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The Gazette of the Democratic Socialist Republic of Sri Lanka
EXTRAORDINARY

අංක 2468/13 – 2025 දෙසැම්බර් මස 23 වැනි අඟහරුවාදා – 2025.12.23
No. 2468/13 – TUESDAY, DECEMBER 23, 2025

(Published by Authority)

PART I: SECTION (I) – GENERAL

Government Notifications

My No.: CI/1906.

THE INDUSTRIAL DISPUTES ACT - CHAPTER 131

THE Collective Agreement entered into between Premium Exports ceylon (Pvt.) Limited - No. 258, M. Vincent Perera Mawatha, Colombo 14 of the one part and The Ceylon Mercantile Industrial and General Workers Union - No. 03, Bala Tampoe Lane, Colombo 03 of the other part on 26th June 2025 is hereby published in terms of Section 06 of the Industrial Disputes Act, Chapter 131, of the Legislative Enactments of Ceylon (Revised Edition 1956).

H.M.D.N.K. WATALIYADDA,
Commissioner General of Labour.

Department of Labour,
Labour Secretariat,
Colombo 05.
12th December 2025

Collective Agreement No. 14 of 2025



**COLLECTIVE AGREEMENT
BETWEEN PREMIUM
EXPORTS CEYLON (PVT)
LIMITED AND THE CEYLON
MERCANTILE INDUSTRIAL
AND GENERAL WORKERS
UNION (CMU)**

26th June 2025

**COLLECTIVE AGREEMENT BETWEEN PREMIUM EXPORTS CEYLON (PVT) LIMITED AND THE
CEYLON MECANTILE INDUSTRIAL AND GENERAL WORKERS UNION (CMU)**

This Agreement made on this 26th day of June, Two Thousand and Twenty Five under the provisions of the Industrial Dispute Act between Premium Exports Ceylon (Pvt) Limited of 258, M. Vincent Perera Mawatha (Grandpass Road) Colombo 14 (hereinafter referred to as the COMPANY) of the one part the The Ceylon Mercantile Industrial and General Workers Union (CMU), a Trade Union duly registered under the Trade Unions Ordinance and having its registered office at No.3, Bala Tampoe Lane, Colombo 03 (hereinafter referred as the UNION) and the members of the permanent workforce of the company witnesseth as follows:

01. TITLE

This agreement shall be referred to as the Premium Exports Ceylon (Pvt) Limited Workers' Collective Agreement of 2025.

02. PARTIES & EMPLOYEES TO BE COVERED

This Agreement shall cover and bind the Company, the Union and its members and all employee numbered permanent employees of the Agarapathana (Premium exports Ceylon (Pvt) Limited Agarapathana) factory in terms of this agreement, who are currently engaged on permanent monthly contracts of employment.

03. FINALITY

During the period of its validity, this agreement will be final and conclusive of all the matters covered therein.

04. EARLIER COLLECTIVE AGREEMENTS

The provisions of this Agreement shall supersede and replace the provisions of the Premium Exports Ceylon (Pvt) Limited; Workforce Collective Agreement of 2020.

05. DATE OF OPERATION

This agreement shall be effective from the 26th day of June 2025 and shall thereafter continue in force unless it is determined by either party giving six months' notice in writing to the other. Provided however that neither party hereto shall give such notice to the other party before the 27th Day of June 2029. Unless otherwise terminated as provided herein, the provisions of this Collective Agreement will continue to remain in force. The union and Management may commence the Collective agreement revision discussions 6 months prior to expiry of this Collective Agreement.

In the event of the failure of the parties to conclude a fresh Agreement or modify the existing Agreement, within a period of six (6) months from the date of notice of intention to negotiate a fresh Agreement or modify the existing Agreement, the parties agree that either party may request the Commissioner of Labour to summon them to a discussion in an attempt to resolve any difference in reaching agreement.

Parties agree to attend such a discussion that may be scheduled by the Commissioner of Labour.

In the meantime, unless otherwise terminated or provided herein the provisions of this Collective Agreement will continue to remain in force.

06. GOOD MANUFACTURING PRACTICE (GMP)

The Union and workmen should continue their wholehearted and genuine cooperation to the Management in maintenance of Good Manufacturing Practices *e.g.* following and updating the Standard Operating Procedures (SOP) with rigor and in totality, so that the 'safety of operator' / 'process integrity' / 'environment compliance' is ensured. Systems and Procedures like SHE Policy, Code Of Business Principles (COBP), TPM/WCM, MMP, Continuous Improvement plans, Quality, Working

on changed technology/Machines, whole-hearted participation in Training & Development Activities *etc.* will continue to remain enforced, as they constitute the basic tenets / principles on which the company and the unit operate.

The Union and workmen should continue their wholehearted and unqualified cooperation with the Management in maintaining cleanliness & hygiene and also wearing clean uniforms and other necessary accessories at the workplace. In order to further improve the personal hygiene level of employees while working, practice of changing and wearing clean washed uniform will be strengthened / altered as deemed fit and as advised by quality assurance department as best practice of ensuring personal hygiene.

7. OUTSOURCING AND INSOURCING OF OPERATIONS

The Company shall have the flexibility to further outsource or insource any part of its operations. If the insourcing or outsourcing considers operations where the direct employees are involved and if it affects the existence of the Union, there should be a discussion with the Union accordingly. This is to ensure the competitiveness of the factory and the long-term sustainability of the site.

8. IMPLEMENTATION OF WCM, HR4F AND OTHER IMPROVEMENT ACTIVITIES

Employees will wholeheartedly pursue WCM, HR4F and any other improvement activities or production systems, which shall be mutually beneficial to both the employees and the Unit.

World Class Manufacturing (WCM) will be adopted as ways of working to improve operational efficiencies which will require the upskilling/multi skilling of employees, and it will be mandatory for all employees to attain the set standard of technical knowhow in order to conform to the set standard as per World Class manufacturing.

9. MANAGEMENT DISCRETION

Management decision with regard to the operation of the factory will not be grounds for negotiation with employees WF union or any other body of workmen. Management need only notify employees of such changes.

10. PRODUCTION/ATTENDANCE INCENTIVE SCHEMES

The Production / Attendance Incentive Schemes will be applicable as set out in the First Schedule and the production incentive will be paid as a lump sum.

11. GENERAL TERMS & CONDITIONS

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

12. WORK PATTERNS & SYSTEMS

- (a) The Workers Union agrees to 7 days work on a 4 crew 3 shift system with 6 days' work and 2 days off. These 2 off days include the day in lieu in respect of Sundays. This pattern can be continued without a 4 crew 3 shift also. Sunday/Saturday work would be as per Clause 12(c) of this Collective Agreement. This is not applicable for workers who are on General Shift. However, during a production stoppage period if there is any, all workers can be called for the General shift and accordingly their off days will be treated as same as 4 crew 3 shift system.
- (b) In respect of every 6 days of work an employee shall be allowed 2 days holidays on the 4 crew 3 shift system. As per 4 Crew 3 Shift System Saturday and Sundays will be normal working days depending on the roster.

