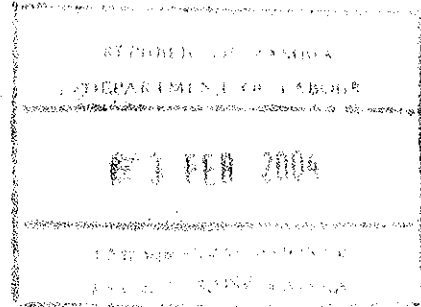


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RECOGNITION AGREEMENT

BETWEEN

NATIONAL PENSION SCHEME AUTHORITY

AND

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

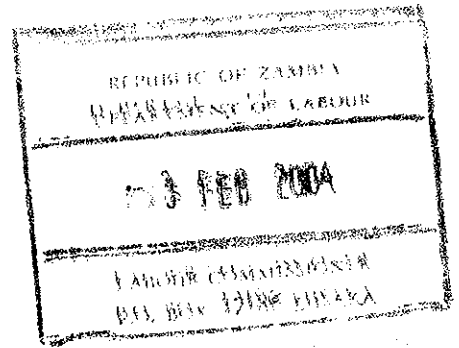


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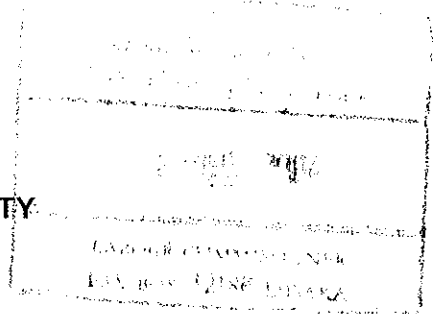
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RECOGNITION AGREEMENT
BETWEEN
NATIONAL PENSION SCHEME AUTHORITY

AND

ZAMBIA UNION OF FINANCIAL INSTITUTIONS AND ALLIED WORKERS



AN AGREEMENT MADE the 4th day of December 2003
TWO THOUSAND AND THREE BETWEEN the National Pension Scheme Authority ("the Employer") of the one part and the Zambia Union of Financial Institutions and Allied Workers ("the Union") of the other part.

PART I

PRELIMINARY

This Agreement may be cited as the Recognition Agreement between the Union and the employer.

In this arrangement, unless the context other wise requires: "Act" shall mean the Industrial and Labour Relations Act No. 30 of 1997.

"Employer" shall mean the National Pension Scheme Authority as established under the National Pension Scheme Authority Act number 40 of 1996 of the Laws of Zambia.

"Union" shall mean the Zambia Union of Financial Institutions and Allied Workers as established under the Industrial and Laobur Relations Act aforesaid.

"Eligible Employer" shall have the meaning assigned to it by Section 4 of the Act.

"Unit" shall mean the Bargaining Unit comprising members of Management and Union officials.

"Collective Agreement" shall mean an Agreement negotiated by the Unit in which the terms and Conditions affecting the employment and remuneration of eligible employees being members of the Union are laid down.

"Deadlock" shall mean a situation arising out of a Collective dispute where the parties to the dispute have exhausted the procedure whether formal or otherwise, mutually agreed to by the parties for the settlement of the dispute.

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"Secret Ballot" shall mean the taking of any decision by a group of people through voting in a prescribed manner based on the principle of one-man-one vote.

"Collective Dispute" shall mean a situation whereby parties fail to resolve a dispute pertaining to the Collective Agreement after exhausting the procedure whether formal or otherwise mutually agreed to by the parties for the settlement of the dispute.

"Essential Services" shall mean for purpose hereof:

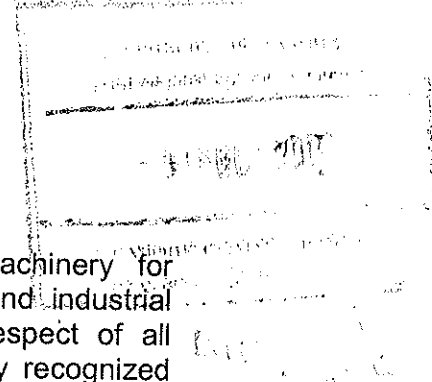
- Communication services - Secretaries of Chief Executive, Heads of Department, Telephonists and Health Workers – First Aiders, Nurses, Doctors etc.
- Sanitation Services - Cleaners
- Security Services - Guards and Sentries and any other essential Services as defined by any law currently in force in Zambia.

