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අති විශේෂ EXTRAORDINARY

අංක 1862/9 – 2014 මැයි 13 වැනි අඟහරුවාදා – 2014.05.13

No. 1862/9 – TUESDAY, MAY 13, 2014

(Published by Authority)

PART I: SECTION (I) – GENERAL

Government Notifications

My No.: CI/113.

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Ceylon Cold Stores PLC, No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 02 of the one part and the Sri Lanka Nidahas Sevaka Sangamaya, No. 301, T. B. Jayah Mawatha, Colombo 10 of the other part on 11th day of October, 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.
11th April, 2014.

Collective Agreement No. 29 of 2013

THIS COLLECTIVE AGREEMENT made on this 11th Day of October Two Thousand and Thirteen takes effect from the First day of August Two Thousand and Twelve pursuant to the provisions of the Industrial Dispute Act, between Ceylon Cold Stores PLC, a Public Limited Liability Company duly registered in Sri Lanka, PQ 4, and having its registered office at No. 117, Sir Chittampalam A Gardiner Mawatha, Colombo 2 (hereinafter referred to as “the Employer”) of the One Part and the Sri Lanka Nidahas Sewaka Sangamaya, a Trade Union duly registered under the Trade Unions Ordinance in Sri Lanka having its registered office at No. 301, T. B. Jayah Mawatha, Colombo 10, (hereinafter sometimes referred to as “the Union”) of the Other Part.



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

PART I

1. **Employer to be Bound.** - This Agreement shall bind Ceylon Cold Stores PLC at whose work places members of the Union are employed in a Manual or Labouring capacity in the Engineering Trade, Motor Transport Trade, Ice and Aerated Water Trade, and all other Trades in the classes grades or having the skills enumerated in Schedule I and I(A) hereto at the production facilities currently functioning at Ranala (the "Facilities").

2. **Employees to be Covered and Bound.** - This Agreement shall cover and bind the members of the Union who are employed by the Employer on permanent contracts of Employment in a Manual or Labouring capacity in the Engineering Trade, Motor Transport Trade, Ice and Aerated Water Trade, and all other trades in the classes, grades or having the Skills enumerated in Schedule I and I (A) hereto at the production Facilities currently functioning at Ranala (the "Facilities"). Such employees will hereinafter be referred to as "Employees" as the context so requires. Provided however the provisions of this Agreement will not apply to any new employee recruited to a new factory set up by the Employer elsewhere in the future.

Notwithstanding the entering into this agreement the provisions of the Memoranda of Understanding entered into between the Union and the Company on 17th May, 2006 and 13th October, 2009 relating to the Soft Drinks Factory, Ranala and 25th May, 2011 relating to the Ice Cream Production Department, Ice Cream Engineering Department, Old Cold Room adjacent to the Ice Cream Production Department, Ice Cream Raw/Packing Material Stores, Essence Factory and Quality Assurance and Research and Development Department will continue to be applicable to the Employees who are covered and bound by the said Memoranda of Understanding.

Accordingly the provisions of the said MOUs will be regarded as part and parcel of this agreement in respect of such employees.

3. **Earlier Collective Agreement.** - The Provisions of this Agreement shall supersede and replace all terms, which have applied in the past in terms of any Collective Agreement entered into by the Employer.

4. **Date of Operation and Duration.** - This Agreement shall be effective as from the first day of August, 2012 and shall continue to be in force unless determined otherwise by either party with three months notice in writing to the other, subject to the following provisions:

- 4.1 That one party hereto shall not give such notice to the other party before 1st May, 2015 and such notice shall not expire before the 31st May, 2015.
- 4.2 That in the event of a material variation in par value of the Sri Lanka Rupee under any provisions of law, a party shall be at liberty to abrogate this Agreement by giving one month's notice in writing to the other in terms of the Industrial Disputes Act.

5. **General terms and conditions of Employment.** - During the continuance in force of this Agreement, the terms and conditions of this Agreement shall be deemed to be included in each contract of service between the Employer and an Employee covered and bound by this Agreement, whether such contract of service be written or oral, which was subsisting on the date hereof or which shall come into being at any time after the date hereof 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 (06) months, provided however, that if during the six (06) 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 (03) months and in that event, the Employer shall indicate to the Employee in writing the reasons why the probationary period has been extended. During the period of probation or extended probation, the Employer shall have the right to terminate the services of the Employee without notice. If the Employee's services are not terminated for unsatisfactory service during the period of probation or extended probation and the Employee has not been confirmed by the Employer, the Employee shall be deemed to be confirmed in the Employer's service with effect from the day after the day on which the period of probation or extended probation as the case may be ended.

7. Attendance.

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

8. **Hours of Work.**— The normal working hours shall be those hours which are customarily worked by the Employees and shall include shift work arrangements as may be operated subject to work exigencies. The work arrangements are also subject to the written understandings (reference CI/113/2004) reached between the Employer and the Union on 19.02.2004 before the Commissioner of Labour (Industrial Relations) and the Memoranda of Understanding reached between the Employer and the Union on 17th May, 2006, 13th October, 2009 and 25th May, 2011 at the Employers' Federation of Ceylon.

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

10. **Overtime.**—

10.1 If required and authorised by the Employer, an Employee shall work reasonable overtime on the normal working day as well as on the short working day. Refusal to work reasonable overtime in the absence of a satisfactory explanation, which is acceptable to the Employer, shall constitute neglect of duty for which an Employee shall be liable to appropriate disciplinary action.

10.2 Overtime work, (i.e. work performed in excess of normal working hours) shall be remunerated at one and one-half (1.5) times the normal hourly rate ascertained in accordance with the provisions of Clause 21.1 hereof.

11. **Weekly Holidays.**—

11.1 In respect of each week, every Employee shall be allowed a holiday in that week as the weekly holiday. Provided, however, that if any Employee has not worked for a period of at least twenty-eight (28) hours, exclusive of any period of overtime work during that week, he shall be liable to forfeit and the Employer shall be entitled to deduct one day's wage in respect of the weekly holiday for that week computed in accordance with the provisions of Clause 21.2 hereof.

11.2 In computing the period of twenty-eight (28) hours referred to in Sub-Clause 11.1 the Employer shall include –

11.2.1 Every holiday allowed by the Employer to the worker as annual holiday,

11.2.2 Every Statutory and Customary Holiday granted by the Employer in terms of Clause 13 hereof, and

11.2.3 Every day's absence on any ground approved by the Employer.

11.3 The Employer may employ any Employee on his weekly holiday subject to the following conditions:

11.3.1 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 his weekly holiday is liable to forfeit, and the Employer is entitled to deduct one day's wage in respect of that weekly holiday as provided in sub-clause 11.1 then and in such event that employee shall forfeit and the Employer shall be entitled to deduct one day's wage computed in accordance with the provisions of Clause 21.2 hereof in respect of the holiday which shall be allowed to that Employee within six (06) days of that weekly holiday. Provided further that in respect of not more than two (02) such weekly holidays in any one calendar month, the employer may with the consent of the worker.

11.3.1.1 Instead of allowing an alternate holiday within six (06) 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 his one day's wage computed in accordance with the provisions of Clause 21.2 hereof in lieu of such alternate holiday, or

11.3.1.2 In case that an employee is entitled to an alternate holiday within six (06) 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 from that employee on the alternate holiday.

11.3.2 That in respect of work done on such weekly holiday the Employee shall be paid as remuneration:

11.3.2.1 one and half (1.5) times the normal hourly rate ascertained in accordance with the provisions of Clause 21.1 hereof for the number of hours worked during the first nine (9) hours (exclusive of one hour for a meal), and

11.3.2.2. at double the normal hourly rate, ascertained in accordance within the provisions of Clause 21.1 hereof for each subsequent hour of work.

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

13. **Statutory Holidays.**—

13.1 Statutory Holidays shall be allowed to an Employee in accordance with the decisions of the relevant Wages Board, provided however, that if an Employee is not covered by the decisions of any Wages Board holidays shall be allowed to that Employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.

13.2 The Employer will be entitled if the occasion warrants to require an employee to work on a statutory holiday in which event that Employee will be employed on that statutory holiday in accordance with the decisions of the relevant Wages Board. Provided however, that if an Employee is not covered by the decisions of any Wages Board statutory holidays shall be allowed to that Employee in accordance with the decisions of the Wages Board for the Ice and Aerated Water Trade.

13.3 If any statutory holiday to which an Employee is eligible under the provisions of sub-clause 13.1 falls on a weekly holiday, a day either in the six (06) days immediately preceding or in the six (06) days immediately succeeding such public holiday shall be granted to the Employee as a weekly holiday in accordance with the provisions of Clause 13.2 hereof;

13.4 If any statutory holiday to which an Employee is eligible under the provisions of sub-clause 13.1 falls on a short working day, the number of hours constituting the normal working day (exclusive of one hour for a meal) on the day immediately preceding such public holiday shall be five (5) hours.

14. **Statutory and Customary Holidays.**—

14.1 The following holidays shall be allowed each year as paid holidays:

- 14.1.1 New Year's Day
- 14.1.2 Thai Pongal Festival Day
- 14.1.3 Independence Day
- 14.1.4 Sinhala and Tamil New Year Day (Two Days)
- 14.1.5 Good Friday.
- 14.1.6 May Day
- 14.1.7 The day following Wesak
- 14.1.8 Prophet Mohamed's Birthday
- 14.1.9 Christmas Eve (Half Day)
- 14.1.10 Christmas Day
- 14.1.11 Boxing Day

14.2

14.2.1. If any of the above days is a statutory holiday and if it falls on a weekly half holiday, an additional half holiday shall be granted on the working day immediately preceding it ; and if it falls on a weekly full holiday, a substitute holiday shall be granted on a working day either in the six (06) days preceding or in the six (06) days succeeding such weekly full holiday. No substitute holiday shall be allowed for any day specified above, which is not a statutory holiday, if such day falls on a weekly half holiday or a weekly full holiday.

14.2.2. If any of the above days is a statutory holiday and some other day not specified above is declared a statutory holiday in substitution for such day, then such day shall be treated as a normal working day.

15. Casual Leave.-

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

16. Sick Leave.-

- 16.1 In any year, an Employee shall be entitled to sick leave not exceeding twenty one (21) days. Provided that :
- 16.2 His illness is supported by a certificate from a registered medical practitioner (unless waived by the employer) and
- 16.3 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.
- 16.4 The provisions of clauses 16.1, 16.2 and 16.3 above shall not be applicable to new recruits employed after 01st April 2010.

17. Conversion to the salary scale set out in Schedule I.-

- 17.1 With effect from First Day of August Two Thousand Twelve, Employees covered and bound by this Agreement shall be paid salaries in accordance with the salary scales set out in Schedule I hereof and accordingly. The Annual increments payable to Employees shall also be in terms of these scales. The salaries have been consolidated taking into account all statutory and other allowances due as at date hereof.
- 17.2 To ascertain the stage on which an Employee will be placed with effect from 1st August, 2012, on the salary scale set out at Schedule I hereof, the following method of conversion shall apply:
- 17.2.1. A sum equal to 5% of the salary payable to an employee as at 31st July, 2012 shall be added to the salaries of Employees who were recruited before 1st April, 2010 and covered and bound by this Agreement as at the date of signing this agreement. The adjusted salary will take effect from 1st August, 2012.
- 17.2.2. New recruits who are employed after 1st April, 2010 and who are in employment as at the date of signing of this Agreement and covered and bound by this agreement will be placed on the salary scale set out in Schedule I (A) with effect from 1st August, 2012.
- 17.2.3. Arising from the aforesaid adjustments the employees who were recruited before 1st April, 2010 shall thereafter be placed on the corresponding point in the grade applicable to them in the salary scales set out in Schedule I hereof or in the event of there being no corresponding point on the next higher point in monetary terms in the said grade and the scale.
- 17.2.4 With effect from 1st April, 2013 the Employer will increase the monthly salaries of all employees covered and bound by this Agreement by a sum equal to 5% of the monthly salary payable to each employee as at 31st March, 2013 and thereafter place employees who were recruited before 1st April, 2010 on the corresponding point or if there is no such corresponding point on the next higher point on the salary scales given in Schedule I hereof or the grade applicable to such employee. New recruits who are employed after 1st April, 2010 shall be placed on the corresponding point in the grade applicable to them in the salary scales set out in Schedule I (A) hereof or in the event of there being no corresponding point on the next higher point in monetary terms in the said grade and the scale.

- 17.2.5 With effect from 1st April, 2014 the Employer will increase the monthly salaries of all employees covered and bound by this Agreement by a sum equal to 5% of the monthly salary payable to each employee as at 31st March, 2014 and thereafter place employees who were recruited before 1st April, 2010 on the corresponding point or if there is no such corresponding point on the next higher point on the salary scales given in the Schedule I hereof or the grade applicable to such employee. New recruits who are employed after 1st April 2010, shall be placed on the corresponding point in the grade applicable to them in the salary scales set out in Schedule I (A) hereof or in the event of there being no corresponding point on the next higher point in monetary terms in the said grade and the scale.
- 17.2.6 If and when an employee completes a 5 year period of continuous employment, an employee shall be entitled to receive a salary increase by way of a fixed number of increments on the scale applicable to him totaling to a sum of Rs. 100/- up to the 25th year. In the event of a fixed number of increments not totaling to Rs. 100/-, the amount shall be the figure immediately higher to Rs. 100/- on a fixed number of increments. For example, if the salary scale provides for increments of Rs. 45/-, such employee shall receive an increase of Rs. 45/- $\times \frac{2}{3} =$ Rs. 135/-. The employee shall thereafter be placed on the corresponding point in the salary scale and grade applicable to him.
- 17.2.7 Upon the completion of 30 years in employment an employee shall be entitled to receive a salary increase by way of a fixed number of increments totaling to the value of Rs. 250/-. In the event of a fixed number of increments not totaling to Rs. 250/-, the amount shall be the figure immediately higher to Rs. 250/- on a fixed number of increments.
- 17.2.8 Salaries of new recruits employed after 1st April, 2010 into the categories that are covered and bound by this agreement by the Employer shall be governed in terms of the salary scales set out in Schedule I (A) hereof.

18. The Employer agrees to make the following payments in lieu of consolidating wages based on cost of living and Non-recurring cost of living gratuity (NRCLG) in addition to the revision of salaries as set out above.

- 18.1 To add a sum of Rupees One Thousand (Rs. 1,000/-) into salaries of employees who were recruited before 1st April, 2010 and covered and bound by this agreement as at the date of signing this agreement, prior to the revision of salaries as set out in Clauses 17.2.1 to 17.2.5 above. Accordingly the payment will made as follows:

- 18.1.1 April 2013 - Rs. 1,000/-
 18.1.2 April 2014 - Rs. 1,000/-
 18.1.3 April 2015 - Rs. 1,000/-

New recruits who are employed after 1st April, 2010 will not be entitled to this payment.

- 18.2 To make a Lump sum payment of Rupees Twenty Five Thousand (Rs. 25,000) to Employees who were recruited before 1st April, 2010 and covered and bound by this Agreement as at the date of signing of this agreement based on the following:

- 18.2.1 May 2013 - Rs. 25,000/- (less Advance of Rs. 22,000 paid on 10th April, 2013)
 18.2.2 May 2014 - Rs. 25,000/-
 18.2.3 May 2015 - Rs. 25,000/-

New recruits who are employed after 1st April, 2010 will not be entitled to this payment.

