

MEMORANDUM OF RECOGNITION AGREEMENT

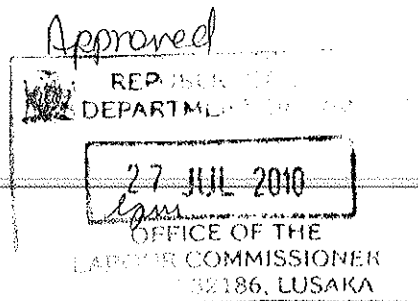
BETWEEN

First National Bank-Zambia

AND

ZUFIAW

(Zambia Union of Financial Institutions and Allied Workers)

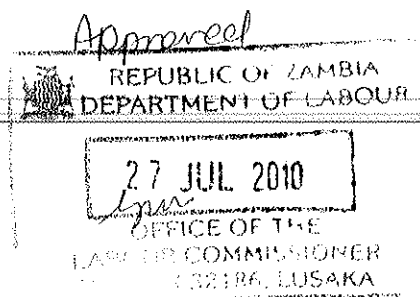


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DEFINITIONS

In this Agreement:-

- "Act" means the Industrial and Labour Relations Act Chapter 269 of the ~~Laws of Zambia as amended from time to time.~~
- "Collective Agreement" means an agreement by an appropriate bargaining unit in which the terms and conditions affecting the employees 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 in accordance with the Act.
- "Member" means a member of the Union.
- "Officer of a Trade Union" means a duly elected and appointed office holder of a trade union including a trustee but does not include employees of such a union in accordance with the Act.
- "Proper Officer" means a Labour Office defined in the Industrial and Labour Relations Act.
- Unit means Bargaining Unit or negotiating team representing the Bank and the Union



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MEMORANDUM OF RECOGNITION AGREEMENT

BETWEEN

FIRST NATIONAL BANK (ZAMBIA)

(Hereinafter referred to as "the Bank")

AND

ZAMBIA UNION OF FINANCIAL INSTITUTIONS AND ALLIED WORKERS

(Hereinafter referred to as "the Union")

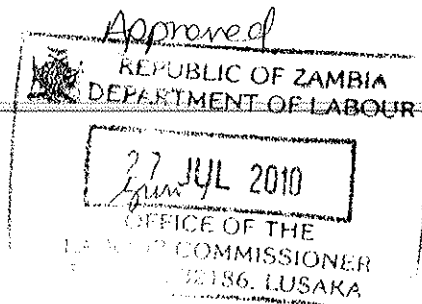
PREAMBLE

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 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.

The Union recognises the Bank's responsibility to plan, organize and manage its operation in order to achieve and maintain maximum efficiency and operation; it also recognises that the Bank may select and appoint individuals, determine their duties and responsibilities as well as reward them individually according to their ability and merit, subject to the terms of this Agreement.

1. RECOGNITION

The Bank agrees to recognise the Union as a representative and bargaining agent for its members of the Bank for as long as the Union remains registered in accordance with the Laws of Zambia in force from time to time affecting Labour relations, and for as long as both parties continue to observe the terms of this Agreement.



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2. **SCOPE OF THE AGREEMENT**

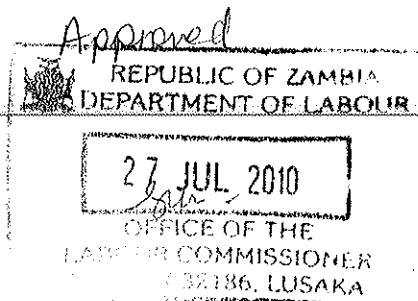
Eligible employees shall be those who are unionisable in accordance with the Act, excluding-

- An Employee empowered to make management decision;
- An employee entrusted with Human Resource Management and Industrial Relations functions, or
- An employee reporting directly to the Chief Executive
- Management Trainees

In terms of this Clause, it is understood that matters negotiated between the parties to this Agreement shall be applied to bona fide members of the Union. Full time trainees who are not on the payroll of the Bank shall also be excluded.

