



**CEYLON TOBACCO
COMPANY**

A member of the British American Tobacco Group

Collective Agreement 2013



between

**Ceylon Tobacco Company PLC
and
Food Beverages & Tobacco Industries
Employee's Union (CTC Branch - Kandy)**

Collective Agreement 2013

TECHNICAL ASSISTANTS, TECHNICIANS, JUNIOR TECHNICIANS

(LEAF DEPARTMENT)

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COLLECTIVE AGREEMENT - 2013

BETWEEN

CEYLON TOBACCO COMPANY PLC

AND

FOOD BEVERAGES & TOBACCO INDUSTRIES EMPLOYEES' UNION

THIS COLLECTIVE AGREEMENT made and entered into on the Eighth Day of April Two Thousand Thirteen between CEYLON TOBACCO COMPANY PLC having its Registered Office at No. 178, Srimath Ramanathan Mawatha, Colombo 15 (hereinafter referred to as the 'Employer' or 'Company') of the ONE PART and the FOOD BEVERAGES & TOBACCO INDUSTRIES EMPLOYEES' UNION, being a Trade Union duly registered under the Trade Unions Ordinance and having its Registered office at No. 513 ½, Elvitigala Mawatha, Colombo 5, (hereinafter referred to as the 'Union') of the OTHER PART Witnesseth:

WHEREAS the Union has shown to the satisfaction of the Employer that it represents a majority of the Technical Assistants, Technicians and Junior Technicians employed by the Employer in the Leaf Department, Kandy.

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

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

1. TITLE

This Agreement shall be known and referred to as **"THE KANDY TECHNICAL ASSISTANTS, TECHNICIANS, JUNIOR TECHNICIANS COLLECTIVE AGREEMENT - 2013"**

2. DATE OF OPERATION AND DURATION

This Agreement shall come into force as from the First day of January 2013 and shall thereafter continue in force unless it is determined by either party giving six (6) months prior notice in writing to the other party. Provided, however, that neither party shall give such notice to the other party before Thirty First day of December 2015 and such notice shall not expire before the Thirtieth day of June 2016.

3. PARTIES COVERED AND BOUND

This agreement shall cover and bind the Employer, the Union, and only the Technical Assistants, Technicians and Junior Technicians, attached to the Leaf Department who are permanently employed on contracts of employment by the Employer at its work places in the Leaf Department, Kandy and the Depots and who are members of the Union (such employees hereinafter referred to as "Covered Employees").

4. EARLIER COLLECTIVE AGREEMENTS

The provisions of this Agreement shall supersede and replace the provisions of "The Technical Assistants, Technicians and Junior Technicians' Collective Agreement 2010" which shall by the mutual agreement of the parties hereto stand terminated with effect from the date on which this Agreement takes effect.

5. DECLARATION OF PRINCIPLE

- a. Both the Company and the Union accept the principle that the special consideration affecting the company is such that wage and salary rates are a proper subject for collective bargaining between the Company and the Union, and that the actions of other employers including Government Corporations and the Government of Sri Lanka in their capacity as employers of labour, regarding the amount and timing of wage increases are not automatically applicable in the context of the Company except where otherwise provided by legislation.
- b. In cases in which Government does provide by legislation for benefits including increases in wages, gratuity, bonus etc., the following shall apply
 - i. When such benefits are more favourable than the benefits stipulated, only the difference between such benefits provided by such legislation and the benefits stipulated herein, shall be added to the said benefits stipulated herein,
 - ii. When such benefits are equal or less favourable to the benefits stipulated herein, they shall not be added to or compounded with the said benefits stipulated herein,
- c. The stipulations contained in sub-clause (b) above are without prejudice to the principle contained in sub-clause (a) above.

6. MANAGEMENT'S RIGHTS AND RESPONSIBILITIES

The Union and the Covered Employees agree that inter alia selection, placement, distribution, transfer and promotion of personnel, laying down of working hours and working programmes, planning and control of factory operations, introduction of new machinery or new product type or improved production methods, expansion of production facilities, establishment of quality and production standards, maintenance of efficiency, the consequence thereof, maintenance of discipline in the GLTP and other workplaces in the Leaf Department and for that purpose taking necessary disciplinary action against workmen within the framework of the existing law, regulations and standing orders, are exclusively the rights and responsibilities of the Management of the Company.

7. GENERAL TERMS AND CONDITIONS OF EMPLOYMENT

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

8. VARIATION OF TERMS AND CONDITIONS OF EMPLOYMENT OR BENEFITS

- a. The Union and its members and the Covered Employees jointly and severally agree with the Employer that during the continuance in force of this Agreement, they will not seek to vary or add to all or any of the terms and conditions of employment presently applicable to any of the Covered Employees or all or any of the benefits presently enjoyed by any of the Covered Employees, other than by mutual agreement.

- b. Subject to the provisions of clause 37, the Employer agrees with the Union that it shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the Covered Employees other than by mutual agreement.
- c. Any dispute or difference arising from negotiations under the provisions of sub-clauses (a) or (b) may be resolved by voluntary arbitration under section 3 (i) (d) of the Industrial Dispute Act (1950) but only if all the parties concerned agree to submit such dispute or difference for settlement by voluntary arbitration.

9. INCREMENTS

- a. An annual increment of 1% of the basic salary paid to each Covered Employee in the month of December immediately preceding, shall be granted in January 2013, January 2014 and January 2015 respectively, unless as a measure of disciplinary action or on account of unsatisfactory work, the annual increment is suspended, stopped or deferred. The annual increment for 2013, 2014 and 2015 will be paid commencing from January 2013, January 2014 and January 2015 respectively (herein referred to as "the **Consolidated Salary**" for each respective year).
- b. In addition to the above, an increment shall be made to the Covered Employees, in September each year, taking in to consideration the impact of cost of living. The basis for this shall be considered either 2% increment on the basic salary OR an increment based on the calculation of the Colombo Consumers Price Index (CCPI-N) computed by the Department of Census and Statistics for the applicable period each year (September to March), whichever is higher.

