

All correspondence should be addressed to  
the Permanent Secretary  
Telephone: +260-211-222 617  
E-mail: labour.commissioner@mlss.gov.zm



REPUBLIC OF ZAMBIA

In reply please quote

No.:.....

DL/101/6/535

# MINISTRY OF LABOUR AND SOCIAL SECURITY

DEPARTMENT OF LABOUR  
OFFICE OF THE LABOUR COMMISSIONER  
NEW GOVERNMENT COMPLEX  
INDEPENDENCE AVENUE  
KAMWALA  
P. O. BOX 32186  
LUSAKA

20<sup>th</sup> April, 2020.

The Head Human Resources  
Caymont Bank Limited  
**LUSAKA.**

The General Secretary  
Zambia Union of Financial Institutions and Allied Workers  
**LUSAKA.**

## RE: APPROVAL OF COLLECTIVE AGREEMENT

Reference is made to the subject matter above.

The Ministry is pleased to inform you that the Collective Agreement that you submitted has been duly approved and registered. Find herewith enclosed a copy of the said document for your record and action.

Kunda C. Chokwe (Mrs.)  
Labour Inspector  
For/ **LABOUR COMMISSIONER**

*File*

DATED THE 29<sup>th</sup> DAY OF November 2019

**CAVMONT BANK LIMITED**

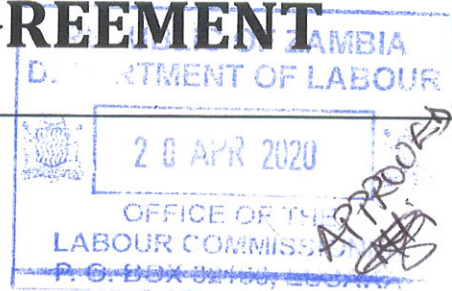
**AND**

**ZAMBIA UNION OF FINANCIAL INSTITUTIONS AND  
ALLIED WORKERS**

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**COLLECTIVE AGREEMENT**

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**THIS** collective agreement is made the.....day of.....two thousand and nineteen.

Between **CAVMONT BANK LIMITED** a company incorporated under the Companies Act of 1994 of the laws of Zambia and having its registered office situate at Piziya House, Plot 2374, Thabo Mbeki Road in the Lusaka Province of the Republic of Zambia (Hereinafter referred to as "**the Bank**") of the one part and **ZAMBIA UNION OF FINANCIAL INSTITUTIONS AND ALLIED WORKERS** registered under the Industrial and Labour Relations Act No. 27 of 1993 and having its registered office situate at Plot No. 6579, Olympia Park, Chainama Road, Lusaka aforesaid (hereinafter referred to as ("**the Union**") of the other part.

**WHEREAS** pursuant to the Memorandum of Recognition Agreement made between the parties to this agreement and made on the 4<sup>th</sup> day of November 2004, the Bank recognised the Union as the representative and exclusive bargaining agent of the Bank's eligible employees for the period specified and upon the terms and conditions contained therein.

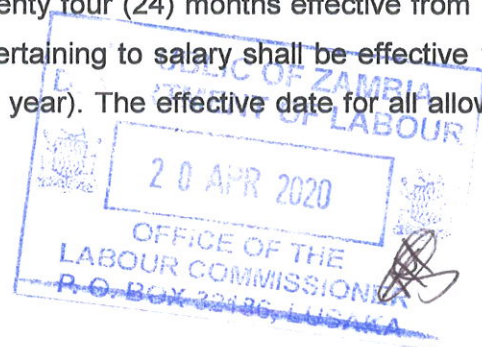
**AND WHEREAS** the said Memorandum of Recognition Agreement is still in force and binding upon the parties to it and collective negotiations and agreement by the said parties on the aspects hereunder specified have been concluded between the Bank and the Union.

**(A) DURATION OF COLLECTIVE AGREEMENT**

The tenure of this Collective Agreement shall be twenty four (24) months effective from 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2021. However, the provisions pertaining to salary shall be effective 1<sup>st</sup> July 2019 and subject to review every 12 months (every year). The effective date for all allowances is 1<sup>st</sup> July 2019.

**(B) VALIDITY OF THE AGREEMENT**

Notwithstanding the provisions of Clause (A) above, this Agreement may be amended by mutual consent, subject to three months -notice being given by either party.



