



KBZ BANK LIMITED

HR POLICY

ON

DISCIPLINARY PROCEDURE

**HUMAN RESOURCE DEPARTMENT
SEPTEMBER 2020**

KBZ BANK – DISCIPLINARY PROCEDURES

A. Scope

1. This policy covers all employees, whether they are part-time, full-time or term-contract, working with the Bank.
2. The Disciplinary Procedure will be used when necessary. Where possible, informal and/or formal counselling will be used to resolve matters prior to any disciplinary action being taken. The procedure is intended to be positive rather than punitive but takes cognizance of the fact that sanctions may have to be applied when necessary. An employee can discuss any part of this policy with their Line Manager who can give guidance and support where it may be needed.

B. Suspension

3. Suspension is not disciplinary action. Suspension can be used when it is necessary to remove an employee from the workplace pending an investigation while it is ongoing for their own or others protection, to prevent them influencing or being influenced by others or to prevent possible interference with evidence. The Manager in charge of that employee should recommend the suspension to the HR Head who will evaluate and seek the approval of Sr MD/BOD. The terms of the suspension (period of suspension, with or without pay, etc.) will be determined then.
4. An employee suspended from duty will receive written confirmation issued by HR Head within three days of:
 - 4.1 the reason for the suspension
 - 4.2 the date and time from which the suspension will operate.
 - 4.3 the timescale of the ongoing investigation.
5. The employee has the right of appeal against the suspension to the BOD member through his manager and HR Head.

C. Counselling

6. Counselling is an attempt to correct a situation and prevent it from getting worse without having to use the disciplinary procedure. Where improvement is required, the employee must be given clear guidelines as to:
 - 6.1 what is expected in terms of improving shortcomings in conduct or performance
 - 6.2 the time scales for improvement
 - 6.3 when this will be reviewed
 - 6.4 the employee must also be told, where appropriate, that failure to improve may result in formal disciplinary action.
7. A record of the counselling should be given to the employee and a copy retained in their personnel file. It is imperative that any counselling should be followed up and improvements recognised and recorded. Once the counselling objectives have been met, a note should be made in the employee's file and the case closed.
8. If during counselling it becomes clear to the counsellor (usually the employee's manager) that the matter is more serious, then the discussion should be adjourned. The counsellor should

then raise the matter to HR Head to pursue under the formal disciplinary procedure. HR Head will review the matter and recommend to BOD for approval on whether a formal disciplinary procedure is warranted or not.

D. Procedure for Formal Disciplinary Procedure

D-1 Composition and responsibility of the Investigation Team

9. When a formal disciplinary procedure is deemed to be warranted, HR Head would initiate the proceedings. HR Head would appoint an investigation team (comprising between 1 to 3 persons), with BOD's approval, to find out the facts of the matter and set the timeline for the investigation to be concluded. Formal investigations should be carried out by the most appropriate manager(s) who is not directly involved with the incident being investigated – this is to ensure impartiality of the investigations. All the relevant facts should be gathered promptly as soon as is practicable after the incident. Statements should be taken from witnesses at the earliest opportunity. Any physical evidence should be preserved and/or photographed if reasonable to do so.

10. A detailed report together with recommendations on whether further action should be taken should be prepared and submitted to the HR Head who will evaluate and recommend to BOD for approval. At the full discretion of the Bank, this report or excerpts of it may be made available to the employee.

11. Where disciplinary hearing is the decision, HR Head will initiate the proceedings (see section 15 below).

D-2 Composition and responsibilities of the COI

12. Where serious misconduct is suspected, HR Head will seek BOD's approval to set up a Committee of Inquiry (COI) and the composition of the COI (comprising 3 to 4 persons with HR representative serving as Secretariat) will be approved by BOD.