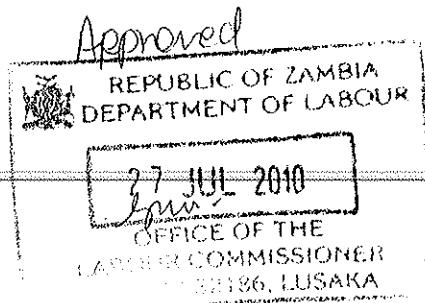
3. **CONDITIONS OF THE AGREEMENT**

- a) Management agrees with the Union that it will not discriminate on wages to employees on the basis of association but the principle of equal pay for equal work will apply.
- b) For the purpose of recognition, the Union may be consulted on matters of Policy.
- c) The parties undertake to settle any and of all industrial disputes according to procedures as set out in the Agreement and as stipulated in Section 75 to 78 of the Industrial and Labour Relations Act.
- d) 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 or her will and that it will not support any strike or stoppage of work which is not taken in accordance with the procedure of the Industrial and Labour Relations Act and this Agreement.
- e) The Union undertakes that employees who are Union officials/representatives will not leave their place of work for the purpose of conducting Union duties without permission of Management. Such permission shall not be unreasonably withheld.



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- f) The Union recognises that it is the prerogative of the Bank to discipline its employees for improper acts and that in the case of unionised employees, Union Branch Officials are subsequently informed at the latest within seven days of the disciplinary action taken.
- g) The Bank undertakes that it will not discriminate against or victimise a 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. The Bank further acknowledges that a fair disciplinary action by the Bank shall be based on the Bank's Disciplinary Code and Procedure.
- h) The Bank undertakes to afford such facilities to the officials of the Union as are mutually agreed as being necessary for the latter to carry out their duties as representatives of the members at various places of work.
- i) The Bank and the Union agree that they will do their best to avoid acts and/or conducts which are likely to lead to industrial unrest and that it will not encourage or support lock-outs until all stages of settling the dispute as laid down in this Agreement and the Industrial and Labour Relations Act are exhausted.
- j) The Bank agrees to meet duly accredited representatives of the Union from time to time for the purpose of discussing matters concerning the terms and conditions of employment of such employees as the Union represents.
- k) The Bank agrees that matters negotiated between the parties to this Agreement shall be applied to bona fide members of the Union. Non-members who are not unionised will be attended to by Management whose benefits and conditions may be equal to but not superior to unionised employees.



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

- (a) The Union undertakes to notify the Bank in writing the names, designated and areas of operation of all local Branch and National ~~Officials elected as per Union Constitution.~~
- (b) Normal rights of access to member and potential members shall be accorded to accredited Union representatives for the purpose of Union business provided management has authorised the access. Such access will not be unreasonably withheld.

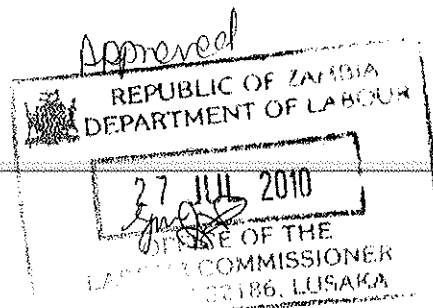
5. **DEDUCTION OF UNION SUBSCRIPTIONS**

- (a) In accordance with Section 22 of the Industrial and Labour Relations Act, the Bank undertakes, with the consent of the employees who are members of the Union, to recover subscription fees at the rate of 2% of basic salary before tax (or as amended by the appropriate Body of the Union from time to time).
- (b) The remittances referred to in (a) above shall be made by electronic payment to the Union.

6. **BARGAINING UNIT**

- (a) In recognition of the fact that the Bank-provides a vital service for the benefit of the country, the parties agree that the negotiating machinery will be subject to the provisions of the Laws of Zambia in force from time to time affecting Labour Laws. A Bargaining Unit comprising Union's Negotiating Team on one hand and Management appointed Officials on the other shall be formed and shall sit in Lusaka or any place it may deem convenient.
- (b) The constitution and rules of the Bargaining Unit 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.