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## 1) OBJECTIVE

It is agreed that the advancement of employees and their livelihood depends on the success of the Bank. The Bank therefore expects its employees to exhibit loyalty and devotion and to maintain a set standard of efficiency through hard work. On its part the Bank shall: -

- (a) Concern itself with the well-being of all its employees by determining an equitable remuneration structure in view of the prevailing circumstances.
- (b) Ensure full implementation of the obligations of the Bank under this agreement.
- (c) Endeavor to improve morale and industrial relations with a view to increasing work output and performance.

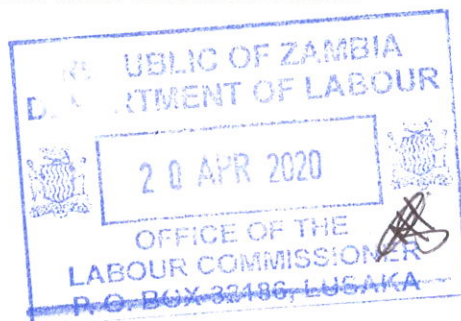
## 2) DEFINITIONS

### (a) "Employee":

Means any employee of the Bank to which these conditions relate.

### (b) "Registered dependant" means:

- (i) Spouse; and
- (ii) An employee's biological children up to the age of 21 who are still financially supported by and dependent on and/or living with the employee up to a maximum of four (4) children inclusive of legally adopted children up to the age of 21 still financially supported by and



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dependent on and/or living with the employee, who have been so duly registered as the employee's dependents with the Bank.

**(c) "Redundancy"**

Means a situation which may arise whereby the post of an employee may become surplus to the Bank's requirement.

**3. EMPLOYEE OBLIGATIONS**

The employee shall: -

- (a) At all times competently, faithfully and diligently perform such duties as the Bank shall require and shall, to the utmost of his/her ability endeavour to promote the interests of the Bank.
- (b) Obey and comply with lawful orders and directives given by the Bank or its Board of Directors or such persons as the Bank may place over him/her and shall faithfully observe all the policies of the Bank including the policies relating to the good conduct of its employees.
- (c) Work in such places in Zambia or abroad as the Bank may from time to time direct in accordance with the Bank's policies.
- (d) Inform the Bank of all changes in the size of his family i.e. marriage, births, deaths for the purpose of amending his/her record.
- (e) Sign a Declaration of Secrecy document.



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#### 4. CONDITIONS OF EMPLOYMENT

##### (a) MEDICAL EXAMINATIONS

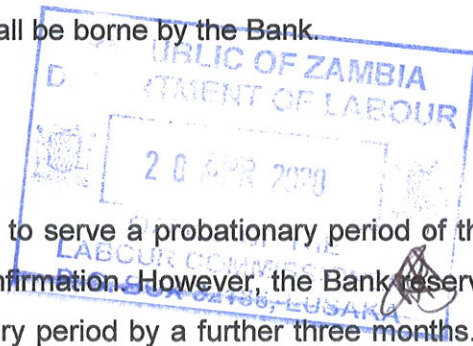
All employment will be in accordance with the Bank's conditions and shall be subject to the employee: -

- (i) Undergoing and passing Medical Examinations conducted by a competent Medical Officer approved by the Bank.
- (ii) Producing a satisfactory Medical Certificate in a form prescribed by the Bank from a recognized Medical Practitioner.

The cost of Medical Examinations shall be borne by the Bank.

##### (b) PROBATIONARY PERIOD

- (i) All staff shall be required to serve a probationary period of three months with the Bank prior to confirmation. However, the Bank reserves the right to extend the probationary period by a further three months. During this period, either party can terminate services by giving one day's notice.
- (ii) In the case of an unsatisfactory probationary period, the Bank shall reserve the right to either terminate the employment or extend the probationary period and this will be communicated to the employee concerned.
- (iii) Where an employee serving on probation does not receive either a letter



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of confirmation or extension of probationary period upon expiry of a three (3) Month period he/she shall be deemed confirmed after two weeks of such expiry.

**(c) TERMINATION OF EMPLOYMENT**

**(i) Normal Termination of Employment**

After confirmation of appointment, employment may be terminated by either party giving the other 30 calendar days' notice in writing or payment of one month's salary in lieu thereof, subject to the provisions of the Employment Code Act of 2019 being fulfilled.