13. Following the full presentation of the facts, and the opportunity afforded to the employee to state his/her side of the case, the COI should be adjourned. The members of the COI would discuss the case and decide which of the following option is appropriate:

13.1 take no further action against the employee

13.2 recommend counselling for the employee

13.3 recommend the disciplinary action – this could include verbal warning, written warning, transfer to another post, stopping of annual salary increase or deferment of promotion, downgrading/demotion, dismissal

14. The findings and recommendations of the COI should be presented to the BOD within 7 working days of the conclusion of the COI. If more time is needed, the COI will seek BOD's approval for an extension. The employee would be informed of the decision in writing by HR Head (no further action or counselling or disciplinary action) within 7 working days from BOD's approval of the COI report.

D-3 Disciplinary Hearing

15. The disciplinary hearing should take place within 7 working days of the employee being informed of the hearing. The composition of the Disciplinary Committee (2 – 4 persons) will be approved by BOD. The Chairperson would inform the employee the facts of the investigation and ask employee if he/she has anything further to say in relation to the case. The disciplinary hearing report containing the findings and the recommendations would be submitted to BOD within 7 working days (if more time is needed, BOD's approval for extension will be sought).

16. Should any employee who is subject to disciplinary action resign during the course of it, the action will cease unless there are extenuating circumstances which require its continuance

E. Warnings

17. Examples of Minor Misconduct

17.1 Below are listed examples of misconduct which may warrant either a Verbal Warning or a First Written Warning. This list is not exhaustive and that on all occasions a proper investigation must take place prior to the issue of a warning.

- Persistent lateness and poor time keeping.
- Absence from work, including going absent during work, without valid reason, notification or authorization.
- Smoking within unauthorized areas.
- Failure to work in accordance with prescribed procedures.
- Poor social and disruptive behaviours such as rudeness, rumour mongering, excessive gossiping among colleagues
- Unreasonable standards of dress or personal hygiene.
- Failure to observe Bank regulations and procedures.

18. Verbal Warning

18.1 A Verbal Warning is appropriate when it is necessary for the manager in charge to take action against an employee for any minor failing or minor misconduct.

18.2 A note is made by the manager in charge when a verbal warning is given to the employee – it must contain the date of the verbal warning and what the misconduct or failing was, and what was informed to the employee. This note should be given to the HR Head and filed in the employee's file.

19. First Written Warning

19.1 A First Written Warning is appropriate when:

- a verbal warning has not been heeded and the misconduct is either repeated or performance has not improved as previously agreed
- an offence is of a more serious nature for which a written warning is more appropriate
- the recurrence or accumulation of an offence/offences, if left, will lead to more severe disciplinary action.

19.2 A copy of the warning letter issued by HR Head, is filed in the employee's personnel file.

20. Examples of Gross – Misconduct

20.1 Listed below are examples of misconduct which may be considered to be Gross Misconduct and may warrant a Final Warning, Demotion or Dismissal. This list is not exhaustive and that on all occasions a proper investigation must take place prior to the issuing of a Final Warning, Demotion or Dismissal.

- Theft, misappropriation of funds or fraud
- Unauthorised possession of Bank property
- Misuse of the Bank's property and facilities
- Bribery or asking any party for a bribe (money or in-kind)
- Unauthorized access to any employee's records and/or bank transactions data
- Impersonating another person in order to gain access to confidential information
- Disclosure of the Bank's confidential information obtained during the period of employment to unauthorized parties
- Wilful falsification, defacement or destruction of any records of the Bank
- Wilful act resulting in endangering the life, health or safety of another person
- Betting or gambling on the Bank's premises (including car parks)
- Borrowing or accepting money, gifts, gratuity or favours from customer or vendor
- Engaging in immoral or indecent or illegal acts within the Bank's premises
- False declaration or misrepresentation on the Employment Application Form including false declaration of qualifications or professional registration
- Breaches of confidentiality, prejudicial to the interest of the Bank
- Being unfit for duty because of the misuse/consumption of drugs or alcohol
- Refusal to carry out a management instruction which is within the employee's capabilities and which would be seen to be in the interests of the Bank
- Breach of confidentiality / security procedures
- Physical assault, breach of the peace or verbal abuse or intimidation including provoking or instigating a fight or assault
- Failure to observe Bank rules, regulations or procedures.
- Wilful damage of Bank's property

21. Final Written Warning

21.1 A Final Written Warning is appropriate when:

- an employee's offence is of a serious nature falling just short of one justifying dismissal
- an employee persists in the misconduct which previously warranted a lesser warning.