As agreed by parties that the Employer shall deduct Rs. 22,000/-, from the payment set out in 18.2.1 hereof which has been already paid as an advance of this payment on the 10th of April, 2013, from the payment due in May, 2013.

- 18.3 These payments shall not attract consequential benefits such as Provident Fund, Trust Fund, Gratuity, Overtime or any other similar payments.

19. Bonus.-

- 19.1 Subject to what is stated at sub clauses 19.1.2 and 19.1.3 hereunder, the Employer will during the continuance in force of this agreement pay, subject to prevailing practice, Employees covered and bound by this Agreement who have completed twelve (12) months continuous service in the Company on the date of such Bonus payment and are in employment on such date a bonus calculated in terms of the under-noted formula:

Formula .–

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

- 19.1.1 The full amount due on this formula to each Employee will be paid in two equal installments in the months of December and April. For example, in respect of the financial year 1 st April, 2012 to 31 st March, 2013 the payment of bonus will be made in the months of December 2012 and April 2013.
- 19.1.2 This payment will be extended on a pro-rate basis to any Employee who has retired on reaching the age of retirement or dies during the period for which the bonus is declared. In the case of the latter the payment will be made to the legal heirs.
- 19.1.3 In the case of an Employee confirmed in employment after the successful completion of a period of probation the Employer will extend to him a prorated bonus payment notwithstanding such Employee having served less than 12 months.
- 19.1.4 In respect of the financial years 01st April , 2012 to 31st March, 2013, 01st April, 2013 to 31st March, 2014 and 01st April, 2014 to 31st March, 2015, the Employer will, taking into account the performance of the Company in such financial years, consider the grant of an ex-gratia payment equal to half month's salary per Employee, after the end of such financial years. In the event the Company decides to make such a payment, it is agreed that it would be paid on 30th May.

20. Profit Share Scheme (PSS).–

- 20.1 It is agreed that the Employer shall implement the following Profit Share Scheme (PSS) with effect from the date of signing this agreement for the financial years 2012/13, 2013/14 and 2014/15 subject to the conditions stipulated below. Payments under this scheme shall not attract consequential benefits such as Provident Fund, Trust Fund, Gratuity, Overtime or any other similar payments.
- 20.2 The profit share due to employees covered and bound by this agreement shall be ascertained based on the Profit After Tax (PAT) as per Audited Accounts of the years preceding the payment after adjusting for the following items in the respective financial years it may arise.
 - 20.3.1 Sale of Land and buildings
 - 20.3.2 Sale of investments
 - 20.3.3 Impact due to revaluations
 - 20.3.4 VRS payments
 - 20.3.5 Compensation received from suppliers of machinery and equipment for late delivery and or for non performance or delay.
 - 20.3.6 One off impairment of equipment, including bottles due to discontinuation.
 - 20.3.7 Any other payment received by the Company outside its normal trading activities.
- 20.3 The following table shall be applied to determine the quantum due to an employee.

<i>PAT Adjusted as set out in 20.2 above</i>	<i>Profit Share</i>
Below Rs. 100 Million	Zero
From Rs. 101 Million to Rs. 200 Million	Rs. 10,000/-
From Rs. 201 Million to Rs. 300 Million	Rs. 20,000/-
From Rs. 301 Million to Rs. 400 Million	Rs. 30,000/-
From Rs. 401 Million to Rs. 500 Million	Rs. 40,000/-
From Rs. 501 Million to Rs. 700 Million	Rs. 50,000/-
From Rs. 701 Million to Rs. 900 Million	Rs. 55,000/-
From Rs. 901 Million to Rs. 1,000 Million	Rs. 60,000/-
From Rs. 1,001 Million to Rs. 1,200 Million	Rs. 65,000/-
From Rs. 1,201 Million to Rs. 1,400 Million	Rs. 70,000/-
From Rs. 1,401 Million to Rs. 1,600 Million	Rs. 75,000/-
Over Rs. 1,600 Million	Rs. 80,000/-

20.4 Employees will not be eligible for PSS on a pro-rated basis.

For e.g. If the Company were to achieve an adjusted PAT of Rs. 320 million, an employee will be paid Rs. 30,000/-.

20.5 Payment under the PSS applicable to new recruits employed after 1st April, 2010 will be the difference between the payment under PSS, as given in 20.3 above, and Rs. 25,000/-.

20.6 Provided, however, during the operation of this agreement, eligible employees who were recruited before 01st April, 2010 and covered and bound by this Agreement as at the date of signing of this agreement will be guaranteed a sum of Rs. 25,000/- in terms of clauses 18.2 and 18.3 above. If the payment under PSS is higher than Rs. 25,000/- payable in terms of clauses 18.2 and 18.3 above, such employees would receive the guaranteed payment of Rs. 25,000/- in terms of clauses 18.2 and 18.3 above and the difference between the payment under PSS and the said Rs. 25,000/- payable in terms of Clauses 18.2 and 18.3 above.

For e.g. if the company were to achieve a profit of Rs. 360 million, and since the corresponding payout in terms of the PSS is Rs. 30,000/- the Company would pay the difference between the PSS and the lump sum, i.e. a sum of Rs. 5,000/- as profit share, plus the lump sum of Rs. 25,000/- (or Rs. 30,000/- in the case of financial year 2012/13) in terms of clauses 18.2 and 18.3 hereof to eligible employees.

20.7 As agreed by parties that the employer shall deduct Rs. 15,000/- from the payment set out in 20.5 hereof which has been already paid as an advance of this payment to the new recruits recruited after 1st April, 2010, on the 5th April, 2013, from the payment due in May 2013.

20.8 It is the intention of parties continue the Profit Share Scheme and requisite revisions to the PSS shall be made with the concurrence of the Union.

20.9 Payment under the PSS, if eligible to pay, and the sum set out in 18.2 will be made on or before 31st May every year.

21. **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:

21.1 For one hour – the monthly wage divided by two hundred and forty (240).

21.2 For one day – the monthly wage divided by thirty (30).

21.3 For one-half - a days wage ascertained as above divided by two (2) (either morning or afternoon).

21.4 For one week – a day's wage ascertained as above multiplied by seven (7).

22. **Provident Fund:**— The Employer shall contribute to the Provident Fund 12% of the Employees' monthly salary and the Employee shall contribute like sum to the Fund. The rates of contribution are liable to change subject to the requirements of the Employees' Provident Fund Act, No. 15 of 1958.

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

23.1 deferred, the loss of increment shall be continuous throughout the year;

23.2 stopped, the loss of increment shall only be for the period of stoppage during the year;

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

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

25. **Suspension**

25.1 An Employee may be suspended without pay by his employer:—

25.1.1 pending an inquiry to be held by such Employer on a charge or charges of misconduct which warrants dismissal.

25.1.2 in order to avoid a breach of peace or damage to the property or disturbance of the business of the Employer.

25.1.3 as a punishment for misconduct for period not exceeding fourteen (14) working days after due inquiry.

25.2 At the time of suspension under sub-clause 25.1. or within twenty four (24) hours thereof the Employer shall provide the Employee with written order of suspension specifying the reasons for such suspension and thereafter hold an inquiry into the charge or charges in terms of Clause 26 hereof.

26. **Disciplinary Action:**— Where the Employer proposes to proceed against an employee then—

26.1 irrespective of whether an Employee has been suspended 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 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.

26.2 within three (3) clear working days after the date of the show cause notice, the Employee shall furnish in writing to the Employer the answer or explanation to the charge or charges preferred against such Employee. Provided however, that if in the circumstances, it is reasonable, the Employee may ask the Employer for an extension of time within which to furnish the written answer or explanation to 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.

26.3 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.

26.4 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.

26.5 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.

26.6 If the Employee is under suspension and the Employer after such inquiry makes order that —

- 26.6.1 The Employee shall not be dismissed then the Employee shall resume employment forth with and shall, subject to the provisions of Sub - clause 25.1 hereof be paid all wages and entitlements due for the period of suspension irrespective of such other punishment less than dismissal that may be imposed by the Employer on the findings as to the charges in the show cause notice ;
- 26.6.2 the Employee shall be dismissed, then the Employee's dismissal shall take effect from the date of the Employee's suspension and accordingly the Employee shall not be paid for the period of such suspension ;
- 26.6.3 in veiw of the serious or involved nature of the charges in the show cause notice against the Employee, the Employer is unable to make a final order as it is necessary and desirable that the matter be referred to the Police or other authorities for further investigations or inquiries and that the matter be therefore referred to the Police or other authorities or if in view of the serious or involved, nature of the charges preferred against the employee, the matter has been previously referred to the Police or any other authorities for investigation 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.
- 26.7 If in any case where an employee is suspended as provided for herein, the Employer fails to make an Order under paragraphs 26.6.1 to 26.6.3 of the preceding Sub - clause for any reason other than that of the Employee's own seeking within thirty (30) working days from the date of the Employee's suspension, the Employee shall be entitled to half his normal remuneration for the period of thirty (30) days from the date of such suspension and to his full remuneration for the period of suspension in excess of thirty (30) days up to the date on which the Employer makes an order under paragraphs 26.6.1 to 26.6.3 of the preceding Sub - clause, irrespective of the outcome of the inquiry.
- 26.8 In any case where an Employee is suspended as provided herein, the Employer shall make an order under paragraphs 26.6.1 to 26.6.3 of Sub -clause 26. 6 within ninety (90) days of the date of suspentsion of the Employee unless he is prevented from so doing by reason of the Employee's own seeking or for reasons beyond the control of the Employer or it is agreed between the Employer and the Union that in the circumstances of the case the period of ninety (90) days be extended for such further time as may be agreed.
- 26.9 An Employer shall not be required to hold an inquiry as referred to in Sub - clauses 26.4 and 26.5 hereof where the Employer proposes to warn the Employee of where the Employee admits to the charge or charges. Provided however, that if the Union disputes the warning or punishment imposed on the Employee by the Employer and requests the holding of an inquiry the Employer shall comply with such request and the provisions relating to the holding of an inquiry shall then apply subject to the exception that the fact that the inquiry had not commenced within ten (10) working days after receipt of the Employee's explanation shall not be material or relevant.

27. *Retirement.*—

- 27.1 In accordance with the existing practice, an Employee on reaching the age of sixty years (60) shall *ipso facto* retire and cease to be an Employee by the Employer and there shall be no obligation on the Employer to give the Employee notice of such retirement. Provided however, that if an Employee is found medically, physically unfit before he reaches the age of sixty (60) years, his services shall be terminated at that stage.
- 27.2 In the case of new recruits, employed after the 01 April 2010, the retirement age shall be 55 years.

28. *Termination of Service.*—

- 28.1 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 of Part I hereof or unless otherwise expressly stipulated) be deemed and taken in law to be a contract for hire and service for the period of one (1) month and to be renewable from month to month and shall be deemed and taken in law to be so renewed, unless one month's notice be given by either party to the other of his intention to determine the same and such month has expired.

- 28.2 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 any of its members who are employed in any workplace of the Employer bound by this Agreement. In regard to issues of general application or the effect of principles such as matters affecting general terms and conditions of employment either in that work place or the trade as a whole the following provisions shall apply:

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

30. **Dispute Procedure.**—

- 30.1 In the case of a dispute unrelated to current work arrangements and which is not matter covered by the Collective Agreement, the Union shall submit the dispute on behalf of its members to the Employer and give the Employer at least ten (10) days time within which to reply. If in the Union's opinion the Employer's reply is unsatisfactory, the union and the Employer shall enter into discussions with a view to reaching a settlement.
- 30.2 If such dispute still remains unresolved the Union and the Employees covered and bound shall seek to have such dispute resolved with the intervention of the Employers Federation of Ceylon (EFC).
- 30.3 When parties conclude that negotiations in terms of the above clauses have been abortive they shall ask the Department of Labour to intervene to arrange for conciliation to settle the dispute. If conciliation does not bring about a settlement the Parties agree to have such dispute settled through voluntary arbitration.
- 30.4 Neither party to this Agreement nor any person on behalf of a party shall instigate, support or engage in any activity that would either undermine the existence of the union or disrupt operations of the company during the period of this Agreement.

31. **Trade Union Action.**— The Union and its members and the employees covered and bound by this Agreement jointly and severally agree with the employer that during the continuance in force of this Agreement they shall not engage in any strike or other form of Trade Union action against the employer in respect of any dispute between the Employer on the one hand and the Union and/or its members and/or any Employees covered and bound by this Agreement on the other hand whether or not such dispute is related to this Agreement, except where such dispute has been caused by an act of an employer, which in the opinion of the controlling body (by whatsoever name called) of the Union is *mala fide* or vindictive or calculated to threaten or undermine the existence of the legitimate activities of the Union and/or its members or grossly unfair or seriously detrimental to the interest of the Union and/or members. Provided however, that at least seven(7) days notice in writing shall be given by the Union to the Employer and the Commissioner of labour before the date of commencement of any intended strike or other form of trade union action consequent to an act of an employer which in the opinion of the controlling body (by whatsoever name called) of the Union is *mala fide* or vindictive or calculated to threaten or undermine the existence of the legitimate activities of the Union and/or its members or is grossly unfair or seriously detrimental to the interest of the Union and/or its members.

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

33. *Variations of Terms and Conditions of Employment Benefits.-*

- 33.1 The Union and its members and the Employees covered and bound by this Agreement jointly and severally agree with 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.
- 33.2 The Employer agrees with the Union and its members and the Employees covered and bound by this Agreement that he shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the Employees covered and bound by this Agreement other than by mutual Agreement.
- 33.3 Any dispute or difference arising from negotiations under the provisions of sub-clause 33.1 or 33.2 may be resolved by voluntary arbitration but only if all the parties, concerned agree to submit such dispute or difference for settlement by voluntary arbitration.

PART II

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

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

- 1.1 The Employer will subject as hereinafter provided, allow a member of the union in the employment of the employer (hereinafter referred to as 'Observer') to be present as an Observer without loss of wages for absence from work.
- 1.2 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.
- 1.3 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.
- 1.4 The person who conducts an inquiry shall be entitled to require an Observer who obstructs such inquiry, in any manner whatsoever to withdraw therefrom and an Observer shall forthwith comply with such requirement.
- 1.5 The absence of an Observer from the whole or part of an inquiry for any reasons whatsoever shall not vitiate such inquiry, nor the proceedings threat, nor the findings pursuant thereto.

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

- 2.1 In respect of each meeting, the Union desires to hold at the Employer's premises, an application for permission shall be previously made to the Employer.
- 2.2 If the Employer decides to grant permission, the Employer shall be entitled to impose, *inter alia*, one or more the under noted conditions :-
- 2.2.1 that no person other than an Employee who is a member of the union in the service of the Employer shall be present at a meeting of such Union;
- 2.2.2 On occasions such as the Annual General Meeting of the Union, authorised officials of such Union may with the prior approval of the Employer, attend;
- 2.2.3 Fix a time limit within which a meeting of the Union shall be conducted or adjourned.
- 2.3 It shall be the duty of the Union and its Officials to ensure that the terms on which permissions to hold a meeting of the Union is granted are duly complied with.

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

3. **Duty Leave.**- 3.1 The following provisions shall apply to duty leave :-

Without prejudice to the right of the Employer to refuse to grant permission 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 :-

3.1.1 to be present at Conferences, held under the aegis of the employers' Federation of Ceylon or the Department of Labour, in connection with a dispute between the Employees and the Employer,

or

3.1.2 to attend inquiries before Industrial Court, Arbitrators or Labour Tribunals or Department of Labour without loss of wages for such absence.