**(ii) Death/Liquidation**

The Contract of Service shall be considered terminated upon the death of an employee or liquidation of the Bank.

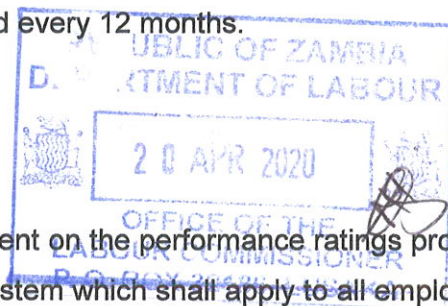
**(d) SALARY, ANNUAL INCREMENTS AND ADVANCES**

The Basic Salary shall be reviewed every 12 months.

**(i) Notch Increments**

Notch increments shall be dependent on the performance ratings provided for via the Performance Management System which shall apply to all employees

It should be noted that: -



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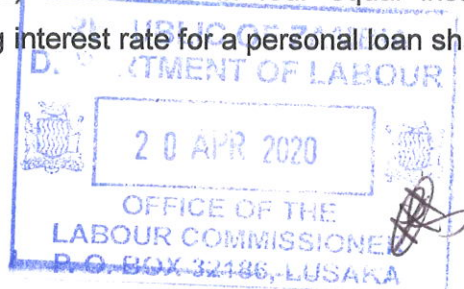
- a) A stoppage of annual increment shall be communicated to the employee subject to a further review within a period of twelve months.
- b) Where an employee reaches a salary scale ceiling, the notch increments will continue to apply in accordance with the applicable Bank Policy.
- c) The Bank's official payday shall be the 23<sup>rd</sup> day of each calendar month or the last working day before the 23<sup>rd</sup> day.

(ii) **Mid-Month Pay**

Mid-month pay shall be payable on the seventh (7<sup>th</sup>) working day of each calendar month at a maximum of 25% of the employee's basic salary.

(iii) **Salary Advance**

An employee shall be granted a salary advance in exceptional circumstances in accordance with the Staff Loans Policy to assist him/her meet obligations of an urgent nature. This is recoverable in four (4) equal installments. Where the amount exceeds the required minimum ratio as prescribed in the Staff Loans Policy, the employee shall be considered for a short-term personal loan (subject to meeting the ratios and the availability of funds) recoverable in four equal installments. In such instances, the ruling interest rate for a personal loan shall apply.



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(vi) Rental Advance

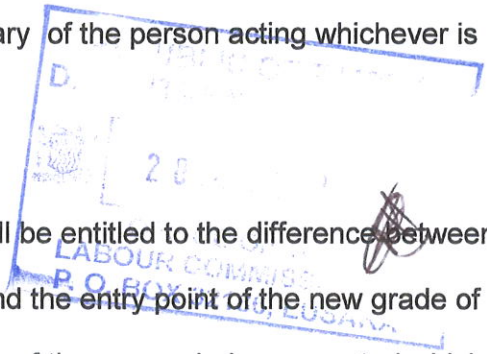
Rental advance may be granted at Management's discretion to all eligible employees to assist them to pay rentals for periods ranging from three (3)

(E) **ALLOWANCES**

(i) Acting Allowance

Acting allowance shall be paid to an officer who acts in a higher position for 30 consecutive days. However, Management will use its discretion for an Officer acting for a period less than 30 consecutive days but more than 15 consecutive days. The first 14 days shall be considered as training if it is the first time of acting in that particular position and thereafter the rate of the allowance shall be the difference between his/her salary and the first notch in the substantive holder's salary grade or 22% of the monthly salary of the person acting whichever is higher.

On straight promotion the employee will be entitled to the difference between the salary of the person being promoted and the entry point of the new grade of promotion or 15% of the monthly salary of the person being promoted whichever is higher. This may be paid as an allowance until acting period comes to an end and will drop if acting is unsuccessful. However, when acting is successful this will be incorporated into the salary and becomes salary of promotion.



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(v) **Traveling on Duty**

For members of staff traveling overnight on authorized Bank business away from their normal station, there shall be three (3) options available to employee: -

1) **Accommodation paid by Bank (full board)**

The Bank shall pay for accommodation and meals at the Hotel/motel of its choice. Accommodation entitlement shall be based on the employee's grade.

