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REPUBLIC OF ZAMBIA

# DEPARTMENT OF LABOUR

OFFICE OF THE COMMISSIONER  
P.O. BOX 32  
LUSA

11th June, 1997

The General Secretary  
Zambia Union of Financial Institution  
and Allied Workers  
P.O. BOX 31174  
LUSAKA

The Company Secretary/Legal Counsel  
New Capital Bank PLC  
P.O. BOX 36452  
LUSAKA

BT

Make a copy  
and file

*File*

Dear Sir

## APPROVAL OF THE RECOGNITION AGREEMENT

I refer to your letter ZUFIAW/186/97 dated 2nd June, 1997 and confirm the receipt of copies of the said documents.

In terms of section 65 (3) of the current Industrial and Labour Relations Act No. 27 of 1993 I am pleased to inform you that the Agreement has been approved and registered accordingly.

Enclosed herewith a copy for your records and necessary action.

Yours faithfully

B A Chipalabantu  
SENIOR LABOUR OFFICER  
for/ACTING LABOUR COMMISSIONER

Enc.

/gl.

**MEMORANDUM OF RECOGNITION AGREEMENT**

**BETWEEN**

**NEW CAPITAL BANK PLC**

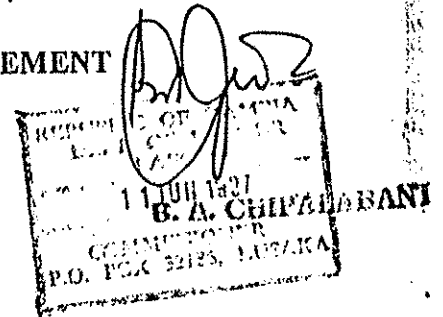
(Hereinafter referred to as "The Bank")

**AND**

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

(Hereinafter referred to as "The Union")

REGISTERED



**PREAMBLE:**

The Bank and the Union, desiring to make the greatest possible contribution to the success and prosperity of the Bank, employees and the nation as a whole, hereby agree to subscribe to the principles that the Bank operates at maximum efficiency, thereby contain as much as possible the operational costs. Therefore, the parties agree to accept practices which promote individual and collective efficiency.

**1. RECOGNITION**

The Bank agrees to recognize the Union as sole representative and exclusive bargaining agent for all eligible employees of the Bank for so long as the Union remains registered in accordance with the Laws of Zambia in force from time to time affecting labour laws, and for so long as both parties continue to observe the term of this Agreement.

**2. SCOPE OF AGREEMENT**

The Bank agrees that for the duration of this Agreement, it will not recognize any other Trade Union or Organization as representing employees eligible for representation by the Union. Eligible employees shall be those who are on permanent establishment of the Bank with exception of the following:-

- Managerial Grades, MGI and above;
- An employee entrusted with Personnel Management and Industrial Relations functions;

- Typists/Secretaries and Personal Assistants to the Managing Director.

In terms of this Clause, it is understood that matters negotiated between the parties to this Agreement shall be confirmed to employees in Sub-Accountant and below. Full-time trainees who are not on the payroll of the Bank shall be excluded.

3. CONDITIONS OF THE AGREEMENT

(a) The Bank recognises the Union on the basis of Clause 64(i) of the Industrial Relations Act 1993.

The Union agrees that any alterations or additions to the Union's Constitution will be done in accordance with the provisions of the Industrial and Labour Relations Act 1993 or the law in force at that time.

(b) The parties undertake to settle any or all industrial disputes according to the procedures as set out in this Agreement and as stipulated in Section 75 to 78 of the Industrial and Labour Relations Act of 1993

(c) The Union agrees that it will not initiate or support any action or proceedings designed or calculated to compel any employee to be or become a member of the Union against his/her will.

(d) The Union undertakes that employees who are Union Officials/Representatives will not leave their places of work for the purposes of conducting Union duties without permission of the Management through their appropriate superiors. Such permission shall not be unreasonably withheld provided that notice of not less than 48 hours is given.

(e) The Union recognises that it is the prerogative of the Bank to discipline its employees for improper acts done in their capacity as employees provided that in

the case of eligible employees, Union Branch Officials are subsequently informed at the latest by following working day of the disciplinary action taken.