(c) The employer will grant an employee the following for working on Saturdays and Sundays for the workers who work as per the 4 crew 3 shift pattern/ shift system:-

- (i) Working on a Saturday: Saturday is a normal working day as per the shift pattern and should work 8 hours in a normal shift. For the first 7 hours no additional payment will be made and for the 8th hour an overtime payment will be made at the rate of 1.5 times. In excess of their working hours if someone works on Overtime, the OT rate is 1.5 times.
- (ii) Working on a Sunday: Sunday is a normal working day as per the shift pattern and an employee should work 8 hours in a normal shift. Working on a Sunday will be paid 0.5 time of a daily rate and which will be calculated by dividing the monthly salary by 26 and multiplying that by 0.5. This will be called as the enhanced rate of pay for working on a Sunday as per the shift.
- (iii) General Shift: General shift workers will work Monday to Friday in daytime for 9 hours including one-hour meal break and work 5 hours in a Saturday. For any work performed after 5 hours on Saturdays, will be treated as overtime and the employee shall be remunerated at one and a half (1½) times the normal hourly rate for each hour or proportionately for any fraction of an hour, and for any work performed on Sunday, the employee shall be remunerated at double the normal hourly rate for each hour or proportionately for any fraction of an hour.

(d) However, if the staffs who are currently working in the 4crew 3 shift pattern, will be transferred to the General shift pattern, their working time will be as follows;

Monday to Friday: 8.00 a.m. to 4.00 p.m. (including ½ lunch time).

Saturday: 8.00 a.m. to 1.00 p.m. (including ½ lunch time).

This is not applicable for the staffs those who are already in the General shift.

13. PROBATION

The probation period will be in accordance with the legal requirements of Sri Lankan labor law.

14. ATTENDANCE

- a. Unless otherwise specifically instructed by the Employer an employee shall present himself for work on every day (other than a Company holiday) at the usual starting time of the office, factory or job as the case may be and shall there remain available for work throughout the normal working hours.
- b. If at the office, factory or job work is temporarily not available for an employee in his own occupation he shall be deemed to be ready and willing to perform other work within his capacity and skill where such work is available within the Company.
- c. Irregular attendance or unpunctuality of an employee shall constitute neglect of duty for which he shall be liable to appropriate disciplinary action.

15. HOURS OF WORK

The normal working hours shall be those hours which are customarily worked at a Store, Factory, Laboratory or job as applicable to the 4 Crew 3 Shift System in the establishment of the Employer or stipulated in his letter of appointment.

16. FORFEITURE OF WAGES

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

17. OVERTIME

- a. An employee shall work reasonable overtime when required to do so by the employer and co-operate with the Management for better output and the employer shall extend its co-operation to the employees to achieve same. Refusal to work reasonable overtime in the absence of a satisfactory explanation which is acceptable to the employer shall constitute neglect of duty for which an employee shall be liable to appropriate disciplinary action.
- b. Overtime work (*i.e.* work performed in excess of normal working hours) shall be remunerated at one and half (1½) times the normal hourly rate ascertained in accordance with the provisions of Clause 23 (a) hereof.
- c. Overtime work will drive according to the Company Global Policy

18. ANNUAL LEAVE

From the second year of employment onwards an employee shall be entitled to take fourteen (14) days of annual holidays with full remuneration of which not less seven (7) days shall be taken on consecutive days. Such leave shall have to be availed of on days to be mutually agreed upon by the employer and employee.

19. CASUAL LEAVE

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

20. SICK LEAVE

Sick leave entitlement will strictly be applicable as specified in the letter of appointment. For any year, an employee shall be entitled to sick leave not exceeding 07 days. However, for the employees who have 21 days sick leave currently as per their letter of appointment it will remain as it is. Provided that:

- a. His illness is supported by a certificate from a registered medical practitioner (unless waived by the employer) and approved by the Human Resource Department.
- b. The employee shall not be on probation within the meaning of Clause 15 hereof. Provided however, that an employee who has been on probation shall as from the date of confirmation in respect of the remainder of the first year of employment be entitled to sick leave proportionately.

- c. If the person is unable to utilize full or part of the sick leave entitlement, the employer agrees to pay the balance sick leave at the rate of double the daily rate at the end of the year. Half days are not considered for this payment.

Formula: (Basic salary/30) X 2

If an employee is unable to report for duty due to hospitalization due to Surgery or any bone fractures or any illness which results in hospitalization, and if the employee does not have any balance leave in any category (*i.e.* Annual, Casual, and Sick), that person will be granted extra leave up to a maximum of 3 months with pay subject to a recommendation of government qualified doctor (MBBS certified Doctor) and within the company policies. For illnesses such as Mumps, Measles, Chicken Pox, leave will be granted up to a maximum of 7 days if that is recommended by a government qualified doctor (MBBS certified Doctor). However, this can be extended at the discretion of the management based on need and medical requirement of the individual employee.

21. PUBLIC HOLIDAYS

- (a) The employer shall allow the following holidays normally applicable to the employees under the Shop & Office Employees Act.

- i. Thai Pongal Day
- ii. Prophet Mohamed's Birthday.
- iii. National day
- iv. Day preceding Sinhala & Tamil new year
- v. Sinhala and Tamil New year day
- vi. May day
- vii. Day following Wesak Full Moon poya day
- viii. Christmas day

Provided however that an employee may be employed on a public holiday subject to the payment of overtime at the rate of two times the daily rate.

- (b) If any public holiday to which an employee is eligible under the provision of sub-clause above (a) falls on an off day for the 4 crew 3 shift system or Sunday for the general shift, a day either in the six (6) days Immediately preceding or in the six (6) days immediately succeeding such public holiday shall be granted to the employee as a weekly holiday.
- (c) If any public holiday to which an employee is eligible under provisions of sub-clause (a) falls on a Saturday, the number of hours constituting the normal working day (inclusive of one hour for a meal) on the day immediately preceding such public holiday shall be as on a Saturday.

22. SALARIES AND ANNUAL BONUS

- a. From 26th June 2025 to 25th June 2029, all Annual increments will be based on as follows;

- I. Year-end increase of 2.5% will be eligible only for employees who have not gone on no pay. This increment is payable with effect from 1st January from 2026 up to 1" January 2029.
- II. Performance based increment of 7% will be paid as per the Individual performance Basis as mentioned below with effect from 2026 up to 2029. This payment will be made in April month until 2029.

Individual performance will be measured at the end of year as per the 02nd Schedule and it will be assessed by the Shift Manager by an interview based on the last year records and performance. In this assessment, the employees will be advised on his career growth. If the employee is not satisfied with his evaluation, he can make an appeal to the Manufacturing Manager and HR Manager to evaluate the assessment.

b. Special allowance

All permanent workforce employees those who were hired on or before 26th June 2025 will receive a special Fixed allowance and will be subject to EPF/ETF contributions and included in gratuity calculations.

- i. Category 1-19,700.00
- ii. Category 2-19,800.00
- iii. Category 3-20,300.00
- iv. Category 4 -20,600.00

The special allowance already receivers (Joined before 01 December 2012) their current amount will be fixed and will receive together with new proposed amounts.

c. Annual Bonus (maximum 4 months)

An annual bonus payment will be made on or before 31st December in each year as per the formula given below;

- (a) Fixed Bonus: 2 Months. No pay would not have a bearing on this component.
- (b) Variable Bonus/ Performance Bonus: 2 months

The basis of payment of the 2 months variable component bonus/ performance bonus would be as follows:

- i. Output Reliability (OR) $\geq 98.5 = 1$ month Bonus
- ii. Overall Equipment Effectiveness (OEE) $> 97.9 = 1$ month bonus

If anyone goes on No-pay, the Variable/Performance Bonus will be deducted as follows;

- For $\frac{1}{2} < \text{No Pay days} \leq 10$: 0.5 month
- For $10 < \text{No Pay days} \leq 15$: 1 month
- For $15 < \text{No Pay days}$: No variable Bonus

Definition - Variable Bonus/ Performance Bonus

This will be paid for the target achieved by the workforce employees and for the duration that this collective agreement is in force if the targets are achieved. If the target is not met due to unavoidable circumstances, management shall consider the revise targets.