2) **Accommodation paid by Bank (without meals)**

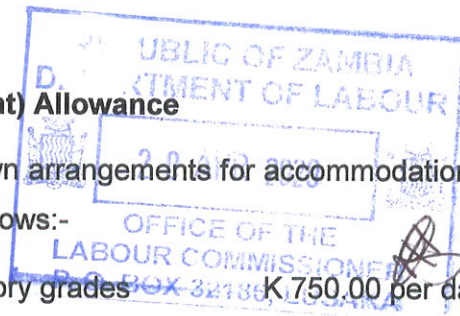
Under this option the Bank shall provide accommodation at a Hotel/Motel of its choice. Breakfast, lunch and dinner therefore shall be applied as follows: -

- a) Supervisory K 650-00 per day
- b) Clerical Grades K 625-00 per day
- c) Non- Clerical grades K 550-00 per day

(vi) **Subsistence (Night) Allowance**

The employee's own arrangements for accommodation and meals shall be paid as follows:-

- (a) Supervisory grades K 750.00 per day
- (b) Clerical grades K 750.00 per day
- (c) Non-Clerical grades K750.00 per day



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(vii) **Lunch Allowance.**

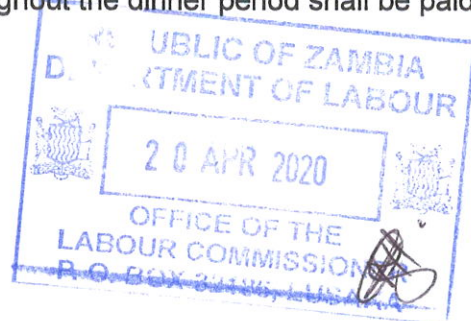
Lunch allowance shall be paid as follows:

- a) A member of staff authorized to work through lunch hour from Monday to Friday shall be paid K80.00.
- b) A member of staff on an official journey outside station that takes a minimum of three hours and requires travel throughout the lunch period shall be paid K80.00.
- c) A member of staff that works on non -working Saturdays, Sundays and public holidays beyond lunch hour shall be paid K80.00

(viii) **Dinner Allowance**

Dinner allowance will be paid as follows:

- a) A member of staff who works beyond 19:00hrs with prior Management authority shall be paid K80.00.
- b) A member of staff who is on an official journey that takes a minimum of three hours (outside station) and requires travel throughout the dinner period shall be paid K80.00



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**(ix) Rural Hardship Allowance**

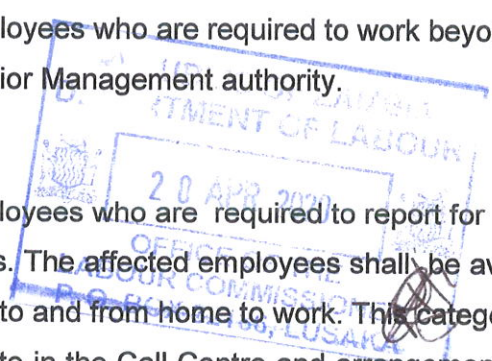
All unionized members of staff at the Mbala and Mufumbwe Branches shall be entitled to K800 as a monthly allowance. This allowance shall not apply when the staff member is transferred from these branches to a different branch or promoted to Management.

**(x) Bank Transport or Taxi Fares**

Bank transport or taxi fares to the employees' place of residence shall be provided as follows.

- (a) For eligible employees who are required to work on Non- working days.
- (b) For eligible employees who are required to work beyond 19:00hrs with prior Management authority.
- (c) For eligible employees who are required to report for work at 24:00hrs. The affected employees shall be availed transport/ a taxi to and from home to work. This category of staff shall operate in the Call Centre and arrangements for transport will be made on a weekly basis.

However, from 1<sup>st</sup> May each year to 31<sup>st</sup> July each year an employee shall only be eligible to use a taxi from 18:00hrs of the



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date of work whilst from 1<sup>st</sup> August each year to 30<sup>th</sup> April each year an employee shall be eligible to use a taxi only from 19:00hrs (this will only apply to (a) and (b) above.)

(xi) **Shift Differential**

Members of staff who are engaged in shift work will be paid a dinner allowance of Kwacha Sixty (K60-00) per day in lieu of shift differential provided that such work shall be performed between 19:00hours to 06:00hours.