10. WAGES

- a. As from the First Day of January 2013 the company will grant an increase in wages on the following basis:
 - i. An increase of seven per cent (7%) on the Consolidated Salary paid to each Covered Employee, subject to sub-clause (iii) below,
 - ii. Subject to sub-clause (iii) below, each Covered Employee shall receive a lump sum payment of 1% of his annual salary (i.e. Consolidated Salary x 12 x 1%) as an ex- gratia payment , along with the salary for January 2013.
 - iii. Covered Employees who were recruited to the Company between 01st July Nineteen Ninety Nine (1999) and 01st January Two Thousand Nine (2009) and who are performing duties in the capacity of technical assistants as at the date hereof will be entitled for an additional 1.5% increase to the increment mentioned in sub-clause (i) above and an additional increase of 1% to the increment mentioned in sub clause (iii-b) in January 2014 and sub clause (iii-c) in January 2015. This additional 1.5 % increase in 2013 and 1% increase 2014 and 2015 is granted solely on the basis of their technical skill level and competency. Provided that Covered Employees who qualify for the increment in this clause shall not receive the special allowance mentioned in sub-clause (ii) above. The names of the Covered Employees who qualify for the increment in this clause as at the date hereof are set out First Schedule to this Agreement.
- b. As from the First Day of January 2014 the Company will grant an increase in wages by an increase of five per cent (5%) on the Consolidated Salary.

- c. As from the first Day of January 2015 the Company will grant an increase in wages by an increase of five per cent (5) calculated on the Consolidated Salary.
- d. It is agreed that a new salary structure as set out in the Second Schedule to this Agreement shall be introduced as from first Day of January 2015. Provided, it is also agreed that the new salary structure shall only be applicable to new recruits, employees to be confirmed in service and those promoted on after the first Day of January 2015. The new salary structure will be revised once in three years prior to the Collective Agreement.

11. NON-RECURRING COST OF LIVING GRATUITY

- a. Every employee shall receive in each year in respect of the preceding 12 months (first day of March to Twenty Eighth day February, hereinafter refer

- b. The wage for the purpose of calculating the contribution to the Provident Fund will be the consolidated salary as computed for 2013, 2014 and 2015 respectively in terms of Clauses 10(a), 10(b) and 10(c) above and varied each September by the Cost of Living Increment set out in clause 9(b) above.

14. RETIRING GRATUITY

- a. A permanent Covered Employee who retires from the services of the Company upon attaining the age of retirement having completed a minimum of Ten (10) years' service as a permanent employee on a contract of employment with the Company, will be paid a Gratuity of One (01) month's salary for each completed year of service. For those who have completed Five (5) to Nine (9) years of service, Gratuity will be paid according to the Gratuity Act No. 12 of 1983.
- b. The wage for the purposes of calculating the Gratuity will be the last drawn basic monthly salary of the Covered Employee prior to retirement.

15. LEAVE

- i. **LEAVE YEAR (Technical Assistant, Technician & Junior Technician)** - Leave Year shall be the period from first day of January to 31st day of December of each year.

- ii. **ANNUAL LEAVE**

Covered Employees will be entitled to earned Annual Leave of Fourteen (14) days per Leave Year and such leave will be allowed at times mutually convenient to the Company and the employees subject to the conditions that at least Seven (7) days have to be taken consecutively on the basis of a roster prepared at the beginning of each Leave Year. In the case of employees who complete Twenty Five (25) years of service (or attain 50 years of age with a minimum of 5 years' service) they will be entitled to Seven (7) days extra Annual Leave in the succeeding Leave Years.

Annual leave has to be applied for and approved in advance. On recruitment to the Company Covered Employees will be entitled to annual leave in the following Leave Year pro rated on the following basis.

DATE of RECRUITMENT	ENTITLEMENT
Between 1 st January and 31 st March	14 Days
Between 1 st April and 30 th June	10 Days
Between 1 st July and 30 th September	07 Days
Between 1 st October and 31 st December	04 Days

- iii. **CASUAL LEAVE**

Covered Employees will be entitled to Seven (7) days casual leave per year. Casual Leave will normally be granted on application without the Covered Employee being required to state the reason for the application. Where the Employer finds it difficult to grant an application for casual leave, its difficulty shall be notified to the Employee as soon as possible after the application is made and in such case, the Employee may be required to state the reason for the application in order that the Employer may decide whether it is reasonable in the circumstances to grant him casual leave.

- iv. **SICK LEAVE**

Covered Employees shall be entitled to Twenty One (21) days sick leave per year. In the case of infectious diseases the company agrees to grant special leave up to Fourteen (14) days provided

the employee concerned submits a Medical Certificate from the Medical Officer of Health or the District Medical Officer of the area in which the employee resides.

16. HOLIDAY ADVANCE, HOLIDAY PACKAGE & HOLIDAY BUNGALOW FACILITIES

a. HOLIDAY ADVANCE

Each employee who avails himself a minimum of Five (5) days annual leave on consecutive days as provided for in this Agreement will be granted an advance of Rupees Three Thousand (Rs.3,000/-) which shall be deducted from the monthly wages or other dues.

b. HOLIDAY PACKAGE

As from the operative date of this Agreement, the Company will pay each employee an all-inclusive Holiday Package of Rupees Five Thousand Seven hundred (Rs.5700/-) per leave year (January to December), which hereafter is referred to as Holiday Package subject to the condition that it shall be paid only when an employee avails himself a minimum of Five (5) days annual leave on consecutive days as rostered during the leave year in question.

c. HOLIDAY BUNGALOW FACILITIES

Covered Employees who have completed a minimum of Twenty Five (25) years of service and employees in the Technical Assistants category will be entitled to use the Sigiriya Bungalow and the Colombo Bungalow under the Company Bungalow Policy. All other Covered Employees will be entitled to use the Colombo Bungalow under the Company Bungalow Policy.