"Monthly" shall mean calendar month.

PART II

GENERAL PRINCIPLES

- 1 The purpose of this Agreement is to provide a machinery for consultation, discussion, negotiation, co-determination and industrial interaction between the employer and the Union in respect of all eligible employees on whose behalf the Union is hereby recognized including for purpose of handling of individual or collective grievances
- 2 (i) This Agreement supersedes any existing arrangement between management and the Union during its currency unless otherwise terminated in accordance with this Agreement provided that any existing right, privileges or duties shall remain in force so far as they are not inconsistent with the provision of this Agreement or until the same are amended or lapse and shall be deemed, so far as they remain valid, to have been made under this agreement.
- (ii) In entering into this Agreement the parties duly recognize that it is in the Best interest of the Employer and the Union as well as the National Pension Scheme Authority of the land that mutual co-operation, respect, understanding and confidence shall be the guiding light in their endeavours to maintain sound industrial relations in order to achieve increased productivity and to bring about competitive conditions of service of all members of the Union.



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- (iii) This agreement does not endeavour to alter the individual contracts of employment between the individual members of the Union and the Employer but to ensure that any terms and conditions of Employment contained in the Collective Agreement are incorporated in those individual contracts by virtue of membership to the Union.
- (iv) The parties agree that this Agreement is intended to be legally binding as long as it lasts.

PART III

RECOGNITION

- 3 The Employer hereby recognize the Union as the representative and bargaining agent for eligible employees employed by the Employer and being members of the Union for purposes of regulating the Collective relations of the Employers and the Union.
- 4 In terms of the Act it is agreed and accepted between the Employer and the Union that membership of the Union is not a condition of employment and the employees are free to decide whether or not to join the Union.

The level of demarcation between Management and represented employees shall be NPS 05 to NPS 09. Secretaries to the Director General, Director Contributions & Benefits, Director Finance & Administration, Director Human Resources, Authority Secretary, Director Information Technology, Director Investments, Director Corporate Planning & Development, Industrial Relations Manager, Human Resources Manager, Audit Manager and Regional Managers North and South will not belong to the Union

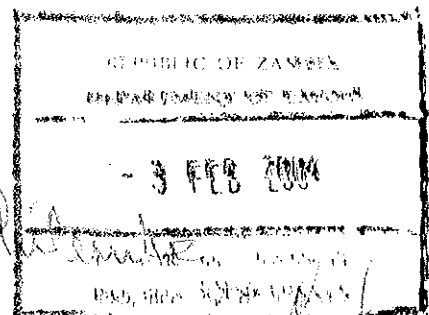
PART IV

REPRESENTATION

- 5 For purpose of Collective Bargaining the Union and the Management shall determine their respective representatives to the bargaining unit with each party having not more than seven (7) representatives as shown below:-

Union

- Two National Executive Committee Officials
- Two Union Officials from Head Office
- One Union Official from Livingstone
- One Union Official from Ndola
- One Union Official from Kitwe



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Management

- Director Finance and Administration
 - Director Human Resources
 - Director Contributions and Benefits
 - Director Corporate Planning and Development
 - Authority Secretary
 - Finance Manager
 - Regional Manager (N)
 - Industrial Relations Manager
- 6 The Union and the Employer shall notify each other in writing of their proposed representatives in the Bargaining Unit not later than two weeks from the date of coming in to force of this Agreement. Any subsequent changes in representations shall also be notified in writing within two weeks of such a change.
- 7 The Chairman and Secretary of the Unit shall be appointed from Management.
- 8 The Principle functions of the unit shall be to regulate the Collective relations between the Employer and the eligible employees being members of the Union.
- 9 It is agreed that legitimate action taken by a Union official or a number of them in contemplation or furtherance of a trade dispute or any responsibility arising out of this Agreement will not have any effect on their employment and it is further agreed that Union officials shall comply with rules and regulations affecting the discharge of their employment duties save where prior permission or waiver is obtained which same shall not be unreasonably withheld by the Employer.

