



**CEYLON TOBACCO
COMPANY**

A member of the British American Tobacco Group

Collective Agreement 2013



between

**Ceylon Tobacco Company PLC
and
The Security Officers of
Ceylon Tobacco Company PLC**

COLLECTIVE AGREEMENT 2013

THE SECURITY OFFICERS OF CEYLON TOBACCO COMPANY PLC

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COLLECTIVE AGREEMENT - 2013

BETWEEN

CEYLON TOBACCO COMPANY PLC

AND

THE SECURITY OFFICERS'
OF
CEYLON TOBACCO COMPANY PLC

THIS COLLECTIVE AGREEMENT made and entered into on the Seventeenth Day of January 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:

1. **TITLE**

This agreement shall be known and referred to as "THE COLOMBO SECURITY OFFICERS' 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 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 Thirtieth day of June 2016.

3. **PERSONS COVERED AND BOUND**

This Agreement shall cover and bind the employer, the employees of the employer in Security Officers' capacity who are employed on permanent monthly contracts of employment by the Employer at its work places in Colombo.

4. **EARLIER COLLECTIVE AGREEMENTS**

The provisions of this Agreement shall supersede and replace the provisions of "The Colombo Security Officers' Collective Agreement 2010" and shall stand terminated with effect from the date on which this Agreement takes effect.

5. **DECLARATION OF PRINCIPLE**

- a) Both the Company and the employees accept the principle that the special considerations affecting the Company are such that wage and salary rates are a proper subject for collective bargaining between the Company and the employees, and that the actions of other employers including Government Corporations and the Government of Sri Lanka in their capacity as employers of labour, regarding the amount and timing of wage increases are not automatically relevant in the context of the 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 to the benefits stipulated, only the difference between such benefits provided by such legislation and the benefits stipulated herein, shall be added to the said benefits stipulated herein,
 - ii) When such benefits are equal or less favourable to the benefits stipulated herein, they shall not be added to or compounded with the said benefits stipulated herein,
- c) The stipulations contained in sub clause (b) above are without prejudice to the principle contained in sub clause (a) above.

6. **MANAGEMENT'S RIGHTS AND RESPONSIBILITIES**

The workmen agree that 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 discipline in the factory and other workplaces in Colombo 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.

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 employees covered and bound by this Agreement, whether such contract of employment be written or oral or whether employment was subsisting as at the date hereof or shall come into being at any time after the date hereof but during the continuance in force of this Agreement. Provided, that in the event of any conflict or inconsistency between the terms and conditions or practices, the terms and conditions of this Agreement shall prevail.

8. **VARIATION OF TERMS AND CONDITIONS OF EMPLOYMENT OR BENEFITS**

- a) The employees covered and bound by this Agreement jointly and severally agree with the employer that during the continuance in force of this Agreement, they will not seek to vary or add to all or any of the 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.
- b) Subject to the provisions of clause 29, the employer agrees with the employees that it shall not seek to vary, alter or withdraw all or any of the benefits presently enjoyed by the employees covered and bound by the Agreement 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 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 paid to the Covered Employees, in September each year, taking in to consideration the impact of rising cost of living. The basis for this shall be 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 are mapped in the present salary structure will be upgraded and aligned to the new salary structure as set out in Second Schedule. Accordingly the said group of employees will be entitled for an additional 1% increase to the increment mentioned in sub-clause (i) 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. Provided that Covered Employees who qualify for the increment in this clause shall not receive the ex-gratia payment mentioned in sub-clause (ii) above.
- 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 2013. 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 2013. 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 referred to as "the qualifying period") a Non-Recurring Cost of Living Gratuity on the basis of Rupees Eighty Three and Cents Seventy Five (Rs.83.75) for each completed point by which the average of the Colombo Consumers' New Price Index (CCPI (N)) Figure (computed as at the basis employed at the time of payment by the Department of Census and Statistics) for the qualifying period exceeds the relevant index figure in the manner calculated at present. If the Index calculation or any guidelines in that regard change in the future to a more favourable calculation for the Covered Employees, such calculation will apply.
- b. The Non-Recurring Cost of Living Gratuity will also be payable to a Covered Employee who is in employment only during a part of the qualifying period, either due to the fact that he joined the Company's service during the qualifying period or is not in the Company's service at the end of the qualifying period, pro-rated in respect of the completed months he was in service.
- c. The Non-Recurring Cost of Living Gratuity shall not be taken into account for purposes of Provident Fund, Trust Fund, Overtime, Bonus or any other payment of whatever nature.
- d. No Non-Recurring Cost of Living Gratuity shall be payable to any Covered Employee for any period in respect of which he receives no wages for any reason whatsoever.