17. RECREATIONAL ALLOWANCE & EXCURSION PAYMENT

a. RECREATIONAL ALLOWANCE

As from the operative date of this Agreement, the Company will pay each Covered Employee who has completed a minimum of Fifteen (15) years of service a Recreational Allowance of Rupees Two Thousand Five Hundred (Rs.2,500/=) per Leave Year and all other employees a Recreational Allowance of Rupees One Thousand Seven Hundred and Fifty (Rs.1,750/=) per Leave Year, subject to the condition that it shall be paid only when an employee avails himself a minimum of Five (5) days annual leave on consecutive days as rostered during the Leave Year in question.

b. EXCURSION PAYMENT

As from the operative date of this Agreement, the Company will allocate an allowance of Rupees Two Thousand Two Hundred and Fifty (Rs.2,250/=) per Leave Year, per employee during 2013, 2014 and 2015, as an Excursion Payment in connection with the Annual Excursion. In addition to this, if and when the possibility exists, the Company shall endeavour to meet other reasonable expenses, including the cost of the bus fare, in connection with the Annual Excursion, subject to the then current limitations.

18. HOLIDAYS

The present system of holidays will continue subject to the Company's right at its discretion to declare any Saturday as a normal working day without the payment of any enhanced remuneration in respect of such day, in which event the Company will pay the employee up to eight hours wages and grant a day off in lieu. The Company will inform the Union prior to arriving at a decision in regard to the declaration of any Saturday as a normal working day.

19. OVERTIME AND WORK ON HOLIDAYS

If required by the Company, an employee shall work reasonable overtime authorised by the Company in excess of his normal working hours and shall work on any holidays if called upon to do so by the Company. Refusal to work such overtime or on such holiday in the absence of a satisfactory explanation acceptable to the Company shall render an employee liable to disciplinary action. Overtime work or work on holidays shall be remunerated at rates presently in force.

20. BONUS PLAN

a. ANNUAL BONUS

- i. Without prejudice to existing bonus schemes and without prejudice to the Company's claim that Bonus payments by the Company in the past and as provided in this Agreement are ex-gratia, the Company will subject as hereinafter provided, continue to pay each employee a bonus which will not be less than the sum of money paid to him as his bonus for the year immediately preceding the signing of this Agreement. If in any year the Company at its discretion reduces the bonus to an amount less than the sum of money paid to each employee as bonus for the year immediately preceding the signing of this Agreement, the Union may canvass such reduction of the bonus with the Company. If the Union is not satisfied with the decision of the Company in the matter, the Union may pursue the matter with the Employers' Federation of Ceylon of which the Company is a member. If the dispute as to the reduction of the bonus is not settled with the Employers' Federation the same shall be referred to a Committee of three persons (hereinafter referred to as a "Bonus Committee") which shall be constituted in accordance with the provisions of sub-clause (ii) below for settlement in the manner hereinafter set forth.
- ii. At the writing request of the Company or the Union or both parties hereto with written notice thereof given to the other party and to the Commissioner of Labour, the Honourable Minister of Labour will constitute a Bonus Committee that shall be bound to settling the dispute as to the reduction of bonus.

If the decision of the Bonus Committee is unanimous, such decision shall be final and binding on the parties to the dispute and the Union and/or its members shall not pursue the matter further by any form of Trade Union action or otherwise during the continuance in force of this Agreement. If, however, the Bonus Committee is divided in its decision, then the decision of the Commissioner of Labour on the matter shall be final and binding on the parties to the dispute and the Commissioner's decision shall be communicated in writing by the Commissioner of the Labour to the Employers' Federation of Ceylon, and the Union and/or its members shall not pursue the matter further by any form of Trade Union action or otherwise during the continuance in force of this Agreement.

- iii. The payment of a bonus exceeding the sum of money paid as bonus to employees in the year immediately preceding the signing of this Agreement, shall be at the sole discretion of the Company and shall not be called in question by the Union nor shall the Company's failure or refusal to pay such bonus be the subject of any dispute save and except as provided in sub clauses 20 (a) i and 20 (a ii).
- iv. An employee who resigns or retires or who joins the services of the Company during the course of the bonus year will receive a pro-rated bonus in terms of the practice presently prevailing. An employee who is dismissed by the Company during the course of the bonus year will not receive any pro-rated bonus in respect of that year.

b. PERFORMANCE BASED BONUS

Performance Based Bonus payment will be granted within the effective period of this Agreement, and shall apply as follows:

Performance Criteria	Amount Rs.
Throughout F/C kgs/hr	
above 6000	2,500
6000 > and >= 5500	2,000
5500 > and >= 5000	1,500
5000 > and >= 4500	1,000
less than 4500	-1,000
Quality	
QR - above 75%	400
S/L - < 2.3% @ SD <=0.10	400
S/L - < 2.3% @ 0.10 <SD> 0.15	300
Energy kwh/1000 kgs	
<118	1,000
<130	800
160 < and > = 130	600
160 < and > = 180	500
FFO Ltrs/1000 kg	
< =39	600
38.9 to 45	0
> 45	-600
Lamina Yield	
> = 68.5%	1,000
> 68%	500
< = 68.0%	-500
GLTP Controllable Down Time	
<=2.5%	1,400
< 3%	1,000
< 4%	600
< 5.5%	0
> 5.5%	-600
NTRM mg/Sample	
Vegetable < 200	500
Man made < 12	
Animal / Mineral = 2	
Re dried product - needs to satisfy all conditions across all grades	

ii) However, in the event there is collective unauthorised absence by the membership, the above will be calculated on a pro rata basis, taking into account the estimated loss in production as a consequence to such action.

