



**COLLECTIVE AGREEMENT ON SALARIES AND CONDITIONS OF  
SERVICE BETWEEN**

**FIRST CAPITAL BANK LIMITED**

**AND**

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








**ZUIAW**

Zambia Union of Financial  
Institutions and Allied  
Workers

**1 MAY 2023 TO 30 APRIL 2025**

*[Handwritten signatures and initials]*

CONTENTS	PAGE
1.1 Interpretation	4
1.2 Application for a Change or Amendment	5
1.3 Changes in Labour Laws	5
2.1 Salaries	6
2.2 Hours of Work	6
2.3 Overtime	6
2.4 Workshop/Seminar Allowance	7
2.5 Relocation Allowance	7
2.6 Temporary Transfers	7
2.7 Out of Pocket Allowance	7
2.8 Mileage Allowance	8
2.9 External Travel Allowance	8
2.10 Acting Allowance	8
2.11 Key Allowance	9
2.12 Staff Loans and Advances	9
2.13 Annual Leave Allowance	9
2.14 Leave Accrual	9
2.15 Special Leave	9
2.16 Mother's Day	9
2.17 Leave Without Pay	10
2.18 Paid Sick Leave	10
2.19 Maternity Leave	11
2.20 Paternity Leave	11
2.21 Compassionate Leave	11

2.22	Family Responsibility Leave	11
2.23	Study Leave	12
2.24	Retirement	12
2.25	Death Benefits	12
2.26	Funeral Allowance	12
2.27	Breast Feeding	12
2.28	Accidents in the Workplace	12
2.29	Personal Protective Equipment	12
2.30	Public Holidays	13
2.31	Medical Scheme	13
2.32	Funeral Scheme	13
2.33	Medical Discharge	13
2.34	Redundancy	13
2.35	Disciplinary Code	13
	Appendix One – Salaries	15

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

**COLLECTIVE AGREEMENT ON SALARIES AND CONDITIONS OF SERVICE  
FOR UNIONISED EMPLOYEES FOR THE PERIOD 1 MAY 2023 TO 30 APRIL  
2025**

**BETWEEN**

**First Capital Bank Limited**  
(Hereinafter referred to as the "Bank")

**AND**

**The Zambia Union of Financial Institutions and Allied Workers**  
(Hereinafter referred to as the "Union")

Representing employees eligible for representation by the Union in terms of the **MEMORANDUM OF RECOGNITION AGREEMENT** signed on 19 February 2016 between the Bank and the Union.

**Preamble**

Representing employees eligible for representation by the Union in terms of the **Memorandum of Recognition Agreement** between the Bank and the Union.

This Collective Agreement is made this **19 April 2023** between **First Capital Bank Limited** and the **Zambia Union of Financial Institutions and Allied Workers (ZUFIAW)**.

Duration of this Collective Agreement shall be for a period of twenty-four (24) months effective **1 May 2023** provided that:

- i). The general conditions of service in this Agreement shall stand for a period of two (02) years (1 May 2023 to 30 April 2025) except for the salary, which shall be reviewed at the end of each year (30 April). The reviewed salary shall take effect on the date of conclusion of the negotiations, but not later than 1 May.
- ii). In anticipation of the expiry of this Agreement on 30 April 2023, both the Bank and the Union shall start negotiations for a new Agreement three (03) months before the expiry date of this Agreement, and that should the relevant authorities not ratify the new Agreement before the expiry of this Agreement, the provisions of this Agreement shall continue until the ratification of the new Agreement.

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- iii). If a situation arises requiring that the Bank and the Union meet, both parties shall endeavour to meet as soon as possible but not later than 14 days.
- iv). This Agreement forms the entire agreement between the Union and the Bank.
- v). The provisions of this Agreement shall be valid only so long as the **Memorandum of Recognition Agreement** between the Bank and the Union remains in force.

