions under an authorization shall cease from the date of receipt of a revocation canceling such authorization, Provided however :-

(a) that an Employer shall not be liable in any manner whatsoever to the Union or the Employee concerned for failure to comply with sub-clause (5) or (6),

(b) that, at his discretion, an Employer shall be entitled not to make deductions by way of check off in any month in which the deductions by way of check off will together with all other deductions from the Employee's wages in that month exceed the deductions permitted by law,

(7) The Employer shall not later than the tenth / day of each month remit the Union dues deducted from the wages of the Employees in the month immediately preceding, to the Treasurer of the Union in accordance with the tenor of each authorization by a cheque payable to the Treasurer thereof and cross "Account Payee",

- (8) The cheque shall be sent at the risk of the Union and the Employees concerned by post in a pre-paid envelop addressed to the Treasurer of the Union and its address for the time being.
- (9) The Treasurer of the union shall promptly acknowledge receipt of the cheque.
- (10) The Employer shall not be liable to pay to the union or to the Treasurer on its behalf, as aforesaid, any sum other than the union dues actually deducted.

### PART III

#### DEFINITIONS

In Parts I and II of this Agreement unless excluded by the subject or context the following words shall have the meaning set opposite to them —

<i>Words</i>	<i>Meaning</i>
Dispute	Shall have the same meaning as in the Industrial Disputes Act.
Employer (for convenience some times referred to as “he” or its grammatical variations	The Employer covered and bound by this Agreement.
Employee (for convenience some times referred to as “he” or its grammatical variations	Subject to the provisions of Clause 5 of Part II hereof an Employee bound by this Agreement.
Industrial Disputes Act	The Industrial Disputes Act No. 43 of 1950.
Normal Incremental Date	The date on which an Employee would normally receive an increment.
Wage	The monthly wage according to the scales of consolidated wage in the First Schedule hereto.
Week	The period between midnight on any Saturday night and midnight on the succeeding Saturday night.
Year	A continuous period of twelve (12) months

\* Words importing the masculine gender shall include the feminine

\* Words imparting the singular number shall include the plural and vice versa.

FORM NO. 1

AUTHORISATION

Name of Employer : .....

As I am an employee covered and bound by the Collective Agreement of effecting employees employed in a capacity, and I desire to avail myself of the facility of Check Off contained in the Collective Agreement to which I am eligible as a member of the United Tea Rubber and Local Produce Workers' Union please deduct from my wages each month a sum of Rs. .... (Rs. ....) in respect of my current monthly membership dues to the said Union and remit the same to the said Union on my behalf. The first payment should please be made from my wages next due immediately following the date hereof.

.....  
(Date of signing)

.....  
(Signature of Employee)

.....  
(Full Name of Employee)

Received on : .....  
(To be filled by Employer)

FORM NO. 2

REVOCATION

Name of Employer : .....

With reference to the authorisation submitted by me, please cease to deduct from my wages any further membership dues in favour of the United Tea Rubber and Local Produce Workers' Union with effect from the wages next due to me immediately following the date hereof.

.....  
(Date of signing)

.....  
(Signature of Employee)

.....  
(Full Name of Employee)

In witness whereof parties have set their hands hereunto on this 18th day of August Two Thousand and Eleven at Colombo.

.....  
F. L. Fonseka,  
Joint Managing Director for and on behalf of  
Mackwoods (Pvt) Ltd.

.....  
T. P. M. Kularatne  
Assistant Secretary For and on behalf of  
United Tea Rubber and Local Produce Workers' Union.

Witnesses :

Name : .....

Name : .....

Designation : .....

Designation : .....

Name : .....

Name : .....

Designation : .....

Designation : .....

1st SCHEDULE

The commencing wage and the increments applicable to different categories of employees covered and bound by this agreement will be as follows :

**Motor Transport Trade**

	<i>Class B</i>	<i>Class C</i>	<i>Class D</i>	<i>Class G</i>	<i>Class H</i>
Commencing Wage	12,500	12,350	12,750	12,250	12,150
Increment	25	20	30	17.50	17.50

**Coir Matress, Bristle Fibre and Agro Chemical Employees**

	<i>Grade II</i>	<i>Intermediate</i>	<i>Grade I</i>	<i>Head Baling Press Operator</i>
Commencing Wage	12,150	12,250	12,350	12,350
Increment	17.50	20	25	28

**Engineering Trade**

	<i>Unskilled</i>	<i>Semi Skilled</i>	<i>Skilled</i>
Commencing Wage	12,150	12,300	12,750
Increment	17.50	25	30

2nd SCHEDULE

EXPORT DEPARTMENT REVISED PRODUCTION NORMS FOR 2011

No.	Type of Bale/Size/Weight	Gang Strength	Agreed Norms W.E.F. 2011		Remarks
			Bale	Ballots	
01	M/Fibre 150 kg (HB) Without Dusting at the Press Floor	16	84		
02	M/Fibre 150 kg (RB) Without Press Floor Dusting	16	66		
03	B/Fibre 1 Tie/ 2 Tie With Gunny Cover	16	70		
04	B/Fibre 1 Tie/ 2 Tie Without Gunny Cover	16	72		
05	Omat Fibre 150 kg Without Press Floor Dusting	16	72		
06	MF (Hoop) 125 Kg Without Press Floor Dusting	16	86		
07	MF (Rope) 125 Kg Without Press Floor Dusting	16	72		
08	Ballots - 25 Kg Filling into Sacks only Ballots - 12.5 Kg Filling only	02 02		84 130	
09	MF (HB) 150 Kg HT Fibre Extra Dusting on Press Floor	16	64		

