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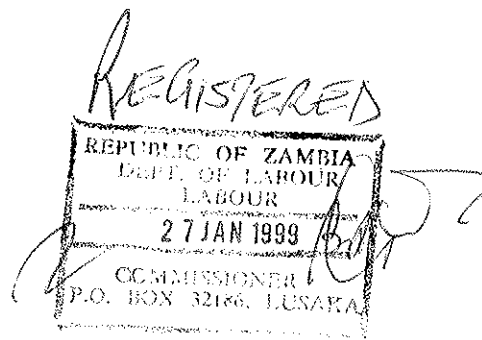
**MEMORANDUM OF RECOGNITION AGREEMENT**

BETWEEN

**INVESTRUST MERCHANT BANK ZAMBIA LIMITED**  
(Registered Commercial Bank)

AND

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



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1.0 **MEMORANDUM OF COLLECTIVE AGREEMENT made BETWEEN:-**

- (i) **INVESTTRUST MERCHANT BANK ZAMBIA LIMITED** a company incorporated in Zambia and registered as a commercial bank having its Registered Office at AFE House, Freedom Way, Lusaka (hereinafter called the "Bank") of the one part; and
- (ii) **ZAMBIA UNION OF FINANCIAL INSTITUTIONS AND ALLIED WORKERS** whose Head Office is at Lusaka (hereinafter called the "Union") of the other part

2.0 **RECOGNITION**

The Bank agrees to recognise the Union as representative of, and bargaining agent for, the eligible employees represented by the Union for the purpose of regulating relations between the Bank and the Union 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 is in continued observance of the terms of this Agreement and has control over the majority of employees in the Bank.

3.0 **SCOPE OF THE AGREEMENT**

- 3.1 While the Bank has no objection to an eligible employee becoming a member of the Union, the following shall be exempted:-
- a) Those who make management decisions.
  - b) Those entrusted with human resources management and industrial relations functions.
  - c) Those that report directly to the Chief Executive.
  - d) Secretarial staff invariably doing work for management

3.2 Further, classification of represented employees shall be as agreed between the parties and subject to the provisions of the Industrial and Labour Relations Act.

4.0 **RIGHTS AND OBLIGATIONS OF THE PARTIES**

4.1 The Recognition is granted on the basis of the Constitution of the Union in force at the date of execution of this Agreement, a copy of

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which is annexed hereto and initialled by the parties for identification purposes.

The Union agrees that any alteration or addition to the Union's Constitution will be done or carried out strictly in accordance with the provisions of the Industrial and Labour Relations Act in force at the time.

- 4.2 The Bank and the Union agree that membership to the Union is voluntary; neither party can compel employees or discourage them from exercising this right.
- 4.3 The Bank agrees that it will not take any disciplinary action against an official of the Union on account of any legitimate activities in his/her capacity as a Union official.

The Bank acknowledges that it is the prerogative of the Union to discipline its officials for any unconstititutional or improper acts done by them in their capacity as officials of the Union.

- 4.4 The Bank may avail of such facilities to officials and representatives of the Union as are mutually agreed as being necessary for the latter to carry out their duties as representatives of the employees at their various places of work.
- 4.5 The Union undertakes that employees' representatives will not leave their place of work for any purpose in connection with their duties as representatives without permission of their respective overall Supervisor. Such permission shall not be unreasonably withheld provided that resonable notice is given.
- 4.6 The Bank undertakes that it will not discriminate against any employee(s) on account of their Union membership and will not interfere with the affairs of the Union. The Union likewise undertakes not to interefere with the normal functions of management.
- 4.7 Both parties to this Agreement undertake that their respective officers and elected representatives shall accept responsibility for compliance by their members with the conditions and procedures laid down in this Agreement and agree to take all possible steps to prevent or bring to an end as speedily as possible any action taken by their members which is at variance with this Agreement or any other agreement subsequently negotiated between the Bank and the Union.
- 4.8 The Union recognises that it is the prerogative of the Bank to discipline its employees for any improper acts done by them in their capacity as employees as per the Bank's Disciplinary Procedure,

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provided that in the case of eligible employees, Union branch officials are subsequently informed of the disciplinary action taken at the latest on the following Working Day.

