

**MEMORANDUM OF RECOGNITION AGREEMENT**

**BETWEEN**

**ZAMBIA NATIONAL COMMERCIAL BANK LIMITED**

**AND**

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

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

- a. If 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 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 (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.

MEMORANDUM OF RECOGNITION AGREEMENT

BETWEEN

ZAMBIA NATIONAL COMMERCIAL BANK LIMITED

AND

THE ZAMBIA UNION OF FINANCIAL INSTITUTIONS  
AND ALLIED WORKERS

REGISTERED  
[Signature]

# MEMORANDUM OF RECOGNITION AGREEMENT

BETWEEN

**ZAMBIA NATIONAL COMMERCIAL BANK LIMITED**

(Hereinafter referred to as 'THE BANK')

AND

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

(Hereinafter referred to as 'THE UNION')

## 1.0 RECOGNITION

The Bank agrees to recognise the Union as the sole representative of, and exclusive bargaining agent, for so long as the Union remains registered in accordance with the Laws of Zambia in force from time to time affecting Labour Relations, as representing the eligible employees of the Bank, is representative of such employees as are within the scope of this agreement and is in continued observance of the terms of this agreement.

## 2.0 SCOPE OF THE AGREEMENT

The Bank agrees that for the duration of this agreement, it will not recognise any other Trade Union or Organisation as representing employees eligible for representation by the Union, provided that the Union continues to represent the majority of employees in the Bank.

Employees eligible for representation by the Union shall be employees who are on the permanent establishment of the Bank with the exception of :-

- (a) Employees who are in Management Scales from MS1 to MS11.
- (b) All staff entrusted with Personnel Management and Industrial and Labour Relations functions.

In terms of this clause, it is understood that matters negotiated between the parties to this agreement shall be confined to eligible employees namely those below MS11 and all staff other than those specified in Section 4 of the Industrial and Labour Relations Act of 1993.

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3.0 CONDITIONS OF THE AGREEMENT

3.1 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 which is annexed hereto and initialed by the Labour Commissioner for identification purposes.

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

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

3.3 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 unconstitutional or improper acts done by them in their capacity as officials of the union.

3.4 The Bank may avail of such facilities to the 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.

3.5 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 appropriate Bank Officers. Such permission shall not be unreasonably withheld, provided that reasonable notice is given.

3.6 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 interfere with the normal functions of Management.

3.7 Both parties to this agreement undertake that their 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.

3.8 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 provided that in the case of eligible employees, Officials of the Union are subsequently informed as soon as possible but not exceeding five (5) working days of the disciplinary action taken.

3.9 The parties undertake not to facilitate or support any action that may lead to disruption of work, illegal strike or lockout.

4.0 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. Industry Average Wages.

5.0 ELECTION AND NOTIFICATION OF REPRESENTATIVES

5.1 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.

5.2 The Bank undertakes to notify the General Secretary of the Union in writing of the names and designation of the Officers in the Human Resources Directorate and advise any changes thereof.

5.3 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 a 48 hour prior notice is given.

6.0 DEDUCTION OF UNION SUBSCRIPTIONS

Subject to Sections 22(I) and 23(I) of the Industrial and Labour Relations Act of 1993, the Bank undertakes, with the consent of the employees concerned, to deduct Union dues from the wages of those employees who are members of the Union on condition that:-

- 6.1 The Union agrees to furnish the Bank before any deduction of membership subscription is made with a signed request in prescribed form by the member of the Union to make the deduction.
- 6.2 The Union also affirms to the statement that in each instance at least 14 days notice before pay day is given at the station where the member is employed, failure to which no deductions will be made until the next pay day.
- 6.3 The Bank agrees to remit to the Head Office of the Union within 14 days the Union dues so collected.
- 6.4 The remittances referred to in 6.3 above shall be made by crossed cheque marked "Not Negotiable" and / or "Account Payee Only".

7.0 THE BARGAINING UNIT - (Hereinafter referred to as the "Unit")

- 7.1 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.
- 7.2 The Constitution and Rules of the Bargaining Unit are set out in Appendix 'A'.
- 7.3 Subjects for Negotiation:-
  - 7.3.1 It is hereby agreed that the subjects set out in Appendix 'B' hereto are subjects for negotiation between the Bank and the Union.
  - 7.3.2 All items proposed, whether agreed to or rejected, will not be subject to re-negotiation.