(continued)

No.	Type of Bale/Size/Weight	Gang Strength	Agreed Norms W.E.F. 2011		Remarks
			Bale	Ballots	
10A	MF 100% HT or Pickerd or 75% Ht + 25% Pickerd Without Press Floor, 1. Dusting With M/F loose Ballots	16	80		
10B	MF 100% HT or Pickerd or 75% Ht + 25% Pickerd Without Press Floor Dusting With M/F Ballots	16	84		
11	MF (Roped) 125 Kg Extra Dusting on Press Floor	16	66		
12	Pressing BF (Moltie) 25 Kg Ballots Minimum of 250 Ballots	16		250 ballot x 25 Kg	

In the event of Forklift machine is not operational Gang strength has to be increased to 19 workers.

## 2nd SCHEDULE

### EXPORT DEPARTMENT REVISED LOADING NORMS FOR 2011

No.	Type / Size	Gang Strength	Hrs
01	MF/BF Bales 20'	10	2 1/2
	MF/BF Bales 40'	11	05
02	BF Ballots 20'	10	04
	BF Ballots 40'	10	08
03	HTMS/STME 20'	09	1 1/2
	HTMF/STMF 40' (Including Weighing)	09	04
04	CHC 40'	10	08
05	DC - 20' (Without Marking)	08	2 1/2
	DC - 20' (Including Marking)	08	04
	DC - 40' (Without Marking)	10	05
	DC - 40' (Including Marking)	10	08
06	F/C - With Fibre 20'	09	04
	F/C - Tuft only 20'	09	2 1/2
	F/C Tuft only (15'') 20'	09	05
07	Bleaching Chamber (Loading or Unloading)	06	05
	MF/BF 40' Containers	11	05
	MF - 166 x 150 Kg	11	05
	MF (Rope) 120 x 150 Kg	11	05
	Cut Ends 135 x 150 Kg	11	05
	MF (New York) 135 x 150 Kg	11	05
	MF (China) 146 x 150 Kg	11	05
08	HTMF/STMF 20'	09	02
09	F/C Tuft only 13'' 20' (700 Bags and above)	09	3 1/2

When using Forklift for loading above norms will not be applicable.

2nd SCHEDULE

AGRO DEPARTMENT - AGREED PRODUCTION NORMS 2011

Type of Method (Machinery/Manual)	Product	Pack	Gang Strength	Present Norm 2005		Agreed Norms for 2011					
						Gang	Norm				
Liquid Refilling into Bottles Using Hand Filling Machine		50ml	5	1500		5	1500				
		100ml	5	1500		5	1500				
		200ml	5	1500		5	1500				
		400ml	5	1300		5	1300				
Liquid Refilling into Bottles Using Old Double Filling Mach		200ml	5	1500		5	1500				
		400ml	5	1500		5	1500				
Liquid Refilling into Bottles Using New Double Filling Mach		400ml	7	1700		7	1700				
Liquid Refilling into Polycans with Filling Machine		01 Lit	5	420		5	420				
Manual		01 Lit	5	375		5	400*				
with Filling Machine		02 Lit	4	280		4	280				
Manual		02 Lit	4	250		4	260*				
Manual		03 Lit	4	250		4	260*				
Manual		04 Lit	4	190		4	200*				
Powder Refilling to Alu		50 g	5	Alu	Poly	5	Alu	Poly			
Packs/Poly Bags				1000	960		1000	960			
				100 g	5		1000	960	5	1000	960
				200 g	5		1000	960	5	1000	960
				500 g	5		700	700	5	700	700
		1 Kg	5	700	700	5	700	700			
	Carbofuran	2 Kg	5	700	700	5	700	700			
	Mackzee	2 Kg			360	5		360			
	Mackzee	5 Kg	5		140	5		140			
Powder Refilling into Pet Bottles which will come into Eration in November 2006	Shoot	50 g	5	800		5	800				
		100 g	5	800		5	800				
		200 g	5	800		5	800				
Macksul Refilling Alu Packs	Macksul	500 g	5	1100		5	1100				
Liquid Refilling into Bottles (Manual)		50ml	5	1100		5	1100				
		100ml	5	1100		5	1100				
		200ml	5	1100		5	1100				
		400ml	5	850		5	850				
Formulations	Surfactant	200 Lit	3	4		3	4				
	Others	200 Lit	3	6		3	6				



My No. : CI/1786.

# **THE INDUSTRIAL DISPUTES ACT (CHAPTER 131)**

THE Collective Agreement entered into between Hongkong and Shanghai Banking Corporation Limited, 24, Sir Baron Jayatilaka Mawatha, Colombo 01 the one part and The Ceylon Bank Employees' Union, 20, Temple Road, Colombo 10 of the other part on 24th day of May 2012 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

V. B. P. K. WEERASINGHE,  
Commissioner of Labour.

Department of Labour,  
Labour Secretariat,  
Colombo 05,

27th March, 2013.

