

Burgan Bank

# Grievance, Problem Solving and Disciplinary Policy



# Introduction

This booklet has been developed by and is the exclusive property of Burgan Bank. Any attempt to copy, duplicate or modify this booklet may be considered an act of forgery and may be the subject of criminal proceedings. This booklet is given to every manager, executive and employee of Burgan Bank, and the guidelines mentioned herein are considered by Burgan Bank as a necessary code of ethical behavior and good conduct to be strictly adhered to and followed by all such managers, executives, and employees of Burgan Bank; each of whom has a duty to conduct him/herself based on the principles of good faith and integrity.

# Policy Statement

Burgan Bank (“the Bank”) recognizes the importance of maintaining good working relationships and seeks to promote a working environment in which problems that arise can be discussed and easily resolved at an early stage through open and honest communication. All employees should be treated fairly and with respect. Every effort should be made to deal with matters informally, promptly, and without unreasonable delay.

## Purpose:

This policy sets out the guidelines for managing grievances, internal disputes and disciplinary matters within the Bank.

This policy shall be applicable to all employees working for the Bank, irrespective of their seniority within the organization.

## Application:

### 1. GRIEVANCES

A grievance is a complaint made, concern or problem raised by an employee about a decision, action or omission that the Bank has taken, proposing to take or has failed to take in relation to his / her employment. A grievance is defined as an employee’s feeling of dissatisfaction concerning working conditions or treatment by Management, Supervisors, other employees, or customers. Examples of actions that may be causes of grievance include, but are not restricted to:

- Seemingly unfair application of the Bank’s policies, procedures, rules or practices.
- Treatment considered unfair by an employee, such as harassment or threats.
- Improper or unfair administration of employee benefits or conditions of employment, such as flexi-time, vacations, performance appraisals and promotions.

### 2. GRIEVANCE RESOLUTION

No employee shall be penalized, formally or informally, for merely voicing a grievance so long as he / she follows the applicable policies and procedures of the Bank, as amended from time to time.

All grievances shall be received and dealt with in confidence by Human Resources and Development (“HRD”) on a need to know basis, and shall follow the same methodology as that linked to the *Whistleblowing* policy.

Management decisions on grievances shall neither be precedent setting nor binding for future allegations unless they are officially stated as Bank policy.

Any allegation of a minor nature which does not involve reputational risk or money related issues can be resolved in discussion at the Group / Department level, and shall be raised by the employee and be resolved by the Group / Department General Manager (“GM”) / Deputy General Manager (“DGM”) / Assistant General Manager (“AGM”).

In case the employee does not wish to involve his / her Group / Department GM / DGM / AGM for any reason whatsoever, or if the allegation involves the Group / Department GM / DGM / AGM, the employee may raise their allegation to the HR Business Partners (“HR - BP”) for formal resolution.

For any allegation made, the Group / Department GM / DGM / AGM shall involve HRD, if he / she believes the employee’s allegation should be raised for formal resolution.

All allegations made through written communication to HRD should be addressed to the HR - BP, and shall be considered formal requests for resolution.

When requested to, HRD shall act as mediator and independent assessor of the grievances raised and put forward their recommendations for resolution.

Any grievance against any HRD employee shall be brought to the notice of GM - Human Resources & Development Group (“GM - HRDG”). If the grievance is directed against the GM - HRDG, then it should be raised to the Group Chief Executive Officer (“GCEO”) / Chief Executive Officer - Kuwait (“CEO - Kuwait”).

Any serious, material grievance considered unresolved after 15 days from the formal submission to the HR - BP shall be reported by GM - HRDG with the pertinent facts and referred to GCEO / CEO - Kuwait.

If such grievances are not resolved by the GCEO / CEO - Kuwait within 15 days from the date on which the grievance is referred to the GCEO / CEO - Kuwait, GM - HRDG shall provide a summary report to the Chairman of the Board Nomination and Remuneration Committee (“BNRC”).

A history of any raised grievances per employee will be retained in respective employee files.

Any employee raising a grievance found to be false, unfounded and intentionally raised in bad faith and with malice will be subjected to disciplinary action, as prescribed in the Bank’s Penal Code.

For ensuring transparency in the process, all grievances and their respective resolutions, must be summarized in a table and released monthly (if any) to BNRC for information purposes only.

The identity of all parties to a grievance and the substance of such grievance shall be kept unrevealed. Disclosure of any information in connection with a grievance, whether verbally or in writing by the complainant, the complained person, or any involved party in the process, to any other person not involved in the grievance procedure is not permitted except to those listed in this policy. Violations of confidentiality by the complainant, the individual (allegedly accused), witnesses, or parties to the investigation, by any member of HRD Group or any other member involved in the process may lead to disciplinary action against that individual as per the applicable policies within the Bank as amended from time to time.