c. ATTE DA CE BO US

- i. The Company will pay an Attendance Bonus of Rupees Five Hundred and Fifty(Rs. 0/)per week to every employee subject to the conditions set out herein.
- ii. This bonus will be calculated on a weekly basis and paid once a week.
- iii. An employee who is on Annual / Casual / ic k Leave within his entitlement on two days will entail the complete loss of the Attendance Bonus for that week. In a given month within his leave entitlement, an employee who avails himself to a part of a day (half day) within a week on more than two occasions will entail complete loss of attendance bonus for that week.
- iv. Unauthorised absence of any form or leave in excess of his entitlement for any period of time will result in the loss of the total Attendance Bonus for that week.
- v. Accident, Lieu Leave and Company Holidays will, for this purpose be reckoned as days present.

d. PROFIT BO US

A Profit Related Bonus payment will be made to employees at the sole and unfettered discretion of the Employer based on the BAT/Regional/Area guidelines. The performance of the Company will be rated on the profits made and on such other key business parameters as determined by the

2015 to 31 December 2015. The respective payments as applicable will be made in April 2014, April 2015 and April 2016 respectively.

- ii. Employees retiring or joining the Company during the bonus year will be paid their pro-rated share of the bonus on a basis identical as that of the Annual Bonus. No bonus will be paid to anyone who resigns from the company at any time during the bonus year.
- iii. No bonus will be paid to an employee whose performance for the year is evaluated as unsatisfactory.

e. **GOVERNMENT ACTION ON BONUS**

If at any time during the continuance in force of this Agreement the Government introduces by legislation or otherwise any scheme for bonus or payment under any attendance incentive or production scheme, the Covered Employees will not be entitled to the benefits of such scheme in addition to the bonus or bonuses provided for in this Agreement. In the event of such Government action, the workmen shall be entitled to the more favourable scheme of bonus or incentive or production payments.

21. DEATH OF EMPLOYEES WHILST IN SERVICE

- a. Where an employee dies while in the employment of the Company, the Company will make an ex-gratia payment of Rupees One Hundred & Twenty Five Thousand (Rs.125,000/=) to the deceased's next of kin.

The next of kin will also be paid a special gratuity of Sixty (60) month's salary or One (01) month's basic salary for each month of future service whichever is lesser.

- b. The Company will reimburse the monetary value of 800 Players Gold Leaf Cigarettes to the next of kin of the deceased
- c. Where the funeral of a deceased employee takes place on a normal working day, the Company depending on the necessity may release, a reasonable number of employees with pay, nominated by the Union representing its membership at all the workplaces in Kandy to enable such employees to participate at such funeral.
- d. The selection of the employee representatives referred to in sub clause (c) hereof will be on the following basis:
 - i. If the Company cannot release a particular employee due to exigencies of service, the Union shall be entitled to nominate another representative from any other Department / Section in his place.
 - ii. The duration of the period employees will be released with pay will be at the discretion of the Company whose decision will be on the merits of each case
 - iii. provided that in any event such period shall not exceed half a day and any period in excess of half a day will be deemed to be leave without pay.
 - iv. In addition to the leave prescribed herein for the purpose of attending the funeral of a deceased employee, the Company will grant employees not covered by (ii) herein the normal quota of leave applicable to each Department / Section against their leave entitlement on the day of the funeral of the deceased employee.

22. DEATH OF A MEMBER OF EMPLOYEE'S FAMILY

In the event of a death of a member of an employee's family the Company will reimburse the monetary value of 400 Players Gold Leaf Cigarettes and also will permit such employee to purchase from the Company 500 cigarettes and the purchase price of these cigarettes will be recovered from such employee in Five (5) equal monthly instalments. In addition, the company will make a monetary contribution of Rs.24,000/- in such an instance. "Family" for this purpose shall have the same meaning as in the Death Mutual Benefit Scheme.

23. EMPLOYEE TERMINAL ILLNESS

In the event of a Covered Employee who is deemed unfit for employment on account of a Terminal Illness by a Medical Board consisting of Specialized Medical Practitioners appointed by the Company shall be offered a one off payment as per the Company's prevailing Voluntary Separation Scheme to the employee ("VSS"). All VSS offered will require approval of the executive committee of the Company and will be based on the prevailing Company policies and processes.

24. EMPLOYEE MEDICAL BENEFIT

Covered Employees who are under the permanent category and who are on probation will be provided an annual medical insurance cover which includes both indoor and outdoor medical facility. The coverage and type of illnesses, medical treatments, insurance claim reimbursements, processes of payments will be as per the insurance policy. This cover will be for the individual employee and immediate family members. Outdoor patient cover will be LKR, 35,000/- and Indoor cover will LKR.150,000 /- at the renewal of existing Medical Insurance Policy. In addition to the above the employees shall be covered in respect of critical illnesses as per the insurance policy obtained the Insurance Company.

25. MARRIAGE OF AN EMPLOYEE

On the occasion of one marriage of an employee such employee will receive from the Company a monetary gift of Rupees Twenty Thousand (Rs.20,000/=), and will reimburse the monetary value of 200 Pall Mall cigarettes and 400 Players Gold Leaf cigarettes, but he shall not receive any transport facility in connection with such marriage. Provided that any employee who has availed to himself this benefit under any previous Collective Agreement, shall not be entitled to this benefit under this Agreement.

26. SCHEMES FOR CHILDREN OF SENIOR EMPLOYEES

EMPLOYMENT OPPORTUNITY

The Company will, as far as possible, endeavour to provide employment for the children of employees without prejudice to the Company's rights in the matter of recruitment.

SCHOLARSHIP SCHEMES

Where an employee has over five (5) completed years of service with the Company, the Company will provide a scholarship per child to undergo technical training apprenticeship course in a recognised Institute in Sri Lanka, which would lead to a Diploma / Certificate or Professional Courses in Affiliated Universities, in line with the terms of the Company Policy on Scholarship Scheme for Employees' Children. The said policy is set out Third Schedule to this Agreement.