## **Collective Agreement No. 15 of 2012**

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This Collective Agreement made this 24th day of May 2012 between The Hongkong and Shanghai Banking Corporation Limited, a Bank duly registered in Sri Lanka and having its registered Office at 24 Sir Baron Jayatilaka Mawatha, Colombo 1 (hereinafter referred to as "the Bank")

of the One Part  
and

The Ceylon Bank Employees' Union, a Trade Union duly registered in Sri Lanka and having its registered Office at 20 Temple Road, Colombo 10, (hereinafter referred to as "the Union")

of the Other Part

Whereas the Union made demands for re-negotiation of the Collective Agreement of 2009 which came into effect on 1 April 2009 and subsequent to negotiations between the Bank and the Union, agreement has now been reached between the said two parties for the purpose of ensuring better employee terms and conditions, co-operation between the Bank, the Union and the employees and maintaining an efficient and productive working environment, the matters agreed upon are set out hereunder :

### 1. Parties to be Covered and Bound

This Agreement shall cover and bind The Hongkong and Shanghai Banking Corporation Limited (the Bank), The Ceylon Bank Employees Union (the Union) and members of the Union employed on monthly contracts of employment by the Bank and who are employed in any of the categories as at the date of signing this Agreement and for whom salary ranges have been prescribed in this agreement in the First Schedules hereto (hereinafter referred to as the employees). This Agreement shall not cover and bind any employee who is a Supervisor, Staff Officer, Secretary, Executive and any other Staff on special rates of pay.

### 2. Date of Operation and Duration

This Agreement shall come in to force on 1 April 2012 and shall continue until either party terminates it by written notice in terms of the Industrial Disputes Act but no such notice shall be given before the 31st March 2015. The Union shall, however, have the right to commence negotiations for a revised Collective Agreement at any time on or after 1 April 2014.

### 3. Earlier Agreements

This Agreement shall supersede any other Collective Agreement entered into or binding on the parties hereto and such earlier Agreements shall stand repudiated in respect of the parties hereto.

### 4. Matters Covered and Bound

- (a) This agreement shall be in full and final settlement of all matters covered herein as well as of all the matters raised by the Union and in respect of which negotiations took place between the parties the conclusion of this Agreement and the Union agrees that it will not during the continuance in force of this Agreement raise any of the matters which were discussed and negotiated between the parties preceding this Agreement except to the extent agree ;

- (b) The Union and its members shall not during the continuance in force of this Agreement seek to vary, alter or add to all or any of the terms and conditions of employment or benefits presently applicable or enjoyed as provided for in this Agreement other than by mutual agreement with the Bank.

### 5. Salary Ranges

Every employee covered by this Agreement in service as at the date of signing this Agreement shall, from the April 2012 be placed on the basic salary range set out in the First Schedule hereto.

### 6. Immediate Increase and Conversion to Salary Ranges

For the placement of an employee on the basic salary range applicable in the First Schedule, the following Provisions shall apply.

All employees in service as at 31st March 2012, will receive the following increases ;

- (i) A sum equivalent to 23% of gross salary payable to an employee as at 31st March 2012 will be added to the basic salary effective 1 April 2012 ;
- (ii) A further sum equivalent to 3% of gross salary payable to an employee as at 31st March 2012 will be added to the basic salary effective 1st April 2013 ;
- (iii) A sum further equivalent to 2% of gross salary payable to an employee as at 31st March 2012 will be added to the basic salary effective 1st April 2014.

All employees joining after 31st March 2012, will be placed on the starting salary of Rs. 17,000. Upon Completion of 2 (two) years service, such employees shall be granted a 26% increase in their basic salary calculated on the basis of 26% x (15,500 + COLA as at 31st March 2012).

### 7. Allowances

- (a) Cost of Living Allowance (COLA)

Parties are agreed that the following shall be the payment in lieu of the monthly cost of living allowance for the duration of the Collective Agreement.

- (a) Rs. 17,000 with effect from 1.4.2012 ;
- (b) Rs. 18,500 with effect from 1.4.2013 ;
- (c) Rs. 20,000 with effect from 1.4.2014 .

Provided, however, in the event of the Department of Census & Statistics publishing a linking factor pertaining to the rate of payment in relation to the Colombo Consumers' Price Index (Base Year 2002) and the CCPI (Base Year 2006/2007) and if your union makes a request for a meeting to discuss the modalities of making this payment, the Bank would be agreeable to do so.

(b) Disturbance Allowance

With effect from 1 April 2012 an employee called upon to report for work before 7.00 a.m. shall continue to receive Rs. 350 per day, and if required to report before 6.00 a.m. shall continue to receive Rs. 600 per day.

## 8. Annual Salary Increments

With effect from 1 April 2013, the annual increments awarded to employees covered and bound by this Agreement will be based on the employee's performance during the previous Calendar year.

The performance of the employees will be assessed in terms of the Performance Assessment Review and in terms of same, the granting of annual increments will be based on the ratings and the corresponding amounts of increments as follows :

Ratings	Annual Increments		
	2013 Rs.	2014 Rs.	2015 Rs.
1	1,600	1,800	1,900
2	1,150	1,300	1,400
3	700	800	900
4	150	150	150
5	100	100	100

In terms of the above ratings, a minimum annual increment of Rs. 100 (except in cases where disciplinary action is being taken) will be payable during the period of this Agreement.

## 9. Pension Payments to Employees who have Retire from Service

Any employee who has retired from service between 1st April 2012 and the date hereof shall be entitled to have his pension calculated on the basis of the salary in terms of clause 6(i) hereof.