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

4. **Check Off.**-

4.1 For the purpose of this clause the Employer shall be bound to grant check off to the union only if the membership of the Union is not less than forty per cent (40%) of the Employees covered and bound by this Agreement.

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

4.3 Every employee who agrees to the deduction of Union dues from his wages shall sign a statement to that effect in the form set out in Form No. 1 hereinafter referred to as an 'Authorization'.

4.4 Every employee shall be entitled to withdraw his agreement to check off at any time by signing a statement to that effect in the form set out in Form No. 2 hereinafter referred to as a 'Revocation' as set out in the Third Schedule hereto.

4.5 As far as practicable deductions under an authorization shall commence from the wages due immediately after the date of receipt of such authorization and shall continue thereafter until the authorization is cancelled by a revocation.

4.6 As far as practicable deductions under an authorization shall cease from the date of receipt of a revocation cancelling such authorization. Provided however -

4.6.1 that an Employer shall not be liable in any manner whatsoever to the Union or the employee concerned for failure to comply with Sub-clauses 4.5 or 4.6;

4.6.2 that, at his discretion, the 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.

4.7 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 proceeding, to the Treasurer of the Union in accordance with the tenor of each authorization by a cheque payable to the Treasurer thereof and crossed 'Account Payee'.

4.8 The cheque shall be sent at the risk of the Union and the employees concerned by post in a pre-paid envelope addressed to the Treasurer of the Union at its address for the time being.

4.9 The Treasurer of the Union shall promptly acknowledge receipt of the cheque.

4.10 The Employer shall not be liable to pay to the Union or to the Treasurer on its behalf, as aforesaid, any sum other than the Union dues actually deducted.

SCHEDULE I

Salary Scales in respect of employees who are in permanent employment as at the date of signing the Agreement:

ICE AND AERATED WATER TRADE

Grade III - Rs. 14,349.00 - Rs. 39,929.00 - Rs. 45.00

Grade II - Rs. 14,355.00 - Rs. 43,175.00 - Rs. 55.00

Grade I - Rs. 14,378.00 - Rs. 48,438.00 - Rs. 65.00

ENGINEERING TRADE

Grade III - Rs. 14,349.00 - Rs. 36,294.00 - Rs. 55.00

Grade II - Rs. 14,372.00 - Rs. 40,307.00 - Rs. 65.00

Grade I - Rs. 14,470.00 - Rs. 44,395.00 - Rs. 75.00

MOTOR TRANSPORT TRADE

Grade B - Rs. 14,435.00 - Rs. 37,120.00 - Rs. 65.00

SCHEDULE I (A)

Salary Scales of employees recruited after 1st April 2010 and who are in employment as at the date of signing this agreement shall be placed at Rs. 12,000/- w.e.f 1st August 2012 and shall thereafter be placed on the following salary scales.

ICE AND AERATED WATER TRADE

Grade III - Rs. 12,000.00 - Rs. 16,455.00 - Rs. 45.00

Grade II - Rs. 12,006.00 - Rs. 17,451.00 - Rs. 55.00

Grade I - Rs. 12,029.00 - Rs. 18,464.00 - Rs. 65.00

ENGINEERING TRADE

Grade III - Rs. 12,000.00 - Rs. 17,445.00 - Rs. 55.00

Grade II - Rs. 12,023.00 - Rs. 18,458.00 - Rs. 65.00

Grade I - Rs. 12,121.00 - Rs. 19,546.00 - Rs. 75.00

MOTOR TRANSPORT TRADE

Grade B - Rs. 12,000.00 - Rs. 18,435.00 - Rs. 65.00

SCHEDULE II

BENEFITS/ CONCESSIONS TO EMPLOYEES**1. Soft Drinks Issues.-**

- 1.1 24 bottles free of charge per month per employee.
- 1.2 Funeral of an employee - 10 dozens free of charge.
- 1.3 Wedding of an employee - subject to one wedding during an employee's tenure of service - 6 dozens free of charge.
- 1.4 Funeral of a dependant - 150 bottles at ex-factory price.

2. ***Ice Cream Issue.***- 4 litres of Ice Cream to be issued at the ex-factory price less Rs. 15 per month per employee.

3. ***Free Mid-Day Meal.***

4. Medical benefit under a surgical and hospitalisation insurance cover, where an employee could claim up to Rupees Thirteen Thousand (Rs. 13,000) in any one claim with a maximum limit of Rupees Twenty Thousand (Rs. 20,000) for a year.

5. ***Funeral Aid Scheme.***—

5.1 A Grant of Rs. 25,000/- in the event of a death of an employee in service.

5.2 A Grant of Rs. 5,000/- in the event of a death of the spouse or any unmarried children under 18 years and if the employee is unmarried, to his/her parents.

6. ***Welfare Shop with essential items.***

7. ***Service Awards:***—

7.1 On completion of 15 years of service Rs. 5,000/-.

7.2 On completion of 25 years of service - one gold sovereign and a Wall Clock.

7.3 On completion of 30 years of service - one gold sovereign.

8. Uniforms and Shoes of Labour Force.

9. ***Retirement grant to employees.***—

9.1 For employees retiring after a period in excess of 15 years, a gift voucher to the value of Rs. 2,250 to purchase Company products.

9.2 For employees retiring with less than 15 years service a gift voucher to the value of Rs. 1,250 to purchase company products.

10. Monthly salaries / wages to be paid on 25th of each month.

11. Opportunities being made available to suitably qualified employees in the Labour and Minor grades to obtain appointments in Clerical and Executive Grades.

12. ***Annual Excursion.***—

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

13. Festival Advance of Rs. 5,000 to be paid for Sinhala/Tamil New Year or Christmas.

14. During the three year period commencing 1st May 2010, An advance of Rs. 1000 deductible from the Lump Sum Payment payable only to eligible employees as set out in clause 18.2 of Part I hereof shall be made for Vesak.

15. ***Holiday Bungalow.***—

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

16. *Shift Allowances.*—

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

Boiler/Engineer.—

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

17. Attendance/ Punctuality Bonus applicable only for employees who were recruited before 1st April 2010 and covered and bound by this Agreement and employed as at the date of signing this agreement.—

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

DEDUCTIONS FOR LEAVE

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

17.2 Accident Leave, continuous 7 days Annual Leave, Special Leave and Duty Leave will not be counted as absence for deduction.

17.3 Any walkouts of more than 4 hours continuously will be considered as 1 day's leave for this purpose

17.4 Periods of strikes will be regarded as absence.

17.5 Employees guilty of unauthorised absence and / or who avail themselves of unpaid sick leave for any period will forfeit their right to the attendance/ punctuality bonus.

17.6 Deductions for late attendance :

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

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

18. *SPECTACLE LOAN.*—

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

19. *BOOK ADVANCE.*—

A book advance of Rs. 2,000 in December subject to prevailing conditions.

20. Medical benefit under a surgical and hospitalization insurance cover, where an employee could claim up to Rupees Thirteen Thousand (Rs. 13,000) in any one claim with a maximum limit of Rupees Twenty Thousand (Rs. 20,000) for a year.

FORM No. 1

Name of Employer :

Authorization

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

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

Signature of Employee :

Date :

Full Name of Employee :

Received on :

(To be filled by Employer)

FORM No. 2

Name of Employer :

Revocation

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

Signature of Employee :

Date :

Full Name of Employee :

Received on :

(To be filled by Employer)

PART III

CONTAINING DEFINITIONS OF CERTAIN WORDS

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

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


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


IN WITNESS WHEREOF, THE PARTIES AFORESAID HAVE HEREUNTO SET THEIR HANDS AT COLOMBO ON THIS 11TH DAY OF OCTOBER TWO THOUSAND THIRTEEN.

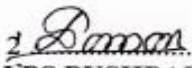
1. 
JR GUNARATNE
 PRESIDENT (CONSUMER FOODS GROUP)
 FOR & ON BEHALF OF
 CEYLON COLD STORES PLC.

KEELLS CONSULTANTS (PRIVATE) LIMITED
SECRETARIES


Authorized Signatory

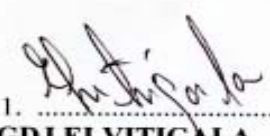
1. 
LESLIE DEVENDRA
 GENERAL SECRETARY,
 FOR & ON BEHALF OF
 SRI LANKA NIDAHAS
 SEVAKA SANGAMAYA

2. 
ROHANA WITANACHCHI
 HEAD - SUPPLY CHAIN
 MANAGEMENT
 FOR & ON BEHALF OF
 CEYLON COLD STORES PLC.


2. 
LPS PUSHPAKUMARA
 BRANCH PRESIDENT
 FOR & ON BEHALF OF
 SRI LANKA NIDAHAS
 SEVAKA SANGAMAYA

WITNESSES:

1. 
KAPILA DISSANAYAKA
 ASSISTANT DIRECTOR GENERAL
 EMPLOYERS' FEDERATION OF CEYLON

1. 
GDJ ELVITIGALA
 BRANCH SECRETARY

2. 
NILANTHA JAYASINGHE
 HEAD OF INDUSTRIAL RELATIONS
 CEYLON COLD STORES PLC

2. 
GEORGE DAMSIRI
 VICE PRESIDENT
 BRANCH UNION

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Venigros (Pvt) Limited, No. 400, Deans Road, Colombo 10 of the one part and the Inter Company Employees' Union, No. 12/2, Weera Mawatha, Sri Subootheripura, Battaramulla of the other part on 20th day of July, 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,
11th April, 2014.

Collective Agreement No. 25 of 2012

COLLECTIVE AGREEMENT

THIS Agreement is entered into between Venigros (Pvt) Limited, a duly incorporated Company having its registered office at No. 400, Deans Road, Colombo 10, Sri Lanka (hereinafter referred to as the "Employer") and the Inter Company Employees' Union, a duly registered Trade Union having its registered office at No. 12/2, Weera Mawatha, Sri Subootheripura, Battaramulla (hereinafter referred to as the "Union")

WHEREAS the Union made certain demands of the Employer for the revision of terms and conditions of employment of their members employed by the Employer and the parties after negotiations arrived at the following Agreement.

1. **Parties Covered and Bound.**— The terms of this Collective Agreement shall cover and bind the Employer, the Union and members of the union employed on permanent monthly contracts by the Employer in the Manual/Operative grades.

2. **Duration.**— This Agreement shall take effect from the 01st day of July, Two Thousand and Eleven and shall, unless otherwise terminated by either party giving two months' written notice to the other, continue to remain in force provided, however, that neither party shall give such notice prior to the Thirtieth day of April, Two Thousand fourteen and the Agreement shall not stand terminated prior to the 30th day of June Two Thousand and Fourteen. Further it is agreed by and between parties that neither shall attempt to vary or alter the terms of this agreement during such period and the Union and the employees shall not resort to any form of trade union action relating to any matter covered by this Agreement.

3. **Salaries.**—

(a) The employer agrees to revise the salaries of the employees covered and bound by this Agreement on the following basis:

- (i) With effect from 1st June 2012 the monthly salaries of employees will be revised and a sum of Rs. 1,800 will be added to the salary paid to such employees as at 31st May 2012.
- (ii) With effect from 1st July 2012 the monthly salaries of employees will be revised and a sum of Rs. 1,650 will be added to the salary paid to such employees as at 30th June 2012.
- (iii) With effect from 1st July 2013 the monthly salaries of employees will be revised and a sum of Rs. 1,400 will be added to the salary paid to such employees as at 30th June 2013.

(b) The Union and the Employees further agree that they shall not during the pendency of this Agreement make any demands for wage increases or related allowances/payments over and above those stated in this agreement.

4. **Notional Arrears.**— As a matter of goodwill it is agreed that an employee who was in employment as at 1st July 2011 and who is currently in employment will receive as notional arrears for the period of 1st July 2011 to 31st May 2012, a sum equivalent to Rs. 19,800 (Rs. 1,800 X 11 months). This payment shall not constitute a part of "Earnings" of an employee for any payments such as Overtime, Provident Fund, Trust Fund, Gratuity, etc. thereon.

5. Productivity Bonus Scheme.-

- (a) The current Productivity Bonus Scheme will remain unchanged.
- (b) On weekly holidays, Mercantile holidays and Poya days the employee shall be paid a special allowance of 2 1/2 times the hourly rate applicable to the given employee. Further, the actual hours an employee works on such days shall be considered for the computation of the Productivity Bonus to that individual employee.
- (c) The current system of penalty deduction and redistribution of the penalties deducted, adopted in the productivity bonus scheme will remain unchanged.
- (d) Each employee will be paid the legally entitled overtime. If the payment computed under the productivity Bonus Scheme in given month is more than the amount due as overtime, such employee would also receive the difference between the two amounts as Productivity Bonus.
- (e) If for whatever reason due to a drop in production in a particular month the payment computed under the Productivity Bonus scheme is less or equal to the overtime entitlement in such month, the employee will not be entitled to any payment under Productivity Bonus Scheme.

6. **Overtime.**—Both parties agree that due to the 24 hours x7 days nature of the operations a reasonable amount of overtime work by employees is unavoidable, However, the parties agree that the Employer shall put in place systems and controls to achieve the following.

- (a) To minimize the actual number of hours of work to be performed as overtime work on normal working days to not exceed 24 hours per employee per month except with the agreement of the branch union.
- (b) To equitably distribute as far as practicable the number of hours of overtime work available during a month among all employees attached to the various operational units of the factory. To this end the factory management shall display at the beginning of each month a roster of names detailing the order in which overtime work shall be assigned in each operational unit. An employee refusing to perform reasonable overtime unless for reasons acceptable to the management shall, in addition to being subject to suitable disciplinary action will also be disqualified from receiving any productivity Bonus payment for the month.

7. **Productivity improvement and elimination of waste.**—The Employees and the Union commit their fullest cooperation to the Employer to enhance productivity levels in the factory and eliminate waste in all forms in the mutual interest of preserving the future of Vanigros (Pvt) Ltd and its Employees.

8. **Variation of Terms and conditions.**—The Employer and the Union agree that during the pendency 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, other than by mutual agreement.

9. **Dispute Settlement Procedure.**—In the event of any industrial dispute that may arise on a matter not covered by this Agreement, parties shall endeavor to have it settled by following the dispute resolution procedure set out below.

- (a) whenever there is a dispute, a written statement of the dispute should be forwarded by the Union to the employer, and at least two weeks given for the employer to resolve the dispute.
- (b) If no satisfactory solution is found, the matter should be referred to the parent union and to the Employers' Federation of Ceylon (EFC) for the purpose of attempting to resolve the dispute.
- (c) If after the discussion, the matter cannot be resolved by the intervention of the EFC and the Parent union, conciliatory proceedings under the Industrial Disputes Act should be followed;
- (d) If after the conciliation has failed in the Labour Department, the union wishes to take trade union action, written notice should be given of not less than 14 days to the employer and the EFC.

In witness hereof parties have hereunto set their hands on this Twentieth day of July Two Thousand and Twelve (2012) at Colombo.

For and on behalf of
VENIGROS (PVT) LTD

Name R.M. PEMBERTINA

Designation DIRECTOR



[Signature]

For and on behalf of
INTER COMPANY EMPLOYEES UNION

Name B.I. ARDEEN

Designation O/S

WITNESSES:

1 [Signature]
Name K.N.V. Dharmaratne
Designation General Manager

1 [Signature]
Name R.M. S. Kumara
Designation General Secretary

2 [Signature]
Name Najira Euphu
Designation Asst. Director (Genl. Sec.)