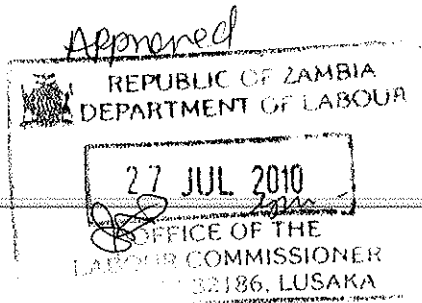
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7. **GRIEVANCE PROCEDURE**

See Appendix C

~~8. **AMENDMENTS TO AND TERMINATION OF THIS AGREEMENT**~~

- (a) This Agreement shall come into force on
29 June 2010.....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;
 - (iii) one or both parties ceases to be a legal entity;
 - (iv) either party ceases to be eligible to be a party in terms of this Agreement.
- (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.



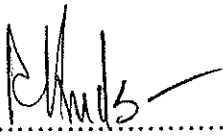
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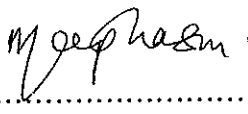
IN WITNESS WHEREOF:-

We have hereunder set our hand this.....^{29th}..... day
of.....June.....in the year.....2010.....

**For and on behalf of
FIRST NATIONAL BANK-ZAMBIA**

**For and on behalf of
UNION OF FINANCIAL
INSTITUTIONS AND ALLIED
WORKERS**


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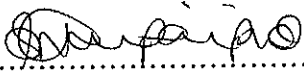
MANAGING DIRECTOR

PRESIDENT


.....
HEAD-FINANCE


.....
GENERAL SECRETARY


.....
HEAD-HUMAN RESOURCES


.....
NATIONAL TRUSTEE

Approved
REPUBLIC OF ZAMBIA
DEPARTMENT OF LABOUR
27 JUL 2010
OFFICE OF THE
LABOUR COMMISSIONER
PO BOX 71186, LUSAKA

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Feb. 2010

APPENDIX 'A'

CONSTITUTION AND RULES OF THE BARGAINING UNIT

1. Membership

The membership of the Unit shall not be more than ten (10) with an equal number of representations from the Bank and Union. The quorum shall be eight (8). One Branch Women's Committee representative shall sit on the Bargaining Unit on the Union's side.

2. Appointment of Chairperson

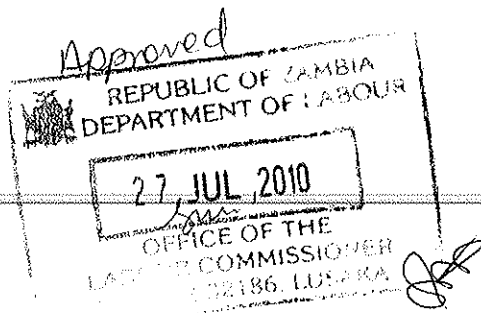
- (a) The Bargaining Unit may elect a Chairperson from amongst its members present at the meeting. The Chairperson so elected shall remain in the chair until the negotiations so opened are concluded or otherwise.
- (b) A representative from Management will normally be Secretary or either party may appoint its own Secretary who will not be a member of the Bargaining Team.

3. Meetings

- (a) Regular meetings of the Unit will be held with either party giving thirty (30) days notice to the other and supply an agenda. The meetings shall normally be held during working hours on the Bank's Premises.
- (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) Each party shall carry their own costs.