## PART ONE

The parties to this Collective Agreement (hereinafter called the "Agreement") are: - **First Capital Bank Limited** (hereinafter called the 'Bank') and the Zambia Union of Financial Institutions and Allied Workers (hereinafter called the 'Union') having met in free association to negotiate the Salaries and Conditions of Service for those employees determined as belonging to the Union by mutual agreement between the Bank and the Union hereby agree as detailed herein.

### 1.1 INTERPRETATION

In this Agreement, and in any reference of whatever manner to this Agreement, the following terms shall have the meanings set forth herein unless the context otherwise requires: -

**"Agreement"** means the Collective Agreement signed between **First Capital Bank Limited** and the **Zambia Union of Financial Institutions and Allied Workers** in which Terms and Conditions of Service are collectively agreed as contained herein.

**"Eligible Employee"** means any employee on a Permanent Contract or those on Fixed Term Contracts in grade Bands 1 to Band 3. Excluding those employees who are members of the Management of the undertaking.

**"Management"** means a member of the Management of the Undertaking as per the **Recognition Agreement**.

**"Union Member"** means any person who has entered, or works under, a contract of employment with the Bank whether such contract is express or implied, oral or written, other than any individual serving a probationary period of employment, a casual employee or an employee specifically engaged on a temporary basis for work of an intermittent or seasonal nature.

**"Member"** means an employee who is a paid-up member of the Union in accordance with the Union Constitution.

**"Salary"** means total gross Salary segregated into 70 percent Basic Pay and 30 percent Housing Allowance.

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## 1.2 APPLICATION FOR A CHANGE OR AMENDMENT

It is agreed that if either the Bank or the Union consider that any part of this Agreement should be amended, and if it is also considered that such an amendment would be mutually beneficial to both the Bank and the Union, and provided there is a clear and valid reason for such an amendment to this Agreement the proposed amendment shall be undertaken in the following manner: -

- i). The Bank or the Union shall indicate in writing to the other its wish to discuss an amendment to the Agreement, and reasons for the amendment.
- ii). The other party shall not consider such a letter above unless it is accompanied by written information, evidence or any other communications material considered necessary to validate and support the proposed amendment to the Agreement.
- iii). The party requesting the change or amendment shall allow the other party (14) fourteen days to consider the request. The other party shall after fourteen days, but not longer than (28) twenty-eight calendar days after the date of the original letter, agree to meet to discuss the proposed change or amendment.
- iv). It is hereby agreed that if either the Bank or the Union fails to agree to the proposed amendment, then the Agreement shall continue unchanged until the expiry date when the rejected amendment can be negotiated as part of a new Agreement. It is further agreed that any failure to agree to a proposed amendment by either party shall in no way give justification for either the Bank or the Union not to honour in full the contents of this Agreement.

## 1.3 CHANGES IN LABOUR LAWS

- i). In the event of any statutory changes, directives, new laws, etc., which conflict with anything contained in this Agreement the Bank and the Union agree to meet as soon as practically possible in order to agree changes, amendments or remove parts of the Agreement which may conflict with the statutory change, directive, or new law, etc. as the case may be.
- ii). If any clause of this Agreement becomes void due to statutory changes, directives, or new laws etc. only that clause shall be void and the remainder of the Agreement shall continue in full force.

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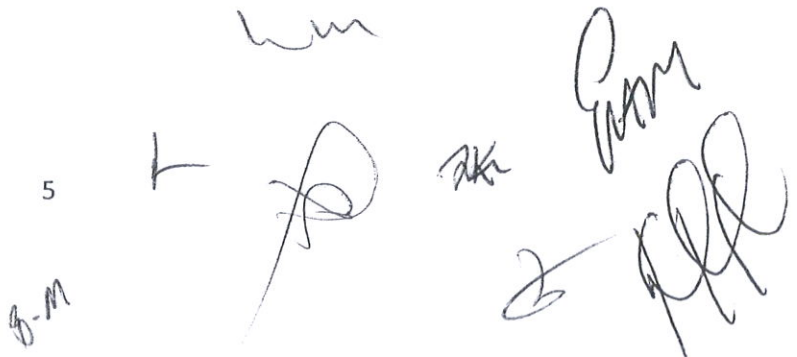
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## PART TWO

The following terms and conditions of employment have been discussed and agreed by the parties: -

### 2.1 SALARIES

The Salary increment for all unionised employees for 2023/2024 will be effected on **1 May 2023** as tabulated in **Appendix One**. Effective 1 May 2023 Unionised employees will be awarded an across-the-board increment through the Collective Bargaining process and a Performance Related Pay (PRP) which will be paid as per the Banks Performance Management System (Appraisal Ratings) and shall not be subject to the Bargaining process.