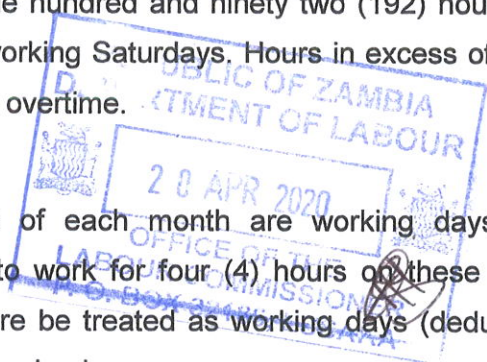
(xii) **Other allowances.**

The following allowance will be paid to the category of members of staff specified as hereunder in lieu of overtime:

- |     |                         |                   |
|-----|-------------------------|-------------------|
| (a) | Call Centre             | K500-00 per week. |
| (b) | ATM Custodian Allowance | K500-00 per month |

(f) **HOURS OF WORK AND OVERTIME**

- (i) Hours of work shall be from 8:00 to 17:00 and flexi hours (as required by Business demands) shall be the same number of hours worked between 6:00 and 19:00. In both cases the normal working week will be restricted to (48) hours or one hundred and ninety two (192) hours per average month inclusive of working Saturdays. Hours in excess of eight hours per day shall constitute overtime.
- (ii) The first and last Saturdays of each month are working days and employees shall be required to work for four (4) hours on these days. These Saturdays shall therefore be treated as working days (deductible from earned leave) when processing leave.



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- (iii) From Monday to Friday, employees shall be required to work for eight (8) hours with one (1) hour being taken as lunch break.

Lunch hour will be staggered from 12:00hrs to 15:00hrs

- (iv) Overtime shall be paid to employees who may be required to work beyond the 176 hours (One Hundred and seventy six hours) referred to as above. It shall be calculated as follows; -

Monday -Friday - one and half hourly rate

Saturdays/Sundays and public holidays - Double rate

**(v) Hours of Shift work (Call Centre)**

(a) 08:00 hours to 16:00hours

(b) 16:00 hours to 24:00hours

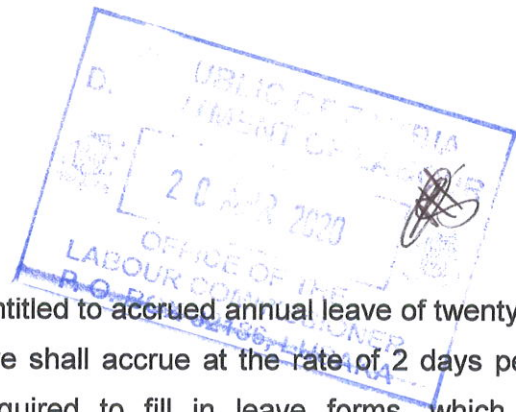
(c) 24:00 hours to 08:00hours

This will only apply to staff who will work in the Call Center.

**(G) LEAVE**

**(i) Annual Leave**

All employees shall be entitled to accrued annual leave of twenty four (24) working days. This leave shall accrue at the rate of 2 days per month. Employees shall be required to fill in leave forms, which shall be considered by Management and only if approved should the employee proceed on leave.



(ii) **Annual Leave Allowance**

Annual Leave Allowance at the rate of ones' full pay will be paid to members of staff who proceed on annual leave.

This allowance shall be paid on 2<sup>nd</sup> January of each year commencing 2013 but when an eligible employee fails to take leave in a particular year (due to operational reasons) the Head of Department should seek dispensation through the Functional Head to the Managing Director for the eligible employee to be paid leave allowance the following year and not be disqualified.

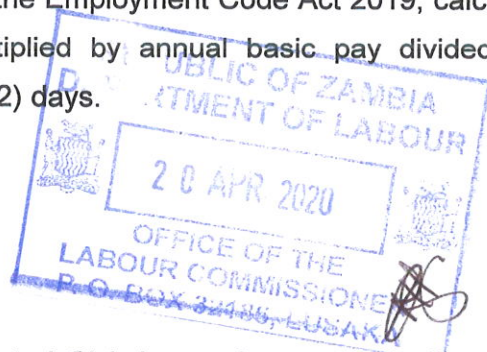
New entrants to the Bank will be eligible to annual leave allowance upon serving twelve months and if confirmed.