12. **SHIFT ALLOWANCE**

- a. Whilst the manner and basis on which Shift Allowances are paid remain unaltered, the quantum of such allowance in respect of the Night Shift only shall be Rupees Four Hundred and Seventy Five (Rs.475/-) for Head Security Officers and Four Hundred Fifty (Rs.450/-) for Security Officers, from the date of this Agreement.

13. **PROVIDENT FUND**

- a. As from the effective date of this Agreement the Company will contribute on behalf of each Covered Employee to the Provident Fund at the rate of Fifteen per cent (15%) of the wage in respect of each employee
- 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. The Company agrees to pay a retiring gratuity subject to the same terms and conditions as at the date of this Agreement.
- b. The wage for the purposes of calculating the gratuity will be the consolidated monthly wage payable to the employees in the last month of employment prior to retirement.

15. **LEAVE**

(i) **LEAVE YEAR**

Leave year shall be from the First day of July of one year to Thirtieth day of June of the following year.

(ii) **ANNUAL LEAVE**

Employees will be entitled to earned Annual Leave of Fourteen (14) days per 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 years. From date of completion until the end of the initial leave year annual leave will be on pro rata basis as per the grid below.

Annual leave has to be applied for and approved in advance. On recruitment to the Company employees will be entitled to annual leave in the following year proportionately on the following basis.

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

(iii) **CASUAL LEAVE**

Employees will be entitled to Seven (7) days casual leave per year. Casual Leave will normally be granted on application without the Employee being required to state the reason for the application. Where an Employer finds it difficult to grant an application for casual leave, his difficulty shall be notified to an 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**

Employees covered by this Agreement shall be entitled to Twenty One (21) days sick leave for a 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 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 a Holiday Package of Rupees Five Thousand Seven Hundred (Rs.5,700/-) per leave year (July to June), which hereafter is referred to as Holiday Package subject to the condition that it shall be paid only when an employee avails himself minimum of Five (5) days annual leave on consecutive days as rostered during the leave year in question.

c) **HOLIDAY BUNGALOW FACILITIES**

Employees who have completed 25 years of service and employees in the Head Security Officers category will have the right to use the No.28 Bungalow in Kandy and the Sigiriya bungalow under the Company Bungalow Policy. All other employees will be able to use the Sigiriya 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 employee a Recreational Allowance of Rupees One Thousand Seven Hundred and Fifty (Rs.1,750/=) per leave year (July to June), which hereafter is referred to as Recreational Allowance subject to the condition that it shall be paid only when an employee avails himself of Five (5) days annual leave on consecutive days as rostered during the leave year in question. The Company will pay each employee with over Fifteen (15) years of service a Recreational Allowance of Rupees Two Thousand Five Hundred (Rs.2,500/=).

b.) **EXCURSION PAYMENT**

As from the operative date of this Agreement, the Company will pay an allowance of Rupees Two Thousand Two Hundred and Fifty (Rs.2,250/=) per leave year (July to June), per employee for the years 2013, 2014 and 2015, which hereafter is referred to as Excursion Payment in connection with the Annual Excursion. In addition to this, if and when the possibility exists, the Company

shall endeavour to meet reasonable other expenses, including the cost of the bus fare, subject to the present limitations.

18. **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).

(iii) 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:

(i) Performance Based Bonus payment is based on the existing Finished Product Inspection System (FPI) and performance on Productivity.

- (ii) For the computation of Productivity, Modular output as per the Table indicated below and Manufacturing Accuracy Dashboard will be considered.
- (iii) For the computation of Quality, Manufacturing Quality Index (MQI) of All Brands and Centrally Managed Brands (CMB) will be included.
- (iv) The minimum level to qualify for the monthly payment shall be, T1 in Table 1, Ninety Five (95) percent of the Dashboard performance, minimum quality level of Eighty (80) and Eighty One (81) for All Brands and Centrally Managed Brands (CMBs) respectively in Table 2.
- (v) In the event a new manufacturing system or a product quality evaluation method is introduced during the continuance of this Agreement, the Management of the Company with the agreement of the Union shall adjust the mode of payment given below.
- (vi) New products / brand extensions / discontinuation of existing brands manufactured at the factory during the continuance of this Agreement will be taken into consideration with the agreement of the Union.
- (vii) In the event the Centrally Managed Brands (CMBs) are not produced during a particular month, the performance of the previous month will be considered.