- (a) Output reliability > 98.5 % Output Reliability (OR) measures the reliability of the Supply Chain to deliver the agreed Production Plan.

The measurement is calculated on a weekly basis and consolidated each month using actual weekly weighted volumes. OR will be calculated as per the 3rd Schedule of the Collective Agreement.

Note: this will not impact to the annual Bonus, if the given production plan is increased as per the customer/factory requirements.

- (b) OEE $> 97.9\%$: OEE will be calculated as per the 3rd Schedule of the Collective Agreement.

Bonus advance

One month Bonus advance will be paid from the fixed bonus in April or Deepawali festival season or for Ramadan festival time for the relevant people. For those who need the Bonus advance other than in April, should inform the management in the beginning of the year. This bonus advance will be deducted when paying the bonus at the end of the year or if an employee retires.

23. PRODUCTION

The union and the employees agree with the employer to operate the factory in full capacity in all times as expected by the management and not to limit the factory capacity within the collective agreement. However, due to any subsequent additional increase in capacity, if the workload of any manually handled job substantially increases, the employer and the union will discuss and mutually agree on a solution.

24. SHIFT ALLOWANCE

Shift allowances will be enhanced starting from this agreement start date. New shift allowances are stated below;

Morning shift allowance will be applicable for the general shift workers as agreed.

Shift	From	To
Morning	Rs. 33	Rs. 50
Evening	Rs. 50	Rs. 75
Night	Rs. 160	Rs. 250

25. FESTIVAL ADVANCES

The festival advance will be a maximum of Rs. 60,000/- and this will be deducted from the salary starting from the following month and in 10 instalments. However, if an employee is due to retire within this period, the number of instalments will be calculated based on the number of months available until retirement. However, if an employee's monthly deduction amount exceeds the maximum limit of 40% from the fixed earnings, they can only receive an advance that is below the 40% threshold.

26. MINIMUM WAGE AND WAGES FOR PERIODS LESS THAN ONE MONTH

The salary scale will be started from Rs. 30,000.00 Any employee can be recruited at the minimum of Rs. 30,000.00 to the permanent carder and therein after his/her salary will be totally increased with the provisions of the Collective Agreement. Management reserved the rights to increase the starting salary or salary of particular job or individual depending on the job market conditions For the purpose of this Agreement the wages of any employee for periods less than one month shall be computed in the following manner:

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

27. MAXIMUM JOB VALUE (MJV)

The Maximum Job Value (MJV) framework shall apply to all employees recruited on or after the 01st Jan. 2026 and employees who were joined before this date will exempt. It is a structured and transparent compensation model, developed with the support of an independent body and reviewed annually. MJV defines the maximum remuneration for each job category based on role responsibilities, market benchmarks, cost of living, and internal equity. It promotes fairness, competitiveness, and career progression, allowing employees to exceed the defined ceiling only through promotion to higher-level roles. This approach aligns with the Company's global compensation practices and ensures consistency across all operations.

- (a) The Maximum Job Value (MJV) for each job category will be reviewed annually and the maximum limit revised based on an independent benchmarking process.

- (b) Employees the who reach maximum job value during the annual increment cycle will be eligible for a maximum 5% increment, subject to performance evaluation.

28. RATES OF PROVIDENT FUND CONTRIBUTIONS

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

29. PROMOTIONS AND CAREER DEVELOPMENT PROCEDURE

A career development path, assessment criteria, and responsibilities for all employees will be introduced in a separate agreement with the Union. Expected closing date for this agreement will be within three months of this agreement. If there are unavoidable circumstances the closing date will be deciding by the both party agreement.

30. WARNINGS

If in the opinion of the employer an offence warrants a warning the same shall be conveyed to the employee by a letter, a duplicate of which shall be signed by the employee. If the employee refuses to sign the duplicate the warning may be given to the employee orally by the employer in the presence of two witnesses. Provided however, that the Union disputes the warning imposed on the employee by the employer and requests the holding of an inquiry, the employer shall comply with such request and the provisions relating to the holding of an inquiry shall then apply subject to the exception that the fact that the inquiry had not commenced within ten (10) working days after receipt of the employee's explanation shall not be material or relevant.

31. SUSPENSION

- a. An employee may be suspended without pay by his employer:
- pending an inquiry to be held by such employer on a charge or charges of misconduct which warrants dismissal,
 - in order to avoid a breach of peace or damage to the property or disturbance of the business of the employer,
 - as a punishment for misconduct for a period not exceeding seven (7) working days after due inquiry.
- b. At the time of suspension under sub - clause (a) (i) or within twenty four hours thereof, the employer shall provide the employee with a written order of suspension specifying the reasons for such suspension and thereafter hold an inquiry into the charge or charges against him, if any.

32. DISCIPLINARY ACTION

Where the Employer proposed to proceed against an employee then:

- (a) Irrespective of whether an employee has been suspended under Clause 36 hereof or not, the employee shall be furnished with a show cause notice which shall set out the particulars of the charge or charges of misconduct alleged against such employee and such show cause notice shall give the employee not less than three (3) clear working days in which to give the answer or explanation to the charge or charges preferred.
- (b) Within three (3) clear working days after the date of the show cause notice, the employee shall furnish in writing to the employer the answer or explanation to the charges preferred against such employee. Provided however that if in the circumstances, it is reasonable the employee may ask the Employer for an extension of time within which to furnish the written answer or explanation to the show cause notice and where such request is made by an employee

to the Employer, the Employer shall grant such request for such further period of time as is deemed necessary in the circumstances of the case.