2 [Signature]
Name I.M.N.W. Wijeratne
Designation Secretary (Genl. Sec.)

THE INDUSTRIAL DISPUTES ACT, CHAPTER 131

THE Collective Agreement entered into between Trelleborg Lanka (Pvt) Limited, Levin Drive, Sapugaskanda, Makola of the one part and the Free Trade Zones and General Services Employees' Union, No. 141, Ananda Rajakaruna Mawatha, Colombo 10 of the other part on 30th 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,
11th April, 2014.

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COLLECTIVE AGREEMENT

THIS COLLECTIVE AGREEMENT made on 30th day of May Two Thousand Twelve pursuant to the Industrial Disputes act between Trelleborg Lanka (pvt) limited, and having its registered office at Levin Drive, Sapugaskanda, Makola (hereinafter referred to as the “the Company/Employer”) of the one part and the Free Trade Zones and General Services Employees' Union, a trade union duly registered under the provisions of the Trade Unions Ordinance and having its registered office at No. 141, Ananda Rajakaruna Mawatha, Colombo 10 (hereinafter referred to as the “the Union”) of the other part witnesseth and it is hereby agreed between the parties as follows:

1 – BASIC PROVISIONS**1.1 PURPOSE AND CONTENTS OF THE COLLECTIVE AGREEMENT**

- 1.1.1 This Collective Agreement (hereinafter referred as the Agreement) regulates the relationship between the Employer and the Union and its' members as well as between the Employer and the Employees, and determines rights and obligations of the agreed parties unless otherwise stipulated further on. The Agreement is in conformity with respective provisions of the Industrial Dispute Act.

1.2 PURPOSE OF AGREEMENT

1.2.1 In order to strengthen positive relations of the Employees of Trelleborg Lanka (Pvt.)Ltd., and to strengthen partner relations between the Employer and the Union, both parties shall obligate themselves to settle problems that may arise by discussions, aiming at achieving an agreement between the parties.

1.3 DATE OF OPERATION AND DURATION

1.3.1 This Agreement shall be effective retrospectively from the Fifth day of December Two Thousand and Nine (05.12.2009) and shall thereafter continue in force until Thirty First day of December Two Thousand Thirteen (31.12.2013), unless it is determined by either party giving one month's notice in writing to the other. Either party shall be at liberty to repudiate this Agreement by giving one month's notice in writing to the other in terms of the Industrial Disputes Act. (This agreement is signed for 4 years in this instance)

1.3.2 This Agreement shall cover and bind all Manual Employees of the Trelleborg Lanka (Pvt.) Ltd. who are members of the union.

1.3.3 For the purpose of collective bargaining, the union shall be treated as the "bargaining agent".

1.4 PARTIES BOUND

1.4.1 This Agreement shall, subject as hereinafter provided, bind the Employer and the manual employees of the company who are members of the union.

2. BASIC RIGHTS AND OBLIGATIONS OF CONTRACTING PARTIES

2.1 NON - DISCRIMINATION

2.1.1 Both parties shall not discriminate any of the Employees for reasons of gender, race, religion, age, disability, sexual orientation, nationality, political opinions or social or ethnic origin as justified claims under this Agreement or the contract of employment.

2.2 SOLUTION FOR DISPUTES

2.2.1 Disputes concerning this Agreement shall be settled under the Provisions of the Industrial Disputes Act. (Chapter 131).

2.3 RESPONSIBILITY OF EMPLOYER

2.3.1 Respect the right of each Employee to become a member of the Union.

2.3.2 Prevent discrimination of Employees due to union work.

2.3.3 Create material and organizational conditions for activities of the Union to the extent specified in this Agreement.

2.4 RESPONSIBILITY OF THE UNION

2.4.1 The Union shall obligate itself that its activities shall be carried out so as not to disturb the working time and not to restrict the activity of the Employer.

2.4.2 The information given by the Employer connected with the Company's activity shall be considered confidential. The Union shall obligate itself that such information shall not be published nor abused against the interests of the Employer.

2.5 GENERAL TERMS AND CONDITIONS OF EMPLOYMENT AND MATTERS INCIDENTAL AND CONNECTED THEREWITH;

2.5.1 From the date hereof and during the continuance in force of this Agreement terms and conditions of this agreement shall be included, in all the contracts of service between the Employer bound by this Agreement and an Employee covered and bound by this Agreement, whether such contracts of service be written or oral, which are subsisting as at the date hereof or which come into being during the continuance in force of this Agreement.

- 2.5.2 (a) The Union members who are Employees covered and bound by this Agreement, jointly agree with the Employer that during the continuance in force of this Agreement, they will not seek to vary or add to all or any of the terms and conditions of the Employment presently applicable to any of the employees covered by and bound by 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. This will not apply to the attachments which will be considered for annual negotiations.
- (b) Subject to the terms of this Agreement, the Employer agrees that it shall not seek to vary 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, 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.
- (c) Any dispute or difference arising from negotiation under provisions of clause (a) or (b) shall be resolved by voluntary arbitration but only if all parties concerned agree to submit such dispute or difference for settlement, by voluntary arbitration.

3. EMPLOYMENT AREA

3.1 PROBATION,-

- 3.1.1. Every employee recruited by the Employer shall serve a period of probation not less than nine (9) months. At the expiry of the nine (9) months probationary period if the Employer is not satisfied with the progress of such Employee, the probationary period shall be extended for a further period of three (3) months and in that event the Employer shall indicate to the Employee in writing the reasons why the probationary period has been further extended, During the period of probation or extended probation, the Employer shall have the right to terminate the services of the Employee without notice.

3.2. TRANSFERS

- 3.2.1 Employee transfers shall take place based on the contract employment and on the business needs of the Company, and it will be at the discretion of the Company. A letter of transfer to the relevant Employee shall be issued once the transfer is finalized.
- 3.2.2 Where an employee refuses to comply, the employer shall consider such action as an act of misconduct, and act according to the provision of this agreement.
- 3.2.3 Transfer will be done by taking into the suitability of the employee to handle the duties and responsibilities of the job. The management will avoid handing over duties and responsibilities which are of lesser in nature in comparison to current job.

3.3 RETIREMENT

- 3.3.1 All employee shall retire from service upon reaching the age of 55 years.

3.4 HOURS OF WORK

- 3.4.1 Employees who are working on a General Shift are required to work 45 hours a week excluding meal interval and tea breaks. Hours of work and break times are as follows:-

<i>Shift</i>	<i>Working Hours</i>	<i>Meal Break Spread Over</i>
General	8.00 a.m. to 4.30 p.m.	12.00 p.m. to 1.30 p.m.
Saturday	8.00 a.m. to 1.00 p.m.	After 1.00 p.m.

Employees who are working on a roster basis are required to work 48 hours a week including meal interval and tea breaks. Hours of work and break times are as follows.

<i>Shift</i>	<i>Working Hours</i>	<i>Meal Break Spread Over</i>
Rostered	6.00 a.m. to 2.00 p.m.	11.00 a.m. to 12.30 p.m.
	2.00 p.m. to 10.00 p.m.	5.30 a.m. to 7.00 p.m.
	10.00 p.m. to 6.00 a.m.	2.00 a.m. to 3.30 a.m.

- 3.4.2 Employees are entitled to 1/2 hour meal interval to be taken during the specified break time. Employees are required to be at their respective places of work at the stipulated time of commencement and shall not stop work or leave the workplace until the stipulated closing time without prior permission from the Head of the Division.
- 3.4.3 Working hours are fixed purely at the discretion of the Company and may be revised according to the needs of the business. However, the Company will discuss the matter with the union and after reaching consensus, the decision will be implemented by the Management.
- 3.4.4 An employee may be called upon to work beyond normal working hours as and when the necessity arises. Refusal to do so without valid reason will be constituted as misconduct. Requesting employees to work on the earned off day should be decided on agreement of both parties.
- 3.4.5 Employees may be called upon to work on poya days and statutory holidays as and when the necessity arises. Employer shall inform the Union of such requirements, 14 days prior to the poya day or statutory holiday. The union shall inform the employer of any disagreement within 7 days from the date communicated by the employer..
- 3.4.6 Employees are permitted to request for a maximum of three (3) changes per month in the shift with prior written approval of the head of the division for educational purposes, holiday and Trade Union activities (which will be restricted only to members of the Executive Committee). The covering arrangement should be done with an employee who has similar competence.

3.5 ANNUAL LEAVE

- 3.5.1 In accordance to the legal requirement, employees shall be entitled to 14 days annual leave, Employees have to earn their annual leave by working the required number of days during the calendar year January to December.
- 3.5.2 Employees should avail their annual leave during the calendar year in which it is due and cannot accumulate for use in subsequent years. A combination of annual leave and casual/medical leave shall not be permitted except in exceptional circumstances.
- 3.5.3 Employees shall agree to utilize 7 days of their annual leave during the plant shut down period. Employer shall pay production incentive calculated on the average of the previous two months during the total shut down period. (This excludes the maintenance division)
- 3.5.4 If an employee falls sick while on annual leave, the period of illness will be set off against the medical leave entitlement upon producing a Medical Certificate. The employee shall be permitted to take the unavailed annual leave on a subsequent date.
- 3.5.5 Employee shall obtain prior approval for annual leave from the Head of the Division at least 4 days in advance. However, granting of leave will be subject to the exigencies of service and on a first come first serve basis.
- 3.5.6 Employees are permitted to avail annual leave earned for the year during the period of notice/prior to resignation. Annual leave on resignation should be applied for in advance and should be duly approved by the Head of the Division.

3.6 CASUAL LEAVE

3.6.1 In addition to the legal requirement, the Employer grants Casual Leave on the following basis:-

Employees who joined the company prior to 1st of April, 2005	= 10 days
Employees who joined after 1st of April, 2005	= 07 days

In the first year of Employment (i.e. January to December), Employees are entitled to avail 1 day of Casual leave for every completed 2 months in employment. In the second year of employment, employees are entitled to the full casual leave entitlement.

3.6.2 A maximum of 2 consecutive days of leave can be taken as casual leave. Employees shall not be entitled to take casual leave proceeding or followed by annual leave. Leave application should be forwarded 24 hrs. in advance and should be approved by the Head of the Division and forwarded to the HR division.

3.6.3 Leave will be granted based on the importance and urgency of the requirement. However, such applications may be refused subject to exigencies of service. Failure to obtain prior approval shall result in deduction of attendance allowance. Failure to adhere to this rule shall be treated as an act of misconduct.

3.7 UNUTILISED ANNUAL AND CASUAL LEAVE

3.7.1 Any unutilized annual and casual leave shall be compensated in January of the following year. Computation will be for the number of unutilized annual and casual leave calculated based on the Basic Salary/Wage of the employee.

3.8 MEDICAL LEAVE

3.8.1 In addition to the legal requirement, Employer grants medical leave as a privileged facility. Employees shall be entitled for 7 days paid medical leave on confirmation in employment.

3.8.2 On the first day of absence an employee should, inform the Head of the Division by telephone, telegram of the reason for his/her absence. Where the absence exceeds 2 days, a medical certificate should be forwarded along with the leave application form to the Human Resources Division upon reporting to work. The leave period recommended by a medical certificate shall cover all working days weekly holidays, statutory holidays, Poya days, etc., falling within that period. Only the working days shall be deducted from the medical leave entitlement.

3.8.3 Employer shall accept medical certificates from the following practitioners:

- (a) Western qualified medical practitioner registered with the Medical Council
- (b) Registered Ayurvedic physicians
- (c) Registered homeopathic practitioners

3.8.4 A medical certificate from a private Medical Practitioner/Ayurvedic Physician/Homeopathic Practitioner shall be valid only for a maximum continuous period of 14 days. If an extension of leave is required a medical certificate should be obtained from a government hospital/recognised private hospital or Government Medical Officer/recognised Medical Officer employed in a private hospital.

3.8.5 If an employee requires leave for communicable diseases such as Chicken pox, measles, mumps and sore eyes, such an employee is required to provide a DMO certificate or Medical Certificate from Company Doctor or PHI and leave in addition to the 07 days medical leave entitlement will be granted as follows:

Chicken Pox and Measles	14 days
Mumps	07 days
Sore Eyes	03 days

3.8.6 Failure to adhere to the above conditions shall be considered as an act of misconduct and above leave will not be granted whilst disciplinary action shall be taken accordingly.

3.9 UNUTILISED MEDICAL LEAVE

3.9.1 Any unutilised medical leave shall be compensated in January of the following year. Computation of payment will be for the number of unutilised medical leave calculated based on the Basic Salary/Wage of the employee.

3.10 STATUTORY HOLIDAYS AND CUSTOMARY HOLIDAYS

3.10.1 The following statutory holidays shall be allowed each year as paid holidays.

Statutory Holidays

- * Tamil Thai Pongal Day
- * National Day
- * Day immediately prior to the Sinhala and Tamil New Year Day
- * Sinhala and Tamil New Year Day
- * May Day
- * Day immediately succeeding the Wesak Full Moon Poya Day
- * Prophet Mohamed's Birthday
- * Christmas Day

3.10.2 Employees required to work on Statutory Holidays shall be employed on the normal rostered shifts and will be remunerated according to the appropriate rate of pay.

3.11 MATERNITY LEAVE

3.11.1 Employees will be granted maternity leave as per the conditions stipulated in the Maternity Benefits Ordinance.

3.11.2 Employees availing their maternity leave should submit their leave application form supported with a medical certificate to the Head of the Division for approval and forward same to the Human Resources Division. If an employee is unable to submit her leave application form prior to her confinement, such an employee should forward the application form within 10 days of the confinement.

3.12 DUTY LEAVE:

3.12.1 Duty leave shall be granted to the President, Secretary, and 2 Office Bearers of the Union once in two months to attend the Union meetings and the entire Executive Committee shall be granted duty leave once in two years to attend General Meeting.

3.12.2 Duty leave shall also be granted to Employees (except the accused employee) to attend domestic Inquires, Industrial Courts, Arbitrators or Labour Tribunals.

3.13 ACCIDENT LEAVE:

3.13.1 Accident leave is granted to employees who meet with accidents arising out of and in the course of employment and where the said accidents is not due to willful default or negligence of the employees. Accident leave shall be granted by the Human Resources Division based on the recommendations of the Safety, Health and Environment Manager who will make the decision after proper investigation.

3.13.2 If an accident occurs due to a fault of the machine (which will be decided by the maintenance Manager, SHE Manager, HR Manager, and Department Manager) the machine will be stopped until preliminary investigations are completed.

3.13.3 Number of days leave to be granted will be decided on the recommendation of the Company Doctor or the District Medical Officer (DMO).

3.14 LIEU LEAVE:

3.14.1 An employee, who works for 24 hours, is entitled for a lieu leave within the next 24 hours.

3.15 WEEKLY HOLIDAY:

3.15.1 General Shift employees are entitled to 1 1/2 days as weekly holiday after working 5 1/2 days. Rostered employees are entitled to 2 days of weekly holidays after working 06 days.

3.15.2 General Shift employees who work on the weekly half holiday (1/2 day) will be remunerated 1 1/2 times their normal hourly rate of pay, and 2 times the hourly rate of pay, for work done on the weekly holiday (01 day).

3.16 HALF DAY:

3.16.1 Half day refers to the whole morning session or the whole afternoon session separated by the lunch interval for employees working on general shift. Employees working on rostered shift are not permitted to avail 1/2 days leave. However in an emergency, leave shall be granted at the discretion of the Head of the Division.