AVERAGE MODULAR O/P

Table 1

M/C	T1	T2	T3	T4	T5	T6
GDR1	3.5-3.6 460	3.61-3.7 510	3.71-3.8 565	3.81-4.0 625	4.01-4.1 770	4.11-4.25 920
GDK1	3.7-3.8 460	3.81-3.9 510	3.91-4 565	4.01-4.2 625	4.21-4.4 770	4.41-4.75 920
GDK3	3.7-3.8 460	3.81-3.9 510	3.91-4 565	4.01-4.2 625	4.21-4.4 770	4.41-4.75 920
HLF	0.9-0.96 460	0.961-1.02 510	1.021-1.08 565	1.081-1.14 625	1.141-1.2 770	1.21-1.26 920
C10X1(59mm)	1.35-1.6 460	1.61-1.8 510	1.81-2.0 565	2.01-2.15 625	2.151-2.25 770	2.251-2.5 920
AMF 67	0.7-0.75 460	0.751-0.79 510	0.791-0.85 565	0.851-0.9 625	0.91-1.0 770	1.01-1.25 920

AMF 59 targets will be changed when AMF 6000 machine is in operation.

Table 2

QUALITY AND PRODUCTION SCHEDULE ATTAINMENT

CPMH	Mod O/P	T1	T2	T3	T4
	Dashboard	95%-96% 620	96.1%-97% 675	97.6%-99% 760	100% 840
Quality	MQI All Brands	80-82 770	83-85 850	86-89 950	90 & Above 1050
	CMB	81-83 770	84-86 850	87-89 950	90 & Above 1050

(c) **ATTENDANCE BONUS**

- (i) The Company agrees to extend to the Security Officers the same Attendance Bonus and subject to the same terms and conditions as and agreed to between the Company and the Technical Assistants, Technicians, Junior Technicians' and, Clerical & Allied Categories Collective Agreement – 2013"
- (ii) While present working arrangements remain unchanged employees working on the sixth day of the week will be granted the monetary value of 20 Players Gold Leaf Cigarettes and an allowance of Rupees Four Hundred (Rs.400/-) for Head Security Officers and Three Hundred and Seventy Five for Security Officers (Rs.375/-) per such day.

(d) **PROFIT BONUS**

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 Employer which may be reviewed and revised as per the BAT/Regional/Area Guidelines at the sole discretion of the Employer.

Basis of payment will be as follows:

Company Performance Measures	Weightage	Company Bonus Allocation based on overall company performance (% of Annual Basic Salary)			
		Threshold	Target	Normal Max	Extra Max
Operating Profit	40%	-	4%	8%	12%
Volume	20%	-	2%	4%	6%
Cash Flow	20%	-	2%	4%	6%
GDB Volume	20%	-	2%	4%	6%
Total	100%	-	10%	20%	30%

Threshold - the performance point has to be exceeded to attract any incentive award.

Target - company plan/budget objectives achieved.

Normal Maximum - Company plan objectives surpassed by a wide, but achievable margin.

Extra Maximum - maximum stretch.

To reinforce balanced delivery, performance above the Normal Maximum can only be realised where all measures are delivered at the Target level as a minimum.

- (i) The profit for this payment will be calculated based on the accounts for the period 1 January 2013 to 31 December 2013, 1 January 2014 to 31 December 2014 and 1 January 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.

(f) **GOVERNMENT ACTION ON BONUS**

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

19. **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 salary for each month of future service whichever is lower.

- (b) The Company will reimburse the monetary value of 800 Players Gold Leaf Cigarettes to the next of kin of the deceased

20. **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 employees in Five (5) monthly instalments. In addition, the company will make a monetary contribution of Rs24,000/- in such an instance. "Family" for this purpose shall have the same meaning as in the Death Mutual Benefit Scheme

21. **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.

22. **MARRIAGE OF AN EMPLOYEE**

On the occasion of one marriage of an employee such employee will receive from the Company a 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.

23. **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.

24. **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.

25. **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 09 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.

26. **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 Security Officers, Head Security Officers of Grades 4a, 4b, 3a and 3b, and Rupees Five Thousand (Rs.5,000/-) for Head Security Officers category I and II, subject to the following;

All Employees who are eligible to receive the 'Team Work Allowance of LKR 2500/-' as per clause 13 of "The Colombo Security Officers' Collective Agreement – 2010" shall not receive such allowance henceforth. Instead they will receive a Travelling Allowance as set out hereunder.

- i. Security Officers (Grade 4) / Head Security Officers (Grade 3) – Rs 7200/-
- ii. Head Security Officer (Grade 2 / Grade 1) – Rs 7500/-

27. **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 employees 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 (d) or (e);
 - (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.

28. **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, the following procedure shall be followed for the settlement of such dispute, or in resolving such grievance.

- (a) The employee will, in the first instance discuss the dispute or grievance with the Departmental Manager.
- (b) If the dispute or grievance is not satisfactorily resolved the employee may then seek an appointment with the Departmental HR Manager or his representative and in doing so will set out in writing, the grievance or dispute. Departmental HR Manager or his representative will grant an interview to the employee to see him for this purpose.
- (c) If no satisfactory solution is arrived at, then the issue in dispute will be discussed by the employee and the Factory Management.
- (d) If the employee is not satisfied with the decision of the Company in this matter, the employee may pursue the matter with the Employers' Federation of Ceylon, of which the Company is a member.
- (e) 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 to in sub-clause (e) hereof shall be final and binding on the parties.