## 10. Promotions from Support Staff to Banking Assistant Grade

Without prejudice to the right of the Bank to recruit staff at their discretion, the Bank will consider the above promotions subject to the following criteria :

- The number of vacancies in the clerical cadre will be announced internally by advertisement by Staff Notice annually. Such notice shall stipulate the job requirements of the vacancy advertised, i.e. Educational qualifications, age, and any other particular criteria required for such job as determined by the Bank ;
- Any such employee in the non-clerical grade whose record of service, conduct and attendance has been satisfactory, with more than four years of service with the Bank who has necessarily completed the first part of the Chartered Institute of Bankers (London) or Institute of Bankers of Sri Lanka will be eligible to apply and will be considered for such clerical position. The selection process will include medical examinations, interview, written tests etc., as determined by the Bank ;
- Any Support Staff whose record of service and conduct has been satisfactory with more than eight years' service with the Bank, shall be exempt from minimum education qualifications stipulated in the Notice and may apply for such vacancy and will be considered in the manner specified at Para (ii) above.

Any such employee promoted in the manner specified above will be required to serve a period of probation of twelve months which may be extended by the Bank for a further period of up to six months during which, or at the end of which, the Bank may at their discretion revert such employee to this earlier position and salary.

The basic salary to such employee promoted in the manner specified above shall be in Clerical Salary range in relation to his basic salary received at such time as a non-clerical employee, which will result in an increase of not less than Rs. 350. Any non-clerical employee who conforms to the above requirements shall be promoted, if there are vacancies.

- The decision of the Bank in respect of selection for promotion shall be final and conclusive.

## 11. Provident Fund

### (a) Rate of Contribution

The rates of contribution to the Provident Fund by the Bank shall be :

Bank's contribution - 12% (twelve per cent) of salary  
Employee's contribution - 8% (eight per cent) of salary

Provident Fund contribution shall be on the consolidated salary referred to at Clause 5 hereof and the amount paid for that months a cost of living allowance subject to the Rules of the Provident Fund.

### (b) Interest on Provident Fund Contribution held by the Bank

Where Provident Fund monies are invested in the Bank, the Bank shall continue to pay be rate of interest paid of 12 months' fixed deposits for a sum of Rs. 100,000 published in the N.S.B. prevailing as at the 1st January for the First half of the year and on the rate prevailing on the 1st July for the second half of the year on the Provident Fund monies invested at the Bank.

### (c) Deficiency in Bank's Contributions to Provident Fund to an Employee not entitled to a Pension

Where an employee shall cease to be employed by the Bank in circumstances which do not entitle him to a pension or payment is lieu of pension as the case may be, such employee shall be entitled to the difference between the Bank's contributions made to the Fund during his period of service and the employer's minimum rate of contribution he would have been entitled to, in terms of the Employees, Provident Fund Act and its amendments from time to time as a contribution to the Fund by the employer on behalf of such employee. Such deficiency will be the difference between the following minimum rates of contribution under the Act and 10% of basic salary actually contributed by the Banks up to 31st March 1992.

From 1.1.71 to 31.12.80-9% of gross salary  
From 1.1.81 onwards - 12% of gross salary

Prior to 31.12.70 the employer's minimum rate of contribution was 6% of total earnings (gross salary), which was less than 10% of basic salary, and therefore no deficiency arises.

## 12. Terminal Benefits

It is agreed by parties that with effect from the date of signing this agreement the pension schemes applicable to employees covered and bound shall be applied as follows :

In the case of those in employment at the time of signing this collective agreement the Bank shall offer such employees a 'one time 'option of changing over from the existing Defined 'Benefit Scheme' to the new 'Defined Contribution Scheme'. The frozen amount at the 'switch over' will be kept as a credit to the staff member until cessation of employment.

### 1. Defined Benefit Scheme :

Employees in employment at the time of signing this collective agreement and who opt to remain in the Defined Benefit Pension Scheme will continue to be governed as follows.

#### (a) Pension :

An employee entitled to a pension in expressed terms of his employment shall, upon reaching the retirement age of the Bank and who is in the permanent employment of the Bank at such time, and shall have completed not less than 10 years of actual continuous service (excluding absence/leave without pay), be entitled to a monthly pension computed on the following basis :

No. of completed years Service (max. 35 years) plus 5 Retirement age of the Bank	Monthly salary X payable in the month of retirement + COLA
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#### (b) Premature Retirement on Medical Grounds/ disability

An employee who is found to be unable to continue to perform his duties as a result of infirmity/disability, as certified by the Bank's Doctor/Medical Specialist/ Government Medical Board, and who is in the permanent employment of the Bank at such time, and shall have completed not less than 10 years of actual continuous service (excluding absence/leave without pay) shall be entitled to a pension computed on the same basis referred to at clause 12(a) above. Provided, however, that where an employee is entitled to compensation by the Bank under any Laws in force at the time or an Award of Court, such employee shall only be entitled to a pension or such compensation as opted by him, but not to both.

Provided further that in the case of an employee whose premature retirement occurred in consequence of an accident which entitled him to compensation, the pre-acceptance of pension as provided herein will not restrict the right of such employee in subsequently claiming any balance compensation under any written Law.

**(c) Lump Sum Gratuity in Lieu of Pension Rights**

An employee who is entitled to receive a pension in terms of (a) or (b) above may at his discretion opt for the payment of a lump sum gratuity in lieu of his pension and any other payments arising there from. The payment will be computed on the following basis :

No. of completed years	1 months, Basic Salary plus
Service (Max. 3.5 Years) X 5	1 months, Cost of living allowance calculated for the month of retire retirement.

The above payment shall constitute a settlement in full and final satisfaction of all claims against the Bank on account of the cessation of employment in respect of gratuity, pension, deficiency, if any, in the Bank's contribution of Provident Fund to an employee not paid a pension in terms Clause 12.