### 3. INCIDENTS THAT SHALL LEAD TO DISCIPLINARY ACTION

Violation of the Bank's policies, breach of authority when exercising the duties, display of dishonorable conduct or a conduct disgraceful to the reputation of the Bank by any employee shall result in disciplinary action as prescribed in the Bank's Penal Code.

### 4. DISCIPLINARY GUIDELINES

No disciplinary action shall be taken against any employee unless:

A proper investigation is conducted and the subject employee is advised and provided the opportunity to respond to any allegation, ensuring that all proceedings of enquiry are recorded / minuted in detail.

The employee is found in breach / violation to any of the applicable laws, policies, and regulations.

The employee is made aware and informed of the reason and purpose of the disciplinary action and informed in writing.

The employee is provided in writing the reference disciplinary rule, disciplinary action applicable, and notified of potential of actions for repeat of the same action.

All disciplinary actions shall be in accordance with the Bank's Penal Code.

All disciplinary actions involving any deduction from the employee salary shall not exceed five days of the employee's gross salary per month. Any excess shall be deducted pro-rata from the following month(s) of the employee's gross salary.

There shall only be one disciplinary action taken against each proven allegation, as applicable per the Bank's Penal Code.

No disciplinary actions may be taken for personal actions outside the Bank premises, unless these actions are related to the Bank's business and or affect the Bank's reputation. For any employee acting on direct written or verbal instructions from his / her immediate supervisor, both he / she as well as the immediate supervisor shall be held equally responsible and liable for disciplinary action.

In the event an employee is under the Bank's investigation as per the Bank's Penal Code, the employee may be suspended from work with gross salary withheld for a period not exceeding 10 days. The suspensions have to be justified based on the extent and nature of the violation, and the employee should be assured of the integrity of the investigations. In this case, the following conditions apply:

If the charge(s) against the employee is / are not proven or are dropped for any reason, the employee shall be reinstated, and paid any withheld portion of his / her salary.

If the charge(s) against the employee is / are proven and therefore the deduction is confirmed, the deducted amount shall be used by the Bank for the purposes stated in the applicable Labor Law as amended from time to time.

If the disciplinary action results in the dismissal of the employee from the Bank, the effective dismissal date shall be from the day the employee was suspended.

The Bank shall initiate and complete all investigations, and intimate the resulting decision to the concerned employee, within 15 days of the incident's discovery date. If the enquiry is completed sooner than 15 days, the concerned employee shall be informed of the decision taken.

In case the investigation results in termination of the employee, this must be notified to the Ministry of Labor and Social Affairs and regulators as applicable.

## 5. DISCIPLINARY ACTIONS

The following are the disciplinary actions that can be taken by the Bank as categorically mentioned and detailed in the Bank's Penal Code:

- First notice / written warning (valid for three months).
- Second written warning (valid for six months).
- Final written warning (valid for one year).
- Deduction of salary up to five days per month.
- Suspension from work without pay up to 10 days per month.
- Termination with End of Service Benefits.
- Termination without notice and without End of Service Benefits.

Staff facing possible disciplinary action shall have their bonuses, salary increases and / or promotions (if any) withheld until the satisfactory resolution of the disciplinary investigation, ensuring that the duration does not exceed 15 days from the date the incident was discovered.

If an employee causes the loss, destruction or waste of equipment, tools or products of the Bank due to negligence or misbehavior, he / she shall be liable for the damages. The Bank shall have the right to deduct these charges from the employee's salary as soon as the charges are proven, subject to a limit of 10% of the employees' monthly gross salary, until the Bank is compensated for the damages and without limitations to other civil and / or criminal liabilities charged.

In case the employee is absconding, the same shall be deducted from the employee's full and final settlement. In case the settlement is insufficient to cover the damages, the case shall be transferred to the Legal Group.

## 6. APPEALS

All employees have the right to appeal against the decision for disciplinary action within 15 days from the date of receiving the disciplinary action letter. The employee's appeal shall be submitted to the GM - HRDG, who will seek the GM - Legal Group's guidance to undertake a review of the process of enquiry, conclusion of decision, and the appeal request, and provide legal opinion for the GM - HRDG's final decision that may not be subject to further appeal / challenge.

In the case of appeals related to Senior Management, GM - HRDG, in addition to the above, will refer the legal opinion to the GCEO / CEO - Kuwait for his / her final decision. For any decisions related to control function GM's / DGM's, the GM - HRDG will refer the legal opinion to their respective Board Sub-Committees for the final decision.