- (c) If the Employer is satisfied with the written answer or explanation of the employee, the employee shall if he is under suspension forthwith be reinstated and shall be paid all wages and entitlements due for the period of such suspension.
- (d) If the Employer is not satisfied with the written answer or explanation of the employee to the show cause notice and such answer or explanation is rejected by the Employer, the Employer shall commence an inquiry within ten (10) days from the date of receipt by him of the written answer or explanation to the show cause notice.
- (e) After holding such inquiry the Employer shall notify the employee of the findings on each of the charges in the show cause notice and the punishment, if any, imposed by the Employer. Provided that if the Employer fails to make an order except for reasons beyond the control of the Employer on the charges in the show cause notice within thirty (30) working days from the conclusion of the inquiry into such charges, the employee shall not be liable to be punished thereafter in respect of such charges and no inference adverse to the employee in respect of such charges shall be drawn from such charges.
- (f) If the employee is under suspension and the Employer after such inquiry makes order that:
- i. the employee shall not be dismissed then the employee shall resume employment forthwith all wages and entitlements due for the period of suspension irrespective of such other punishment less than dismissal that may be imposed by the Employer on the finding as to the charges in the show cause notice;
 - ii. the employee shall be dismissed, the employee's dismissal shall take effect from the date of the employee's suspension and accordingly the employee shall not be paid for the period of such suspension;
 - iii. in view of the serious or involved nature of the charges in the show cause notice against the employee, the Employer is unable to make a final order as it is necessary and desirable that the matter be referred to the Police or other authorities for further investigation or inquiries and that the matter be therefore, referred to the Police or other authorities or if in view of the serious or involved nature of the charges preferred against the employee the matter had been previously referred to the Police or other authorities for investigations or inquiries that the outcome of such investigations or inquiries be awaited, then in either of such circumstances the employee may remain suspended without pay.
- (g) If in any case where an employee is suspended as provided for herein the Employer fails to make an order under paragraphs (i) to (iii) of the preceding sub-clause for any reason other than that of the employee's own seeking within thirty (30) working days from the date of the employee's suspension, the employee shall be entitled to half his normal remuneration for the period of thirty (30) days from the date of such suspension and to his full remuneration for the period of suspension in excess of thirty (30) days up to the date on which the Employer makes an order under paragraphs (i) to (iii) of the preceding sub-clause, irrespective of the outcome of the inquiry.
- (h) In any case where an employee is suspended as provided herein the Employer shall make an order under paragraphs (i) to (iii) of sub-clause 6 within ninety (90) days of the date of suspension of the employee unless they are prevented from so doing by reason of the employee's own seeking or for reasons beyond the control of the Employer or it is agreed between the Employer and the Union that in the circumstances of the case the period of ninety (90) days be extended for such further time as may be agreed.

33. RETIREMENT

This will be in accordance with Sri Lankan labor law.

34. TERMINATION OF SERVICE

This will be in accordance with Sri Lankan labor law

35. GRATUITY

All employees who have served in excess of five years but less than ten years shall be entitled to gratuity in cessation of employment in accordance with the provisions of the Payment of Gratuity Act No. 12 of 1983. Employees who have served in excess of ten years will be paid gratuity at the rate of one month's salary for each year of service.

36. MEDICAL INSURANCE

Insurance cover for both indoor and outdoor medical purposes will be granted through a reputed Insurance Company on an agreed premium payment per year. Employer would pay 52.5% and an employee would pay 47.5% of the premium. In the event of any increase in premium the Employer/Employee would pay the increase amount at the agreed percentage rate of 52.5% and 47.5% respectively.

- sum of Rs. 750/- will be paid as Medical allowance for the employees who have joined the company before 1st December 2012.
- The Company will make full payment of the premium for those employees who have completed Twenty (20) years of service with the Company.

37. WORKMEN'S COMPENSATION

All employees shall be entitled to the Workmen's Compensation under the Workmen's Compensation (Amended) Act.

38. MEDICAL ASSISTANCE

Employer will pay the following amounts to facilitate employees to arrange their own transport for medical visits for themselves and their families. Family is defined as spouse and children who are not married and below the age of 25.

Glenline/ Agarapathana Hospital/Medical center Rs. 300/- (this does not include morning medical trip to Agarapathana, Hospital),

Lindula Hospital Rs. 1700,

Talawakelle Hospital/Medical Centers Rs. 2000/-)

A medical certificate and the original diagnoses card from a valid MBBS qualified doctor needs to be presented to obtain this claim.

For distances travelled beyond Talawakelle, the employer will bear a cost of Rs 1350/- and a distress loan will be provided to the employee to be paid back in three months starting from the immediate payroll date. The distress loan amount will be calculated based on deducting the Rs 1350/- from the cost of travel given below:

<i>Town</i>	<i>Amount Rs.</i>
Hatton	4,000/-
Nuwara eliva	4,500/-
Nawalapitiya	6,000/-
Kandy	8,500/-
Colombo	10,500/-

The above amounts will only applicable for medical trips commencing from Agarapathana / Lindula, Talawakelle, and Hatton areas.

Number of occasions to be claimed is up to a maximum of 36 occasions per quarter.

39. MEDICAL INSPECTIONS AND SUPPLY OF PROTECTIVE CLOTHING

The employer shall make arrangements for the inspection of the general health and sanitary conditions of the establishment by a qualified medical practitioner.

40. TRIP ALLOWANCE

The employer will pay each employee Rupees Seven Thousand Five Hundred (Rs. 7500/-) per year as the Trip Allowance.

41. TRANSPORT FOR FUNERALS

The employer will provide transport to the employees to attend a funeral of a fellow employee.

42. OTHER TERMS AND BENEFITS

a. Distress Loans

Distress loans will be considered on natural disaster or sudden illness for one month salary and this will be deducted from the employees in 12 installments. Interest rate for the loan is 6% per annum.

To qualify the loans the employees should produce a report from the relevant "Grama Niladhari" the government officer or from the divisional secretary of the area for a natural disaster and for sudden illness (which resulted the employee is unable to report for work at least 2 weeks) a medical report should produce from a Government doctor having MBBS qualification.

However considering the natural disaster and it's damage an employee can request 3 months' salary and the management has discretion to consider the request and grant 3 month salary with 6% interest per annum and that also will be recovered by 12 equal installments. However, if an employee's monthly deduction amount exceeds the maximum limit of 40% from the fixed earnings, they can only receive a Loan that is below the 40% threshold

b. Curfew Allowance of the workforce category is Rs. 1000/-

c. Death of an Employee

In the event of a death of an employee, the company agrees to make an ex-gratia payment of Rs. 300,000/- in respect of funeral expenses.

The company will grant 12 months of the employee's basic salary to the immediate family members. If the deceased employee has children under the age of 18, the company will provide Rs. 48,000.00 per annum per child until they reach 18 years of age, to support their education.

If the value of the testamentary estate exceeds Rs. 4 million, will follow the country law guidelines.

d. Service Award

The company agrees to give service awards as follows;

15 years of service - 1 Sovereign Gold Coin

20 years of service 1½ Sovereign Gold Coin

25 years of service - 2½ Sovereign Gold Coin

If an employee work for 26 years or more, on retirement he/she will be awarded 2½ Gold coin.

e. No pay gifts

No pay gift to the value of Rs. 750/- per year will be awarded for each year of service continuously without undergoing no-pay till 2024 and value of Rs. 1000/- per year will be awarded for each year of service continuously without undergoing no-pay from 2025. If someone undergoes no-pay, his/ her service will be counted from the next year as if he/ she has not undergone no-pay on that year. The gift will be given in the following year.

f. Short leave for Banking

This period is not treated as on duty and this is a relief from duty for banking. This facility is applicable only for those who are currently enjoying this facility and joined the company on or before 31st December 2009,

i. Talawakelle: 1-hour period

The employees Bank and the branch should be at either Talawakelle or Hatton to qualify for this facility.

ii. Agarapathana, Holbrook, Glenlyn: half an hour

The employees Bank and the branch should be at the above destinations to qualify for this facility.

iii. This facility will be allowed only for the employees who are working in the morning/ general shift at the date of banking the salary. If the relevant shift is continuing the next day, they will be released on the next day if unable to go to the bank at the previous day due to official work.