(iii) **Commutation of Leave**

All members of staff are required to take leave of at least two (2) consecutive weeks once a year. However where members of staff are prevented from taking such leave by the Head of the Department/Branch Manager because of work, commutation of leave days for cash shall be allowed as provided for by the Employment Code Act 2019, calculated as the number of days, multiplied by annual basic pay divided by two hundred and ninety two (292) days.

(iv) **Sick Leave**

An employee shall be granted Sick Leave for a period of up to three months on full salary



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on account of ill health or injury provided that the employee produces a Medical Certificate from a Registered Medical Practitioner

This period shall be extended by three more months on half salary until recommendation for retirement on medical grounds by a registered medical practitioner is granted.

(v) **Maternity Leave**

Maternity shall be as provided for by the Employment Code Act 2019

(vi) **Paternity Leave**

Paternity leave shall be as provided for by the Employment Code Act 2019

(vii) **Compassionate Leave**

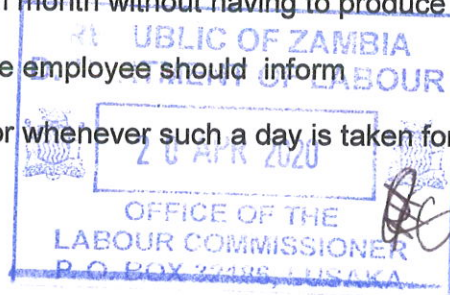
Compassionate leave shall be as provided for by the Employment Code Act 2019

(viii) **Special Leave**

Special leave shall be as provided for by the Employment Code Act

(ix) **Mother's Day**

A female employee including temporary staff will be entitled to one day's Absence from work each month without having to produce a valid medical Certificate. However, the employee should inform her immediate supervisor whenever such a day is taken for governance purposes.



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(x) **Study Leave**

Management may grant unpaid leave to an employee who wishes to pursue courses relevant to one's profession upon request for a period not exceeding two (2) Years.

Beyond this period an employee shall be required to resign and then re-apply upon successful completion of the course.

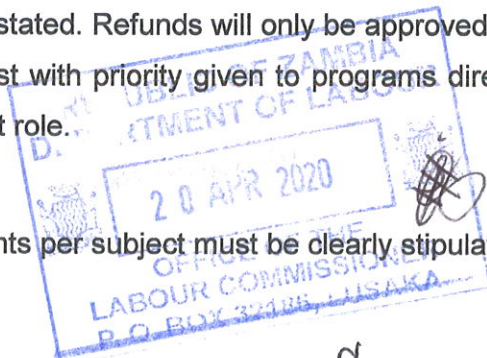
(H) **CASHIER'S ALLOWANCE**

Members of staff operating on Cash shall be entitled to an allowance of K1,000-00 every six months if they don't incur any shortages in the relevant period. The procedure manual shall be strictly followed to ensure adherence.

(I) **REIMBURSEMENT OF PRIVATE TRAINING COSTS**

- (i) The Bank will write off the amounts on educational loans upon successful completion of subjects sat for or upon successful completion of a course or training programme on the bank approved list of programmes, undertaken on self-sponsorship via an educational loan obtained from the Bank with prior Management's approval. Additionally the Bank will refund the amount spent on self sponsored courses upon production of receipts and successful completion of subjects sat for or course. However, prior approval from Management should be obtained before commencement of the course with reasons stated. Refunds will only be approved for courses on the Bank approved list with priority given to programs directly related to the employee's current role.

In all these cases, amounts per subject must be clearly stipulated.



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(ii) **Annual subscription and Examination Fees**

The Bank shall pay examination fees to one professional body where the member of staff is a registered student and when there is evidence that the member of staff is progressing in their studies or has completed their studies.

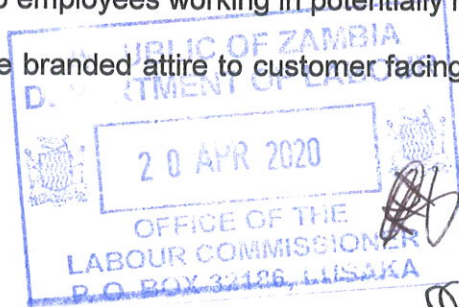
The Bank shall pay annual subscription to one or two professional bodies in the event of joint scheme e.g. ACCA/ZICA and where such joint scheme is approved by the Bank. No examination fees or subscription shall be paid where a member of staff has not progressed in their studies and instead an advance of salary may be considered to pay for the examination fees or subscription.

