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No. 1817/06 – MONDAY, JULY 01, 2013

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## PART I: SECTION (I) – GENERAL

### Government Notifications

My No.: CI/585.

#### THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Associated Motorways (Private) Ltd, No. 185, Union Place, Colombo 02 of the one part and The Sri Lankave Freedom General Workers' Union, No. 39, Mangala Mawatha, Kaluthara (North) of the other part on 11th day of February 2013 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.  
23rd May, 2013.



**Collective Agreement No. 08 of 2013****COLLECTIVE AGREEMENT 2013**

THIS COLLECTIVE AGREEMENT made and entered on this 11th Day of February, Two Thousand and Thirteen to take effect from the First Day of January, Two Thousand and Thirteen, pursuant to the Industrial Disputes Act. between the ASSOCIATED MOTORWAYS (PRIVATE) LTD. a company duly registered in Sri Lanka under the Companies Ordinance and having its registered office at No. 185, Union Place, Colombo 2 (hereinafter referred to as "the Employer") and THE SRI LANKAVE FREEDOM GENERAL WORKERS' UNION, a trade Union duly registered under Trade Unions Ordinance (No. 5863) and having its registered office at No. 39, Mangala Mawatha, Kalutara (North), (hereinafter referred to as "the Union") of the other part.

WITNESSETH AND IT IS HEREBY AGREED BETWEEN THE PARTIES AS FOLLOWS:

**Title :** This Collective Agreement shall be known and referred to as the collective agreement 2013 between the Associated Motorways (Private) Ltd. and the Sri Lankave Freedom General Workers' Union.

1. **Parties Covered and Bound.**— This Collective Agreement shall cover and bind the Associated Motorways (Private) Ltd. (the Employer) in relation to persons employed at its establishments in Kalutara and Anuradhapura, on permanent monthly contracts of employment, in the manual grades in respect of production and engineering categories, the Union namely the Sri Lankave Freedom General Workers' Union, (the Union) and its members employed by the Employer in the said categories of employment as at the date of signing this Agreement and thereafter.

2. **Earlier Collective Agreement.**— This Agreement shall supersede the Collective Agreement No. 45 of 2010 entered into between the parties on 12th April, 2010 and the said Collective Agreement of 2010 shall stand repudiated between the parties.

3. **Date of Operation and Duration.**— This Collective Agreement shall be effective from the 1st day of January 2013 and shall continue to be in force unless it is terminated by either party given six months notice in writing to the other, provided however, that no such notice shall be given by either party, prior to the 30th day of June, Two thousand and fifteen and this Collective Agreement shall not stand terminated until the 31st day of December, Two Thousand and Fifteen. Any notice of termination given by a party prior to the 30th day of June, Two Thousand and Fifteen shall have no effect whatsoever.

4. **Hours of Work and Overtime.**— During the continuance in force of this Agreement the normal working hours shall be deemed to be those that are worked by the employees as at present. As and when requested by the Employer, the employees shall work reasonable overtime, for which the employees shall be paid overtime as stipulated by law.

5. **Salaries.**— (i) With effect from the 1st day of January, Two Thousand and Thirteen, the monthly salaries applicable to each employee as at December 2012 shall be increased by Rs. 2,350/-.

(ii) With effect from the 1st day of January, Two Thousand and Fourteen, the monthly salaries applicable to each employee as at December 2013 shall be increased by Rs. 2,400/-.

(iii) With effect from the first day of January, Two Thousand and Fifteen, the monthly salaries applicable to each employee as at December 2014 shall be increased by Rs. 2,250/-.

6. **If during the continuance in force of this Agreement, the Government of Sri Lanka.**— (a) Prescribes in any year, increases in salary by any written law applicable to categories of employees covered by this Agreement, the Employer shall be entitled to take credit for the salary increases granted to an employee in respect of such year in terms of Clause 5 hereof and determine the increase, if any, that is to be granted to an employee accordingly.

(b) Recommends increases in salaries, such recommendation will not be applicable to the Employer regardless of whether or not such recommendation is applicable to the categories of employees covered by this Agreement.

7. **Attendance Incentive.**— As agreed by parties, the eligibility criteria in respect of the new amalgamated attendance incentive, which comprises of the former,

(a) Reward for Good Attendance,

(b) Attendance Bonus and

(c) Attendance Allowance shall be as follows:

- (i) Reward for Good Attendance Rs. 1250/-
- (ii) Attendance Bonus Rs. 450/- and
- (iii) Attendance Allowance: Basic salary / 52\* × No. of Sundays on a particular month (in calculating the rupee equivalent of item number 3 set out above, it will be calculated as "New Basic Salary" / 52 Weeks × 4.3 Weeks").
- (iv) Rs. 500/- new addition.