4. Minutes

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



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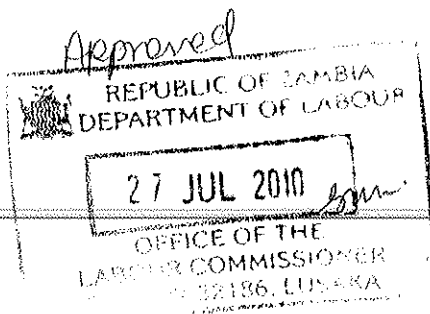
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5. **Failure to Reach Agreement and Deadlock at Bargaining Unit**

- (a) If the two parties fail to agree on any matter referred to the Bargaining Unit the proposed 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 Unit is still unable to reach an agreement, either party may give notice in writing within three (3) weeks [twenty-one (21) days] after the second meeting indicated in (a) above of their intention to refer the dispute to appropriate authorities in accordance with the Labour Laws of Zambia in force from time to time.
- (c) Both parties agree not to issue statements to the media or to make known the position of negotiations until the matter is referred to dispute in accordance with the Labour Laws of Zambia in force from time to time.

6. **Agreements**

- (a) Agreement reached between the two parties shall be reduced into writing in English and signed by duly authorised member (s) of each side of the Unit. Copies shall be given to each side of the Unit. Copies shall be given to each party and registered with the appropriate authorities in accordance with the Labour Laws in force at the time.
- (b) Agreement shall be implemented with effect from the date the decisions are taken or such date the Unit may decide.
- (c) Any Agreement reached by the Unit 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 mutual agreement, settlement or determination on the matter.



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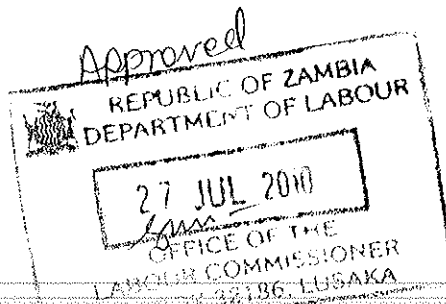
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APPENDIX 'B'

SCOPE OF NEGOTIABLE MATTERS

3. ~~The Bargaining Unit shall have the power, right, authority and jurisdiction to bargain on matters relating to terms and conditions of service governing Unionized Employees as defined under this Agreement including commencing negotiations for purposes of concluding a new Collective Agreement in accordance with the Act, and in this regard negotiable matters shall include:~~

- (i) Regulation of rates of salaries, wages, allowances and overtime;
- (ii) Safety at work
- (iii) Medical schemes and sick leave;
- (iv) Conditions on premises;
- (v) Redundancy, Retrenchment and Restructuring packages
- (vi) Regulation of hours of work;
- (vii) Grievance procedure and disciplinary code; and
- (viii) Any matters the parties agree to negotiate on.



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APPENDIX 'C'

Grievance Policy & Procedure

1. Grievance Policy

1.1 Definitions

In this policy and procedure unless the content indicates otherwise:-

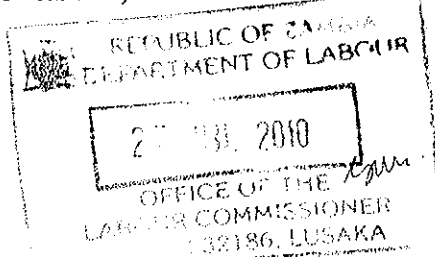
- "Act" means The Employment Act, Cap 268
- "Business Unit" means the Human Resources Department/official who is responsible for the Division/Cluster/Branch/Department of the Bank
- "Employee" means an employee of the Bank
- Manager – means the person of managerial rank in charge of each of the Branches/Departments of the Bank, or his nominee (of not less than Band D status), who is responsible for the implementation of this policy and procedure
- "Trade Union" means ZUFIAW (Zambia Union of Financial Institutions and Allied Workers)
- Any terms referring to the male gender shall also mean the female gender.

1.2 Definition of a Grievance

Any dissatisfaction or feeling of injustice which an employee may have in connection with his employment and which is processed by him in terms of this procedure.