### 2.2 HOURS OF WORKS

Monday to Friday

Hours of work shall be from 08:15 hours to 17:15 hours.

Saturday 08:45 hours to 12:45 hours

In case of flexi hours, the normal working hours shall not exceed 45 hours per week.

Lunch break shall be one hour between 11:30 hours and 14 hours.

When an employee is required to work beyond 19:00 hours, the Bank shall provide a taxi, or an employee shall be paid a transport allowance of **ZMW 190** in lieu of taxi fare or on actual cost. The employee will be required to produce a receipt on the actual cost. In addition, if the employee is required to work beyond 20:00 hours, a dinner allowance of **ZMW 140** shall be paid.

Subject to approval, all employees working during lunch time as required by the Bank's operational circumstances shall be entitled to a lunch allowance of **ZMW 110** per day, provided that the employee has not taken the one (01) hour provided for lunch during the stipulated time.

### 2.3 OVERTIME

The Bank shall endeavor to reduce overtime to a minimum. However, due to operational requirements employees may be required to work overtime which shall be paid at the following rates:

- i). Weekdays – 1.5 X the basic hourly rate of pay
- ii). Sundays – 2 X the basic hourly rate of pay
- iii). Public Holidays – 2 X the basic hourly rate of pay

## 2.4 WORKSHOP /SEMINAR ALLOWANCE

Where an employee is attending a seminar or workshop authorised and arranged by the Bank or ZUFIAW and conducted away from the workplace on a working or non-working day, the employee shall be paid transport allowance of **ZMW 190** one way and **ZMW 380** as return. In the event that the seminar is held within a **5KM** radius the employee will be required to produce a receipt on actual cost per return trip where the Bank has not provided transport

## 2.5 RELOCATION ALLOWANCE

Where an employee is permanently transferred to another station or branch outside the town of his/her present place of work at management's instructions, he/she shall be entitled to a one-off Relocation allowance at the rate of one (01) month's basic pay. In addition, the Bank shall reasonably meet the board and lodging costs of the family until suitable accommodation is secured. The Bank will meet this cost for a maximum period of 21 calendar days. The Bank will in addition provide transportation of the employees' goods.

## 2.6 TEMPORARY TRANSFERS

Where an employee is assigned duties away in another area or town for a period of at least six (6) months, he/she will be provided with accommodation and a miscellaneous expense allowance equivalent to 25% of gross salary for each month of stay.

## 2.7 OUT OF POCKET ALLOWANCE

- i). When an employee travels away from normal station on authorised Bank business and the bank provides accommodation, the employee shall be entitled to the following meal allowances:

- a) ZMW110 Lunch allowance
- b) ZMW140 Dinner allowance

Where staff travel outside the City/District/town where an employee's branch/department is domiciled to another city/town/district/ within Zambia but returning on the same day, that is not spending a night there, lunch allowance shall apply at the rate of **ZMW110** for lunch and **ZMW140** for dinner. This is applicable only where such staff shall not have returned by lunch hour or 20:00 hours for dinner to the city/district/town where their branch/agency/department is domiciled.

- ii). **Laundry Expenses:** where the bank has arranged accommodation for staff for a period longer than 3 nights, the bank will pay reasonable laundry expenses on production of authentic receipts.

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- iii). Where the staff opts to make his/her own arrangement for meals and accommodation, the Bank shall pay an all-inclusive allowance of **ZMW1,000** per night.
- iv). **Transport Allowance:** Where staff travel on duty outside of the city/town/district where an employee's branch/department is domiciled but within Zambia, a transport allowance at the following rates shall be paid: -
- i. Coach line bus fare if the route in question has coach line bus service.
  - ii. Applicable bus fare if there are no coach line bus services in the particular route.
  - iii. Applicable taxi cost to ferry the employee to the Bus Depot/Station to place of work.