Employees, who have joined between 1st January 2010 and 31st December 2012, will be granted only half an hour under the point ii above.

g. Morning medical trip to Agarapathana Government Hospital

A vehicle will leave from the factory to the Agarapathana Government Hospital from Monday to Saturday at 9.00 a.m. Employees and their family can utilize this facility and the employee is responsible on road safety policy for himself and his family during this transport. If the employee is on duty and he needs to get treatment from the Hospital on this trip, he should obtain prior approval from the Department Manager/Shift Manager. Family is defined as spouse and children who are not married and below the age of 25. To join with this vehicle, he/ she should notify the Time Office/ Security on or before 6.00 a.m. of the day. If there is no confirmation, the vehicle will not go for this trip.

h. Short leave

There is no short leave facility provided for employees. However, in an emergency situation, employee can make a request to the department manager and a relief will be granted from duty not exceeding one hour at the discretion of the management.

i. Salary advance: The employer has agreed with union to increase the salary advance to Rs. 5,000/-and this will be banked on or before 5th of every month and this will be recovered from the same month's salary. To withdraw this amount, no short leave will be provided

j. Agreed Current practices

- i. On the union request, to grant a maximum of 4 hours leave depending on the distance for attending a funeral of the worker's Mother/Father/Spouse/ Children/ Mother in Law/ Father in Law, the employer will consider the situation and may allow at the discretion of the employer, however, only on the day of the funeral.
- ii. Granting of leave to participate in a fellow employee's funeral will be based on management discretion, however, only on the day of the funeral.
- iii. The employer will allow the Islam workers to pray on Friday, during a given time.
- iv. The employer has agreed to provide transport for the parent union office bearers from Hatton to Agarapathana & return to Hatton if they come for a meeting or event which is approved by the employer in advance.
- v. The employer agrees to grant a half day holiday on the day prior to the Christmas holiday. However, the employer has the right to ask for work from the workforce employees for this period with overtime at the rate of 1.5.

43. DISPUTES PROCEDURE

- (a) In the first instance the employees shall submit any demand on behalf of its members to the Employer and give the Employer at least ten (10) working days' time within which to reply. If in the Union's opinion the Employer's reply is unsatisfactory the Union and the Employer shall explore the possibility of reaching a settlement.
- (b) When the Union concludes that negotiations with the Employer have been abortive it shall ask the Department of Labour to intervene and give the Department not less than ten (10) working days to arrange conferences and/or discussions with a view to a settlement of the dispute. Negotiations under the aegis of the Department of Labour shall then proceed until the Department of Labour reports failure.
- (c) Subject to the provisions of Clause 46 hereof all disputes between the Union and the Employer shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations made there under.
- (d) Any party to this Agreement shall not instigate, support or engage in any unfair labour practice during the currency of this Agreement.

44. HOW ANOMALIES IN THE COURSE OF IMPLEMENTING THIS AGREEMENT SHALL BE DEALT WITH:

Any anomaly arising from the implementation of this agreement shall be settled by negotiation between representatives of the employer and the Union, and if the matter cannot be settled by negotiation the matter shall be settled in accordance with the provisions of the Industrial Disputes Act and the regulations there under.

45. TRADE UNION ACTION

The Union and its members and the employees covered and bound by this Agreement jointly and severally agree with the employer that during the continuance in force of this Agreement they shall not engage in any strike or other form of trade union action against the employer in respect of any dispute between the employer on the one hand and the union and/or its members and/or any employees covered and bound by this Agreement on the other hand whether or not such dispute is related to this Agreement, except where such dispute has been caused by an act of an employer which in the opinion of the controlling body (by whatsoever name called) of the employees is mala fide or vindictive or calculated to threaten or undermine the existence of the legitimate activities of the Union and/or its members or grossly unfair or seriously detrimental to the interest of the Union and/or its members. Provided however, that at least Seven (7) days' notice in writing shall be given by the Union to the employer, and the extension of 3 days on the request of the management with reasons will be considered by the Union and the commissioner of Labour before the date of commencement of any intended strike

or other form of trade union action consequent to the act of an employer which in the opinion of the controlling body (by whatsoever name called) of the Union is mala fide or vindictive or calculated to threaten or undermine the existence of the legitimate activities of the Union and/or its members of is grossly unfair or seriously detrimental to the interest of the Union and/or its members.

46. VARIATION OF TERMS AND CONDITIONS OF EMPLOYMENT, BENEFITS

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

47. DOMESTIC INQUIRIES

If an employee who is furnished with a show cause notice in terms of Clause 32 of Part I hereof is a member of the Union, the following provisions shall apply to the inquiry held by the Employer pursuant to such show cause notice.

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

48. UNION MEETINGS

The following provisions shall apply to meetings of the Union:

- (a) In respect of each meeting which the employees desire to hold at the Employer's premises, an application for permission shall be previously made to the Employer.
- (b) If the Employer decides to grant permission, the Employer shall be entitled to impose, inter alia, one or more of the under noted conditions.

- I. that no person other than an employee in the service of the employer shall be present at a meeting of the Union;
 - II.
 - III. on occasions such as the Annual General Meeting of the Union, the office bearers of the Union may with the prior approval of the Employer attend;
 - IV.
 - V. fix a time limit within which a meeting of the Union shall be concluded or adjourned.
- (c) It shall be the duty of the Union and its office bearers to ensure that no damage is caused in the course of or in the connection with a meeting of the Branch Union to the Employer's property or any other persons at the Employer's premises and the Union shall indemnify the Employer and keep the Employer indemnified against such damage.
- (d) If the Employer decides to grant permission, the Employer shall be entitled to impose, inter alia, one or more of the under noted conditions.
- (i) that no person other than an employee in the service of the employer shall be present at a meeting of the Union;
 - (ii) on occasions such as the Annual General Meeting of the Union, the office bearers of the Union may with the prior approval of the Employer attend;
 - (iii) fix a time limit within which a meeting of the Union shall be concluded or adjourned.
- (e) It shall be the duty of the Union and its office bearers to ensure that no damage is caused in the course of or in the connection with a meeting of the Branch Union to the Employer's property or any other persons at the Employer's premises and the Union shall indemnify the Employer and keep the Employer indemnified against such damage.

49. DUTY LEAVE

1. The following provisions shall apply to duty leave without prejudice to the right of the Employer to refuse to grant permission if in his discretion the exigencies of the circumstances warrant refusal, the Employer will generally grant permission for not less than two office bearers of the Union.
 - (a) to be present at conferences held under the aegis of the Employers' Federation of Ceylon or the Department of Labour in connection with a dispute between the employees and the Employer.

Or

 - (b) to attend inquiries before Industrial Courts, Arbitrators or Labour Tribunals without loss of salary for such absence.
2. The employer will release not exceeding 7 union office bearers from duty for the collective agreement discussions if the discussion panel from the branch union is 7. These 7 members will be given a duty leave to participate for the discussion if they are not in their off/ weekly holidays. If a member participates during his weekly holiday, an additional off day will be given within the 7 days (duty leave+off days) limit, ensuring the normal operations do not get disrupted. Common transport facility will be provided to attend to the meetings.
3. The Employer, will in their discretion, grant leave without remuneration to an employee to attend a Trade Union Course or Seminar or conference either in Sri Lanka or abroad on no pay leave unless the employee concerned is entitled to annual or other holidays which he wishes to utilize for the purpose. The employer agrees to release 2 union office bearers from duty for the parent union monthly committee meeting and the union should make a request from the employer at least 1 week before the date along with the names of the 2 office bearers need to be released.