**(d) 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 one and half month's gross salary for each year of completed service subject to a minimum of nine months' gross salary to the legitimte dependents of the deceased employee, as may be determined by the Bank at its sole discretion on the basis of information supplied to them. In the case of the death of an employee who is not confirmed in employment the amount payable will be 50% of that payable to a confirmed employee provided that in the case of an employee who has not been confirmed consequent upon a promotion to a higher grade, the gratuity payable will be calculated as in the case of a confirmed employee. The gross salary for this purpose shall be the last drawn salary plus Cost of Living Allowance.

Provided, however, that in the event of death arising out of and in the course of employment, the dependents shall be entitled to 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. Provided further that in the case of an employee whose death occurred in consequence, the pre-acceptance of deach gratuity as provided herein shall not restrict the right of such dependents in subsequently claiming any balance compensation due to them under any written law.

**(e) Gratuity on Resignation/Termination Prior to Retirement**

An employee shall, upon, resignation/termination of employment prior to retirement in circumstances which do not entitle him to the terminal benefits referred to at the aforementioned Clauses (a), (b), (c) and (d) be entitled to a gratuity computed in terms of the Payment of Gratuity Act (1983), which shall be paid within 30 days of the cessation of employment. The salary for this purpose shall comprise the salary referred to at Clause 5 and the Cost of Living Allowance referred to at Clause 7(a) hereof.

(f) Completed years of actual service shall include only actual continuous service worked excluding absence/leave without pay, but subject to the Provisions of the Payment of Gratuity Act (1983) and Clause 15 thereof.

**(g) Commuted Pension**

(i) At the option of the employee at the time of retirement on or after 1st April 2000, 25% of the monthly pension into 120 will be paid to employees who are entitled to a pension, who do not opt for a lump sum payment as provided for in the agreement and who opt for such commuted pension ;

(ii) Where an employee commutes his monthly pension in the manner aforesaid, the monthly pension payable to him during the first ten years of retirement will be 75% of the monthly pension he would have been entitled to at the time of retirement if he had not so commuted his pension. After the expiry of the said ten years the amount of the monthly pension so commuted will be restored and added to the monthly pension then being paid.

## 2. Defined Contribution

Employees recruited after the 24th of May 2012 and who are covered and bound shall only be eligible for the HSBC Defined Contribution Pension Scheme (subject to regulatory approval) in relation to which the Bank shall contribute 10% of the Gross salary.

## (iv) Extended coverage of Surgical and hospitalization expenses in exceptional circumstances

In addition to the surgical and hospitalisation cover specified in 13(iii) above, the Bank will consider requests for reimbursement of additional costs incurred on account of hospitalisation up to an annual limit of LKR 100,000 under exceptional circumstances.

**13. Medical Scheme**

## (i) Reimbursement of Medical Expenses for Non-Hospitalisation Expenses

The Bank will pay upfront an employee Rs. 15,600.00 effective from 01 January 2013 as Medical Expenditure incurred by him on his own behalf, on behalf of his spouse or unmarried legitimate children under the age of 18 in respect of routine non-hospitalisation/non-surgical and specialist treatment.

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

## (v) Maternity Cover

With effect from 1st April 2012, normal child birth will be covered under the Surgical and Hospitalisation limits as given in 13 (iii) above.

## (ii) Special Non-Hospitalisation and Non-Surgical Expenses

The Bank will reimburse an employee on a non-cumulative basis a further sum up to a maximum of Rs. 18,500 during the three year period on account of special non-hospitalisation and non-surgical expenses covering the following items only incurred on behalf of the employee and not on behalf of his family members. Provided that in the case of employees above the age 35 the bank will reimburse claims relating expenses incurred in lieu of purchase of optical lenses up to a maximum of Rs. 18,500 every 2 years.

- (a) Spectacles
- (b) Dentures
- (c) Hearing Aids

All claims shall be supposed by valid and relevant prescriptions, bills and receipts subject to the Provision that no claim is made in relation to any particular item more than once a year, and in the case of spectacles it must be supported by a prescription from a Medical Eye Specialist.

## (iii) Surgical and Hospitalisation Expenditure

Employees will be reimbursed on account of surgical and hospitalisation (whether Government or Private) expenses incurred on behalf of the employee, spouse and unmarried legitimate children under 18 years of age, subject to the production of valid documentation covering every claim or expenditure, up to LKR 130,000 per annum effective 1st April 2012

**14. Retirement**

- (a) The age of retirement shall be 55 years, or any other age mutually agreed to between the Bank and its employees, and on reaching the age of 55, or any other age mutually agreed upon, an employee shall ipso facto retire 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 ;
- (b) An employee may also be retired and be eligible for retirement benefits if he is not less than 50 years and has 10 or more years of service subject to mutual agreement between the employee, such employee Union and the employer that he should be given such concession and subject to the condition that the refusal by any party to agree to such premature retirement shall not constitute an industrial dispute.

**15. Bonus**

## (i) Guaranteed Bonus

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 two months' salary as drawn by such employee for the month of December in respect of one complete year of service meaning January to December and proportionately for service less than one year at the rate of one-twelfth of such entitlement in respect of each complete month of service. The salary for this purpose shall include the cost of living allowance payable for that month.

(ii) Discretionary Performance Bonus

In addition to the above, the Bank reserves the right to introduce a discretionary variable performance bonus scheme for 1,2 and 3 rated performers to further recognize their contribution to the Bank.