27. SENIORITY AWARD

- a. An employee who has been employed by the Company continuously on a contract of employment for a period of Fifteen (15) years of service, will be granted a Seniority Award of Rupees Thirty Five Thousand (Rs.35,000/=) and a medal with one Gold Sovereign. Such employees at time of

completion of 15 years of service or at retirement will be entitled to claim a Rupees Seventy Five Thousand (Rs.75,000/=) gift voucher from a recognised dealer to purchase a LCD Television set.

- b. An employee who has been employed by the Company continuously on a contract of employment for a period of Twenty (20) years of service will be entitled to a Rupees Seventy Five Thousand (Rs.75,000/=) gift voucher from a recognised dealer to purchase a LCD television set and in addition, a Sewing Machine which they can claim at retirement.
- c. An employee who has been employed by the Company continuously on a contract of employment for a period of Twenty Five (25) years of service will be granted an award of Rupees Twenty Five Thousand (Rs.25,000/-). Such employees will be entitled to a Rupees Seventy Five Thousand (Rs.75,000/=) gift voucher from a recognised dealer to purchase a LCD television set and in addition, a Sewing Machine which they can claim at time of completion of Twenty Five (25) years of service or at retirement.
- d. Provided that those employees who qualify for the Seniority Award under sub clauses (a), (b) or (c), shall be entitled to claim not more than, One Rupees Seventy Five Thousand (Rs.75,000/=) gift voucher from a recognised dealer to purchase a LCD television set and one Sewing Machine as the case may be during their employment.

28. PAYMENT FOR UNUTILIZED LEAVE

The Company will continue to pay in respect of each Leave Year for unutilised Casual, Sick or Annual Leave (in the latter case not exceeding 9 days) on the same basis as at present.

The Company will also grant the monetary value of 20 Players Gold Leaf cigarettes for each day of unutilised leave (minimum of 12 days required) and will grant the monetary value of 40 Players Gold Leaf cigarettes for each day of unutilized leave if the number of days are sixteen (16) or more, provided number of leave days does not exceed 30.

29. TRAVELLING ALLOWANCE

With effect from the date of operation of this Agreement, the monthly Travelling Allowance will be Rupees Four Thousand Seven Hundred (Rs.4,700/-) for Junior Technicians and Technicians, and Rupees Five Thousand (Rs.5,000/-) for Technical Assistants category I and II

Employees who were eligible to receive the 'Change Allowance of LKR 3500/= as at 01st January 2010(Refer Clause 3 b. of " Team Work Agreement 2010") shall not receive such allowance henceforth. Instead they will receive a Travelling Allowance as set out hereunder.

- i Junior Technicians and Technicians – Rs 8200/-
- ii. Technical Assistants category I and II – Rs 8500/-

30. SHUTDOWN - GREEN LEAF THRESHING PLANT

The Company may stop production in the Green Leaf Threshing Plant each year for maintenance purposes, and during the period of such stoppage, employees will be required to perform duties in connection with or related to maintenance work. During this period, skilled employees may be called upon to perform jobs related to maintenance work. However, skilled employees will not be required to do duties which are menial in nature. Any employee who refuses to perform such work will not be entitled to be provided with work by the Company and he will not receive any remuneration on such a day.

31. WORK DURING OFFICIAL MEAL INTERVAL

Whenever it becomes necessary to work during the official meal interval so as to maintain production due to machine breakdown earlier in the day, or for any other reason employees will work during the official

(normal) lunch interval provided that they are given an interval between 11.00 a.m. and 12.30 p.m. on the First Shift.

32. WORK ARRANGEMENTS

(Refer "Team Work Agreement 2010- Kandy")

The Union and the Employer agree that Technical Assistants, Technicians, Junior Technicians and Trainee Junior Technicians will be responsible for:

- a. overall performance of the machines including volume, quality, runnability and maintenance
- b. will assist each other in training and transferring knowledge to enhance the skill levels of the above categories
- c. will be responsible for overall housekeeping of their respective areas

A detailed description of the current work arrangement which is in operation is set out in the "Team Work Agreement 2010".

33. CHECK-OFF

- a. This clause shall apply to the Employer so long as the Union maintains a membership in the workplace of the Employer of not less than Forty per cent (40%) of the employees originally covers and bound by this Agreement at the time of execution and so long as this Agreement subsists.
- b. The Employer shall on the written request of an employee deduct from the wages due to such employee the current monthly Union dues as are specified by the employee to be payable monthly by 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.
- c. Every employee who agrees to the deduction of Union dues from his wages shall sign an "authorization" and forward it to the Employer.
- d. Every employee shall be entitled to withdraw his agreement to check off at any time by signing a statement to that effect and forwarding it to the Employer.
- e. As far as practicable deduction under an authorization shall cease from the date of receipt of revocation cancelling such authorization provided however-
 - i. that the employer shall not be liable in any manner whatsoever to the Union or the employee concerned for failure to comply with sub-clause (c) and/or (d);
 - ii. that at its 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 an employee's wage in that month, exceed the deductions permitted by Law.

34. GRIEVANCE AND DISPUTES PROCEDURE

Subject to the provisions of clause 8 in the event of any dispute or grievance other than a dispute or grievance in relation to any kind of bonus by whatsoever name it may be called, arising between an

employee or employees and the Company, or between the Union and the Company, the following procedure shall be followed for the settlement of such dispute, or in resolving such grievance.