50. CHECK OFF

1. In this clause "Employer" shall mean the Employer bound by this Collective Agreement and in whose establishment the membership of the Union is not less than forty per cent (40%) of the employees covered and bound by this Agreement.
2. The Employer shall, on the written request of an employee, deduct from the wages due to such employee the current monthly Union dues as are specified by the employee to be payable monthly by the employee to the Union and remit the amount so deducted to the Union, in accordance with the procedure and upon and subject to the conditions hereinafter set forth.
3. Every employee who agrees to the deduction of Union dues from his wages shall sign a statement to the effect in the form set out in Form No. 1 hereinafter referred to as an "Authorization" as set out in the Seventh Schedule hereto.
4. Every employee shall be entitled to withdraw his agreement to check off at any time by signing a statement to that effect in the form set out in Form No. 2 hereinafter referred to as a "Revocation" as set out in the Eight Schedule hereto.
5. As far as practicable, deductions under an authorization shall commence from the wages due immediately after the date of receipt of such authorization and shall continue thereafter until the authorization is cancelled by a revocation.
6. As far as practicable, deductions under an authorization shall cease from the date of receipt of a revocation canceling such authorization. Provided however:
 - (a) that the Employer shall not be liable in any manner whatsoever to the Union or the employee concerned for failure to comply with paragraphs (5) or (6) above.
 - (b) that, in his discretion, the Employer shall be entitled not to make deductions by way of check off in any month in which the deduction by way of check off will together with all other deductions from an employee's wages in that month exceed the deductions permitted by law.
7. The employer shall not later than the tenth day of each month remit the Union dues deducted from the wages of the employees in the month immediately preceding to the treasurer of the Union in accordance with the tenor of each Authorization by a cheque payable to the Treasurer thereof and cross "Account Payee".
8. The cheque shall be sent at the risk of the Union and the employees concerned by post in a pre-paid envelope addressed to the treasurer of the Union at its address for the time being.
9. The Treasurer of the Unions shall promptly acknowledge receipt of the cheque.
10. The Employer shall not be liable to pay to the Union or to the Treasurer on its behalf, as aforesaid, any sum other than the actual deductions made.

51. LIABILITY

The Union and its members and the employees covered and bound by this Agreement jointly and severally agree with the employer that during the continuance in force of this agreement all existing work norms at the factory such as through puts, the continuance manufacture without interruption during intervals and the performance of whatever work that is assigned to the employees in the factory will be continued without any variation whatsoever and whatever variation in this regard will not be effected other than by mutual agreement between parties.

52. SCHOLARSHIP SCHEME

The scholarship scheme would be granted as per the terms and conditions stated below;

Objective: To provide a limited number of scholarships to the children of non-management grades, who have proved to be outstanding students and in need of financial assistance and as an encouragement to further their studies.

Eligibility Criteria

- Students who have passed the year 5 Scholarship Exam
- Students who have passed G.C.E. (O/L) Examination as per the terms mentioned below
- Students who qualified to enter into the local universities under the University Grant Commission.

General terms and conditions on scholarship scheme

- A scholarship award of Rs. 15,000/- for students who successfully passed the Year 5 scholarship examination in the previous year.
- A scholarship award of Rs. 6,000/- for the students who have successfully passed the year 5 scholarship examination in and who have achieved an average of more than 75% or Very Good positions at the last term test of the previous academic year.
- A scholarship award of Rs. 4,000/- for the students who have successfully passed the year 5 scholarship examination in and who have achieved an average of more than 50% or Good positions at the last term test of the previous academic year.
- A scholarship award of Rs. 27000/- for the year for those students who have successful in G.C.E. O/L examination in eight (8) subjects with 8 'A' passes for the main subjects in one sitting and continue to study in G.C.E. (A/L) class to prepare for the University entrance examination (The eight passes should include Sinhala/ Tamil/ English language and Mathematics).
- A scholarship award of Rs. 20250/- for the year for those students who have successful in G.C.E. O/L examination in eight (8) subjects with 4 'A' passes for the main subjects in one sitting and continue to study in G.C.E. (A/L) class to prepare for the University entrance examination (The eight passes should include Sinhala/ Tamil/ English language and Mathematics).
- A scholarship award of Rs. 60750/- for the students who are successful in entering the State University as an internal student (For this scholarship a student is allowed to sit only twice for the University Entrance Examination).

Those parents of the students who seek assistance under the scheme are required to produce a certificate from the Registrar of the University or the Principal of the school as the case may be, giving details of the student's academic achievement.

The award will be presented by cheque to enable the student to open a saving account in the Bank specified by the parent.

This will be in force with effect from 26th June 2025 and those who have obtained the scholarship under the previous agreement are not qualified on the same category.

53. CONDITIONS

The following conditions will apply to all employees covered by the Collective Agreement

- i. Unilever Safety, Health, Environment and Security systems & procedures
- ii. Code of Business Principles (COBP)
- iii. Consumer & customer safety & hygiene
- iv. Participation in company organized Training & Development Activities as per the business requirements
- V. No incentives/ increments on role change other than a promotion. This will not be applicable for salary revisions based on job market conditions.

54. ARBITRATION

It is hereby agreed that during the continuance in force of this Agreement, any dispute whatsoever, which has not been settled by negotiations between the company and the union, whether such dispute concerns the terms of this agreement or otherwise, shall be referred to arbitration. The union and management shall agree on a clear statement of the matter in dispute, if necessary with the assistance of the commissioner of labour.

If the choice of the statement of the matter in dispute cannot be agreed on either party may make an application to the commissioner of labour to determine the statement of the matter in dispute and refer such arbitrator as he may nominate.

If for any reason, the commissioner of labour fails to refer such dispute to arbitration, it is hereby agreed that Minister of Labour may, on the application of either party, refer such dispute to compulsory arbitration.

Any dispute regarding the interpretation of this agreement shall also be referred in like manner to arbitration.

55. DEFINITIONS

In this Agreement, unless excluded by the subject or context, the following words shall have the meaning set opposite to them:

Words

The Industrial Disputes

Employer (for convenience sometimes referred to as "he" or its grammatical variations).

Employee (for convenience sometimes referred to as "he" or its grammatical Variations)

Union

Dispute

Year

Week

Words importing the masculine gender shall include the feminine.

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

Meaning

The Industrial Disputes Act No. 43 of 1950 as amended.

The Employer, Premium Exports Ceylon (Pvt) Ltd; covered and bound By this Agreement.

An Employee covered and bound by this Agreement

The Union shall be a reference to The Ceylon Mercantile Industrial and General Workers Union (CMU).

A dispute or difference between the Employer and an Employee or between the Employer and the Union on any matter covered by this Agreement or affecting the Employees covered by this Agreement in relation to their employment under the Employer.

A continuous period of twelve (12) months

The period between midnight of any Saturday night and midnight on the succeeding Saturday night

56. PAYMENTS

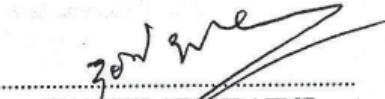
All payments due to permanent workforce employees of the employer, in this Establishment at Agarapathana (Premium Exports Ceylon (Pvt) Limited Agarapathana) employed will be remitted to a Bank Account of employee's choice.