The scheme details to be shared with the union prior to such implementation.

**16. Probation**

Every employee recruited by the Bank will serve a period of nine months probation subject to the right of the Bank to extend the period of probation by a period of three months.

**17. Concessions to Branch Union Office Bearers and General Councilors**

- (a) The Bank shall at its discretion permit the release of not more than four Branch Union Office bearers at any one given occasion without loss of pay exclusively to enable such Branch Union Office bearers to be present at Inquiries before the Labour Department, Labour Tribunal, Arbitrations, Industrial Courts, and with their respective Bank Managements - exclusively on matters pertaining to the Bank ;
- (b) It is agreed the Central Committee members (General Council) of the Union will be permitted to leave at 12.30 p.m. on 12 days in a year for meetings. In the case of outstation General Council members, they would be permitted leave for the whole day for 12 General Council meetings in a year ;
- (c) It is agreed that a day's paid leave shall be granted on two occasions per year to General Councilors to attend Parent Union General Council meetings ;
- (d) It is agreed that Executive Committee members will be released at 3.00 p.m. for meetings of the Executive Committee of the Union. These meetings will not usually be more than on a monthly basis.

**18. Special Leave to Visit Outstation Branch**

The Banks shall permit Office bearers of the Union employed by the Bank paid leave to visit outstation branches calculated on the basis of a day's leave available for each such branch, i.e. if there are X branches the total number of days paid leave available shall also be X. For this purpose an outstation branch is one situated more than 30 miles from Colombo.

**19. Overtime**

- (a) If required by his employer an employee shall work reasonable overtime which has been authorised by the employer, subject to the provisions of any law for the time being in force.
- (b) Overtime work shall be remunerated in accordance with the Provisions of the Shop and Office Employees Act.

**20. Annual, Medical and Casual Leave**

(a) 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 take in the following year 21 working days paid leave. He shall avail himself of at least 7 days out of the 21 days on successive days and shall in respect of each year avail himself of not less than 14 days out of the said 21 working days ;
- (ii) At the end of first year of employment the employee qualifies for proportionate leave as follows :
  - (a) The full annual holiday of 21 days if his employment commenced on or after 1st January but before 1st April ;
  - (b) A holiday of 15 days if his employment commenced on or after 1st April but before 1st July ;
  - (c) A holiday of 11 days if his employment commenced on or after 1st July but before 1st October ;and
  - (d) A holiday of 6 days if his employment commenced on or after 1st October.

(iii) Availment

The availment of all annual leave shall be by prior authorisation 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) For 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 ;
- (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 purpose of nursing third and fourth children beyond the Maternity Leave entitlement.

Provided that in the case of (b) and (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 and parents.

Provided also that such accumulation will be restricted up to a maximum of seven (7) days per year and provided further that such total accumulation shall be restricted to a maximum of ninety (90) days.

(b) Medical Leave

- (i) Entitlement.- An employee shall be entitled to not less than twenty four (24) days 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.

(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, hospitalisation or similar circumstances, supported by a Certificate from a registered Medical Practitioner ;

- (c) Where an employee has exhausted his current years's sick leave as a result of prolonged illness such as an infectious disease or prolonged hospitalisation, 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 appropriated 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.

(c) Casual Leave

An employee shall be entitled to a maximum of seven (7) days casual leave in each year of employment where of not more than two (2) 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.



## 21. Suspension

- (i) Where an employee is suspended pending a disciplinary inquiry on investigations, such employee will, subject to the Provisions of sub-clauses (ii) and (iii) below, receive half his salary from the date of suspension up to six month and full pay thereafter, subject to the condition that the delay was not due to the employee concerned ;
- (ii) Where the suspension is on account of charges involving financial dishonesty such a fraud or misappropriation, the employee will not be entitled to any salary during the period of suspension unless the inquiry is not concluded within six months of the date of suspension, in which event he will receive half his salary (salary plus cost of living allowance) during his suspension beyond the said six months period. Provided that if the delay beyond six 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 six 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.

## 22. 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 offences, 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 (10) 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 normally grant 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/s 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 entitlements 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 (k) (iii) 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 to 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 prevent the person carrying on the defense for unacceptable conduct) or a Central Committee member of the Union employed in the Bank to defend the accused employee at a domestic inquiry. The Defending 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 an 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 Observed not less than 48 hours before the time appointed for the commencement of the inquiry. The Defending Employee shall be entitled to examine the witness 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 there from 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 threat, 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 at his discretion ;

- (g) 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 inquiring Officer ;
- (h) The Inquiring Officer shall maintain his impartiality and shall not attempt to act the role of the prosecution as well ;
- (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 to inform the employee 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 in 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 a domestic inquiry and the punishment, if any, imposed by the Bank shall be final and binding on the Bank, the employee and the Union, unless the employee or the Union shall within three (3) months from the date on which are Bank had notified such employee of the finds or punishment, raises a dispute in respect of such finds 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 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.