Formula for calculating the attendance incentive shall be as follows:

Total Allowance = Rs. 1250 + Rs. 450 + Basic Salary (revised salary as at 1.1.2013) divided by 52 weeks, times 4.3 weeks, plus Rs. 500/.

The above total amount per month will be fixed as a single payment and will be made subject to the conditions stipulated below based on which deductions would be made from the total amount eligible.

Up to 2 1/2 days of authorized absence = 100%

Up to 3 days of authorized absence = Total × 60%

Up to 3 1/2 days of authorized absence = Total × 40%

Over 3 1/2 days of authorized absence or any unauthorized absence - No Payment.

Unauthorized leave (No Pay) = No Payment.

8. **Payment of Bonuses.**— Parties agree that henceforth bonuses, if any, shall be paid at the discretion of the management based on a combination of the following factors:

- (a) Performance of the Employee;
- (b) Performance of the business unit;
- (c) Performance of AMW Group as a whole;

9. **Minimum Levels of Production.**— The Union and the employees agree with the Employer that during the continuance in force of this Agreement the employees of the Employer covered under this Agreement shall maintain minimum production levels as set out in the first Schedule hereto, in the factories of the Employer. These minimum production levels, however, shall be liable to review depending on operational requirements.

10. **Disciplinary Action.**— Where the Employer proposes to proceed against an employee on disciplinary grounds, then—

- (a) regardless of whether an employee has been suspended or not, the employee shall be furnished with a 'show cause' notice setting out the misconduct alleged against him.
- (b) the employee shall be required to submit his written explanation to the 'show cause' notice within 5 clear working days. The employee may, however, if he so requires, seek an extension of time to submit his explanation and the Employer may at its discretion grant such extension of time as deemed appropriate,
- (c) on receipt of the employee's written explanation, the Employer shall conduct a domestic disciplinary inquiry into the alleged misconduct,
- (d) after the conclusion of the domestic inquiry, the employee shall be informed in writing of the findings of the said inquiry and the punishment, if any, that has been imposed,
- (e) the Employer shall not be required to hold a domestic inquiry in terms of sub-clause (c) above, where the employee has admitted the acts of misconduct alleged against him, or follow the disciplinary action procedure in terms hereof where the employee shall only be warned in respect of an act of misconduct,
- (f) the services of an employee may be suspended without pay by the Employer pending disciplinary action or by way of punishment on the findings of a domestic disciplinary inquiry.

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

12. **Dispute Settlement Procedure.**— (a) In the event of any dispute that shall arise between the parties during the continuance in force of this Agreement, of matters not covered by the agreement, the branch of the Union in the Employer's establishment shall raise such dispute with the Factory Management of the Employer and the parties shall take all efforts to resolve such disputes amicably.

(b) If no settlement of the dispute can be reached between the parties, the branch of the Union may request the Union to raise the matter in dispute with the Employer and / or with the Employer's Federation of Ceylon and the Union, the Employers and the Federation shall thereafter take all possible steps to resolve the dispute.

(c) Failing a settlement of the dispute as provided in the preceding sub-clause the Union may raise the dispute with the Department of Labour and move to have the dispute resolved under the provisions of the Industrial Disputes Act.

13. **Trade Union Action.**— The Union and the employees covered and bound by this Agreement undertake that they shall not during the continuance of this Agreement attempt to seek to vary, in any manner, any of the terms and conditions agreed upon herein and shall not resort to any form of Trade Union action in relation to any dispute connected with or arising out of any matter covered by this Agreement.

14. **Union Committee Meetings.**— The following provisions shall apply to meetings of the branch committee of the Union:

1. In respect of each meeting the branch committee desires to hold in the Company premises, an application shall be made to the Employer at least 36 hours prior to the date of the meeting.
2. If the Employer decides to grant permission to hold such meeting, the Employer may upon a written request of the branch union, permit a representative of the Union (Parent Union) to attend such branch committee meeting provided, however, that the branch union shall not make such requests on more than 4 occasions during one year.
3. The Employer may also impose any other condition they desire fit subject to which such branch committee meeting shall be conducted.