## 2.8 MILEAGE ALLOWANCE

Mileage allowance of **K 5.5.00** per kilometer shall be paid to eligible employees' subject to approval who use their own vehicle on bank assignments.

## 2.9 EXTERNAL TRAVEL ALLOWANCE

External travel related to travel outside of Zambia where such external travel is to a group bank in Botswana, Mozambique, Malawi, Zimbabwe, or any other destination where First Merchant Bank group has a subsidiary, the applicable allowances shall be payable by the Bank.

The following are the applicable allowances in specific cases: -

- i). **Meals and Air shuttle:** where accommodation has been provided for, allowance to cover meals and in-country airport transfers shall be **US\$70** per night.
- ii). **Meals, Airport Transfers and Accommodation:** where accommodation has not been provided for, allowance to cover meals, airport transfer and accommodation shall be **US\$150** per night.
- iii). **Incidental Expenses:** allowance to cater for incidental expense during external travel, payable in instances where accommodation, meals and transport have been covered shall be **USD\$15** per night.

## 2.10 ACTING ALLOWANCE

An employee who officiates on behalf of an employee in a higher position would be entitled to claim Acting Allowance of 10% of Basic Salary where the duration of the acting appointment is more than 22 working days.

Acting allowance shall be taxable. Claims for the allowance should be accompanied with a letter of appointment from the Head of Human Resources.

#### 2.11 KEY ALLOWANCE

An employee who manages Vault keys shall be entitled to a monthly allowance of **ZMW 850** per month in addition to their monthly salary. The allowance will be stopped in case the employee does not maintain the keys due to change in job role or any other reason.

#### 2.12 STAFF LOANS & ADVANCES

All applicable loans shall be as per the Bank Policy as revised from time to time.

#### 2.13 ANNUAL LEAVE ALLOWANCE

Annual Leave Allowance shall be equivalent to one month's Basic Salary and shall be paid in December, provided that:

- i). The employee has taken at least ten (10) days' leave in the year.
- ii). The employee is confirmed, Leave Allowance will be paid on a pro-rata basis.

#### 2.14 LEAVE ACCRUAL

Leave shall accrue at the rate of 2.0 days per month.

#### 2.15 SPECIAL LEAVE

Special leave shall be granted administratively to an employee who is requested by law to attend court proceedings.

#### 2.16 MOTHER'S DAY

Every female employee shall be entitled to one day's absence from work each month without having to produce a valid medical certificate.

#### 2.17 LEAVE WITHOUT PAY

Full time employees with a minimum of one year of service may request for leave without pay.

- i). An employee must use his/her accrued personal time before taking leave without pay.

- ii). During leave without pay, personal and sick leave do not accrue. Leave without pay may not exceed one month.
- iii). Employees must request leave without pay in writing to their immediate supervisor. This leave shall only be taken after approval from the Head of Human Resources in consultation with the Head of Department. The employee is required to submit the request at least two weeks in advance.
- iv). Key employees leave without pay requests to be coordinated to always ensure appropriate oversight of the operations.
- v). Before taking a leave of absence, employees are expected to make sure the immediate supervisor is aware of the status of all assignments/projects and where all materials can be located. All assignments must be left at reasonable point where they can be completed by other staff if necessary.

#### 2.18 PAID SICK LEAVE

An employee who is unable to execute normal duties due to illness or accident not occasioned by the default of the employee shall on production of a medical certificate from a registered medical practitioner or medical institution designated by the employer, be granted paid sick leave at the following rates:

- i). 90 days at full salary
- ii). 90 days at half salary

If the employee does not recover sufficiently to resume his/her duties, Management shall request for a medical board to be constituted to determine whether such an employee could continue in employment or be retired on medical grounds.