- a. The employee or the Branch Union Departmental Representative will, in the first instance discuss the dispute or grievance with the Departmental Executive.
- b. If the grievance or dispute is not satisfactorily resolved the employee or the Departmental Union Representative may then discuss the matter with the Leaf Processing Manager. The Leaf Processing Manager, will if necessary in consultation with the Plant Management endeavour to arrive at a satisfactory solution in respect of the grievance or dispute.
- c. In the event of the grievance or dispute not being resolved at the level of the Leaf Processing Manager, the issue in dispute will then be discussed by the employee or Branch Union Secretary and the Departmental Union Representative with the Departmental Human Resource Manager or with his representative.
- d. If no satisfactory solution is arrived at pursuant to (c) above, then the issue in dispute will be discussed by the Branch Union and the Leaf Department Management. At such discussion, the number of representatives on each side shall not exceed Four (4). Such discussion will be arranged by the Departmental HR Managers office, as far as possible within Five (5) working days of a request being made by the Branch Union Secretary.
- e. The Branch Union Secretary or the Departmental Union Representative who wishes to discuss any matter with the Leaf processing Manager will do so by prior appointment except where the matter is very urgent.
- f. If the dispute or grievance remains unresolved, the Branch Union may then raise the issue for discussion with the Company through the Parent Union. The Company will then, within Ten (10) days of a request being made by the Parent Union, arrange to discuss the issue in dispute with the Parent Union in association with the Employer's Federation of Ceylon.
- g. In the event of a dispute or grievance not being resolved or settled under the preceding sub-clauses then provided that both parties agree they shall refer such dispute or grievance to voluntary arbitration in terms of section 3 (i) (d) of the Industrial Disputes Act (1950) for settlement. If both parties agree to voluntary arbitration they shall agree on a statement of the matter in dispute and if there is no agreement on such statement they shall request the Commissioner of Labour to determine the statement of the matter in dispute after affording the parties an opportunity to state their case in regard to the statement of the matter in dispute. If the parties are unable to jointly nominate an Arbitrator he shall be nominated by the Commissioner of Labour.
- h. An award made by an Arbitrator in a voluntary arbitration referred in sub-clause (g) above shall be final and binding on the parties.

35. TRADE UNION ACTION

The Union and Covered Employees jointly and severally agree with the Company that during the continuance in force of this Agreement they shall not engage in any strike or other form of trade union action in respect of any dispute whether or not such dispute is related to this Agreement.

Provided however that where such dispute has been caused by an act of the Employer which in the opinion of the Executive committee of the Parent Union is mala fide and /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 interests of the Union and / or its members, then the Union shall be entitled to engage on a strike or other form of trade union action after at least Seven (7) working days' notice in writing is given by the Union to the Employer, The Employers' Federation of Ceylon and Commissioner of Labour before the date of commencement of such strike. Provided further that in the event of any such strike or trade union

action by the Union and / or its members it shall be without prejudice to the Company's right to dispute the justification for such action.

The Company for its part undertakes during the currency of this Agreement, not to enforce any lockout against its employees.

36. EXTENSION OF BENEFITS TO OTHER TECHNICAL ASSISTANTS, TECHNICIANS AND JUNIOR TECHNICIANS

The Company reserves to itself the right to extend the benefits accruing under this Agreement to Covered Employees, to all Technical Assistants, Technicians and Junior Technicians or any other categories of employees in the employment of the Company on such terms and conditions as the Company may at its sole discretion determine.

37. BREACHES OF THE AGREEMENT BY THE UNION AND / OR ITS MEMBERS

If in the opinion of the Employers' Federation of Ceylon, the Union or its members have committed a breach of this Agreement, then and in such event the Company reserves to itself the right to withdraw all or any of the facilities or benefits granted to the Covered Employees and/or Union, without prejudice to the Company's right to restore such facilities or benefits upon such terms and conditions as the Company and the Employers' Federation of Ceylon may decide. The Union will be entitled to dispute the justification of such withdrawal.

38. INTERPRETATION OF AGREEMENT

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

39. DEFINITIONS

Unless the context otherwise requires the following words shall have the following meaning-

- a. "Employee" or "Workmen" shall mean an employee in the permanent establishment and covered and bound by this Agreement.
- b. "Dispute" shall have the same meaning as an "Industrial Dispute" in the Industrial Disputes Act (1950) as amended or in any Act enacted by the Parliament to replace the Industrial Disputes Act subject to the proviso that a dispute involving a variation of this Collective Agreement shall be dealt with in the manner set out in clause 8(c) hereof.

Words importing the masculine gender shall include the feminine gender.

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

FIRST SCHEDULE

LIST OF COVERED EMPLOYEES WHO QUALIFY TO AN ADDITIONAL INCREMENT

Employee Number	Name of Employee	Designation	Technical Category	Date of Engagement
1065	KBN Jayawardena	Technical Assistant	1	01/04/2001

SECOND SCHEDULE

NEW SALARY STRUCTURE - EFFECTIVE 01st JANUARY 2013

Grade	SMD/PMD/ ENG/GLTP	Quality	Laboratory	Security	Salary Range
Level 1	Trainee Junior Technician	Trainee Quality Examiner	N/A	Jr. Security Officer	16,000 - 26,000
Level 2	Junior Technician	Quality Examiner	N/A	Security Officer	18750 - 32,500
Level 3	Technician	Quality Analyst	Trainee Lab Technician	Head Security Officer	23,438 - 40,625
Level 4	Technical Assistant 2	Snr. Quality Analyst	Lab Technician	Snr. Head Security Officer	29,297 - 50,781
Level 5	Technical Assistant 1	N/A	N/A	N/A	36,621 - 63,477

THIRD SCHEDULE

Scholarship Scheme for Employees Children

Schemes : There are 2 schemes in operation
a) Scheme for Senior Employees Children
b) Scheme for Employees Children who have been selected to a recognised university in Sri Lanka or abroad

Policy : Any permanent employee of the company, who conforms to the eligibility criteria of either of the schemes mentioned above, is entitled to apply for financial assistance for his child's higher education under the company scholarship scheme.