1.3 Policy Statement

It is recognized by both the Bank and the Trade Union that all employees have the right to seek assistance in the satisfactory resolution of personal grievances through established machinery. It is therefore in the interests of all the parties concerned that grievances be settled as promptly as possible. Notwithstanding the above, the Business Unit or the Trade Union may be requested by an



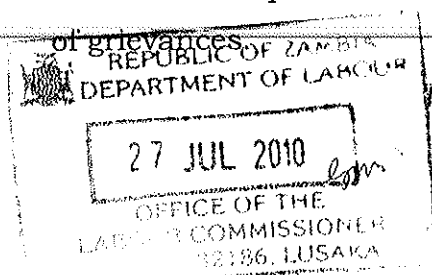
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employee to give guidance or assistance at any stage. It is noted that the Trade Union retains discretion to decide whether to assist an employee in the processing of any grievance.

1. The purpose of the procedure is to ensure that grievances are considered and resolved as close as possible to their point of origin and employees are encouraged to discuss problems with their immediate superiors in the first instance. Every employee has the option to being represented by another employee of the Bank.
2. In the event of failure to obtain satisfaction pursuant to the lodgement of a grievance, the employee is entitled to approach his Business Unit or the relevant Trade Union.
3. It is incumbent on the manager to advise his Business Unit of the failure to settle any grievance.
4. Employees are required to advise their manager and the Trade Union immediately, should it be the intention to approach the Labour Commissioner and the Industrial relations Court direct regarding any matter in dispute.
5. If the employee invokes his right to follow the Grievance Procedure, the Bank gives the assurance that the employee and his representative will not be prejudiced in their employment as a consequence thereof.
6. The employee and his representative shall not incur a loss of salary in respect of time spent at any enquiries arranged to resolve a grievance in terms of the Grievance Procedure.
7. The Grievance Procedure shall not be invoked by an employee for the purpose of:-
 - amending any agreement entered into between the Bank and a Trade Union or employee body;
 - processing a disciplinary matter of dismissal; or for
 - collective bargaining.
8. The Articles of Agreement incorporate an undertaking by the employee to observe the procedures laid down from time to time for the settlement



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9. A grievance should, where possible, be lodged by an employee within three (3) full working days of the occurrence which gave rise to it or as soon as possible thereafter.

~~10. Only the forms referred to in the Grievance Policy and Procedure may be used and are required to be comprehensively completed by the employee.~~

11. If the employee invokes his right to follow the Grievance Procedure, the Bank shall not intimidate or prejudice the employment of the employee or his representative, as a consequence thereof.

12. The parties may attempt to resolve the grievance amicably prior to invoking the Grievance Procedure.

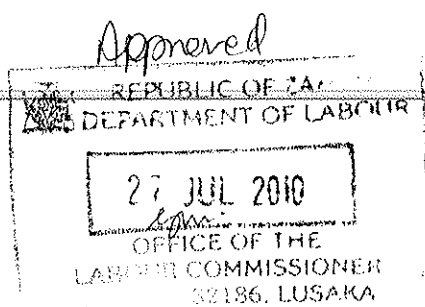
2. Stages of Procedure for an Individual Employee

1. Stage 1 – Approach Made to Immediate Superior

1. Where an employee wishes to raise a grievance, he is required to comprehensively complete a grievance form. The completed form must be handed by the employee to the Immediate Superior in the first instance, to commence Stage one of the grievance procedure.

2. An employee who wishes to raise any grievance must first raise it with his immediate superior. The superior will endeavour to reach a satisfactory solution within three (3) full working days, from the time that the grievance is first raised.

3. If a satisfactory solution is not reached and the problem remains unresolved, the employee is then required to advise his immediate superior that he intends invoking stage 2 of the Grievance Procedure.



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4. If the grievance remains unresolved after the period contemplated in paragraph 2, the employee should refer the grievance to the manager immediately as a stage 2 grievance.