3.17. SPECIAL LEAVE FOR NATURAL DISASTERS.

- 3.17.1. The employer at its total discretion may consider granting special leave for Employees affected by natural disasters.
- 3.17.2. Employees affected by natural disasters should notify the Employer regarding the disaster within 24 hours, and the Employer after careful evaluation of the situation may consider granting special level.
- 3.17.3. In the event of such a situation the employee will be liable to produce all necessary documents requested by the Employer, before any consideration is extended for such special leave.
- 3.17.4. There is nothing herein contained to state that the Employer is bound to consider or compelled to grant special leave for Employers affected by natural disasters, and any special leave granted will be at the absolute discretion of the Employer.

4. PAYROLL.

4.1 REMUNERATION

- 4.1.1 The Employer shall determine the salary of a new employee based on the experience and level of skills required for the position. However, the minimum salary point of a monthly paid unskilled new employee will be;

Basic Salary of Rs. 6,900/- and Rs. 1,000/- as the Budgetary Relief Allowance per month.

- 4.1.2 Salaries of employees shall be paid on or before the 25th of each month. If the 25th falls on a non working day, salaries shall be paid on the last working day before the 25th of the month.
- 4.1.3 Salaries shall be remitted to the employee's bank account. Employees are required to open a savings account at a Bank nominated by the Company and forward the particulars of the bank account to the Human Resources Division upon commencement of employment. The Employer shall certify the account application form.

4.2 SALARY FOR PERIODS LESS THAN ONE MONTH

- 4.2.1 For the purpose of this Agreement, salaries of any Employee for a period less than one month shall be computed in the following manner.

- | | | |
|------------------|---|--|
| (a) One hour | - | Salary for a month divided by two hundred and forty (240) |
| (b) One day | - | Salary for a month divided by thirty (30) |
| (c) One half day | - | A day's salary ascertained as in (b) above divided by two (2) (Morning or Evening) |
| (d) One week | - | A day's salary ascertained as in (b) above multiplied by seven (7) |

4.3 SALARY/WAGE COMPENSATION DURING DOWN TIME.

- 4.3.1 During downtime due to lack of customer orders, temporary failure caused by machinery (not caused by Employee), raw material flow, energy failure, employee shall be entitled to compensation in the form of Basic Salary/Wage and Cost of Living for the corresponding number of shifts/days they were unable to work due to this reason, provided they have not been assigned to do any other work.

- 4.3.2 Where the Employer assigns Employees with other reasonable work within the working contract, due to above mentioned work interruption, such Employees will be paid based on the Basic Salary, Cost of Living and the average Incentive of the Division for the last three months. In such instance Employees have to accept the work assigned, by their Head of the Division which will be in line with the current designation and responsibilities.

4.4 OVERTIME.

- 4.4.1 Work performed in excess of the normal hours of work specified shall constitute as overtime.
- 4.4.2 Employees working overtime on a normal working day shall be paid at the rate of one and a half times (1 1/2) of the hourly rate of pay as authorized overtime. The hourly rate of pay shall be determined by dividing the monthly wage by two hundred and forty (240).

- 4.4.3 Employees working overtime on a Poya Day in addition to the legal requirement, shall be paid at the rate of two times of the hourly rate of pay as authorized overtime. The hourly rate of pay shall be determined by dividing the monthly wage by two hundred and forty (240).
- 4.4.4 Employees working overtime on a Statutory Holiday shall be paid at the rate of two times of the normal hourly rate of pay as authorized overtime. The hourly rate of pay shall be determined by dividing the monthly wage by two hundred and forty (240).
- 4.4.5 Employees working on the first off day shall be entitled to one and half time (1 1/2) of the hourly rate of pay as authorized overtime and Employees working on the second off day shall be entitled for twice (02) the normal hourly rate of pay as over time determined by dividing the monthly wage by two hundred and forty (240).
- 4.4.6 Employees who are rostered to work on Sunday, (which is prescribed as the weekly holiday in the wages board applicable to the tyre manufacturing industry) will be paid 1 1/2 times the hourly rate by dividing by 240.

4.5 NON RECURRING COST OF LIVING GRATUITY (*NRCOLG*)

- 4.5.1 Employees shall be paid NRCOLG as per annexure number (2) of this agreement and the ceiling will be Rs. 16,000.
- 4.5.2 A new Employee shall be eligible for NRCOLG from the day he/ she commences employment. The NRCOLG for the first month in employment shall be paid in the following month. Employee resigning from his/ her services shall be entitled for the NRCOLG only up to the date of his/ her resignation.
- 4.5.3 NRCOLG shall not be regarded as a part of the wage of the employee for statutory purposes. i.e. EPF, ETF, Over time, Gratuity etc.
- 4.5.4 Above mentioned NRCOLG has been frozen at Rs. 12,441 as per the CCPI (N) index published by the government in May 2011 (Value per point = Rs.67). It is agreed that further revision of the NRCOLG will be discussed between the Company and the Union once the government gazettes the new value of the index.

4.6 PRODUCTION INCENTIVE.

- 4.6.1 Employees who are permanent in employment shall be paid the Production Incentive based on the production target, production mix and quality. The production incentive shall be paid along with the salary. The Production Incentive calculation table is listed in Annexure No. 1 of this Agreement.

4.7 BONUS

- 4.7.1 Employees shall be granted a bonus at the end of each year based on the following criteria;
- (a) An employee should be in permanent employment of the Company.
- (b) An Employee should be in service for a minimum of 6 months.
- 4.7.2 An Employee should not have unauthorised absence during the year, any unauthorised absence will be deducted from the bonus as follows:
- Basic Salary X3 X No. of days NOPAY
20
- 4.7.3 Employees who have completed more than 6 months but less than 1 year of continuous permanent employment will be granted bonus on a pro - rata basis. Employees with less than 6 months service period will not be paid any bonus. The Employee should have been in permanent service at the time.
- 4.7.4. Company will follow the present bonus payment of 3 months salary, and in the event the company is unable to pay the bonus of three months, both parties will discuss and resolve the issue amicably.
- 4.7.5. In the event both parties fail to settle the issue amicably, both the company and the union agrees to settle the matter under the dispute resolution method specified in this agreement.
- 4.7.6. The bonus payment shall be negotiable and the quantum of payment shall be based on the financial possibilities of the Company.

4.8 SALARY REVISION

4.8.1. A revision of the salaries shall be done each year at the discretion of the Company. The quantum of increase shall be discussed with the Union during the period of collective bargaining and will be decided upon after discussion.

4.9 EMPLOYEE'S PROVIDENT FUND

4.9.1 The Employer and the Employee shall contribute to the Employees', Provident Fund the minimum rate prescribed by the Employees' Provident Fund Act, No. 15 of 1958.

4.10 EMPLOYEES TRUST FUND

4.10.1 The Employer shall contribute to Employees, Trust Fund, the minimum rate prescribed by the Employer's Trust Fund Act., No. 46 of 1980.

4.11 JOB EVALUATION

4.11.1 The Company will conduct a job evaluation to categorise manual Employees into different grades based on knowledge. Skills and attitudes required for the Job. The Union will be invited to participate in the Job evaluation process.

4.11.2 Based on the Job Evaluation results, the company will propose to the Union - a new wage structure - which will recognise skill, knowledge and attitudes required for each job.

4.12 ATTENDANCE ALLOWANCE

4.12.1 Employees shall be granted an attendance allowance based on the following criteria;

- (a) Employees should obtain prior written approval when availing leave
- (b) Employees should not have reported for work late for more than 15 minutes per month
- (c) Employees should not have availed no pay leave for the month. If no pay leave is availed, the Employees will not be entitled to the attendance allowance.
- (d) Employees should not have been liable for disciplinary action relating to Attendance.
- (e) Employees who do not report for work for one day (1) without prior information, shall be liable to forfeit 50% of the monthly attendance allowance.
- (f) Where an employee is absent from work without informing for more than 1 day, the total amount will be deducted from this allowance.

4.12.2 The quantum of Attendance Allowance is listed in Annexure No. 2 of the Agreement.

4.13 WEEKEND/HOLIDAY ALLOWANCE

4.13.1 Employees are required to work on Saturday and/or Sunday to be entitled for the Weekend Allowance. A Minimum of 8 hours have to be worked to claim the full payment of the Weekend Allowance and 4 hours to claim half payment of the Weekend Allowance.

4.13.2 Employees working on the general shift for more than 5 hours on a Saturday or 8 hours on a Sunday shall be entitled to the full payment of the weekend allowance. Where an employee continues the shift he/she shall be permitted to claim the same amount of the Weekend Allowance during the continued shift.

4.13.3 The Quantum of Weekend/Holiday Allowance is listed in Annexure No. 02 of this Agreement.

4.14 DUST ALLOWANCE

4.14.1 A Dust Allowance based on attendance will be paid to Employees working under dust conditions. Where an employee continues the shift he/she shall be entitled to the same amount of the Dust Allowance during the continued shift.

4.14.2 The quantum of Dust Allowance and category of employees entitled to this allowance is listed in Annexure No. 2 of this Agreement.

4.14.3 The Company shall endeavour to create a working environment free of dust and health hazards, and after certification by The Central Environment Authority of Sri Lanka, the dust allowance will be cancelled.

4.15 SERVICE ALLOWANCE

4.15.1 A Service Allowance will be paid to Employees based on the completed number of years of service in employment. Service Allowance will be calculated based on the basic salary irrespective of no pay deductions.

<i>Period of Service</i>	<i>Amount</i>
5 – 9 years	2 1/2%
10 – 14 years	5%
15 – 19 years	7 1/2%
20 – 24 years	10%
25 years and above	12 1/2%

4.16 NIGHT SHIFT ALLOWANCE

4.16.1 Employees who work on the night shift, [from 10 p.m. to 6 a.m.] will be paid a Night Shift Allowance. Where an employee continues the afternoon shift [from 2 p.m. to 10 p.m.] until 6 a.m. such an employee will be paid the Night Shift Allowance.

4.16.2 The quantum of Night Shift Allowance is listed in Annexure No. 2 of this Agreement.

4.17 POYADAY/STATUTORY HOLIDAY ALLOWANCE

4.17.1 Employees who work on a Poya day/Statutory holiday shall be paid the Poya day/Statutory Holiday Allowance. Where an employee continues the second shift, such an employee shall be paid a further full day's payment of the Poya day/Statutory Holiday Allowance.

4.17.2 The quantum of Poya day/Statutory Holiday Allowance is listed in Annexure No. 2 of this Agreement.

4.18 WASHING ALLOWANCE

4.18.1 Employees covered by this agreement - who receive uniforms, will be paid a washing allowance.

4.18.2 The quantum of Washing Allowance is listed in Annexure No. 2 of this Agreement.

4.19 DRIVERS SUBSISTENCE

4.19.1 Drivers are provided subsistence for over night stay and day trips.

4.19.2 The quantum of Drivers subsistence is listed in Annexure No. 2 of this Agreement.

4.20 *Recognition of period of service with the Company*

4.20.1 The Employer shall reward Employees who have been employed with the company in the following manner. The payment shall be made in the month the Employee completes his or her period of service.

<i>Period of Service</i>	<i>Amount</i>
25 years	Rs. 20,000
20 years	Rs. 10,000
15 years	Rs. 7,500
10 years	Rs. 5,000

4.21 *Special Transport Allowance*

4.21.1 Employees will be paid a Special Transport Allowance in the month of December in order to compensate the allowance paid for tyres and tubes.

4.21.2 The quantum of the Special Transport Allowance is listed in Annexure No. 2 of the Agreement.

4.22 SALARY ADVANCE

4.22.1 A Fixed rate of Rs. 4,000 shall be paid as a Salary Advance on the 10th of each month by way of a bank transfer.

4.22.2 A cash advance will be allowed only in exceptional circumstances subject to approval by the respective Head of Division MOC Member and authorization of the Director – Human Resources.

4.23 FESTIVAL ADVANCE

4.23.1 Permanent employees shall be granted a Festival Advance in April or December and shall be recovered in 10 monthly installments.

4.23.2 The quantum of the Festival Advance is listed in Annexure No. 2 of this Agreement.

5. SAFETY AT WORK AND PREVENTION OF OCCUPATIONAL ACCIDENTS

5.1 Employer will work towards providing a safe work environment to Employees with a view to minimizing adverse incidents in health and safety (to avoid accidents and injuries during work).

5.2 Employer shall avoid using chemicals known to be as a risk to health, bear a viable replacement if available and shall identify toxic and hazardous chemicals. Instructions with regard to method of toxic chemicals or chemicals which are hazardous, will be displayed in areas where such chemicals are used. Employer shall provide necessary protective and safety equipments, to employees.

5.3 Employees will be educated with regard to hazardous chemicals and protective gear to be used. Instructions indicating where, when and what protective gear to be used will be displayed in the required areas. All employees should be equipped with protective and safety gears during the entire time of their activity in specified areas and at specified machines.

5.4 Employees will be educated with regard to startup, stopping of machines and work instructions, and guidelines relating to same will be displayed at every machine.

5.5 Employer, will ensure that machines are equipped with emergency stops, safety devices, protective guards and fences and the electrical installation and wiring are safe and secured.

5.6 Any employee activity leading to disabling or overcoming of safety and protective devices installed at machines, equipment, buildings or other facilities will be considered as violence of safety rules, endangering safety and health of all employees and Company property and will result in disciplinary action.

5.7 Scrap materials will be collected in separate demarcated area and will be disposed in an environment friendly manner. Employees shall avoid spillage of oil, chemicals and solvents.

5.8 All Employees are required to adhere to instructions with regard to Health and Safety. Employee not following such instructions shall be liable for disciplinary action.

6. FACILITIES AND CONCESSIONS GRANTED BY THE EMPLOYER

6.1 CANTEEN OPERATIONS

6.1.1 Employer will offer Employees meals whilst on duty on all working days including Saturdays and Sundays.

6.1.2 Employer will grant its Employees, one main meal free of charge, during the 8 hour working cycle. If an Employee works 12 hours or continues a shift, such an employee will be entitled to two meals. (i.e. Lunch and Dinner).

6.1.3 Providing meals shall be based on the needs of the Company and the operating time of the canteen shall be decided by the Company.

6.2 ANNUAL TRIP

6.2.1 The Company shall grant Rs. 1,000 per adult and Rs. 600/- per child (under 12 years of age) to each Employee for the Annual Trip.

6.3 SPORTS

6.3.1 The Company shall sponsor clothing, tournament fees, ground fees and shall provide sports equipment, refreshments, soft drinks, etc. to Employees taking part in cricket and volleyball. The above will include expenses incurred at practices and tournaments.

6.3.2 However such activities should not disrupt the smooth functioning of the Company.

6.4 MEDICAL FACILITY/SURGICAL AND HOSPITAL EXPENSES INSURANCE

6.4.1 OPD facility is provided to employees and his/her immediate family members. Employees are permitted to claim 10% from the annual basic salary up to a maximum limit of Rs. 13,000 per annum.

6.4.2 Employees will be covered by a Surgical and Hospital Expenses Insurance cover to the value of Rs. 40,000 per annum. Married employees will be eligible to submit claims for their spouse and children below the age of 21 year and unmarried employees will have the facility for themselves only.

6.5 PERSONAL ACCIDENT INSURANCE

6.5.1 **Personal Accident**

A 24 hours Personal Accident Insurance cover will be provided to Employees locally. This Insurance will cover accidents resulting bodily injuries and death at work and away from work. Employees shall be paid a proportionate payment on partial disability and full amount on permanent disability. Any cost incurred by the Company on behalf of the employee as a result of the accident will be deducted from the Insurance claim.