1. (a) The Senior Employees Scheme

Eligibility

- Children of employees with 5 years (Completed) service with the company and who have no other child/ children employed by the company or its subsidiaries or associate companies
- Assistance is available only once per child

Type of Course

- A Training/ Apprenticeship Course in a recognised Institute in Sri Lanka or abroad which would lead to a Diploma or a Certificate
- Professional courses and Affiliated Universities

Duration of Assistance

- Maximum of 3 years or until the completion of the course whichever is earlier. The scholarship will be renewed every year depending on the progress through the course.
- If the beneficiary is unsuccessful at the first attempt at an exam the scholarship will be suspended. If the beneficiary is unsuccessful on the second attempt the scholarship will be withdrawn

Financial Assistance (Reimbursements)

- Maintenance Allowance Rs. 2,650/- p.m. or Rs.2,750/-p.m (Outstation)
- Outfit Allowance Rs. 2,000/- p.a.
- Course Fees up to Rs.25,000/- p.a.

Documentation

- Proof of registration
- Receipts of payments made
- Proof of passing examinations

2. a) Selection to Universities in Sri Lanka and Abroad

Eligibility

- Children of employees with 5 years (Completed) of service
- Assistance is available only once per child

Type Of Course

- Local or foreign university course leading to a degree

Duration of assistance

- Until the completion of the course. The scholarship will be renewed every year depending on the progress through the course.
- The scholarship will be suspended if the student fails any examination
- The scholarship will cease with the termination of service of the employee, except in the case of retirement where it will be continued until completion of the course. In case of a retirement the due payment will be made as a lump sum payment and the particular employee has to bear the relevant taxes to such payment.

Financial Assistance (Reimbursements)

- Maintenance Allowance Rest. 2,650/- p.m. or Rs.2,750/- p.m (Out station)
- Outfit Allowance Rs. 2,000/- p.a
- Course Fees up to Rs.25,000/- p.a

Documentation

- Proof of registration
- Receipts of payments made
- Proof of passing examinations

General Rules applicable to both schemes

- The number of scholarships to be awarded each year will depend on the financial needs of the employee, the academic performance of the student and the capacity of the company to pay
- The student should not be a beneficiary of any other scholarship scheme
- The company reserves the right to determine the acceptance / rejection of the scholarship
- There is no obligation on the part of the company to provide employment for the beneficiary

Application Procedure

- The employee requests for financial assistance under either of the two scholarship schemes from the HR department
- The HR department provides a scholarship application form.
- The employee completes it and returns it to the HR department with the required supportive documents
- The HR department checks the application and informs the payments section to issue the relevant payments.
- The application and correspondence is filed

At the end of the first year the HR department writes to the institution requesting for the student's results. If the student has passed the examination, the payments section is advised again as stated above

FOURTH SCHEDULE

Benefit Summary

Allowance		Tr.Jnr Tech	Junior Tech	Tech	Technical Assistant		Technical Assistant(Elec)		M/S Clerical
					II	I	II	I	
Subsistence 1	16 Hours	285/-	285/-	285/-	330/-	350/-	330/-	350/-	285/-
Subsistence 2	Week End	No	285/-	285/-	330/-	350/-	330/-	350/-	285/-
Breakfast Allowance	Holidays	95/-	95/-	95/-	95/-	95/-	95/-	95/-	95/-
Lunch Allowance	Holidays	125/-	125/-	125/-	125/-	125/-	125/-	125/-	125/-
Dinner Allowance (morning shift)	Work till 6.30 pm	125/-	125/-	125/-	125/-	125/-	125/-	125/-	125/-
First Shift Allowance (Permanent morning shift employees only)		185/-	185/-	185/-	185/-	185/-	185/-	185/-	185/-
Attendance Allowance	Per Week	550/-	550/-	550/-	550/-	550/-	550/-	550/-	550/-
Morning Special Allowance	Reporting 6 am	145/-	145/-	145/-	145/-	145/-	145/-	145/-	145/-
Productivity Allowance (applicable for employees who joined before 01.10.2004)		No	700/-	750/-	1050/-	1400/-	1050/-	1400/-	No
Transport Allowance (for those employees who received the change allowance on 01.01.2010)		8200/-	8200/-	8200/-	8500/-	8500/-	8500/-	8500/-	8500/-
Transport Allowance (for those employees who didn't received the change allowance on 01.01.2010 and recruits thereafter)		4700/-	4700/-	4700/-	5000/-	5000/-	5000/-	5000/-	5000/-
Recreational Allowance(Holiday)									
15 years below Service		1750/-	1750/-	1750/-	1750/-	1750/-	1750/-	1750/-	3250/-
Over 15 Years' Service		2500/-	2500/-	2500/-	2500/-	2500/-	2500/-	2500/-	4250/-
Holiday Package		5700/-	5700/-	5700/-	5700/-	5700/-	5700/-	5700/-	5700/-
Holliday Advance		3000/-	3000/-	3000/-	3000/-	3000/-	3000/-	3000/-	3000/-

Monthly Cigarette Allowance (For those employees who joined the company prior to 01 December 2006)

BL – Bristol
VR – Vice Roy

Group 4a and 4b	360BLs
Group 4b QE	400BLs
Group 4b SO	360BLs
Group 3b HSO	400BLs
Group 3a and 3b	400BLs
Group 3b Technician	460BLs
Group 2	460BLs
Group 1	500BLs
Clerical A-C	400VR
Clerical D	460 VR
Clerical A-E	500VR

Lieu Leave Allocation – Permanent Employees

Work Performed on	8hrs	12hrs	16hrs
Working Day	No	No	8hrs Day Off
Holiday	8hrs LL	LL+4hrs Day off	LL+8hrs Day Off

The Company expects the said 8hr day off to be availed on the day immediately following. However, an employee entitled to such an 8hr day off could request for the same to be availed on any other day mutually convenient to such employee and the Company or in the alternative the employee may en cash the day off.