22. Stopping of annual salary increase or deferment of promotion

22.1 This action is appropriate when:

- An employee's offence is of a serious nature and the sanction requires more than just a written warning to reflect the gravity of the offence.

23. Downgrading or Transfer to another Post

23.1 This action is appropriate when:

- previous attempts, via the disciplinary procedure, to rectify a problem have failed and this is a final attempt to solve a problem without having to dismiss an employee
- the offence is of a serious nature and the sanction warrants more than just a written warning and stopping of increment/deferment of promotion to reflect the gravity of the offence.

24. Dismissal

24.1 Dismissal is appropriate when

- an employee's behaviour is considered to be Gross Misconduct
- an employee's misconduct has persisted, exhausting all other lines of disciplinary procedure.

25. Time Scales for the expiry of Warnings

25.1 Warnings issued to employees shall be deemed to have expired after the following periods of time.

- Verbal Warnings: 6 months
- First Written Warnings: 12 months
- Final Written Warnings: 18 months (or as agreed and recorded at the hearing)

This is only upon the employee having been assessed by the manager to have reformed.

25.2 During the period where the warning is valid, the employee would be monitored for improvements by the manager.

25.3 These time scales remain if during that period, no further warnings have been issued in respect of the employee's conduct.

F. Letter of Warning

26. All Warnings must contain the following information

- The letter must be issued by HR Head within 7 working days of the date the disciplinary report is accepted by BOD
- The nature of the offence and where appropriate, that if further misconduct occurs, more severe disciplinary action will be taken
- The period of time given to the employee for improvement
- The employee's right to appeal to Sr MD/BOD
- A copy of the warning and any supporting documentation must be attached to the employee's personnel file
- The employee must also receive a copy of the warning which in the case of any written warning will be sent to their home address by recorded delivery if not handed to them in person
- In the case of a final written warning, reference must be made to the fact that any further misconduct will lead to dismissal, and that the employee has the right of appeal, and to who they can make that appeal.

27. The letter confirming dismissal will contain the following information:

- The reason for dismissal and any administrative matter arising from the termination of their employment
- The employee's right of appeal and to whom they should make that appeal

Appeals

28. Every employee is granted the right to appeal once against the outcome of a disciplinary hearing. The basis of an appeal should normally relate to one of the following areas:

- that the Bank's procedure had not been followed correctly
- that the resulting disciplinary action was inappropriate
- that the need for disciplinary action was not warranted
- that new information regarding disciplinary action has arisen

29. An appeal should be put in writing to Sr MD/BOD. The letter should contain the grounds for appeal and should be lodged within 10 working days of receipt of the warning / dismissal letter.

30. An appeal will be arranged within 20 working days of receipt of the appeal letter. HR Head will be responsible for such arrangements. The Appeals Committee (2 to 4 persons) composition will be approved by BOD. The Appeals Committee will review the case and submit its recommendations to BOD for approval. This decision is final and no further appeals will be permitted.

G. Employee is Investigated or Incarcerated by the Authorities

31. In the event an employee is detained by the authorities for any investigations, he/she will be suspended from the Bank for the duration of the absence. Whether the suspension period is paid (full or partial) or unpaid is up to the sole discretion of the BOD on the recommendation of HR Head. In the event that after the investigation, the authorities take no further action, the Bank will reinstate the employee and the decision whether full pay is backdated to the start of the suspension period will be at the sole discretion of the Bank.

32. In the event that after the trial and an employee is found guilty, he/she will be dismissed.

Regular review of this policy is conducted by our Board to ensure they remain timely and relevant. Our most recent review was completed and approved by the Board on 02 September 2020.