- 4.9 The parties undertake not to facilitate or support any action that may lead to disruption of work, illegal strike or lockout.
- 4.10 Both parties, recognising the vital services the Bank provides for the benefit of the society, 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 and that the employee so selected will have the right not to do work normally done by an employee who is lawfully on strike or who is locked out, unless such work constitutes an essential service, or if on request the employee voluntarily waives his or her right specified under the Industrial and Labour Relations Act.
- 4.11 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.
- 4.12 The Bank agrees that matters negotiated between the parties to this Agreement shall only be confined to bonafide members of the Union.
- 4.13 The Bank 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.

#### 5.0 **CONSIDERATIONS FOR SALARY NEGOTIATIONS**

The parties agree that negotiations for salary increase will take into consideration the following factors:-

- a) Ability to pay.
- b) Productivity.
- c) Level of performance of the Bank.
- d) Prevailing economic circumstances.

#### 6.0 **ELECTION AND NOTIFICATION OF REPRESENTATIVES**

- 6.1 The Union undertakes to notify the Bank in writing of the name, designation and area of operation of each local and branch official and to provide officials with credentials to facilitate identification by officers of the Bank. The Union further undertakes to notify the Bank of any changes in office-bearers.

- 6.2 The Bank undertakes to notify the Union in writing of the name and designation of the officers representing the Bank and advise any changes thereof.
- 6.3 Normal rights of access to members and potential members at appropriate time shall be accorded to accredited Union representatives for purposes of Union business, provided that 48 hours prior notice is given.

#### 7.0 **DEDUCTION OF UNION SUBSCRIPTIONS**

The Bank in accordance with the manner provided for in the Industrial and Labour Relations Act, agrees to deduct subscriptions from the pay of such Union members who agree thereto in writing, the amount of subscription prescribed by the Constitution of the Union from time to time and notified to management.

- 7.1 The amount deducted for the expiring month shall be remitted in form of a crossed cheque marked not negotiable and account payee only to the Head Office of the Union within 14 days from the date of collection.
- 7.2 The Union agrees to furnish the employer before any deduction of membership subscription is made in any instance the following:-
- 7.2.1 A signed request on the form prescribed for the purpose by the member of the Union to make the deduction; a member may withdraw his consent by giving three months notice to the Union with a copy to the Bank \*
- 7.2.2 The full name and Union membership number of such member
- 7.2.3 The Union agrees that in each instance that at least 14 days notice shall be given before pay day, failing which no deduction will be made for that month until the pay day of the following month

#### 8.0 **THE BARGAINING UNIT**

The Bargaining Unit shall comprise a maximum of six (6) representatives, three (3) from either party.

- 8.1 The parties to this Agreement agree that the negotiating machinery will be subject to the provisions of the Laws of Zambia affecting Labour Relations from time to time.

8.2 The constitution and rules of the Bargaining Unit are set out in Appendix 'A'.

8.3 **Subjects for Negotiation**

8.3.1 It is hereby agreed that the subjects set out in Appendix 'B' hereto are subjects for negotiation between the Bank and the Union.

8.4 **Subjects not for Negotiation**

It is hereby agreed that the subjects referred to in Appendix 'C' are **NOT** subjects for negotiation except where there is a prima facie case of an infringement.

8.5 **Subjects for Discussion**

It is hereby agreed that the subjects referred to in Appendix 'D' are for discussion.

9.0 **SETTLEMENT OF GRIEVANCES AND COLLECTIVE DISPUTES**

The following procedure and stages shall be adhered to whenever the Union or the Bank wishes to discuss any individual or Collective matter within the scope of this Recognition Agreement.

9.1 **Individual Grievances**

Stage 1:

When an employee(s) has a grievance or problem relating to the work situation, he/she should immediately lodge a complaint wherever practicable, in writing, to his/her immediate Supervisor who shall attend to the grievance as quickly as possible within a period of five (5) days.

Stage 2:

If the grievance is not settled at Stage 1, the aggrieved employee(s) shall have the right to take the matter up with the Head of Department/Branch.

At this stage, represented employees may involve a local Union official (Shop Steward) who will take the matter up with the Head of Department/Branch within five (5) days.