- (iii) An out of pocket allowance of K 60-00 per day up to seven (7) days shall be paid to employees attending Seminars/Conferences/attachments, Courses and Training including Union activities (of relevance to the Bank operations). Beyond seven (7) days the amount paid will be at Management's discretion. Where the workshop is not organized by the Bank, transport to and from the Training Centre will be provided by the Bank. Taxi reimbursement will be given to members of staff where the Bank is unable to provide transport from the Bank to the Workshop venue and back.

(J) **UNIFORM, PROTECTIVE CLOTHING AND EQUIPMENT**

The Bank shall provide protective clothing, uniforms and equipment to Messengers, Office orderlies, Drivers, Commissionaires, Cleaners and Artisans. The Bank shall provide appropriate clothing to employees working in potentially hazardous areas.

The Bank shall further provide branded attire to customer facing staff to be worn as and when required.



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A laundry allowance of K100.00 will be paid to all staff required to wear uniforms or branded attire.

**(K) GROUP LIFE ASSURANCE (GLA)**

All confirmed members of staff are covered by the Bank's Group Life Assurance (GLA).

**(L) FUNERAL GRANTS**

(i) In the event of an employee dying while in the employment of the Bank, a sum five (5) times the employee's annual salary as insured shall be paid to the surviving relatives, parents, spouse and children, provided that death has not occurred as a result of suicide.

(ii) A funeral grant shall be paid to the family in the event of death as follows: -

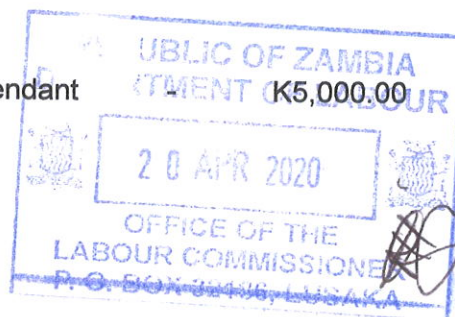
Employee - K9,500.00

Spouse - K9,500.00

Child - K7,500.00

Parent - K7,500.00

Registered dependant



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- (iii) A Casket and full funeral service and transport within the town of operation shall be provided in the first three cases above ( i.e. employee, spouse and child. But this shall not cover parents and dependents. .
- (iv) Transport for the coffin and mourners shall be provided to the graveside within the same town. Transport to carry mourners will be from the funeral house up to grave side and back to the funeral house. A maximum of three (3) thirty (30) seater buses to carry mourners will be hired.
- (v) The spouse, child, dependent and parent of the employee must have been registered with Human Resources Department with supporting documentation for a spouse, child and dependant. Further, the funeral grant for the spouse, child and parent will be paid upon the Human Resources Department being furnished with proof of death i.e. death certificate, burial certificate, brought in dead from the Police and letter from Chief if the death took place in the village.

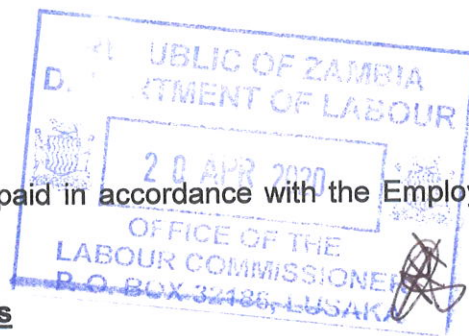
**(M) SEPARATION DUES**

(i) **Redundancy Package**

Redundancy package shall be paid in accordance with the Employment Code Act of 2019.

(ii) **Retirement on Medical Grounds**

The affected employee shall be paid a retirement package of three (3) times an employee's monthly basic salary multiplied by the number of years served.