#### 2.19 MATERNITY LEAVE

- i). A female employee shall be granted one hundred and twenty (120) days paid maternity leave on production of a medical certificate as to her pregnancy signed by a registered medical practitioner or medical institution, subject to completion of two years of continuous service from the date of first engagement or since the last maternity leave was taken.
- ii). In the case of illness, which arises from the pregnancy, and results in a female employee becoming temporarily incapable of performing her official duties, such employee shall be granted sick leave in accordance with the provision on sick leave.

- iii). Other terms relating to maternity leave shall be as per the Employment Code.

## 2.20 PATERNITY LEAVE

Paternity leave shall be as per the Employment Code.

## 2.21 COMPASSIONATE LEAVE

Compassionate leave will be granted to employees in case of death of a registered spouse, biological or adopted and registered child, and biological parents or justifiable compassionate grounds. The employee will be entitled to compassionate leave of 12 working days in a calendar year.

## 2.22 FAMILY RESPONSIBILITY LEAVE

- i). An employee who has worked for a period of six months or more, shall be granted leave of absence with pay for a period not exceeding seven (07) days in a calendar year to enable the employee to nurse a sick spouse, child, or dependents, except that the employer may, before granting that leave, require the employee to produce a certificate from a medical doctor certifying that the spouse, child or dependent is sick and requires special attention.
- ii). An employee is entitled to three paid leave days per year to cover responsibilities related to the care, health or education for that employee's child, spouse or dependent.
- iii). The days taken as leave under this section shall not be cumulative or deducted from the employee's accrued leave days.

## 2.23 STUDY LEAVE

Study leave shall be eight (10) working days in a year and shall only be applicable to Bank approved courses.

## 2.24 RETIREMENT

An employee shall retire on attainment of 60 years of age in accordance with the National Pensions Scheme Act number 7 of 2015 of the Laws of Zambia. Early Retirement may however be granted upon request to an employee who has attained the age of 55 years. The employee will have to notify the employer of his/her intention to retire by giving 12 months' notice. The bank may at its discretion retain employees beyond the retirement age based on the Bank's needs, individual performance, job requirements, and health of the employee.

**2.25 DEATH BENEFITS**

In the unlikely event of the death of the staff member, during service, to financially support his / her family, the bank has availed a group life insurance scheme which shall be reviewed from time to time.

**2.26 FUNERAL ALLOWANCE**

In the event of death of an employee or immediate dependent (registered with the bank) i.e., biological parents, registered spouse, biological or adopted or registered child, the bank shall provide an all-inclusive assistance allowance without obligation of **ZMW 7,500**. Additional funeral allowance shall be as per the adopted General Life Insurance scheme/Schemes availed by the Bank and as reviewed from time to time. The Bank will advance payments from the Scheme and recover once such funds are made available.

**2.27 BREAST FEEDING**

Female employee shall be allowed to breast feed their babies once per day during working hours provided the baby is not older than twelve months. Further, the duration of such breast feeding shall be done administratively.

**2.28 ACCIDENTS IN THE WORKPLACE**

The provisions of the Workers Compensation Act shall be applied whenever there is an accident in the workplace.

**2.29 PERSONAL PROTECTIVE EQUIPMENT (PPE)**

The Bank shall provide personal protective equipment (PPE) or clothing to employees whose jobs require that such equipment or clothing is provided. In addition, the Bank will provide one (01) Suit, Shirt, Tie and a pair of Shoes for staff employed as Chauffer's/Drivers once every twelve (12) months.

**2.30 PUBLIC HOLIDAYS**

All gazetted Public Holidays shall be observed by the Bank.

**2.31 MEDICAL SCHEME**

Unionised employees shall be provided with a medical scheme approved by the Bank Management.

**2.32 FUNERAL SCHEME**

Unionised employees shall be provided with funeral assistance as per the Bank's funeral policy.

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### 2.33 MEDICAL DISCHARGE

An employee who is certified duly by a qualified medical practitioner to the satisfaction of the bank that he/she is incapable by reason of infirmity of mind or body of discharging his/her duties and that such infirmity is likely to be permanent, shall be discharged from employment on medical grounds.