Stage 3:

If the matter is unresolved at Stage 2, the complainant shall refer the grievance to the officer responsible for personnel within five (5) days.

Stage 4:

If the matter is still unresolved at Stage 3, it shall be referred to the Chief Executive in writing and a response shall be expected within fourteen (14) days from the date of lodging the grievance. A report to the Chief Executive should detail the pertinent issues and areas where the parties concerned have failed to reach a settlement.

Stage 5:

If the Bargaining Unit fails to reach an agreement, either Party shall give seven (7) days notice of the intention to declare a dispute. Should the other Party fail to give a satisfactory reply, the aggrieved party will proceed with declaration of a dispute.

9.2 **Collective Grievances**

These shall mean all grievances arising from a breach 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 National Executive Council at Stage 3 of the procedure laid down under Clause 9.1 above and may proceed to Stage 4 and 5 if no solution is reached.

9.3 **Collective Claims and 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 by either party addressed to the Chief Executive of the Bank or General Secretary of the Union as the case may be.

9.4 **Collective Disputes**

A Collective dispute shall exist when there is a dispute between the Bank on the one hand and the Union and the employees or an organisation representing the employees on the other hand, relating to terms and conditions of or affecting the employment of the employees and one party to the dispute has presented in writing to the other party all its claims and demands and:-



- 9.4.1 The other party has, within fourteen days from the date of receipt of the claims or demands, failed to answer the claims or demands; or
- 9.4.2 The other party has formally rejected the claims or demands and has made no counter offer; or
- 9.4.3 Both parties to the dispute have held at least one meeting with a view to negotiating a settlement of the dispute, but have failed to reach settlement on all or some of the matters in issue between them.

9.5 **Collective Disputes Procedure**

**Disputes of Interest**

Where the parties are unable to reach agreement on a matter of interest (as opposed to one of right) falling within the collective bargaining relationship contemplated in terms of this Agreement, and either party wishes to pursue the matter further, the following procedures shall apply:-

9.5.1 **Declaration of Dispute**

The aggrieved party shall declare a dispute in writing and shall furnish full particulars of the dispute to the other party. Such notice shall set out the nature of the dispute and the proposed terms of solutions required.

9.5.2 **Meeting of the Parties**

After declaration of the dispute, the aggrieved party shall convene a meeting between the parties within ten (10) working days of such declaration. In the event of the meeting failing to resolve the dispute, the meeting may agree to refer the dispute to conciliation.

9.5.3 **Procedures in the Act**

In the event that the dispute remains unresolved after exhaustion of this Disputes Procedure, the aggrieved party may wish to take the dispute further and, if so, shall exercise its rights in terms of the Industrial and Labour Relations Act.

- 9.5.4 Parties may agree in writing to reduce or extend any time period or omit any stage referred to in this section.

**10.0 INTERPRETATION OF THE AGREEMENT**

Both the Bank and the Union agree that nothing contained in this agreement shall be interpreted contrary to the provisions of the Industrial and Labour Relations Act or the relevant laws of the Republic of Zambia.

**11.0 DISCIPLINARY ACTION**

The Bank and the Union agree that it is in the interest of all concerned that when disciplinary action is taken against an employee, such action shall be based on the disciplinary code procedures.

**12.0 MODIFICATIONS TO AND TERMINATION OF THIS AGREEMENT**


12.1 This Agreement shall come into force on and shall remain in force until:-

12.1.1 Terminated by mutual consent.

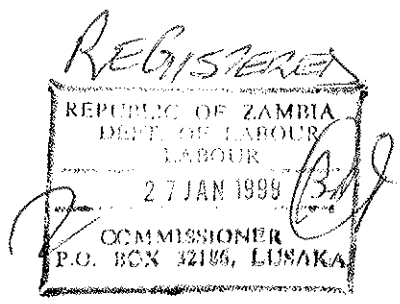
12.1.2 Amended or replaced by a new agreement negotiated by the parties hereto.

12.1.3 One or both of the parties ceases to be a legal entity.

12.2 The parties mutually agree that the terms and conditions expressly set forth in this Agreement represent the full and complete understanding and commitment between the parties hereto.

 12.3 Either party wishing to amend or modify the Agreement shall give three (3) months' written notice to the other party of its proposed amendments with details of the same.