6.6 LOANS

6.6.1 **Long Term Loans**

Employees shall be granted Long Term Loans based on the financial position of the Company. The loan amount and the terms and conditions are listed in Annexure No. 3 of the Agreement.

6.6.2 **Short Term Loans**

Employees shall be granted Short Term Loans based on the financial position of the Company. The loan amount and the terms and conditions are listed in Annexure No. 3 of the Agreement.

6.7 BENEFITS

6.7.1 Employer shall provide Employees with other semi financial benefits as listed in Annexure No. 3 of this Agreement.

7. EDUCATION AND TRAINING

7.1 The Employer shall provide Education and Training in accordance with the business needs in the following areas.

- (a) Safety, health, fire protection and ergonomics of work
- (b) Quality requirements, technological demands and restrictions
- (c) Performance tools for achieving performance at all levels
- (d) Further education of Employees according to their professional qualifications, skills and abilities with an aim to train on problems relating to management practices, production, technical, technological, economic and social development of the Company.
- (e) Training Employees according to respective standards regulations and knowledge of employees
- (f) Language and computer courses based on the needs

7.2 The Employees shall participate in such educational training programs and failure to do so will be considered as an act of misconduct. Employees will be excused in case they have a valid reason and should be approved by the HR Manager.

8. DISCIPLINE

8.1 WORK DISCIPLINE

8.1.1 Basic rules of Trelleborg Lanka (Pvt.) Ltd.

- (a) Since the Company produces rubber products with a high fire risk factor, employees are required to strictly adhere to the fire protection rules
- (b) Protect the Company property
- (c) Strict adherence to Company Code of Discipline listed in Annexure No. 4 of this Agreement
- (d) Adhere to safety rules and regulations
- (e) Respect Managements decisions and Company targets
- (f) Respect the quality, products, technological and technical specifications
- (g) Respect assigned duties and responsibilities in terms of relevant Job Description

8.2 DISCIPLINARY ACTION

8.2.1 The need for disciplinary action arises as a result of employees acting in breach of their contracts of employment by committing acts of misconduct, which by implication are, not tenable with their position as employees. Employees not adhering to the Company rules and regulations shall be liable for disciplinary action.

8.2.2 Where an employee does not conduct him/herself in accordance with his/her obligations and duties, expressed or implied, arising from his/her employment, during or out of working hours, at his/her work-place or elsewhere, when representing the Company shall constitute as misconduct. Types of Misconduct is listed in Annexure No. 6 of this Agreement.

8.2.3 The disciplinary procedure is listed in Annexure No. 5 of this Agreement.

9. RELATIONS BETWEEN THE EMPLOYER AND THE TRADE UNION.-

9.1 BASIC PROVISIONS

9.1.1 The Employer obligates himself to respect the basic Trade Union rights

- (a) Become Trade union members
- (b) Recruit new members
- (c) Give relevant information to their members
- (d) Meeting and activities should only be with the prior written approval of the Company
- (e) Carrying out meetings of the Union in the Company should only be with the prior written approval of the company

9.1.2 The Union hereby undertakes in respect of all the terms and conditions of employment covered by this Agreement not to seek to vary or alter any such terms or conditions other than by negotiation during the operation of this Agreement and hereby expressly undertakes, not to engage in a strike or other form of trade union action in respect of a dispute but will have such dispute settled in accordance with the procedure set out in this Agreement. In the event of illegitimate action by the company to jeopardise union activity, this clause may not apply.

9.1.3 in case the Union decides to call for a general stoppage of work/strike in solidarity of other companies by its members, the Union will give prior written notice to the Employer of the work stoppage that is to take place, and will give its reasons thereof. The Union will endeavour to give prior written notice to the Employer, of the date of the stoppage, or even longer notice, between the date of the Union's decision to call for a general stoppage of work and the date fixed for the stoppage in the circumstances in which such a stoppage may be decided upon. In such case, the Union will also instruct its members to exempt an agreed number of members from the work stoppage, in order to provide the Employer with a skeleton staff, in order to maintain essential services.

9.1.4 In the event of any dispute arising concerning any matter not covered by this agreement, the Union shall give prior written notice to the Employer of any Trade Union Action that is to take place and will give its reasons thereof.

9.2 DISPUTE PROCEDURE

9.2.1 It is hereby agreed that the procedure to be followed for the settlement of any dispute shall be as follows.

- (a) Where a dispute arises between an Employee and the Employer, the Employee, in the first instance shall raise the matter through the Union Officials of the Company and both parties shall endeavour to effect an amicable settlement.
- (b) In the event of a dispute not being settled, or in the case of a dispute between the Union and the Employer, the Union may, raise the matter with the Employer's Federation of Ceylon and there upon all steps shall be taken by the union and the Employer's Federation of Ceylon for an amicable settlement of the matter in dispute utilising if desired, the offices of the conciliation Division of the Department of Labour.
- (c) In the event of a dispute not being resolved or settled under the preceeding paragraphs (a) or (b) or in the case of a dispute between the Union and the Employer's Federation of Ceylon, the parties shall agree a settlement of the matters in dispute and such matter shall be referred to an Arbitrator or Arbitrators under section 3(1)(d) of the Industrial Disputes Act for settlement, or refer to a qualified mediator or body of mediators. However should the parties fail to agree on a settlement of the issue in dispute for purposes of arbitration, each party shall furnish the Commissioner of Labour with a statement setting out the issues in dispute and thereafter the Commissioner of Labour shall set out the issues in dispute to be referred to the Arbitrator or Arbitrators.
- (d) The Union may notify the EFC in writing with a statement of the matter in dispute that should be dealt with. After such notification by the Union to the Employer's Federation of Ceylon, a Special Disputes Committee of the Employer's Federation of Ceylon shall endeavour to settle the dispute. If no settlement is effected within seven (7) days from the date of the Union notifying the employer's Federation of Ceylon, the dispute shall be referred to the commissioner of Labour for settlement by arbitration as provided in (c) above, or if the Union or the employer requests, the dispute shall be referred to a Special Arbitrator for settlement.

9.3 UNION MEETINGS

9.3.1 The Employer shall hold a meeting to discuss pertinent issues with the Officials of the Union of the Company once in every two (2) months.

9.4 MEMBERSHIP OF UNION/CHECK OFF

- 9.4.1 "Union" shall mean Employees bound by this Agreement and in whose establishment the membership of the Union is not less than forty percent (40%) of persons employed in the relevant category.
- 9.4.2 If it becomes necessary to decide whether the membership of the Union is not less than forty percent (40%) of persons employed by the Employer in the category covered by this Agreement the same shall be determined by a referendum which shall be held by the Department of Labour and the result of such referendum shall be binding on the parties hereto.
- 9.4.3 The Employer shall on the written request of an Employee deduct from the pay the current monthly Union dues payable monthly by the employee to the Union and remit the amount deducted to the Union in accordance with the procedure.
- 9.4.4 Every Employee who agrees to the deduction of Union dues from his pay shall sign a statement to that effect as per annexure No. 7 Format 1.
- 9.4.5 Every Employee shall be entitled to withdraw his agreement to check-off at any time by signing a statement to that effect as per Annexure No. 7 format 2.

- 9.4.6 No variation in the monthly deductions by way of check-off shall be made by the Employer except by mutual agreement with the Union and members concerned. In the event of any variation being agreed, each member will need to signify his agreement to the revised amount being deducted by way of check-off by signing a fresh authorisation to that effect.
- 9.4.7 Deductions under as authorization shall commence from the pay, immediately after the date of receipt of such authorization and shall continue thereafter until the authorization is cancelled by a revocation.
- 9.4.8 The Employer shall be entitled not to make deductions by way of check - off in any month if the deduction by way of check off will together with all other deductions from an Employees pay in that month exceed the deductions permitted by law.
- 9.4.9 (a) The Employer shall once a month within fifteen (15) days after the regular pay day remit to the Treasurer of the Union the total sums deducted by way of check off by a cheque drawn payable to "Free Trade Zones and General Services Employees' Union" and crossed Account Payee.
- (b) The cheque shall be sent at the Union's risk, by post in a pre-paid envelope addressed to the "The Treasurer, Free Trade Zones and General Services Employees' Union, No. 141, Ananda Rajakaruna Mawatha, Colombo 10".
- (c) The Treasurer of the Union shall acknowledge receipt of the cheque.
- (d) 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 actual deductions made.
- 9.4.10 The Employer may suspend the operation of this clause by specifying the reasons for such action by written notice to the Union:-
- (a) If the Union resorts to a strike or any other form of trade union action in breach of the terms of provisions of this Agreement, the Employer may suspend the operation of this clause for such time as may be decided by the Employer but not exceeding the duration of such strike or other form of trade union action. Before such a decision is made the Employer and the Union shall endeavour to effect an amicable settlement.
- (b) If the Union fails to maintain itself as a properly registered Trade Union under the Trade Unions Ordinance, the Employer may decide to suspend the operation of this clause for such time as may be required.

ANNEXURE NO. 1

Production Incentive

- | | |
|---|---------------|
| 1.1 Solid /POS/TSL2 Tyre Division - Production Incentive | Refer Page 26 |
| 1.2 Light Industrial Tyre Division - Production Incentive | Refer Page 27 |
| 1.3 Mixing Division - Production Incentive | Refer Page 28 |
| 1.4 Maintenance Division - Production Incentive | |
| (Average of above 3) | |

1.1 Solid/POS/TSL2 - Production Incentive

INCENTIVE SYSTEM FOR 2008 (SOLID TYRE DEPARTMENT AT TSL0 POS & TSL2) -SHIFT WISE														
Performance (PCR)- PRODUCTION				RESPECT TO MIX (BASED ON DIMENSION PLAN)				CURING SCRAP %						
ACTUAL % Against TARGET				NET PRODUCTION				(MONTHLY AVERAGE)						
		Rs / Month	Ra / Sh			Rs / Month	Ra / Sh			Rs / Month	Ra / Sh			
90	●	94	36	7	90	●	84	159	7	1.64	●	1.37	100	8
91	●	96	130	7	91	●	86	265	13	1.66	●	1.41	200	9
92	●	97	230	13	92	●	87	420	19	1.68	●	1.46	300	14
93	●	98	330	16	93	●	88	553	25	1.67	●	1.44	400	18
94	●	99	430	20	94	●	89	699	34	1.63	●	1.40	500	22
95	●	99	530	23	95	●	90	820	38	1.39	●	1.35	600	27
96	●	99	630	26	96	●	91	960	44	1.35	●	1.32	700	32
97	●	99	730	27	97	●	92	1095	50	1.31	●	1.27	800	36
98	●	99	830	30	98	●	93	1230	56	1.26	●	1.23	900	41
99	●	99	930	33	99	●	94	1365	62	1.22	●	1.17	1,000	45
100	●	99	1,030	36	100	●	95	1500	68	1.16	●	1.13	1,300	59
101	●	99	1,130	41	101	●	96	1600	86	1.10	●	1.05	1,700	77
102	●	99	1,230	52	102	●	97	2000	105	1.00	●	0.99	2,300	103
103	●	99	1,330	59	103	●	97	2500	120	0.94	●	0.92	2,900	118
104	●	99	1,430	62	104	●	99	3000	140	0.81	●	0.80	3,000	136
105	●	99	1,530	65	105	●	100	3600	164					
106	●	99	1,630	68										
107	●	99	1,730	71										
108	●	99	1,830	74										
109	●	99	1,930	77										
110	●	99	2,030	80										
111	●	99	2,130	83										
112	●	99	2,230	86										
113	●	99	2,330	89										
114	●	99	2,430	92										
115	●	99	2,530	95										
116	●	99	2,630	98										
117	●	99	2,730	101										
118	●	99	2,830	104										
119	●	99	2,930	107										
120	●	99	3,030	110										
121	●	99	3,130	113										
122	●	99	3,230	116										
123	●	99	3,330	119										
124	●	99	3,430	122										
125	●	99	3,530	125										
126	●	99	3,630	128										
127	●	99	3,730	131										
128	●	99	3,830	134										
129	●	99	3,930	137										
130	●	99	4,030	140										
131	●	99	4,130	143										
132	●	99	4,230	146										
133	●	99	4,330	149										
134	●	99	4,430	152										
135	●	99	4,530	155										
136	●	99	4,630	158										
137	●	99	4,730	161										
138	●	99	4,830	164										
139	●	99	4,930	167										
140	●	99	5,030	170										
141	●	99	5,130	173										
142	●	99	5,230	176										
143	●	99	5,330	179										
144	●	99	5,430	182										
145	●	99	5,530	185										
146	●	99	5,630	188										
147	●	99	5,730	191										
148	●	99	5,830	194										
149	●	99	5,930	197										
150	●	99	6,030	200										
151	●	99	6,130	203										
152	●	99	6,230	206										
153	●	99	6,330	209										
154	●	99	6,430	212										
155	●	99	6,530	215										
156	●	99	6,630	218										
157	●	99	6,730	221										
158	●	99	6,830	224										
159	●	99	6,930	227										
160	●	99	7,030	230										
161	●	99	7,130	233										
162	●	99	7,230	236										
163	●	99	7,330	239										
164	●	99	7,430	242										
165	●	99	7,530	245										
166	●	99	7,630	248										
167	●	99	7,730	251										
168	●	99	7,830	254										
169	●	99	7,930	257										
170	●	99	8,030	260										
171	●	99	8,130	263										
172	●	99	8,230	266										
173	●	99	8,330	269										
174	●	99	8,430	272										
175	●	99	8,530	275										
176	●	99	8,630	278										
177	●	99	8,730	281										
178	●	99	8,830	284										
179	●	99	8,930	287										
180	●	99	9,030	290										
181	●	99	9,130	293										
182	●	99	9,230	296										
183	●	99	9,330	299										
184	●	99	9,430	302										
185	●	99	9,530	305										
186	●	99	9,630	308										
187	●	99	9,730	311										
188	●	99	9,830	314										
189	●	99	9,930	317										
190	●	99	10,030	320										
191	●	99	10,130	323										
192	●	99	10,230	326										
193	●	99	10,330	329										
194	●	99	10,430	332										
195	●	99	10,530	335										
196	●	99	10,630	338										
197	●	99	10,730	341										
198	●	99	10,830	344										
199	●	99	10,930	347										
200	●	99	11,030	350										
201	●	99	11,130	353										
202	●	99	11,230	356										
203	●	99	11,330	359										
204	●	99	11,430	362										
205	●	99	11,530	365										
206	●	99	11,630	368										
207	●	99	11,730	371										
208	●	99	11,830	374										
209	●	99	11,930	377										
210	●	99	12,030	380										
211	●	99	12,130	383										
212	●	99	12,230	386										
213	●	99	12,330	389										
214	●	99	12,430	392										
215	●	99	12,530	395										
216	●	99	12,630	398										
217	●	99	12,730	401										
218	●	99	12,830	404										
219	●	99	12,930	407										
220	●	99	13,030	410										
221	●	99	13,130	413										
222	●	99	13,230	416										
223	●	99	13,330	419										
224	●	99	13,430	422										
225	●	99	13,530	425										
226	●	9												