PART V

SCOPE OF NEGOTIABLE MATTERS

- 10 The Bargaining Unit shall have the power, right, authority and jurisdiction to bargain on matters relating to terms and conditions of service governing eligible 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:-
- (a) Regulation of rates of salaries, wages, allowances and overtime;
 - (b) Staff welfare matters like Canteens, Health schemes, Housing schemes, sports facilities, etc;

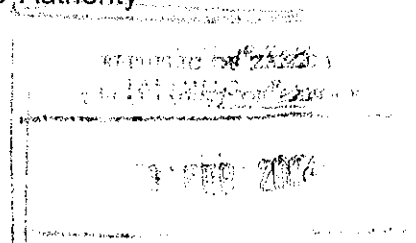
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- (c) Safety at work as regards fire fighting equipment, protective garments and boots etc;
 - (d) Pension, Gratuity, Early Retirement, Redundancy, Retirement, Retrenchment and Restructuring packages etc;
 - (e) Regulation of hours of work;
 - (f) And any matter falling within the scope of the Collective Agreement.
- 11 It is further agreed that the Bargaining Unit shall not have jurisdiction to negotiate any of the following matters:-
- (a) Methods of management and appointment of members of Management including the Director General
 - (b) Authority Policies, Operations, Business practices and Management prerogative
 - (c) Any other matter falling within the scope of the foregoing and recognized as "prerogative" or policy.
- 12 Without prejudice to the generality of the foregoing the parties may from time to time consult, discuss and generally meet to formally share views and experiences on matters concerning terms and conditions of service including the state of the National Pension Scheme Authority and issues agreed at such formal meetings shall be binding.

PART VI

COLLECTIVE BARGAINING

- 13 When matters affecting all members of the Union arise they shall be discussed and resolved by the Bargaining Unit through the negotiation process.
- 14 Either party may indicate its intention to convene a meeting of the Bargaining Unit in order to negotiate some item(s)
- It shall be the responsibility of the party calling for a meeting to prepare a detailed agenda and circulate it to all members of the Unit at least fourteen (14) days before such meeting is convened.
- 15 The Management shall provide reasonable facilities and shall bear costs incidental to meetings so convened.
- 16 Negotiations of the Unit shall not be unreasonably protracted and once the Unit commences such negotiations the same shall be concluded within thirty (30) days from the date of commencement.



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- 17 Once the process of negotiations commences the object of either party is to achieve mutual consensus and agree on all items but where matters have not been agreed upon or upon which there is a deadlock such matters may turn out to be subject of a Collective dispute.

A Collective dispute shall be supported by a decision taken by a secret ballot either by the Employer or the Union.

- 18 It is further agreed that until the foregoing procedure has been exhausted, there shall be no withdrawal of co-operation and neither shall there be an interruption of services either of a partial or general nature and no party shall instigate such partial or general withdrawal of services.
- 19 The taking of any form of Industrial action shall be in accordance with the Act and this Agreement.
- 20 All matters concerning the negotiations shall not be released to the press unless authority is obtained from the Unit provided further that the Union is not in any way prevented from consulting its members at large and that the Union takes steps to disallow pressmen from covering such consultative meetings.
- 21 Negotiations which end without a collective dispute shall be formalized by a signing ceremony at the Employer's premises and a joint press statement in connection therewith may be released for public consumption, if necessary.
- 22 After the negotiations have successfully been concluded the parties thereto have a duty to educate the eligible employees being members of the Union about the Terms and Conditions of Service applicable

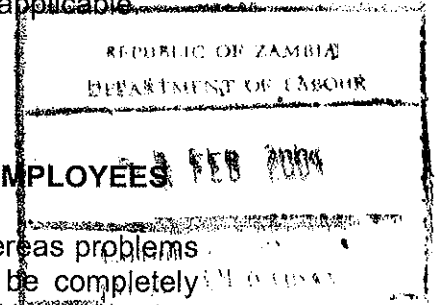
PART VII

SETTLEMENT OF GRIEVANCES AFFECTING ELIGIBLE EMPLOYEES

- 23 It is recognized by the Union and the employer that whereas problems affecting eligible employees with the employer cannot be completely eliminated, it shall be the responsibility and duty of the Union together with the Management and employer to ensure that problems are handled conscientiously and properly in order to foster harmonious industrial relations in the National Pension Scheme Authority.