### 23. Technology

- (i) The Thrid Schedule hereto contains matters relating to new computer based banking technology agreed upon between the parties ;

- (ii) The Bank will furnish the Union on request information relating to new computer hardware to be introduced by the Bank, i.e. publishment manufacturer's specifications relating to equipment. The Bank will be under no obligation to provide information relating to software ;
- (iii) The Union will be free to make; representations on matters relating to the introduction of new computer based banking technology in the Bank other than on matters covered in this Agreement and subject to sub-clause (ii) above ;
- (iv) Notwithstanding the Provisions of (iii) above, the Union will not be entitled to raise any industrial dispute on matters relating to computer based banking technology, will not resort to any industrial action in that regard an any representations/dispute in that connection shall not fall within the meaning of an industrial dispute under the laws of Sri Lanka ;
- (v) It is agreed that any matter raised by the Union relating to the adverse effects of the use of computers shall be referred to the Monitoring Committee set up under the Collective Agreement for resolution. In the event of the Monitoring Committee not being able to satisfy the Union, such matter shall be referred to the Department of Health and Safety of the Labour Department and the recommendation given by the Doctor-in-Charge shall be accepted by both parties and where changes are necessary in terms of such recommendation the Monitoring Committee shall prevail on the Bank to implement such changes.

#### 24. Trade Union Action

##### (a) Matters Related and Covered in the Agreement

The Union and its 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 this Agreement.

##### (b) Matters Not Related and Not Covered in this Agreement

The Union and its 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 that may raise on any matter not related to this Agreement until -

- (i) The Branch Union of the Bank has exhausted all forms of conciliation to resolve such dispute amicably with the Bank, at which stage the Branch Union shall notify the Bank in writing of its intention to refer such matter to the Parent Union (the Ceylon Bank Employee's Union) ;
- (ii) The Parent Union (the Ceylon Bank Employees' Union) has intervened in the matter and has exhausted all forms of conciliation to resolve such dispute amicably with the Bank and/or the Employers' Federation of Ceylon ;
- (iii) In the event of there being no settlement at the level of conciliation aforesaid, the Parent Union has to give notice in writing of not less than fourteen (14) days of the fact that there has been no satisfactory settlement of the dispute and that it wishes to resort to trade union action. Such notice shall be given to the Bank, the Employers' Federation of Ceylon and to the Commissioner of Labour.

#### 25. Union Check-off Facilities

During the continuance in force of this Agreement and provided the Union has not less than forty (40) percent membership among the employees covered by this Agreement the Bank shall continue to grant check-off, provided, however, that the Bank reserves the right to stop, suspend, or discontinue such facility in the event of the Union violating any of the provisions of this Collective Agreement in relation to the Bank.

#### 26. Implementation and Interpretation of this Agreement

Where either the Union or the Bank are dissatisfied with the manner in which the Collective Agreement is being implemented or where there is a complaint regarding the adverse effects of computer technology change, such matters shall be dealt with by a Monitoring Committee set up by the Bank consisting of two representatives from the Bank and two representatives from the Union. The Bank or the Union may request that the matter be placed before the Monitoring Committee by communication addressed to the Employers' Federation of Ceylon setting out the cause of complaint.

Any dispute over the interpretation of the Agreement shall be settled by voluntary arbitration under Section 3 of the Industrial Disputes Act, 1950.

**27. Consequences of Termination of Agreement**

On the termination of this Agreement all terms, conditions, benefits, facilities and concessions enjoyed by the Union and/or its members shall ipso facto cease.

**28. Definitions**

In this Agreement, unless the context otherwise requires, the following words and phrases shall have the following meanings :

<b>Bank</b>	The Hongkong and Shanghai Banking Corporation Limited.
<b>Basic Salary</b>	Monthly Salary paid excluding COLA.
<b>Employee</b>	an employee covered and bound by this Agreement.
<b>Employer</b>	The Hongkong and Shanghai Banking Corporation Limited.
<b>Cost of Living Allowance</b>	The payment in lieu of the Cost of Living Allowance stipulated in the manner set Out in Clause 7 (a) hereof.
<b>Parent Union</b>	The Ceylon Bank Employees' Union.
<b>Branch Union</b>	The Branch Union of the Ceylon Bank Employees' Union at The Hongkong and Shanghai Banking Corporation Limited.
<b>Dispute</b>	A dispute shall have the same meaning as an Industrial Dispute in the Industrial Disputes Act and shall include any dispute arising between the Bank and the Branch Union of The Ceylon Bank Employees Union.
<b>Salary</b>	Shall mean the consolidated salary as defined in Clause 5.

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

**The First Schedule**

Basic Salary Ranges

**Banking Assistant**

LKR. 17,000 - to LKR 59,380.36/ = Annual increments in accordance with Clause 8 of the Collective Agreement.

**Support Staff Salary Ranges**

LKR 15,000/= to LKR 61,069.96/= Annual increments in accordance with Clause 8 of the Collective Agreement.

**The Second Schedule**

1. The benefits of the Scheme will accrue to the employee but will cover those persons specified in Clause 13(iii) 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. No reimbursements will be made in respect of members of the family who have not been enrolled.
2. Reimbursements will only be effected on hospitalisation involving at least one night's stay in a hospital.
3. The Bank must be notified promptly, and in any event not later than on the first business day following admission to hospital.
4. The Bank 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 the Bank to obtain reimbursement from the Insurance Companies. The Bank 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, such employee will not be entitled to benefits under this Scheme.
5. Employees shall uphold the principle of uberrima fides when making declarations and submitting claims under this Scheme and any deviation would disqualify the employee from receiving and benefit under this Scheme. In addition, the employee will be liable to disciplinary action in accordance with Provisions set out in this Agreement.
6. (a) The bank will circulate by internal circular published from time to time a list of hospital/ 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 the 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 (s) and the Bank shall consider such application on a case by 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 (whether 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 Force, Police, Security Force, Home Guard, etc.
  - (ii) Attempted suicide, Alcoholis, Veneral Disease, Insanity and illnesses resulting from Acquired Immune Deficiency Syndrome.
  - (iii) Normal childbirth or pregnancy subject to clause 13(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 traveling in an aircraft other than as a ticket holding passenger in a fully licensed standard type of civil aircraft operated by a recognised airlines on a regular route or in a fully licensed standard type of civil aircraft having two or more engines operated by a recognised 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 words "any one Years" in Clause 13(iii) of the Agreement shall be deemed to be the period 1 January to 31 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 31 December will be pro-rated to the number of full months of service up to 31 December.
9. In respect of claims for hospitalisation 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 13(iii) of the Agreement.