### 2.34 REDUNDANCY

The provisions below shall apply in the event of termination of employment on redundancy. The redundancy formula shall be:

- (i) 1 month notice or 1 month's salary in lieu of notice.
- (ii) 3 months basic salary for each completed year of service.
- (iii) Repatriation Allowance of K 5,000.00 across the board regardless of place of recruitment.
- (iv) Accrued leave days.
- (v) Access to running staff medical scheme until expiry of premium or the exhaustion of the limit on the affected employee's account.

### 2.35 LONG SERVICE AWARD

The Bank will recognise employees who have served the Bank for 10 years and above on Fixed Term and Pensionable contracts as combined service for eligibility for Long Service Awards. Long service awards will be applicable as follows: -

- i). 10 years ZMW 6,000
- ii). 15 years ZMW 10,000
- iii). 20 years ZMW 14,000
- iv). 25 years ZMW 16,000

### 2.36 DISCIPLINARY CODE

The parties hereby agree to adopt the Banks "Disciplinary Code and Grievance Procedures" as reviewed from time to time.





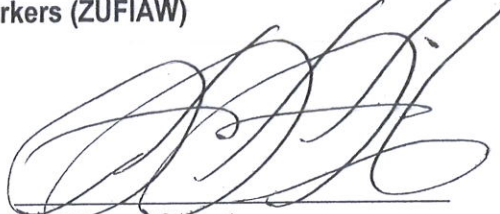
**ZUFIAW**  
 ZAMBIA UNION OF FINANCIAL  
 INSTITUTIONS AND ALLIED  
 WORKERS

IN WITNESS whereof we have hereunder set our hands this.....day of  
 ..... two thousand and twenty-three.

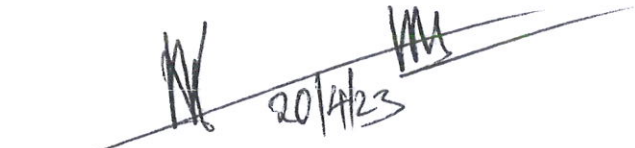
For and on Behalf of  
**First Capital Bank Limited (FCBZ)**

For and on Behalf of **Zambia Union of Financial  
 Union of Financial institutions and Allied  
 Workers (ZUFIAW)**

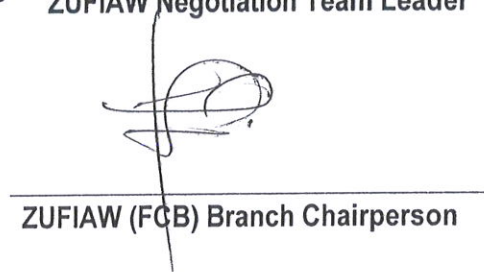
  
 \_\_\_\_\_  
**Managing Director**

  
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**General Secretary**

  
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**Head Human Resources**

  
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**ZUFIAW Negotiation Team Leader**

  
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**Chief Financial Officer**

  
 \_\_\_\_\_  
**ZUFIAW (FCB) Branch Chairperson**

  
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**Chairperson - Bargaining Team**

  
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**Secretary - Bargaining Team**

**APPENDIX ONE**

**A. SALARY INCREMENT STRUCTURE FOR UNIONISED EMPLOYEES 2023/2024 – K 1,400.00  
ACROSS THE BOARD.**

GRADE	ENTRY POINT	MID-POINT	MAXIMUM	ENTRY POINT	MID-POINT	MAXIMUM
	Gross Pay Monthly			Gross Pay Annual		
1	7,500.00	8,000.00	10,700.00	90,000.00	96,000.00	128,400.00
2	9,000.00	9,750.00	11,700.00	108,000.00	117,000.00	140,400.00
3	11,000.00	12,500.00	18,800.00	132,000.00	150,000.00	225,600.00

**B. PERFORMANCE RELATED PAY INCREMENT**

S/N	RATING	INCREMENT
1	Exceptional	4%
2	Very Strong	3%
3	Strong	2%
4	Good	1%
5	Needs Improv/Below Average	0%

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