It is further agreed that the Union and Management shall take upon themselves and as duty bound to instill a sense of responsibility, care and circumspection in their members.

- 24 Where a grievance has arisen whether affecting an individual or group of individuals being members of the Union the procedure as stipulated in the Code of Discipline and Procedures provided in the Collective Agreement shall be followed.



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- 25 Where however, a grievance arises concerning the interpretation of the Collective Agreement the same shall be referred to the Unit but where no agreement is reached by the Bargaining Unit either party may declare a dispute in accordance with the relevant provisions of the Industrial and Labour Relations Act.
- 26 The Union recognizes that it is a prerogative of Management to discipline its employees for any improper acts done by them in their personal capacity provided always that the Code of Discipline and Procedures is followed.
- 27 (i) The parties also agree that in the event of an unofficial or illegal lockouts or strike action both the Union and Employer shall work together to:-
- (a) Promptly restore business and operations or persuade strikers to return to and resume work;
 - (b) Refuse to aid or assist or abet such illegal actions;
 - (c) Amicably remove causes of such action and remove obstacles to the mutual understanding of the issues at hand.
- (ii) The parties agree not to cause or countenance any cessation or stoppage of work as a result of a grievance on any claim until the procedure laid down in this Agreement has been exhausted and where no consensus is reached both parties shall act in accordance with the Act or any relevant law currently in force in Zambia.
- (iii) No lockout or strike actions shall be held to be valid unless they are authorized by a secret ballot taken by members of the Union or members of the employer
- (iv) The parties further agree that the result of the secret ballot by the members of the Union shall be verified by an independent official.

PART VIII

PRIVILEGES OF UNION REPRESENTATIVES

- 28 The Union and the Employer agree that Union officials shall be given leave to attend Union matters including Seminars, Workshops or Conferences, howsoever called, without any disadvantage whatsoever provided that such Union official shall undertake to reschedule or assign his duties or responsibilities during his or her absence.

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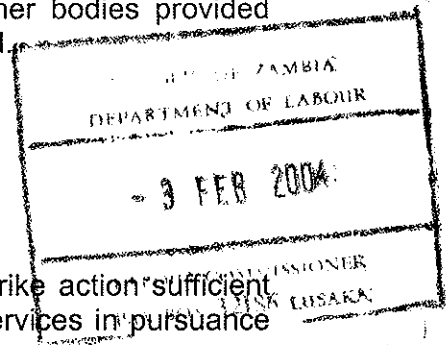
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- 29 It is further agreed that the Employer shall endeavour to provide suitable infrastructure to the Union for purposes of running its day to day activities as well as suitable infrastructure for its social functions.
- 30 It is also agreed that the Management and the Union may jointly hold Seminars and Workshops for Union Officials in order to educate them about their roles as leaders of the Union.
- 31 Where the Employer's business and operations require to be protected, the Employer may withhold permission to a Union Official who desires to attend courses organised by the Union or other bodies provided such permission shall not be unreasonably withheld.

PART IX

ESSENTIAL SERVICES

- 32 The parties hereto agree that in the event of a strike action sufficient labour shall be maintained to conduct essential services in pursuance of the Act.