## The Third Shcedule

The parties agree to the following conditions in relation to the introduction of new computed based banking technology by the Bank covered and bound by this Agreement.

- 1 Wherever practical, the Bank will endeavour to ensue that jobs are designed to include a mix of VDU/non VDU tasks which seek to provide variation in visual and mental demands upon the operator.
- 2 The workload of operators of VDUs will be regularly reviewed by Management for the purpose of ensuring proper safety and effectiveness of the operation.
- 3 The Banks agree to provide VDU operators with adequate training within the parameters of their job description to ensure the safety and health of employees.
4. (a) In selecting VDUs the Bank will attempt to obtain equipment which will ensure the following ;
  - (i) Screens that give clear stable images ;
  - (ii) Proper sitting of keyboards so as to ensure the reduction of stress and improved maneuverability ;
  - (iii) Equipment which is quiet in operation so that the level of noise is kept to a reasonable limit ;
- (b) The Bank will undertake proper servicing and maintenance to ensure optimum functioning of the VDUs.

The Bank will pay attention to the proper positioning of screens, keyboards and provide facilities for placing documents and ancillary equipment in a manner to facilitate the work of employees.

The Bank will endeavour to provide lighting facilities to minimise visual fatigue in the operation of VDUs.

Employees whose main or primary function, as decided by the Management of the Bank, is the operation of a VDU, will be permitted to visit, at the cost of the Bank, an Optician selected by the Bank to have his eyesight examined prior to his commencing employment on a VDU. In the event of an adverse report being obtained from the Optician the employee should inform the Bank immediately.

Where an employee whose main or primary function, as decided by the Management of the Bank, is the operation of a VDU, and he is already using spectacles, when he is called upon to operate a VDU for the first time, he will be permitted, at the expenses of the Bank, to be examined by an Optician nominated by the Bank for the purpose of obtaining an opinion as to whether any modification is necessary to his lenses. The cost of such examination and modification to the lenses if necessary, will be borne by the Bank on the following basis :

- (i) The cost of the examination will be met by the Bank outside the limits prescribed by the Medical Assistance Scheme herein ;
- (ii) The cost of modification of the lenses will be met within the Medical Assistance Scheme, but if such cost should exceed the limits prescribed by the Scheme, the Bank will bear such additional cost as well ;

5 Accepting the fact that continuous work at a terminal by a data entry operator causes a certain amount of strain, the Bank is agreeable to a reasonable pause in entering information at or about the end of each period of 2 hours so long as there is no disruption of the smooth flow of work and so long as such pause does not exceed 10 minutes.

6 The Provisions of this Agreement will apply to employees whose main or primary function, as decided by the Management of the Bank, is operating a VDU. Provided however the Union will be entitled to make representations as to whether the main or primary function is the operation of a VDU subject to there being no industrial dispute being raised on this issue.

7 The Bank agrees that they will not seek to retrench employees who become redundant solely and exclusively in consequence of the introduction of new computer based banking technology. Instead, the Bank may avail itself of any one or more of the following options :

- (a) The aforementioned excess employees may be transferred to other sections/departments to perform work which is within their skill and capacity without reduction in salary and allowances which are in force at such time in relation to such employees. This option refers to a transfer other than within the scope of employment which the Bank would under normal circumstances be entitled to effect ;
- (b) The Bank may, on a transfer within the scope of (a) above, re-train an employee if the Bank consider it necessary ;
- (c) The Banks will be entitled to negotiate with employees who are redundant for the reasons contemplated in this Agreement, with a view to achieving a cessation of employment on terms mutually agreed upon and this will not amount to retrenchment within the meaning of this Schedule ;

8 For the purpose of this Agreement, retrenchment will mean an involuntary termination of the employees made redundant consequent upon the introduction of new computer based banking technology. It will not include a situation where such redundant employees voluntarily leave the service of the employees on terms mutually agreed upon.

In witness hereof the said parties have set their hands hereunto on this 24th day of May 2012 at Colombo.

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For and on behalf of  
The Hongkong and Shanghai Banking  
Corporation Limited.

Name : Nick A Nicolaou  
Designation : Chief Executive Officer  
Sri Lanka and Maldives

.....  
For and on behalf of  
The Ceylon Bank Employees' Union.

Name : Amarapala Gamage  
Designation : President

*Witness :*

.....  
Name : Kanishka Weerasinghe  
Designation : Deputy Director General  
Employers' Federatin of Ceylon.

.....  
Name : Channa Dissanayake  
Designation : General Secretary  
The Ceylon Bank Employees' Union.

.....  
Name : Shyamali Ranasinghe  
Designation : Head of Human Resources  
The Hongkong and Shanghai Banking  
Corporation Limited.

.....  
Name : Harshana Rathnayake  
Designation : President  
HABC CBEU Branch.