1.3 Mixing Division - Production Incentive.

INCENTIVE SYSTEM FOR 2008 (MIXING DEPARTMENT) - SHIFT WISE														
Performance (# of batches)- PRODUCTION ACTUAL % Against TARGET					SCRAP COMPOUND % (MONTHLY AVERAGE)					HOLD COMPOUND % (MONTHLY AVERAGE)				
		Rs / Month		Rs / 8h			Rs / Month		Rs / 8h			Rs / Month		Rs / 8h
60	★	64	50	2	0.30	★	0.29	190	7	1.80	★	1.70	150	7
64	★	68	180	7	0.28	★	0.27	285	13	1.69	★	1.59	285	13
68	★	72	250	11	0.26	★	0.25	420	19	1.58	★	1.48	420	19
72	★	76	350	16	0.24	★	0.23	535	25	1.47	★	1.37	535	25
76	★	77	480	30	0.22	★	0.21	690	31	1.36	★	1.26	690	31
80	★	81	500	23	0.20	★	0.19	825	38	1.25	★	1.15	825	38
82	★	83	550	25	0.18	★	0.17	960	44	1.14	★	1.04	960	44
84	★	85	600	27	0.16	★	0.15	1095	50	1.03	★	0.93	1095	50
86	★	87	650	30	0.14	★	0.13	1230	56	0.92	★	0.82	1230	56
88	★	89	725	33	0.12	★	0.11	1365	62	0.81	★	0.71	1365	62
90	★	91	800	36	0.10	★	0.09	1500	68	0.70	★	0.60	1500	68
92	★	93	900	41	0.08	★	0.07	1700	77	0.59	★	0.49	1900	86
94	★	95	1150	52	0.06	★	0.05	1950	89	0.48	★	0.38	2300	105
96	★	98	1300	59	0.04	★	0.03	2250	102	0.37	★	0.27	2650	120
98	★	99	1800	82	0.02	★	0.01	2600	118	0.26	★	0.16	3200	145
99+	★	100	2300	105	0.00	★	0.00	3000	136	0.18	★	0.00	3600	164
100+	★	101	3000	136										
101+	★	103	3850	175										
103+	★	105	5000	227										

Minimum	0	Rs / Month
Average	6550	Rs / Month
Maximum	11600	Rs / Month

ANNEXURE NO. 2

ALLOWANCES

The quantum of allowances from year 2011 is as follows:-

- | | |
|--|--|
| 2.1 Attendance Allowance | - Rs. 750/ - per month |
| 2.2 Weekend/ Holiday Allowance | - Rs. 45/ - for Saturday and Rs. 65/- for Sunday |
| 2.3 Dust Allowance | - Rs. 3/ - per day for Mixing Division and Rs. 2/-per day for other Divisions |
| 2.4 Night Allowance | - Rs. 150/ - per shift. This increase is effective from 1st January 2010. |
| 2.5 Poyaday/ Statutory Holiday Allowance | - Rs. 400/ - per day |
| 2.6 Washing Allowance | - Rs. 400/ - per month |
| 2.7 Drivers Subsistence | - Rs. 500/ - for over night stay and Rs. 350/ - for return journey |
| 2.8 Festival Advance | - Rs. 10,000/ - |
| 2.9 Special Transport Allowance (Tyre & Tube)- | Rs. 350/ - |
| 2.10 Non Recurring Cost of Living
Gratuity (NRCOLG) | - Frozen at Rs. 12,441/- (as per May 2011 CCPI (N) index) |
| 2.11 Transport allowance on down time | - Rs. 350/ - per day |
| 2.12 Shutdown allowance for maintenance | - Rs. 600/ - day will be paid during shut down period. This allowance will include the payment of transportation |

ANNEXURE NO. : 3

BENEFITS

3.1 **Uniform/ Soap.-** Employees will be provided with the following each year:

03 sets of uniforms to be worn while at work and 02 sets of uniforms to be worn while travelling to work will be issued to each employee.

The Company will reserve the right to suspend or cancel the issuance of uniforms for the purpose of travelling to work, in the event it is observed that employees fail to wear the uniform provided.

06 pairs of socks.

In addition to the above the employees will be provided with the following each month:

02 bars of washing soap.

02 cakes of soap.

3.2 **Transport.-** Employees will be provided with transport to and from work. The Company will operate the transport system on fixed routes and the maximum distance will be 35 km. The vehicles used for this purpose will be non - air conditioned.

3.3 **Library Service.-** 3.3.1 Library Services will be kept open on Mondays and Fridays from 1.00 p.m. to 4.00 p.m. Failure to return library material on the due date shall subject to a penalty of Rs. 5/- per book per day.

3.4. **Holiday Bungalow.-** 3.4.1 The resumption of the Holiday Bungalow facility which expired on 31st July 2009 will be made available only when the Company sales volumes returns to the equivalent level of July 2008, which should also be proportionate to the development of the production capacity.

3.4.2 The Company will reserve the target to provide this facility in the form of a holiday package or holiday bungalow depending on the financial vicibility.

3.4.3 The Company will introduce new guidelines for the use of this facility at the time of resumption.

3.5. **Toy Voucher.-** 3.5.1 Toy Vouchers will be granted to children of employees in December each year.

Age	Amount
1 - 4 years	Rs. 325/- per child
5 - 8 years	Rs. 425/- per child
9 - 12 years	Rs. 475/- per child

The Company will grant the toy voucher based on the age of each child declared by the employee, and as per the records maintained by the Company.

3.6 **New Year Gift Voucher.-** 3.6.1 A gift voucher of Rs. 1,800/- and a currency note of Rs. 100/- will be given to each employee on 1st January.

3.7 **Sinhala/ Tamil New Year Gift .-** 3.7.1 A gift voucher or a gift parcel to the value of Rs. 2,000/- will be given to the employees for the Sinhala/ Tamil New year.

3.7.2 The Company at its descretion, reserves the right to link any increase in the said value to performance targets to be achieved during the year.

3.8. **Wedding Gift.-** 3.8.1 The Company will grant Rs. 4,000/- in cash, as a Wedding Gift to an Employee getting married.

3.8.2 A sum of Rs. 4,000/- or company provided car for the wedding or home coming of an employee.

3.8.3 The employee will be required to produce the original marriage certificate to the wedding gift.

3.9 **Diary and Calendar.-** 3.9.1 Each employee wil be provided with a desk diary and two calendars at the end of each year.

3.10 **School Book Vouchers.-** 3.10.1 Employee's children will be granted school book vouchers as follows:

Category of Grade	Amount
Kindergarten	Rs. 825/-
Grade 1	Rs. 825/-
Grade 2	Rs. 970/-
Grade 3	Rs. 1,020/-
Grade 4	Rs. 1,140/-
Grade 5	Rs. 1,200/-
Grade 6	Rs. 1,500/-
Grade 7	Rs. 1,575/-
Grade 8	Rs. 1,700/-
Grade 9	Rs. 1,820/-
Grade 10	Rs. 1,830/-
Grade 11	Rs. 1,890/-
Grade 12 and 13	Rs. 1,900/-
Undergraduates	Rs. 2,075/-

The Company will grant school book vouchers based on the age of each child declared by the employee and as per the records maintained by the Company. The above amounts will come into effect from December, 2010.

3.11 *Funeral Expenses*

Death of an Employee

- 3.11.1 In the event of a death of an employee, the Company will meet all expenses of the funeral including the expenses of the 7 days alms giving. Employees will be granted 4 hours leave to attend the funeral of an employee.
- 3.11.2 However, if 4 hours is not adequate to attend the funeral, the union will make necessary arrangements to keep the plant in operation whilst employees attend the funeral.

Death of an Employee's family member

- 3.11.3 The Company will grant a payment Rs. 18,000/- in the event of a death of an employee's family member as described below. This amount will be paid with effect from 1st January, 2010. Payments should be made available when the death occurs and the death certificate should be produced within one month's time. If the death certificate is not produced, the donation amount will be deducted from employee's salary or any other dues.

Married Employees: Mother, Father, Spouse, Unmarried children, Mother-in-law and Father-in-law.

Unmarried Employees: Mother and Father.

The original copy of the death certificate and other relevant documents should be submitted to claim the money

3.12 *TRANSPORT TO ATTEND A FUNERAL OF EMPLOYEE'S FAMILY MEMBER-*

- 3.12.1 The Company will provide a 35 seater passenger vehicle if the distance is more than 50 km from the Plant and a 15 seater van if the distance is less than 50 km from the Plant, on one occasion.

3.13 *LOANS*

3.13.1 **Long Term Loans**

Employees shall be granted a loan of Rs. 150,000/- as a long term loan based on the following terms and conditions:

- The loan will be recovered in 60 monthly installments;
- All other long term loans should be fully settled to obtain the loan;
- Maximum salary deduction should not be more than 40% of the basic salary + NRCOLG;
- Employee should have completed a minimum of 5 years of service with the company;
- Two employees who have completed 5 years of service with the Company should sign as guarantors;
- Should be recommended by the Superior Officer and approved by the Head of Division member;
- Any unauthorised absence or warning letters issued during last 12 months will disqualify the employee from obtaining the loan.

3.13.2 **Short Term Loans.-**

A maximum sum of Rs. 35,000.00 (w.e.f December 2010) shall be granted as a short term loan to Employees on the following terms and conditions:-

- The loan will be recovered in 12 monthly installments;
- Maximum salary deduction should not be more than 40% of the basic salary + NRCOLG;
- Employee should have completed a minimum of 1 year of service with the company;
- Two employees who have completed 5 years of service with the Company should sign as guarantors;
- Should be recommended by the Superior Officer and approved by the Head of Division;
- Any unauthorised absence or warning letters issued during last 12 months will disqualify the employee from obtaining the loan.

CODE OF DISCIPLINE

- 4.1 **Conduct & Behaviour.-** 4.1.1 Employees are expected to conduct themselves responsibly and not to act in any manner prejudicial to the interests and good image of the Company.
- 4.1.2 Employees are required to observe the Company's rules and regulations and provisions of this agreement and its annexures. Such regulations may also be changed from time to time to ensure the relevance of regulations according to the needs of the Company. Such changes will be discussed with the union before implementation.
- 4.2 **Discrimination & Harassment.-** 4.2.1 The Company prohibits unlawful discrimination or harassment of any kind on the part of all employees, including discrimination or harassment on the basis of race, colour, veteran status, religion, gender, sex, age, mental or physical disability, nationality, marital status, verbal, physical and visual harassment or any other characteristics protected by law.
- 4.2.2 Where a complaint of retaliation is substantiated, appropriate disciplinary action shall be taken not excluding termination of services.
- 4.3 **Company Assets & Confidentiality.-** 4.3.1 All employees must maintain the confidentiality of business information. The Company's tools, equipment, facilities and inventories, as well as its know-how, technology, market information and business plans, etc. are all valuable assets. It is the responsibility of every employee to preserve and protect the company's assets and confidential business information and to see that they are not misused or made available to outsiders in any manner that could be detrimental to the interests of the company. This obligation of confidentiality applies while an employee is in service of the Company.
- 4.4 **Personal Use of Company Property.-** 4.4.1 Employees shall not use company property, labour or information for personal use without prior written approval of the company.
- 4.5 **Conflict of Interest.-** 4.5.1 A conflict of interest shall be when an employee or his/her family member has a direct or indirect financial interest in, or receives any compensation/other benefit from, any individual or firm that sells material, equipment or property to the Company, provides any service to the Company, has business dealings or contractual relations with the Company or is engaged in a similar business or competes with the Company. Family members include spouses, parents, children, siblings and in-laws. Employees shall ensure that they do not engage in any activity that shall create a conflict of interest in the Company.
- 4.6 **Respecting Each Other.-** 4.6.1 An employee shall do his or her utmost to promote a respectful workplace culture that is free of harassment, abuse (physical, verbal & visual), intimidation, biasness and discrimination of any kind.
- 4.7 **Fair Competition.-** 4.7.1 Employees shall treat customers and suppliers honestly and fairly and shall not make false, misleading or disparaging remarks to customers or suppliers about other customers/ suppliers or about competitors, their products or services.
- 4.8 **Commitment to Customers & Suppliers.-** 4.8.1 Employees shall practice and promote high professional standards in carrying out his or her tasks and in his or her relationship with other employees, suppliers, customers, stakeholders and other persons dealing with the Company.
- 4.8.2 Employees shall not accept bribes, inducements or unauthorized commissions from customers or suppliers. Acts of such shall result in disciplinary action being taken according to the disciplinary procedures not excluding termination of services.
- 4.9 **The Environment.-** 4.9.1 The Company requests all employees to have regard for the environment when carrying out their duties.
- 4.10 **Gifts and Entertainment.-** 4.10.1 Employees or members of their families shall not accept gifts, services, discounts or favours from those with whom the Company engages in business or intends engaging in business.
- 4.10.2 Employees may accept gifts of nominal value (calendars, appointment books, pens, etc.) ordinarily used for sales promotion.
- 4.10.3 Where an employee receives a gift that does not fall within these guidelines, such an employee is required to report it to his or her superior and the gift shall be returned. If return of the gift is not practical, it shall be given to the Company for charitable disposition or such other disposition, as the Company deems appropriate.

- 4.11 **Company Property.-** 4.11.1 Employees shall take care of all Company property including tools, uniforms, machinery, vehicles and ID cards. Employees shall not remove company property from its premises without proper authorization and shall report to the Company of damage to property, losses, sabotage and evidence of theft.
- 4.12 **Frauds and Thefts.-** 4.12.1 Company prohibits fraudulent activity and establishes procedures to be followed to ensure that incidents of fraud and theft relating to the Company are promptly investigated, reported and where appropriate prosecuted.
- 4.12.2 Fraudulent activity can include actions committed by an associate that injure suppliers and customers, as well as those that injure the Company, its shareholders and its associates.
- 4.12.3 Employees who suspect that any fraudulent activity may have occurred shall immediately report such concern to the Human Resources Director or the Human Resources Manager.
- 4.12.4 Such contact should occur before any action is taken with respect to the individual accused of perpetrating the alleged business impropriety.
- 4.13 **Workplace Violence.-** 4.13.1 The Company is committed to provide all employees with a completely safe work environment and shall not conform to any and all forms of workplace violence.
- 4.13.2 Employees shall not bring any sort of weapon to work or threaten violence of any kind and violation of this policy will result in appropriate disciplinary action, up to and including termination of service.
- 4.14 **Alcohol & Drugs.-** 4.14.1 Consumption of or being under the influence of alcohol whilst on duty that will affect public relations, safety in the workplace or the safety of customers, suppliers, guests and other staff or which shall violate law, shall result in termination of service.
- 4.15 **Behaviour.-** 4.15.1 All employees shall behave in a polite, respectful, cheerful and helpful manner towards customers, guests and other staff at all times. Any act of harassment, abuse, misconduct shall lead to disciplinary action.
- 4.16 **Grooming and Appearance.-** 4.16.1 In order to present a positive, professional image, personal appearance, employees' shall be clean, neat and tidy at all times.
- 4.16.2 Hair, moustaches and beards shall be shaved, kept clean, neat and well groomed and uniforms and the company identity cards shall be worn all times whilst on duty within Company premises.
- 4.17 **Occupational Health and Safety.-** 4.17.1 All employees shall :
- (a) Not interfere with or misuse any item provided in the interests of safety.
 - (b) Follow safe work practices and encourage others to do the same.
 - (c) Know and comply with specific safety regulations affecting employee position.
 - (d) Not put oneself in danger.
 - (e) Wear appropriate clothing and personal protective equipment.
 - (f) Use all safety devices.
 - (g) Report any hazards such as unsafe equipment, working conditions or work practices to a responsible officer of the Company.
 - (h) Report all accidents, injury immediately to a responsible officer of the Company.
 - (i) Know the location of phones, first aid kits and fire extinguishers and know how to use them.
 - (j) Know the identity of the first aid attendant.
- 4.18 **Smoking & Chewing Betel.-** 4.18.1 Employees shall ensure the environment at the workplace does not endanger the health, safety or welfare of any employees. Employees on duty or in uniform shall smoke and chew betels in the designated areas provided by the company for this purpose.