SCHEDULE 1 (3 pages)

**PRESENT AND EXPECTED PRODUCTION TARGETS (TRD)**

No	Process	Man power	Present Targets	Agreed
1	Initials	1	250	253
2	Repair	2	➤ L/T-9 ➤ Truck-6	Agreed 11 Agreed 7
3	Buffing	2	➤ L/T-120 ➤ T-60 ➤ Tractor-23 ➤ OTR-5	122 T-61 Tractor-24 OTR-6 Reduced one person
4	Building(HOT)	4	L/T-125	L/T 130
		3	L/T-82	L/T-84
		2	L/T-60	L/T 62
		1	L/T-30	L/T 33
		3	T-45	T 47
		2	T-30	T 31
		1	T-15	T 17
		2	Tractor-24	Tractor-24
		2	OTR-5	OTR-6
5	Building(V/L)	2	V/L(12 Hours)	
			10/16.5-3	
			10/20-3	
			16.9/24(building time 12 hours )	16.9/24(building time 10hours )
			18/25(Building 15 Hours )	18/25(13Hours )
			15.5/25(Building 12Hours )	15.5/25(Building 10 Hours )
			17.5/25(Building 12Hours )	17.5/25(Building 10 Hours )
			14.9/28(Building 12 Hours )	14.9/28(Building 10 Hours )
			440/20(Building 12 Hours )	440/20(Building 10 Hours )
		3	26.5/25((Building 20 Hours )	26.5/25((Building 18 Hours )
			29.5/25(Building 20 Hours )	29.5/25((Building 17 Hours )
			23.5/25 (Building 20 Hours )	23.5/25 Building 18 Hours )

			20.5/25(Building 20 Hours )	20.5/25(Building 18 Hours )
			18/23 Building 20 Hours )	18/23 Building 17 Hours )
6	Final	1	150 Tyres	155 Tyres
7	Dispatches	1	83 Tyres	95

### PRE CURE

Process	Man power	Present	Targets	Agreed
		9 Hours	12 Hours	
1.Initial	1	150	210	
2.Repair	1			
3.Buffing	1		L/T153	L/T158
			T 76	T 80
4.Building	3		L/T 36	1 man power agreed to reduce
			T 36	1 man power agreed to reduce
5.Final	1		Manual 103	Manual 105
			Machine 115	Machine 117
6.Dispatches	1	83		95

T-Truck

L/T- Light Truck

V/L-Vacu Lug

### COMPOUND DEPARTMENT

No	Area/Processes	Considered Parameter	Existing Target	Agreed
1	Chemical weighing	No. of batches per shift per employee	28 Batches	1 For TVS chemicals – agreed 50% increase 2 For JN-08 , HT-10 & ME-08 – agreed 20% increase  <b>(Average 35 Batches)</b>



2	Material Handling	No. of employees allocated	2	0
	At ground floor material handling at ground floor	(for Euretec and Sulphured Cpds )No. of employees allocated(For other compound )	2	1
3	Rubber weighing	additional labour reqt for night shift	1	Not agreed
4	Banbury Mixing	No.of Operators allocated	2	Not agreed
5	Compound Milling	No of operated allocated	3	
6	Batch-off	No. of helpers allocated	3	1

### TREAD LINER MANUFACTURING DIVISION

	Present Target for 12 Hours	Agreed
Tread liner sanding	400 liners	410
Cushion Gum Calendring	500kg	550
Carder	35 Person	33

In witness hereof, the parties aforesaid have hereunto set their hands at Colombo on this 11<sup>th</sup> day of February, Two Thousand & Thirteen.

.....  
For and on behalf of:  
**ASSOCIATED MOTORWAYS (PVT) LTD**

.....  
For and on behalf of:  
**SRI LANKAVE FREEDOM GENERAL  
WORKERS' UNION**

Name: Samantha Rajapaksa

Name: Nalin Mahesh Perera

Designation: Managing Director

Designation: General Secretary

.....  
For and on behalf of:  
**ASSOCIATED MOTORWAYS (PVT) LTD**

.....  
For and on behalf of:  
**SRI LANKAVE FREEDOM GENERAL  
WORKERS' UNION**

Name: Pushpika Janadheera

Name: Kamal Wijesekara

Designation: Director Manufacturing

Designation: Branch Secretary

Witnesses to the above signatures:

1. ....

2. ....

Name: Ranjan de Silva

Name: Deepal Moramudali

Designation: Group Director Shared Services

Designation: Branch President

**ASSOCIATED MOTORWAYS (PVT) LTD**

**SRI LANKAVE FREEDOM GENERAL  
WORKERS' UNION**