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## APPENDIX

### Collective Agreement between Cavmont Bank Limited and Zambia Union of Financial Institutions and Allied Workers

Appendix A : Salary Structure effective 1<sup>st</sup> July, 2019  
 Salaries : Increment of K800-00 across the board

POSITION	ENTRY POINT PER ANNUM	MAXIMUM PER ANNUM
Cleaner/Messenger- Essential Services 1 ES 1 – 2	86,789.99	100,759.56
Telephone /Receptionist - Generalist G1	87,733.81	105,854.23
Typist – Generalist G1	83,133.85	101,885.33
Drivers – Essential Services 3 ES - 3	87,890.31	104,023.77
Clerical – Retail Banking 2 or Generalist 2 RB2/GL2	88,772.35	112,557.43
Supervisory Level – Retail Banking 3 or Generalist RB3/ GL3	90,678.80	120,233.00
Stenographer – Generalist 2 GL2	89,990.31	106,493.39
Secretary - Generalist 3 GL3	94,939.52	115,793.00
Specialist Grade SP1	90,678.80	120,233.00

(iii) **Repatriation of Employee**

On termination of service under the following circumstances:

- (a) The employee being medically discharged
- (b) The employee being declared redundant
- (c) Upon normal retirement
- (d) The employee dying in service in which case the benefit may be payable to the family of the deceased employee.

The Bank will provide a choice of physical transport to the place of employees employment within Zambia or receive a cash option of K7,000-00 gross as repatriation allowance.

Physical Transport shall be restricted to arrangements that the Bank will make with transporters.

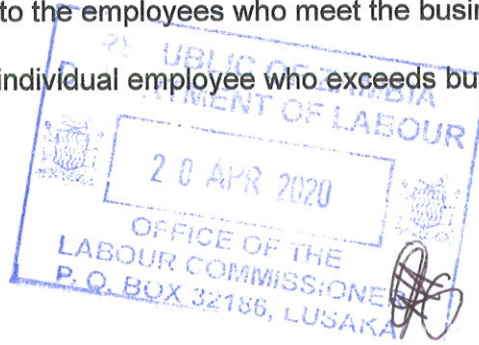
**(N) STAFF LOAN POLICY**

Subject to the level of an employee's current indebtedness, and to the availability of funds within an overall limit provided in the Bank's budget, the Bank may at its absolute discretion make certain loans and advances to an employee on such terms and conditions as the Bank shall from time to time determine.

**(O) BASIC SALARY (See appendix A)**

With effect from 1<sup>st</sup> July 2019 Basic salary shall be increased by K800 across the board  
In addition, Performance based increments were awarded as follows:

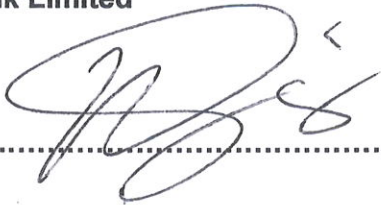
- K100 would be paid to the employees who meet the business expectations
- K200 will be paid to individual employee who exceeds business expectation



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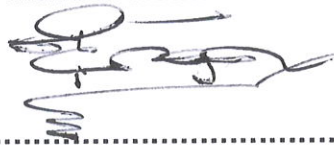
IN WITNESS WHEREOF WE HAVE HEREUNDER SET OUR HANDS THIS <sup>25<sup>th</sup></sup>.....DAY  
OF <sup>November</sup>.....THE YEAR TWO THOUSAND AND NINETEEN

For and on behalf of Cavmont  
Bank Limited



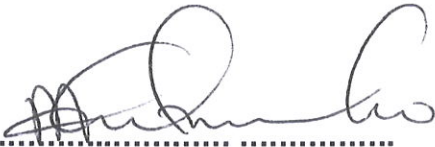
.....  
MANAGING DIRECTOR

For and on behalf of Zambia Union of  
Financial Institutions and Allied Workers



.....  
GENERAL SECRETARY (ZUFIAW)

CHIEF FINANCIAL OFFICER



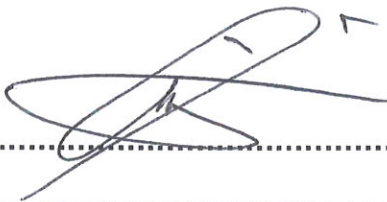
.....  
HEAD MANAGER: HUMAN RESOURCES

DELEGATION LEADER (ZUFIAW)



.....  
BRANCH UNION CHAIRMAN

CHAIRMAN OF THE NEGOTIATIONS



BARGAINING UNIT SECRETARY