- 4.19 **Unauthorised Use of Company Vehicles.-** 4.19.1 Employees are not permitted to drive vehicles owned by the Company without authorization. Vehicles belonging to the Company must not be used other than for authorised purposes and the person entrusted with a vehicle shall ensure that unauthorised persons do not use or drive such vehicle. Any employee who contravenes these requirements will be personally responsible for the consequences of his/ her action, including payment of all claims for damages.
- 4.20 **Private Business/ Other Employment.-** 4.20.1 An employee shall not be engaged in any private business of his/ her own, or be employed in any capacity or do any work or assignment elsewhere without the prior written approval of the Employer. Employees are expected to devote their working hours exclusively for the execution of their duties.
- 4.21 **Publications/Interviews/ Press Releases.-** 4.21.1 Employees shall not publish any detrimental article, book, photograph or letter, give any interview or press releases or deliver any lecture or speech on any matter which concerns their duties or the business of the Company without the prior written consent of the Employer.

ANNEXURE NO :5

DISCIPLINARY PROCEDURE

- 5.1 **Preliminary Investigations.-** 5.1.1 Company shall conduct preliminary investigations and obtain written statements from the complainant/s or witness/es in regard to the alleged act of misconduct committed or reported to have committed by an Employee.
- 5.1.2 In the event of theft, where a Security Officer makes any detection, such detection shall be immediately recorded in the information book [IB]
- 5.1.3 After the conclusion of the preliminary investigation, the Investigation Officer shall submit an Investigation Report to the Employer.
- 5.1.4 Where the charges relate to an attempt by the accused Employee to remove goods or articles, the relevant items shall be clearly preserved, marked and sealed wherever possible in the presence of the accused Employee and an entry should be made in the Police to that effect by the Security Officer or any relevant Officer.
- 5.1.5 A statement shall also be obtained from the accused Employee. If the employee refuses to make such a statement, he/ she shall not be compelled to do so. In the event, an accused employee refuses to make a statement such fact shall be recorded and endorsed by the Investigation Officer.
- 5.2 **Show Cause Letter.-** 5.2.1 Based on the preliminary investigation report, if disciplinary action is required, the Company shall issue a show cause letter setting out the particulars of the charges of misconduct alleged against the Employee. Show cause letter shall set out.
- (a) The approximate date, time and place the offence that has taken place,
- (b) A time duration of 7 working days will be given to the Employee to submit his/ her explanation to the charges issued.
- (c) An intimation to the Employee that if he/she fails to submit explanation by the said date, it would be presumed that he/ she has no cause to show and action would be taken.
- 5.3 **Letter of Explanation.-** 5.3.1 On receipt of the show cause letter the Employee concerned shall submit his/ her explanation to the Company in writing within the specified period.
- 5.3.2 However, if an Employee requests for an extension of time to reply, the Company may, where it deems such request is reasonable, shall grant an extension.
- 5.3.3 If the Company is satisfied with the written explanation submitted by the employee such explanation, shall be accepted by the Company.
- 5.3.4 If the company is satisfied with the explanation given by the employee concerned and if the Employee is under suspension, he/she shall be reinstated and all emoluments and entitlements due to him/her during the period of suspension shall be paid.
- 5.3.5 If the Company is not satisfied and rejects the written explanation submitted by the employee, the Company shall commence an inquiry after receipt of the written explanation to the show cause letter.

- 5.3.6 The Human Resources Division of the Company shall inform the Employee concerned and other relevant personnel of the inquiry in writing.
- 5.3.7 The Company shall not be required to hold an inquiry where it proposes to warn an Employee in a situation where the Employee admits to the charge/s.
- 5.3.8 If the Company does not receive any written explanation to the show cause letter, the inquiry shall be held ex-parte and action shall be taken accordingly.

5.4 Suspension of work.-

- 5.4.1 The Company shall suspend an Employee with pay, half month pay or without pay :-

Pending an inquiry to be held by the Company on a charge/s of misconduct where such, charge/s relate/s to ;

- (a) Fraud, theft, misappropriation or a like offence by the Employee in the course of employment
- (b) Abuse, threat or gross insubordination relating to work by the Employee towards his supervisors
- (c) Breach of peace, or damage to property, or disturbance of the business of the Company
- (d) Charges which, in the opinion of the Company, shall warrant dismissal

- 5.4.2 The Company shall issue a written letter of suspension to the employee specifying the reasons for such suspension at the time of suspension or within 24 hours thereof.

- 5.4.3 Nothing in the preceding sub-clause shall prejudice the right of Employees or the Union on his behalf to dispute an order of suspension thereafter as provided in this Agreement.

5.5 Domestic Inquiry.- 5.5.1 The Company shall hold the inquiry or select an independent Inquiring Officer to hold the inquiry based on the gravity of the misconduct. The name of the Inquiring Officer will be notified to the accused employee prior to the inquiry. A Manager or an Executive of the Company or an external party may prosecute the case in order to facilitate the work of the Inquiring Officer.

- 5.5.2 The accused Employee shall be permitted to be present in person throughout the proceedings. If he/ she is not present at the commencement of the inquiry and no excuse has been submitted, the inquiry shall proceed 'ex - parte'. Evidence shall be recorded and relevant documents shall be marked. This procedure shall be followed in situations where an Employee withdraws from proceedings without reasonable cause. Witnesses shall be granted duty leave to attend the domestic inquiry.

- 5.5.3 One inquiry or several inquiries shall be held where there is more than one accused employee in respect of the same charges or there are several accused Employees charged with different offences in connection with the same transaction.

- 5.5.4 The accused Employee shall be allowed to represent himself/ herself or to be represented by a fellow Employee of equal rank, as non - participatory observer, provided a request is made for such representation.

- 5.5.5 The Inquiring Officer shall read out the charges and inquire whether the Employee is guilty or not guilty. If the Employee pleads guilty, he/she shall be asked whether he/ she has any statement to make in that connection. If she/ he answers in the affirmative his/ her statement shall be recorded. If an Employee replies not guilty, the inquiry shall proceed by :

- (a) The case shall be opened, by summoning witnesses in sequence for the Company and their evidence shall be recorded. Proceedings shall be recorded clearly and legibly and the date and place of the inquiry shall be recorded.
- (b) When a statement is being made by the accused Employee, the witnesses shall not be permitted to be present and when a statement of witnesses is recorded, the accused Employee shall be permitted to be present.
- (c) The evidence shall be recorded in the form of direct speech and in a language familiar to the accused Employee and witnesses.
- (d) When the evidence of a witness has been completed he/ she shall sign the record, (each page if his/ her evidence goes beyond one page) as a correct record of his/ her evidence. If the witness refuses to sign the record, an entry to that effect shall be made by the Inquiring Officer in the record.

- (e) The accused Employee shall be given an opportunity to cross - examine the witnesses. The prosecution shall be permitted to re - examine the evidence given. The Inquiring Officer may asked questions in clarification of any evidence given.
- (f) On the conclusion of the evidence for the Employer, the accused Employee shall be requested to make a statement and give evidence if he/ she so wishes. If the accused Employee makes a statement, or gives evidence, his/ her evidence shall be recorded subject to cross - examination. If the accused Employee refuses to make a statement or give evidence he/ she shall not be compelled to do so, but a record shall be made to this effect. The accused Employee is required to sign his/ her recorded evidence and, if he/ she refuses to do so, a record shall be made to this effect. The same procedure stipulated above should be followed in respect of witnesses who refuse to make statements, give evidence or sign his/ her recorded evidence.
- (g) The accused Employee shall be afforded an opportunity to call other witnesses, if any, to support his/ her case. If an accused Employee refuses to give evidence or to call witnesses, the Inquiring Officer shall record the fact that the accused Employee was afforded the opportunity of giving evidence and calling witnesses. If a witness refuses to sign recorded evidence, the Inquiring Officer shall sign the record confirming it to be a correct record of the witness's evidence.
- (h) At the end of the inquiry, the accused Employee shall sign the statement to say that he/ she was satisfied that the inquiry was conducted in a fair and reasonable manner.
- 5.5.6 Where documents are produced at the inquiry on behalf of the prosecution the accused shall be given an opportunity to study (but not to remove) such documents. If the accused employee wishes to produce any document/s she/ he should certify the same prior to producing them.
- 5.5.7 The Inquiring Officer shall initial documents marked at an inquiry. The Inquiring Officer shall take possession of all documents and items produced before him/ her during the inquiry and, after the conclusion of the inquiry shall hand over the same to the Employer for safe custody.
- 5.5.8 Before the conclusion of the prosecution case, if it appears that additional charges need to be framed, or the existing statement of charges need to be amended, or other parties may be charge - sheeted, the Prosecuting Officer shall make an application to this effect to the Inquiring Officer who in turn shall inform the Company to issue a fresh show cause letter. If there is no Prosecuting Officer, the Company shall make such request.
- 5.5.9 In the event of the existing charges being amended or additional charges framed, the Prosecuting Officer may recall witnesses, summon new witnesses or entertain any further documents, as the Officer considers necessary. In such a case, the accused Employee must be afforded an adequate opportunity of defending himself/ herself against such new or amended charges, of cross - examining such witnesses or examining such documents as the case may be. Where the Inquiring Officer considers the presence of a certain witness or document necessary to throw light on the inquiry proceedings or in the interest of natural justice, he/ she should be entitled at any stage to call such witnesses or such documents to the inquiry.
- 5.5.10 The inquiry may be re - opened where the inquiry is concluded and no order has been made as yet and the Inquiring Officer feels that it is necessary to hear further evidence in order to make up his/ her mind, or if the Company makes a request for further evidence which was not available when the inquiry was proceeding, and such evidence has been subsequently received.
- 5.5.11 The inquiring Officer shall submit a report to the Employer after the conclusion of the inquiry. The report shall contain his/ her decision on each of the charges together with the reasons for such decision. The Inquiring Officer's findings and report should state specifically whether or not he/ she concludes that the accused Employee is guilty of the charge/s.
- 5.5.12 Company shall decide on the punishment to be imposed in respect of employee found guilty of misconduct. The Employer shall communicate the punishment to the employee.

Types of Misconduct

- (a) Misappropriation or failure to account for the funds of the Company
- (b) Theft, fraud or dishonesty in relation to property belonging to the Company
- (c) Habitual breach of regulations or orders of the Company
- (d) Negligence resulting in loss or damage to the Company
- (e) Dangerous or unauthorized driving or use of vehicles belonging to the Company
- (f) Driving a vehicle belonging to the Company while under the influence of liquor or drugs
- (g) Acting in collusion with customers and/or agents of the Company, to the detriment of the Company and/or so as to cause loss to the Company
- (h) Insubordination
 - (i) Conviction in Court of a criminal offence or finding by other statutory authority involving moral turpitude
 - (j) Sabotage of or wilful damage to property of the Company
 - (k) Taking or giving of bribes to Company personnel
 - (l) Riotous or disorderly behaviour and gambling within the premises of the Company
- (m) Misuse of property belonging to the Company
- (n) Failure to carry out lawful orders
- (o) Issue of unlawful instructions to subordinates
- (p) Acting wilfully in a manner calculated to cause loss, prejudice or harm to the Company, or which affects adversely its goodwill or prestige and/or negligence
- (q) Misuse of authority, power or position for personal gain
- (r) Submission of false or forged certificates and/or travelling claims
- (s) False or incorrect declaration in forms pertaining to applications for employment
- (t) Insobriety or drunken behaviour
- (u) Wilfully giving false evidence or altering Company documents without authority
- (v) Habitual late attendance
- (w) Absence without authority (unauthorised absence)
- (x) Failure to observe the "Code of Conduct" and Company regulations
- (y) Sexual harassment of fellow employees or unbecoming conduct/behaviour
- (z) Causing disaffection or mischief among fellow workers
- (aa) Acts or omissions which undermine the management or members of the management staff or directors
- (bb) Refusal to accept communications from the Company
- (cc) Carrying on a business, occupation or calling which is in competition with the Company
- (dd) Refusal to perform overtime without a reasonable reason
- (ee) Unpunctuality
 - (ff) Failure to wear uniforms and Safety equipments whilst on duty
- (gg) Discourtesy to customers and agents of the Company
- (hh) Failure to observe safety precautions
 - (ii) Failure to report an accident involving vehicles owned by the Company
 - (jj) Failure to maintain essential records
- (kk) Smelling of liquor whilst on duty
 - (ll) Negligence during the course of work resulting in injuries to co-worker/s
- (mm) Smoking and Chewing betel in areas outside the allocated locations
- (nn) Causing injury to self through carelessness or negligence of duty
- (oo) Failure to wear uniform provided by the company when travelling to and from work
- (pp) Bringing disrepute to the Company by disgraceful behaviour whilst wearing the Company uniform at external locations

7.1 Format 1.- Authorization for check off

As I am an employee covered and bound by the Collective Agreement between Trelleborg Lanka (Pvt) Ltd., and the Free Trade Zones and General Services Employees Union and I desire to avail myself of the facility for check off contained in the said agreement of which I am eligible as a member of the Free Trade Zones and General Services Employees' Union, please deduct from my salary each month a sum of rupees (Rs.) in respect of my current monthly membership dues to the said union and remit the same to the said union on my behalf, the first payment should be made from my salary next due immediately following the date hereof.

Signature of the Employees

Full name of Employee

Date

Received on

(To be filled by the Employer)

7.2 Format 2.- Name of Employer

Revocation

With reference to the authorization submitted by me please cease to deduct from my salary my future membership dues in favour of Free Trade Zones and General Services Employees' Union with effect from the salary due to me immediately forthcoming the date hereof.

Date

Signature of Employee

Full Name of Employee

Received on

FINAL PROVISIONS

If, in the period of existence of this Agreement, regulations are changed and provisions become invalid, both Contracting Parties obligate themselves to agree upon new provisions in accordance with the regulations in force. All amendments, changes and supplements, of this Collective Agreement will be discussed and agreed by both Contracting Parties in advance.

Both Contracting Parties undertake to maintain social conciliation after the signature of this Agreement.

Any disputes arising under this Agreement concerning fulfillment of provisions therein as well as disputes during conclusions of amendments to this Agreement will be settled according to the Industrial Disputes Act.

Both Contracting Parties agreed that supplementing and updating the Annexures of this Collective Agreement, if needed, will be made once a year during the Collective Bargaining Process.

Trelleborg Lanka (Pvt.) Ltd. will ensure printing this Agreement within fifteen days after registration with the Department of Labour.

This Agreement is in operation from 5th December 2009 to 31st December 2013 and has an effect after the date of signature. Both parties witness this agreement by the signature of their representatives.


.....
Managing Director
Trelleborg Wheel Systems
Lanka (Private) Limited


.....
Joint Secretary
Free Trade Zones &
General Services Employees Union

Witnesses for the Company:

1 Name. Dian Gunatilleke

Signature

2 Name. Iredika Liyandherage

Signature

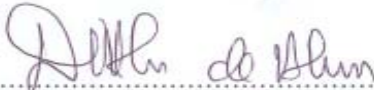
Witnesses for the Union:

1. Name T. N. Tirakasiol

Signature:

2. Name N. D. G. Kumara

Signature:


.....
Employer's Federation of Ceylon