29. **EXTENSION OF BENEFITS TO OTHER SECURITY STAFF EMPLOYEES**

The Company reserves to itself the right to extend the benefits accruing under this Agreement to employees referred to in clause 3 of this Agreement, to all Security Staff employees or any other categories of employees in the employment of the Company on such terms and conditions as the Company may determine.

30. **BREACHES OF THE AGREEMENT BY THE EMPLOYEES**

If in the opinion of the Employers' Federation of Ceylon the employees have committed a breach of this Agreement, then and in any such event the Company reserves to itself the right to withdraw all or any of the facilities or benefits granted to the employees, 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 employees will be entitled to dispute the justification of such withdrawal.

31. **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)

32. **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 Security Officers who are upgraded and aligned to the proposed salary structure

Emp No.	Name	Current Grade	Proposed Grade
2399	SMWS Kudagammana	4A	4B
2286	GMWK Jayasundara	4A	4B
2295	AG Ajantha	4A	4B
2325	PGS Kumarajith	4A	4B
2004	BMG Saddhasena	4B	3A
2191	EMPA Senarathne	4B	3A
1973	RA Jayasiri	3B	3B

SECOND SCHEDULE

NEW SALARY STRUCTURE - EFFECTIVE 01st JANUARY 2013

Current Grade	SMD/PMD/ENG	Quality	Laboratory	Security	Salary Range
4b	Trainee Junior Technician	Trainee Quality Examiner	N/A	Jr. Security Officer	16,000 - 26,000
3a	Junior Technician	Quality Examiner	N/A	Security Officer	18750 - 32,500
3b	Technician	Quality Analyst	Trainee Lab Technician	Head Security Officer	23,438 - 40,625
TA2	Technical Assistant 2	Snr. Quality Analyst	Lab Technician	Snr. Head Security Officer G - II	29,297 - 50,781
TA1	Technical Assistant 1	N/A	N/A	Snr. Head Security Officer G - I	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

FOURTH SCHEDULE

Benefit Summary

Early Attendance Allowance

- If an employee (who are covered and bound by this Collective Agreement) report to duty at 5.45 a.m. (which is 15 minutes in prior to the shift commencement) will be entitled to a payment of Rs. 145.00

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

BL – Bristol

VR – Vice Roy

Group 4a	360BLs
Group 4b SO	400BLs
Group 3b HSO	400BLs
Group 2	460BLs
Group 1	500BLs

Lieu Leave Allocation – Permanent Employees

Work Performed on	8hrs
Holiday	16 hrs LL

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

Employees who report to work at 5.45 a.m. will qualify for an overtime payment for 15 minutes

Employees who report to work on the 6th day will be entitled to an overtime payment of 7 (Seven) hours. Further he will be entitled a monetary value equivalent to one(01) JPGL 20s' pack.

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.

Work Performed on Company Function Days.

For those employees who are unable to attend company special functions (where all the employees are to participate) due to their official duties will be compensated as per the following schedule.

First eight hours (08)	- Rs. 2,500.00
Next eight hours (08)	- Rs. 1,500.00
Additional eight hours	- Rs. 1,000.00


Based on the number of hours of work the said payment will be prorated as per the above schedule. The said payment will be remitted to his bank account through the payroll

Work Performed during Natural Disasters / Emergency situations

If an employee performs duties in a situation where all the employees are to evacuate the factory premises due to a natural disaster or an emergency situation such commitment will be rewarded with a special appreciation payment of Rs. 3,500/-. The said payment will be remitted to his bank account through the payroll

FOR AND ON BEHALF OF CEYLON TOBACCO COMPANY PLC:


.....
DEEPTHI SURANI AMARASINGHE
Human Resources Director


.....
AJITH NIRANJAN PERERA
Business Security and Brand Enforcement Manager

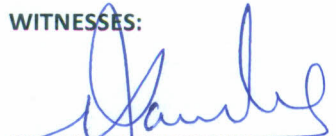

.....
CHANDANA MAHESH SANDAGIRI PATHIRAJA
Manufacturing Manager


.....
THILANGA KAUSHAL MENDIS
Supply Chain HR Manager

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


.....
DON WIMALASIRI SUBASINGHE
General Secretary

WITNESSES:


.....
RAVINDRA LAKSHANA PRASANNA PEIRIS
Director General - Employers' Federation of Ceylon


.....
DAYAWANSA MALAVISOORIYA
Assistant Secretary - FBTIEU


.....
PITIYAWATTEGE JAYASENA
Convenier, FBTIEU (CTC Security Branch)


.....
RANNE PATHTHINIGE METHSIYAL
Organiser, FBTIEU (CTC Security Branch)