- (f) The Bank undertakes that it will not discriminate against or victimize any Representative or member of the Union on account of any legitimate activities in his/her capacity as a Union Official or as a member. The Bank acknowledges that it is the prerogative of the Union to discipline its officials or members for unconstitutional acts done by them in their capacity as officials or members of the Union if such acts are unrelated to their official Bank work. The Bank further acknowledges that disciplinary action by the Management should be based on Conditions of Services under which an employee works. The Union likewise undertakes not to interfere with normal functions of Management.
- (g) The Bank undertakes to afford such facilities to the Officials of the Union as are mutually agreed as being necessary and reasonable for the latter to carry out their duties as representatives of the employees at various places of work.
- (h) The Bank agrees to meet duly accredited representatives of the Union from time to time for the purpose of discussing matters of mutual concern.
- (i) The Bank agrees that matters negotiated between the parties to this Agreement shall only be confirmed to eligible members of the Union.
- (k) Both parties, recognising the vital services the Bank provides for the benefit of the common man hereby bind themselves that in the event of a legal strike, they will call for a special meeting to discuss and agree to provide sufficient labour in order to maintain essential services in the Bank premises and will ensure that such employees selected as essential workers do their work as required.

4. **ELECTION AND NOTIFICATION OF UNION OFFICIALS**

- (a) Union undertakes to notify the Bank in writing the names, designations and areas of operations of all local Branch and National Officials elected as per Union's Constitution.
- (b) The Bank undertakes to notify the General Secretary of the Union in writing of the names and designation of its officials and to advise any changes in office bearers of the Bank
- (c) Normal rights of access to members and potential members shall be accorded to accredited Union representatives for the purpose of Union business.

5. **DEDUCTION OF UNION SUBSCRIPTIONS**

- (a) In accordance with Section 22 of the Industrial and Labour Relations Act 1993 the Bank undertakes , with the consent of the employees who are members of the Union, to recover subscription fees at the rate of 1% of basic salary (or as 2% amended by the appropriate body of the Union from time to time).
- (b) The remittances referred to in (a) above shall be made by crossed cheque marked "Not Negotiable" and "Account Payee Only", and sent to the Head Office of the Union.
- (c) The remittance of funds to Head Office of the Union shall be accompanied by the list showing the names of each employee and amount so deducted.

6. **JOINT NEGOTIATING COUNCIL**

- (a) In recognition of the fact that NEW CAPITAL BANK PLC is a vital service for the benefit of common man, the parties agree that negotiating machinery will be subject to the provision of the Laws of Zambia in force from time to time affecting

Labour Laws. A Joint Negotiating Council comprising of Union's National Executive Councillors and Branch representatives and Management representatives shall be formed and shall sit in Lusaka or any place it may deem convenient.

(b) The Constitution and Rules of the Joint Negotiating Council are set out in Appendix "A".

(c) Subjects for Negotiations:-

It is hereby agreed that the subjects listed in Appendix "B" hereto are subjects for negotiations between the parties.

(d) Subjects not for Negotiations:-

It is hereby agreed that subjects mentioned in Appendix "C" shall not be subjects for negotiations.

## 7. NEGOTIATING PROCEDURE

(a) Individual Grievance

### Stage 1

An employee desiring to raise a grievance with which he/she is directly or personally concerned shall in the first place raise it with his/her immediate superior.

### Stage 2

If the employee is not satisfied with the answer at Stage 1, he/she will refer his/her complaint to the Branch Union Official who together with him/her if need be, shall raise it with the Branch Manager or his/her equivalent who shall give an answer within two (2) working days.

### Stage 3

Should the issue remain unsolved at Stage 2, the Union Branch Officials will arrange for a meeting with the Deputy Personnel Manager or Area Manager, whichever is the case, to discuss the matter. The Management will be required to give an answer within two (2) working days. The Organization Chart should be observed.

### Stage 4

If the solution is not forthcoming at Stage 3, the Union Branch Officials and Management shall submit the case in writing to their respective Head Offices giving full details of the subject. A meeting of the Joint National Council shall be arranged as soon as possible.

(b) Collective Grievances

These shall mean all grievances arising from a breach, real or alleged, of existing terms of service on the matters specified in Appendix "B" of this Agreement which may affect all Unionised employees of the Bank such grievances shall be raised by the Union's representative at Stage 3 of the procedure laid down as Clause 7(a) above and may proceed to Stage 4 if no solution is forthcoming.

(c) Collective Claims/Demands

These shall mean all claims/demands for alterations to terms of service regarding matters specified in Appendix "B" of the Agreement which may affect all employees or any group of employees of the Bank.

Such claims/demands shall be raised in writing with the Bank by the Union's General Secretary/or Deputy General Secretary. Full details of the claims/demands will be given.

On receipt of such claims/demands the Bank shall, as soon as possible and within fourteen (14) days from date of such claim, indicate in writing their acceptance or otherwise. In the event of the Union expressing itself in writing to the Bank as dissatisfied with the Bank's reply, the matter shall be referred to a meeting of the Joint negotiating Council within fourteen (14) days from the date of the Union communication. If any settlement is reached at Joint Negotiating Council level, each party shall notify the proper officer (Labour Officer), of the existence of a dispute concerning Collective Claims/Demands.