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IN WITNESS whereof the parties have hereunder set their respective hands this 19th day of January One Thousand Nine Hundred and Ninety-nine

For and on behalf of the Bank

For and on behalf of the Union

Full Name: RICHARD WILLIAM TAYLOR

Full Name: DOCTOR J. ZIBWA

Signature: R.W. Taylor

Signature: [Handwritten Signature]

Designation: MANAGING DIRECTOR

Designation: PRESIDENT

Full Name: ANTHONY ELIAS VINCENTIA  
JAYEILEKE

Full Name: JOYCE C. KAMBE

Signature: [Handwritten Signature]

Signature: [Handwritten Signature]

Designation: BOARD SECRETARY

Designation: GENERAL SECRETARY

Full Name: OLIVET S. MALUNGISA

Full Name: C. CHAOKA

Signature: [Handwritten Signature]

Signature: [Handwritten Signature]

Designation: CREDIT MANAGER

Designation: NATIONAL TRUSTEE

APPENDIX 'A'

**CONSTITUTION AND RULES FOR THE BARGAINING UNIT**

1. **MEMBERSHIP**

Membership of the Bargaining Unit shall comprise three (3) representatives from the management of the Bank and an equal number of representatives of the Union.

2. **APPOINTMENT OF REPRESENTATIVES**

- (a) A representative of the Bank at senior management level shall be the Chairman of the Bargaining Unit at all times.
- (b) The Bank shall appoint the Secretary of the Bargaining Unit at all times.

3. **MEETINGS**

- (a) Meetings of the Bargaining Unit will be held at intervals of not longer than three (3) months, with at least fourteen (14) days notice.
- (b) Either party may call an emergency meeting by giving seven (7) days' notice to the other party and full details of the items on the Agenda shall be stated in the notice convening the meeting.
- (c) Meetings called pursuant to the provisions of Clauses 9.1 and 9.5 of this Agreement will take place within the period prescribed. Full details of the items on the Agenda shall be stated in the notice convening the meeting.

4. **MINUTES**

Copies of the Minutes of each meeting shall be submitted for approval at the next meeting.

5. **FAILURE TO REACH AGREEMENT AND DEADLOCK IN NEGOTIATIONS**

- a) If the parties fail to agree on any matter referred to the Bargaining Unit, the matter shall be adjourned for consideration at a further meeting of the parties to be held at a mutually convenient time, unless both parties shall otherwise agree, not later than two weeks from the date of the meeting.

- b) If after a further meeting the Bargaining Unit is still unable to reach an agreement, either party may give notice in writing to the other within twenty-one (21) days after the meeting, of their intention to refer the matter in dispute to the appropriate authority in accordance with the Labour Laws of Zambia in force from time to time.

**6. AGREEMENTS**

- a) Agreements reached between the parties shall be reduced to writing in English and signed by a duly authorised member of each side of the Unit. Copies shall be given to each party and registered with the appropriate authority in accordance with the Labour Laws of Zambia in force from time to time.
- b) Agreements shall take effect from the date the decisions are taken or with effect from such other dates as the Bargaining Unit may decide.
- c) Any agreement reached or settlement agreed by the Bargaining Unit upon any matter referred to them pursuant to Clause 5 above shall be binding on each of the parties to this Agreement. Each of the parties to this Agreement shall promptly do such acts and things as may be necessary or expedient on its part to ensure that the agreement or settlement is fully and promptly implemented and carried into effect.

**APPENDIX 'B'**

1. Rates of pay and Overtime
2. Length of Annual Leave and attendant conditions
3. Hours of work
4. Principles of Redundancy
5. Uniforms, Protective Clothing and Safety
6. Conditions in Premises
7. Sick Leave
8. Sickness Benefits
9. Grievance Procedures and Disciplinary Code
10. Maternity Leave
11. Funeral Grant
12. Medical Scheme
13. Home Ownership
14. Education Allowance
15. Transport Allowance

**APPENDIX 'C'**

1. All Staff Bonuses
2. Management Methods
3. Provident Funds and Gratuities

**APPENDIX 'D'**

1. Social and Sporting Activities
2. Pension Scheme
3. Staff Loans
4. Maternity Benefits