PART X

UNION SUBSCRIPTIONS

- 33 In accordance with Section 22 of the Industrial and Labour Relations Act, the Authority undertakes, with the consent of Employees who are members of the Union, to recover subscription fees at the rate of 2% of basic salary or as amended by the appropriate body of they Union from time to time.
- 34 The parties agree that Management shall deduct at source on behalf of the Union and remit to the Union the monthly membership subscriptions of every eligible Employee who is a member of the Union.
- 35 The moneys so collected shall be remitted to the Union Head Office at its registered office in the form of crossed cheques on or before the fourteenth (14) working day of the month following the month of collection.
- 36 In the event of an unlawful, unofficial or unconstitutional strike the Union and Management agree that the collection of Union dues on its behalf by the Employer may immediately be suspended during that period.

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PART XI

REPRESENTATION ON COMMITTEES

- 37 The Employer agrees that the Union shall be represented on Management sub-committees dealing with staff welfare matters.

PART XII

REDUNDANCY PROCEDURES

- 38 If due to circumstance beyond the Employer's control, it is found absolutely necessary to reduce staff, the management shall inform the Union at the earliest opportunity and shall negotiate a redundancy package with the Union including measures and methods of preventing redundancy such as:
- (a) The cessation of recruitment of new employees or replacement or employees within the grades affected.
 - (b) Redeployment of potential redundant employees to other work, departments or sections within the group and provision of retraining and re-orientation.
 - (c) In the event of such measures and methods failing to yield desired results the employees concerned shall be declared redundant pursuant to the Collective Agreement and the Union and Management shall provide such counseling as may be desired to the affected employees.

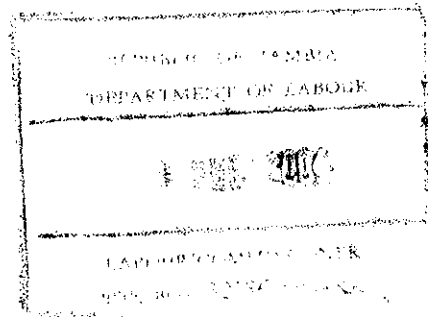
PART XIII

TERMINATION, REPLACEMENT, AMENDMENT OR REVIEW OF AGREEMENT

- 39 (i) This Agreement may be terminated by three months prior notice given by either party to the other, stating reasons for such intention which reasons must be of such a nature and sufficiently strong to justify such a move and must relate to gross misunderstanding between the parties in a manner that may be said that the relationship between the parties has irretrievably broken down.

Provided that where the other party does not agree to the termination, it may refer the matter to the Bargaining Unit for negotiation. Where no agreement is reached by the Bargaining Unit, either party may declare a dispute in accordance with the relevant provisions of the Act.

- (ii) Any proposal for replacement, amendment or review of this Agreement shall only be effected by Twenty-one (21) days notice from one party to the other party in writing stating reasons for replacement, amendment or review of the Agreement.
- (iii) Notice of amendment to the Zambia Union of Financial Institutions and Allied Workers' constitution shall be given to the Management within a period of fourteen (14) days from date of such amendment.



*Approved
19.11.98*

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IN WITNESS WHEREOF the parties hereto have executed this deed the day and year first before written.

SIGNED FOR and on behalf of the }
National Pension Scheme Authority }
In the presence of }

[Signature]
D. K. MUSENGE
DIRECTOR GENERAL

[Signature]
A. K. MBANGWETA
DIRECTOR HUMAN RESOURCES

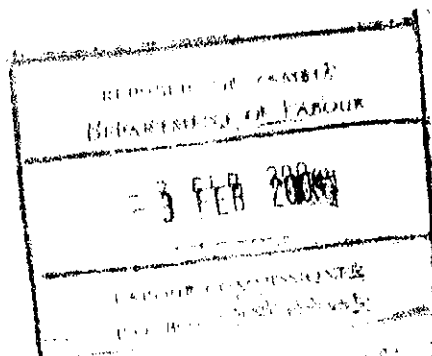
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J. B. THEU
AUTHORITY SECRETARY

SIGNED FOR and on behalf of the }
Zambia Union of Financial Institutions }
And Allied Workers in the presence of }

[Signature]
C. MUKUKA
PRESIDENT

[Signature]
J. C. NONDE
GENERAL SECRETARY

[Signature]
A. CHITEMBWE
DIRECTOR OF RESEARCH - ZUFIAW



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