57. NOTIONAL ARREARS


As agreed between parties, a notional arrears payment of Rs. 30,000.00 shall be granted to each eligible employee after signing of this Collective Agreement. Furthermore, employees whose basic salary is Rs. 100,000.00 or above as at 30th May 2025 shall receive an additional notional arrears payment of Rs. 15,000.00. This will be a one-off payment. These payments are notional in nature, and will not be subject to any statutory deductions such as EPF/ETF etc.


IN WITNESS WHEREOF THE parties aforesaid have hereunto set their hands at Colombo Ali Tariq, Chairman & CEO of Unilever Sri Lanka Limited & Damith Abeyratne, Supply Chain Director of Unilever Sri Lanka Limited have set their hands for and on behalf of the said Company on this 26 th day of June 2025.

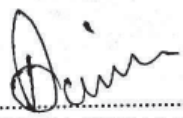

.....
ALI TARIQ
CHAIRMAN & CEO

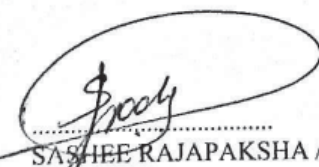

.....
DAMITH ABEYRATNE
SUPPLY CHAIN DIRECTOR

Witnesses to the signatures of the aforementioned

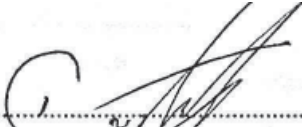

.....
SHAMSHER FAROOQ
HUMAN RESOURCES HEAD - SRI LANKA


.....
JENCY PAUL
HEAD OF EMPLOYEE RELATIONS & HEAD OF HR - CD, SUPPLY CHAIN & R&D

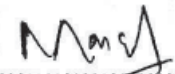

.....
ANUSHA KOTALAWELA / FACTORY MANAGER - AGARAPATHANA


.....
SASHIE RAJAPAKSHA / HUMAN RESOURCE BUSINESS PARTNER - AGARAPATHANA


IN WITNESS WHEREOF the parties aforesaid have hereunto set their hands at Colombo, S.P. Nathan General Secretary of The Ceylon Mercantile Industrial and General Workers Union (CMU) and T.G.K. Lasantha President of Branch Union of the Ceylon Mercantile Industrial and General Workers Union (CMU), D. Mangala Abeywickrama Deputy General Secretary of The Ceylon Mercantile Industrial and General Workers Union (CMU) have set their hands for and on behalf of the said union on this 26th Day of June 2025.

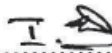

.....
T G K LASANTHA
PRESIDENT OF BRANCH UNION



.....
S P NATHAN
GENERAL SECRETARY


.....
D MANGALA ABEYWICKRAMA
DEPUTY GENERAL SECRETARY

Witnesses to the signatures of the aforementioned


1.
T SIYAM RASDEEN - SECRETARY - BRANCH UNION


2.
I JEGATHEESPARAN - VICE PRESIDENT - BRANCH UNION


3.
RUWAN CHANTHURANGA - VICE SECRETARY - BRANCH UNION

THE FIRST SCHEDULE

PRODUCTION/ATTENDANCE INCENTIVE SCHEMES

A. Production Incentive Scheme

The new production incentive is Rs. 10,000.00 based on OEE and FTR. Weightage per each KPI are 70% and 30% respectively from Rs. 10,000.00. The percentages applicable on the O.E.E. percentage of 70% and the F.T.R. percentage of 30% would be as follows:

#	OEE Target 70%	Weightage	Incentive %	#	FTR 30%	Weightage	Incentive %
1	92% =<OEE< 94%	50%	35%	1	98%=<FTR< 98.5%	30%	9%
2	94%=<OEE< 96%	75%	52.5%	2	98.5%=<FT R<99%	50%	15%
3	96%=<OEE< 98%	90%	63%	3	99%=<FIR< 99.5%	75%	22.5%
4	98% =<OEE=<100%	100%	70%	4	99.5%=<FT R=<100%	100%	30%

If only one KPI target is met in a month, production incentive will be calculated based on the weightage specified for that KPI.

If both KPI targets could not be achieved in a month, production incentive for that month will be zero.

However, to be able to claim any production incentive, an employee should meet following criteria with respect to attendance to work during the production running period. Will not consider leaves in shutdown period.

- For 0<No of leaves (casual or sick) =<2.5:100% of Production Incentive
- For 2.5< No of leaves (casual or sick) =<3:50% of Production Incentive
- For 3.5<No of leaves (casual or sick): No Production Incentive

Annual leaves taken with prior approval is exempted

Example:

Basic Salary of Employee A is Rs. 30,000.00

He has taken 1 unplanned leave (casual) and 3 annual leaves (with prior approval) in February. OEE for the Month of February is 96% and FTR is 99%.

Applicable Production Incentive % for Employee A=63%+22.5% =85.5% Production incentive for the month for employee A = 10,000.00 x 85.5% = 8,550.00

KPIs

01. OEE (refer the Third Schedule)
02. First Time Right (FTR)

This is the production with right quality in the first time as a percentage of total production. Formula for calculating same is given below.

$$\text{First Time Quality} = \frac{\text{No. of boxes without quality issues}}{\text{Total No. of Boxes produced}}$$

Example:

Total no. of boxes manufactured in February	= 3,840
No. of unfit boxes	= 50
Number of boxes with right quality in the first time	= 3,790
First Time Right for February	= 3,790/3,840 x 100 = 98.7%

B. Incremental for Production Incentive Scheme

Production Ton	Propose Production Incentive
Below 2000	10,000.00
2050	10,250.00
2100	10,500.00
2150	10,750.00
2200	11,000.00
2400	11,000.00

- Rs. 10,000 production incentive will be set at 2000T volume
- Production incentive to vary with volume with a maximum of 10% increase
- All other terms and conditions will continue as is

C. Attendance Incentive Scheme

All employees in First Schedule and Second Schedule are eligible for a monthly attendance incentive payment of Rs. 1,200/-
An employee is eligible for same as follows :-

- | | |
|---|--------------|
| a) Present for work on all days work offered during the month | : 100% |
| b) Planned/Approved Annual Leave/ Day offs* | : 100% |
| c) If one day casual or sick leave taken during the month | : 75% |
| d) If two days casual or sick leave taken during the month | : 50% |
| e) More than 2 days casual or sick leave taken during the month | : No Payment |

* Day offs - This is applicable only for the General shift workers if they work on a Sunday.

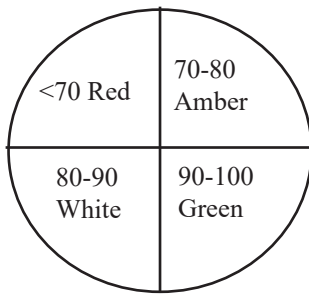
THE SECOND SCHEDULE**Performance criteria for the annual Individual Performance base increment**

Criteria	Detail of Criteria	Weightage	Contribution Factor
Operational Knowledge	OPL 1 per Month Per Employee - Shift Manager approval	80%	30%
	Process knowledge of other tasks (minimum two Job tasks) - Shift Manager Confirmation	20%	
Will	Productivity improvements, Quality & Safety improvements - Two Tags per month 24 Tags per year	80%	40%
	Attitudes/Teamwork - Relevant shift Manager should do the evaluation	20%	
Quality	0 Quality violations	70%	15%
	At least 3 OPL and 3 Tag need to be raised from Quality related areas	30%	

Safety	0 safety and environment incidents/violations	70%	15%
	SBO 1 per month	30%	
			100%

- Operational Knowledge (Process knowledge of other tasks (minimum two Job tasks) - Operator needs to select and inform to the relevant SM about these two jobs.
- Attitude & Team work - Relevant shift manager need to give feedbacks twice a year (Midyear & End year) considering the operators last year performance. For a fair discussion the relevant shift manager needs to keep records of operators performance and behaviors throughout the year.
- Quality violation According to 04th Schedule.
- Total minimum OPL count per annum including QA OPL-12 & Total minimum Tag count per annum including QA Tags - 24.