8. AMENDMENTS TO AND TERMINATION OF THIS AGREEMENT

- (a) This Agreement shall come into force on 30<sup>th</sup> MAY 1997.....and shall remain in force until:
- (i) Terminated by mutual consent of both parties. .
  - (ii) Amended and/or replaced by a new Agreement negotiated by the parties hereto.
  - (iii) One or both parties cease to be legal entity.
- (b) Either party wishing to amend or modify this Agreement shall give three (3) months notice to the other party of its proposed amendments or modification giving full details of the same.



IN WITNESS WHEREOF - We have hereunder set out hands this 30<sup>th</sup>  
day of May in the year 1997

For and on behalf of  
NEW CAPITAL BANK PLC

For and on behalf of  
ZAMBIA UNION OF FINANCIAL  
INSTITUTIONS & ALLIED WORKERS

[Signature]  
MANAGING DIRECTOR

[Signature]  
NATIONAL PRESIDENT

[Signature]  
COMPANY SECRETARY/LEGAL COUNSEL

[Signature]  
GENERAL SECRETARY

[Signature]  
PERSONNEL & TRAINING MANAGER

[Signature]  
NATIONAL TRUSTEE

REGISTERED

[Signature]

APPENDIX "A"

CONSTITUTION AND RULES OF THE JOINT NEGOTIATING COUNCIL

1. Membership

The membership of the Council shall not be more than twelve (12) and not less than eight (8) representatives.

2. Election of Chairman

(a) The Council shall elect the Chairman from amongst its members present at the meeting. The Chairman so elected shall remain in the chair until the negotiations so opened are concluded or otherwise.

(b) A representative from Management will normally be the Secretary but a Union representative may be appointed to be the Secretary or either party may appoint its own Secretary.

3. Meetings

(a) Regular meetings of the Council will be held at intervals of not longer than four (4) months with either party giving thirty (30) days notice to the other. The meeting shall normally be held during working hours on the.....

(b) Either party may call for an emergency meeting by giving five (5) days notice to the other party and full details of the items on the Agenda shall be stated.

(c) Meetings called pursuant to provision of Clause 7(a) and (b) of this Agreement will take place within the period prescribed.

4. Minutes

Copies of the Minutes of every meeting shall be prepared by the Secretary and circulated to each member of the Council, two copies of which shall be submitted for approval at the next meeting.

5. Failure to Reach Agreement and Deadlock at Joint Negotiating Council

- (a) If the two parties fail to agree on any matter referred to the Joint Negotiating Council, the proposed difference or dispute shall be adjourned for a consideration at a further meeting to be held at a mutually convenient time but not later than two (2) weeks from the date of adjournment.
- (b) If after a further meeting the Council is still unable to reach an agreement, either party may give notice in writing within three (3) weeks (twenty-one days) after the second meeting indicated in (a) above of their intention to refer the dispute to appropriate authority in accordance with the Labour Laws of Zambia in force from time to time.

6. Agreements

- (a) Agreements reached between the two parties shall be reduced to writing in English and signed by the duly authorised member(s) of each side of the Council. Copies shall be given to each party and registered with the appropriate authorities in accordance with the Labour Laws of Zambia in force from time to time.
- (b) Agreements shall be implemented with effect from the date the decision are taken or such date as the Council may decide.
- (c) Any Agreement reached by the Council regarding any proposal, difference or dispute referred to pursuant to Clause 5 above shall be binding upon each party. Each of the parties shall promptly do all such acts and things necessary or

expedient to secure mutual agreement, settlement or determination of the matter.

APPENDIX "B"

ITEMS FOR NEGOTIATIONS

1. Rates of Pay and Overtime
2. Length of Annual Holidays and Attendant Conditions
3. Hours of Work
4. Principles of Redundancy
5. Uniforms and Protective Clothing
6. Conditions on Premises
7. Sick Leave
8. Sickness Benefits
9. Grievance Procedure & Disciplinary Code

APPENDIX "C"

1. Social and Sports Activities
2. Occupational Health and Safety
3. Staff Loans
4. Funeral Grant
5. Maternity Leave
6. Management Methods
7. Provident Fund

APPENDIX "D"

DEFINITIONS

In this Agreement:-

"Joint Negotiating Council" means bargaining unit or negotiating team representing the **Bank** and the Union.

"Collective Agreement" means an agreement by an appropriate bargaining unit in which the terms and conditions affecting the employment and remuneration of employees are laid down.

"Collective Dispute" shall be construed in accordance with the Industrial and Labour Relations Act.

"Eligible employee" means a Unionised employee other than a member of Management.

"Employee" means any person who has entered into a contract of employment with the **Bank**.

"Member" means a member of the Union.

"Proper Officer" means a Labour Officer as defined in the Industrial and Labour Relations Act.