If a Poya day, Statutory Holiday or Company Special Holidays falls on an off day of an employee, such employee will be entitled for 8 (Eight) of Lieu Leave and 04 Hours of Day off.

Cigarette component applicable for Lieu Leave

Amount of Lieu Leave	Cigarette Allocation	Value
1 Lieu Leave	1 Cig. Pak (20 JPGL)	268/-
1.5 Lieu Leave	2 Cig. Pak (20*2 JPGL)	536/-

Permanent employees' will be entitled for a monetary grant as per following grid on their unutilized leave. However there is no grant made if the quantum unutilized leave is less than 12 (twelve) days.

Range	Cigarettes / Value
Day's 12-14	One Pack for each day's (20 GPGL) (Rs. 268/- For Pack)
Day's 15 Above	Two Pack for each day's (20 GPGL) (Rs. 268/- For Pack)

Employees who take part in the annual excursion will be entitled to two packs (20 stick x 2 packs) of JPGL during the excursion.

Overtime

Overtime rates for work performed on weekends / poya days / statutory holidays and company special holidays is determined as per the below grid.

Trainee Junior Technicians/ Junior Technicians / Technicians / Technical Assistants

Day of Work	No. of Hours	OT Rate
Normal Day (work performed on off day)	Total Hours	Hourly Rate x 1.5
	1st 8hrs	Hourly Rate x 1.5
Saturday, Sunday and Poyaday	Beyond 8 hrs	Hourly Rate x 2
	1st 8hrs	Hourly Rate x 1.5
Statutory Holiday	Beyond 8 hrs	Hourly Rate x 3

Employees who report to work at 6.00 a.m. will qualify for an overtime payment for 30 minutes. However there is a grace time of 5 minutes (considered up 6.05 a.m.) and the said grace time should be approved by the department manager or his delegated authority.

Clerical Staff

Day of Work	No. of Hours	OT Rate
Normal Day (work performed on off day)	Total Hours	Hourly Rate x 1.5
	1st 8hrs	Hourly Rate x 2
Saturday, Sunday, Poyaday and Statutory Holiday	Beyond 8 hrs	Hourly Rate x 3

If an employee who is working in the first shift (6.30 a.m.- 6.30 p.m.) performs duties till 10.30 p.m. will be entitled for an overtime payment of 4 hours (Hourly payment x 1.5 x 4 Hrs), subsistence 01 payment and a Day off (8 Hrs). However an exception is made for an employee who reports to work at 7.30 a.m. and continues to work till 10.30 p.m. , where said employee is entitled for the original benefit applicable to an employee who is working in the first shift (6.30 a.m.- 6.30 p.m.).

Employees Trust Fund : *Company contributes 3% of employee's basic salary*

Additional Increments

- If an employee is being transferred from one division to another the said employee is entitled for an increment of 1% of his basic salary prevailing at the point of the transfer.
- An employee could be recommended for an additional 1% increase in January based on his exceptional performance. The line manager reserves the right of recommending such additional increases.
- An employee is entitled to a 1% salary increase in the event of a promotion. However the line manager can recommend an increase of 2% increase based on his/her discretion.

Retirement Party

- Retirement party will take place once a year as a common function for all departments. Rs. 4,500.00 (Four Thousand Five Hundred) is allocated for each retired employee in the applicable time frame as a gift voucher.
- A provision of Rs. 1,500.00 (One Thousand Five Hundred) is being made for the employees who are to take part in the event and each employee will be entitled to receive a JPGL 12's pack at the said party.

Loans

- **Provident Fund Loan**
 A permanent employee could apply for a provident fund loan for housing purposes once he completes 5 years' service in the company. However he could obtain up to 75% of the his provident fund balance as of the date of application. An employee can apply a maximum of 7 loans during his employment and a loan will be recovered in 150 instalments. However the number of instalments could vary based on the date of retirement of the applicant.

The applicable interests for the said loans are as follows.

Loan No.	Interest
1 st – 4 th Loan	8%
5 th and 6 th Loan	10%
7 th Loan	12%

- **Vehicle Loan**
 A permanent employee who completes minimum of 04 years of service with the company will be entitled for a loan to purchase a motor vehicle. The value of the said loan will be Rs. 300,000/- and will be recovered in 84 monthly instalments over a period of 7 years at an interest rate of 12% p.a. . the loans will be granted subjected to statutory deduction limits.

Paternity Leave

An employee will be entitled for 03 (Three) days of paternity leave in the event of a childbirth.

FOR AND ON BEHALF OF CEYLON TOBACCO COMPANY PLC:



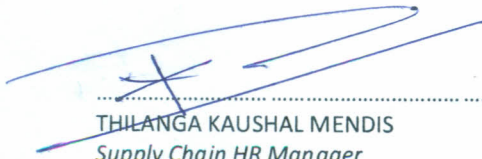
SUNG JU HAN
Supply Chain Director



SAMANMALEE PRIYANWADA CHANDRASIRI
Human Resources Director



ASELA UPAJEEWA FERNANDO
GLTP Manager



THILANGA KAUSHAL MENDIS
Supply Chain HR Manager

FOR AND ON BEHALF OF THE FOOD BEVERAGES & TOBACCO INDUSTRIES EMPLOYEES UNION (FBTIEU)



DAYAWANSA MALAVISOORIYA
Assistant Secretary-FBTIEU

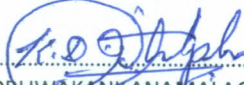
WITNESSES:



MAKAVITAGE DON ABEYRATNE
President-FBTIEU(CTC)-Kandy Branch



KANATHE BADALGEDARA NILANTHA JAYAWARDENA
Secretary-FBTIEU(CTC)-Kandy Branch



KORUWAKANKANAMALAGE DON JOY CHRISTOPHER
President-FBTIEU(CTC)-Colombo Branch