Overall Performance:



After the review of a year, an employee will get an increment from the allocation given with individual performance 7% as follows;

- Red will get 40% of 7%
- Amber will get 60% of 7%
- White will get 80% of 7%
- Green will get 100% of 7%

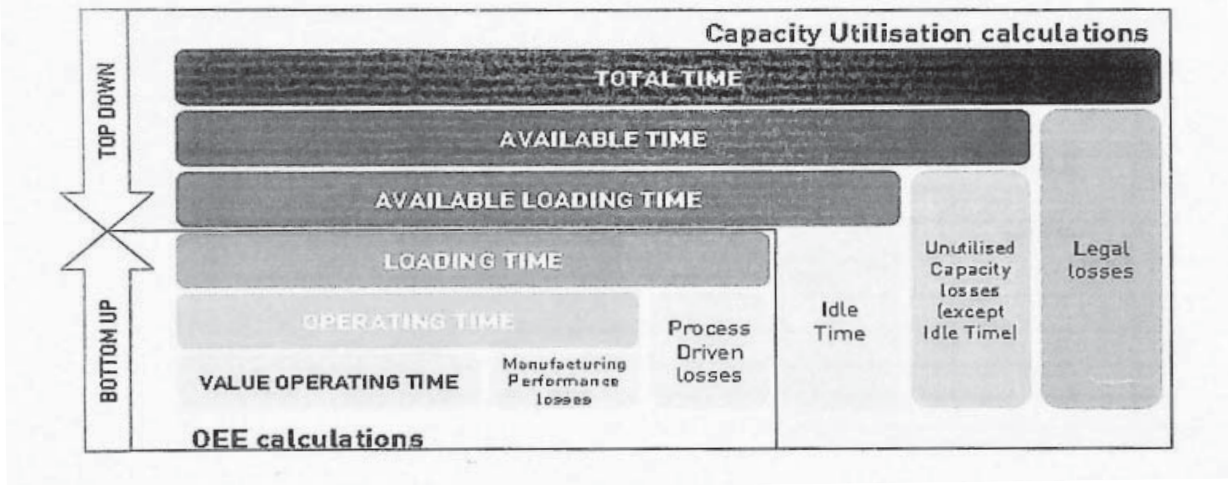
THE THIRD SCHEDULE

OVERALL EQUIPMENT EFFECTIVENESS (OEE)

Formula The standard method of calculating OEE considers the actual Good Volume at the end of Line, as it was confirmed at the end of the Production Order, along with the required Loading Time:

$$\text{Overall Equipment Effectiveness (OEE)} = \frac{\text{Value Operating Time (VOT)}}{\text{Loading Time (LT)}}$$

$$\text{OEE Factory} = \frac{\sum \text{VOT lines}}{\sum \text{LT lines}}$$



Value Operating Time (VOT): The minimum amount of time that will be consumed by the Line for a given Production Plan under ideal conditions (operating at Nominal Speed and without any loss of any kind). It is calculated as:

$$\text{Value Operating Time (VOT)} = \frac{\text{Good Volume}}{\text{Nominal Speed}}$$

Nominal Speed: The Nominal Speed is a reference standard value, which is used in several measures (OEE, Capacity, etc.), standards (Line & Labour) and Costing & Planning. The Nominal Speed is the highest sustainably achievable speed at which a given product can be manufactured on a given line at perfect efficiency and with no losses, safeguarding all Quality and Safety standards and attainable for the corresponding Lot Size.

To define the Nominal Speed, the supplier has to be consulted as the first point of reference. The Nominal Speed must then be agreed with category experts and SC capabilities.

The Nominal Speed must be revised if changes or modifications occur to the equipment or the product being produced e.g. Kaizens.

OUTPUT RELIABILITY (OR)


The measurement is calculated on a weekly basis and consolidated each month using actual weekly weighted volumes.

$$\text{Formula \% OR} = \frac{\sum SKU (\text{plan} - \text{ABS} (\text{Plan} - \text{Actual}))}{\sum SKU \text{Plan}} \times 100$$

Measure Percentage (%)

FOURTH SCHEDULE

QUALITY DISCIPLINARY MATRIX

 UNILEVER CEYTEA AGRAPATANA QUALITY DISCIPLINARY MATRIX				
Level	Class	Quality Violations	Violation	Sanctions
1	Minor Violation	Violation of rework management procedure recommended by the QA department	1st time offence	Verbal warning
		Poor standard changeover practice (packing or process)	2nd time offence	Warning letter to personal file
		Leaving external doors to manufacturing areas opened	3rd time offence	Inquiry and impact wage increment
		Bypassing hygiene station when entering standard care area		
		Violation of Unilever Jewelry policy, glass policy and food safety policy		
		Working inside the hygienic area without recommended hygienic wares.		
		Failure to follow stipulated sampling protocol for analysis (in process, FG etc.)		
2	Major Violation	Release of unauthorized FG materials for dispatch (Blocked, rejected or awaiting QC release)	1st Offence	Inquiry and impact wage Increment
		Unpacked high moisture powder addition to fit FG	Repeat Offence	Employment suspension
		Release of QC HOLD products physically without due authorization or clearance		
		Bypassing process controls that have an impact on product quality and food safety (i.e. bypassing metal detector)		
		Falsification of quality related data, False recoding		
		Adding Quality Defect powder to Quality fit Boxes		
		Adding Metal detector rejected powder to Fit boxes		
		3rd time repeating of class A violations.		

FIFTH SCHEDULE

Form No. 1

Name of Employer:

AUTHORIZATION

As I am an employee covered and bound by this Collective Agreement and I desire to avail myself of the facility for check off contained in Clause
of the said Collective Agreement to which I am entitled as a member of the The Ceylon Mercantile Industrial and General Workers Union (CMU), please deduct from my wages each month a sum of Rupees
.....Rs.) in respect of my current
monthly membership dues to the said Union and remit the same to the said Union on my behalf. The first payment should please be made from my wages next due immediately following the date hereof.

.....
Date of Signing

.....
Signature of Employee

.....
Full name of Employee

RECEIVED ON
(To be filled by the Employer)

SIXTH SCHEDULE

Form No. 2

Name of Employer:

REVOCATION

With reference to the authorization submitted by me, please cease to deduct from my wages any further membership dues in favour of the The Ceylon Mercantile Industrial and General Workers Union (CMU), with effect from the wages next due to me immediately following the date hereof.

.....
Date of signing

.....
Signature of Employee

.....
Full name of Employee

RECEIVED ON (To be filled by the Employer)

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