7.4 Subjects not for Negotiation:

It is hereby agreed that the subjects referred to in Appendix 'C' are NOT subjects for negotiation.

7.5 Subjects for Discussion

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

8.0 SETTLEMENT OF GRIEVANCES AND COLLECTIVE DISPUTES

8.1 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 with the Head of Department/Branch.

At this stage, represented employees may involve a local Union Official (Shop Steward) who will take the matter with the immediate supervisor or manager within five (5) days.

Stage 3:

If the matter is unresolved at Stage 2, the complainant shall refer the grievance to the Human Resources Department 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.

8.2 Collective Grievances

These shall mean all grievances arising from a breach, real or alleged, of existing terms of service on matters specified in Appendix "B" of this agreement, which may affect all employees or group of employees of the Bank. Such grievances shall be raised by the Union representative at stage 3 of the procedure detailed above. In the event of failure to settle the matter, it shall be dealt with at stage 4 of the procedure detailed above. If no settlement is reached at stage 4, either party shall notify the Labour Commissioner of the existence of a collective dispute.

8.3 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 addressing appropriate authorities.

8.4 Collective Disputes

A collective dispute shall exist when there is a dispute between the Bank or the Union on the one hand 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:-

8.4.1 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

8.4.2 The other party has formally rejected the claims or demands and has made no counter offer; or

8.4.3 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.

3.5 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:-

3.5.1 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 solution required.

3.5.2 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 that meeting failing to resolve the dispute, the meeting may agree to refer the dispute to conciliation.

3.5.3 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 law.

3.5.4 Parties may agree in writing to reduce or extend any time period or omit any stage referred to in this Section

2.8 MODIFICATIONS TO AND TERMINATION OF THIS AGREEMENT

3.1 This Agreement shall come into force on 4<sup>th</sup> FEBRUARY 1998 and shall remain in force until:-

3.1 Termination by mutual consent

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- 9.1.2 Amended or replaced by a new Agreement negotiated by the parties hereto.
- 9.1.3 One or both of the parties ceases to be a legal entity.
- 9.1.4 Termination of the Recognition Agreement by either party in the event of disruption of work or illegal strike.
- 9.1.5 Termination in the event of the Union ceasing to represent the majority of eligible employees.
- 9.2 The parties mutually agree that the terms and conditions expressly set forth in this Agreement represent the full and complete understanding, agreement and commitment between the parties hereto.
- 9.3 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.

Memorandum of Recognition Agreement

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IN WITNESS whereof we have hereunder set our respective hands this 4<sup>th</sup> day  
of FEBRUARY the year, One Thousand Nine Hundred and Ninety EIGHT.

For and on behalf of the Bank

For and on behalf of the Union

  
.....  
MANAGING DIRECTOR

  
.....  
PRESIDENT

.....  
DIRECTOR - HUMAN RESOURCES

.....  
GENERAL SECRETARY

  
.....  
BANK SECRETARY

.....  
NATIONAL TRUSTEE

## **APPENDIX 'A'**

### **CONSTITUTION AND RULES OF THE BARGAINING UNIT**

#### **1. MEMBERSHIP**

Membership of the Bargaining Unit shall comprise six (6) representatives from Management of the Bank and an equal number of representatives of the union.

#### **2. APPOINTMENT OF REPRESENTATIVES**

(a) A representative of the Bank at Director 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) Regular 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 8.1 and 8.5 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 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 otherwise agree, not later than two weeks from the date of the meeting.
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- 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 in 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 his part to ensure that the agreement or settlement is fully and promptly implemented and carried into effect.

## **APPENDIX 'B'**

### ITEMS FOR NEGOTIATION

1. Rates of Pay and Overtime
2. Length of Annual Holiday and Attendant Conditions
3. Hours of Work
4. Principles of Redundancy/ Staff Rationalisation and Severance Package
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/Allowance

APPENDIX 'C'

ITEMS NOT FOR NEGOTIATION

All subjects not listed under Appendix 'B' and in particular:-

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