2. Stage 2 – Approach Made to Manager

1. On being informed of the grievance and/or receipt of the grievance form, the Manager shall take all the steps necessary to resolve the grievance and may convene meetings with the parties involved.
2. The Manager will endeavour to reach a solution within three (3) full working days of the grievance having been reported to him/her.
3. If the grievance remains unresolved after the period contemplated in paragraph 2 above, the employee should refer the grievance to the Business Unit immediately, as a Stage 3 grievance.

Approved
REPUBLIC OF ZAMBIA
DEPARTMENT OF LABOUR
27 JUL 2010
for
OFFICE OF THE
LAWYER COMMISSIONER
22186, LUSAKA

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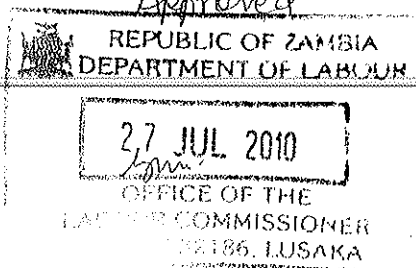
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3. Stage 3 – Approach Made to Bank CEO or his nominee

1. The Human Resources Manager or their nominee, in consultation with his CEO, shall take further steps in an endeavour to resolve the grievance and may convene meetings and hold a further enquiry with the parties involved. The grievance must be acknowledged within 3 (three) full working days of receipt of the grievance form and arrangements must be made to hold an enquiry on a mutually agreeable date within a reasonable time.
2. If a grievance enquiry is to be held, the employee has the right to be represented by another employee of the Bank or by a Trade Union representative. The union at District or national level will be invited to attend the meeting, if requested by the member.
3. A copy of the grievance form is to be filed on the employee's personnel file for record purposes.

3. Procedure to be Adopted when a Group of Employees are Involved

1. If the grievance affects or is common to a group of employees, the employees concerned shall elect a delegation of not more than 3 employees to act on their behalf.
2. The delegation shall follow the procedures as set out in stages 1 to 3.
3. Under no circumstances may a group of employees initiate a work stoppage in order to lodge a grievance.



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4. Grievance Concerning Employees Immediate Superior

When an employee alleges that a grievance has arisen out of the act of a superior or Manager in charge of him, the grievance may immediately be referred to the next level of supervision or management.

FNB - ZAMBIA

GRIEVANCE FORM

SURNAME (MR/MRS/MISS)

FIRST NAMES

DESIGNATION

BRANCH/DEPARTMENT

IMMEDIATE SUPERIOR

DESIGNATION

BRANCH/DEPARTMENT MANAGER

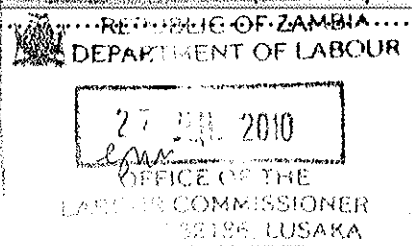
NATURE OF GRIEVANCE

SETTLEMENT DESIRED

APPROACH MADE TO IMMEDIATE SUPERIOR:

DATE

TIME (e.g. 10h15, 15h45) *Approved*



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APPROACH MADE TO BRANCH/DEPARTMENT MANAGER:

DATE

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TIME (e.g. 10h15, 15h45)

.....
SIGNATURE OF EMPLOYEE

.....

DATE

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TIME (e.g. 10h15, 15h45)

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OUTCOME OF GRIEVANCE

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SIGNATURE OF EMPLOYEE

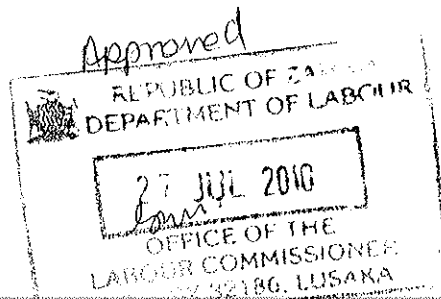
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SIGNATURE OF SUPERIOR/MANAGER

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COPIES TO:

- (1) Employee's Copy
- (2) Business Unit
- (3) Branch/Department Manager



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