

Dümmen Orange /Red Fox Ethiopia P.L.C/



Employees Policy and Procedure Manual

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INTRODUCTION

This Human Resources Policy Manual is provided as a central reference for all managers, supervisors and employees and applies to staff across all locations where the Company carries out its work.

The specific policies that follow promote the philosophy of Dümmen Orange with regard to standards of excellence; terms of employment; employee development; and employee services.

It may be necessary to change these policies from time to time to reflect changes in the workforce, employment trends, economic conditions etc. However, any changes in policy will be consistent with the company's approach to:

- Employing talented individuals whose creativity and imagination will support and contribute to achieving the company's business objectives;
- Communicating company standards and expectations in all aspects of employment including performance;
- Valuing diversity, and assure equal employment opportunity and a workplace where relationships are based on mutual respect;
- Treating all staff, workers, contractors and customers in a professional, non-discriminatory manner;
- Providing safe, effective working conditions, and;
- Providing competitive terms and conditions in our workplace.

Any Policy changes will be fully consulted on and communicated to concerned staff and the labour union through normal communication channels. This Policy Manual will also be updated as necessary.

Signed: _____

General Manager,

Dümmen Orange / Red Fox Ethiopia P.L.C/

GENERAL

This Human Resource Policy and Procedure manual shall complement the applicable labour proclamation 377/2003 including its amendments and collective agreement provisions. Any provision herein which is contrary to the said proclamation or other applicable laws of the country shall be null and void.

PURPOSE

Red Fox's relationship with its employees is broadly defined by the labour proclamation and the collective agreement in force at any one period. However, these documents cannot be exhaustive and cover all aspects of company/employee relations without application of additional internal regulations and work procedures and supplementing them with company decisions on specific issues that arise from time to time, all within the frame work of the laws of the country.

The need for compilation and updating of procedures, regulations and practices applicable to company/employee relations was in the agenda of the company for some time, culminating in the present exercise.

The manual shall be used as a ready reference and will be kept up-to-date by continuous revisions and additions to it.

By reference to this manual, the lower and middle level management will not only be in a position to deal at the source with questions that may arise by the employee, hence avoiding undue time waste that is inevitable if such questions are handled by higher level of management structure, but will also enable the employees to read for themselves the rules that are applicable to their particular problem.

THE COMPANY'S RIGHT

The company has the right to manage its business and operation pursuant to pertinent legislation of the land, and to supervise its employees in accordance with the labour proclamation, Collective Agreement and other regulations and procedures that are incorporated in this manual, as well as those that the company may issue in the future within the framework of the laws of the country.

LEGALITY OF THE MANUAL

The Ethiopian Labour Proclamation 377/2003 and its amendments is the overriding force of authority as far as relations between the company and its employees are concerned.

SCOPE OF APPLICATION

The manual shall be applicable to all employees/workers under definite and indefinite term of contract with the company.

REVISIONS, AMENDMENTS AND CHANGES

The company reserves the right to add new provisions to and/or amend or rescind existing provisions of the manual at any time without notice.

RESPONSIBILITY

The Senior Human Resource Manager is responsible for ensuring the proper implementation and maintenance of this manual.

DEFINITION

- I. Employee shall mean all workers of Dümмен Orange (Red Fox Ethiopia PLC) except Managers.
- II. Managers shall mean all management staff stated in the managers Policy and Procedure manual.
- III. Proclamation shall mean the Labour proclamation 377/2003 of Ethiopia and its amendments.
- IV. Company shall mean Dümмен Orange (Red Fox Ethiopia PLC)
- V. Union shall mean the labour Union of Dümмен Orange (Red Fox Ethiopia PLC)
- VI. Manual shall mean the Human Resource (employees) Policy and Procedure Manual of Dümмен Orange (Red Fox Ethiopia PLC)

SECTION ONE

1. Organization and Manpower Planning

1.1 ORGANIZATION CHART

The organization chart shown in **(Annex I)** to this manual sets the departmental and sectional relationship necessary for the performance of the company's operations. It must be understood that from the outset that the organization chart is subject to continuous revisions and modifications arising from the operational requirements of the company, budgetary constraints and/or the internal or external availability of qualified personnel to fill vacant posts as and when they are created.

1.2 MANPOWER PLANNING

Department manpower requirements shall be requisitioned on the basis of the organization chart. However, the department manager has to justify why the vacant post cannot be regarded up or down, or cancelled from the organization altogether at the time he submits his requisition.

Irrespective of whether vacant post (s) are created or not, all the department managers of the company shall meet every six months under the chairmanship of the HR manager and review the staff strength of the company in light of the future operational requirements and the performance of the existing personnel during the past six months.

The meeting shall also analyze the need of interchange of personnel within or inter departments and determine whether such transfers will lead to improvements of efficiency and productivity. Such meetings shall take place during the first half of October and April, with the department manager's recommendations being submitted within the same month via the HR Manager to the management team chaired by the General Manager and composed of department managers. The general manager will communicate his decision on the recommendations submitted after discussion with management committee.

1.3 JOB SPECIFICATIONS, GRADING AND JOB DESCRIPTION

1.3.1 JOB SPECIFICATION AND GRADING

According to the HR Policy and Procedure Manual, Job Specification and grading is designed and annexed. See **(Annex II and Annex III)**

1.3.2 JOB DESCRIPTION

The company shall define the duties and responsibilities of each employee and ensure that each employee is issued with such job description either in English or Amharic as appropriate. Such Job description shall also be kept in each individual employee's file. Further, one compiled volume of all the job description together with the job specification and grading shall be available with the **HR Manager and the General Manager.**

All revisions and modifications of the job Description shall be subject of a memo by the HR Manager to the concerned individual employee, as well as the department managers.

SECTION TWO

Employment, promotion, transfer, demotion and separation

2.1 GENERAL

Employees of the company fall under two categories named as Definite and Indefinite.

2.2 CONDITIONS AND PROCEDURES FOR RECRUITMENT

Personnel shall be recruited under the following five conditions

- 2.2.1 To fill the still vacant posts shown in the organization chart and budget
- 2.2.2 When a vacancy is created due to the retirement and/ or death of an employee
- 2.2.3 When a vacancy is created due to transfer, resignation and/or dismissal of an employee
- 2.2.4 When vacancies are created due to re organization and/or the launching of new activities by the company
- 2.2.5 When requisition are raised for seasonal employees for seasonal works.

2.3 AUTHORIZATION TO RECRUIT PERSONNEL

For employee/workers post, the employment shall be confirmed by the signature of the HR Manager, based on the recommendation of the selection committee composed of the HR and the requesting department. However, recruitment for newly created jobs or number of employees not stated in the organogram of the organization shall always begin after the approval of the General Manager.

2.4 TYPES OF EMPLOYMENT

- 2.4.1 **Indefinite Period-Contract of Employment:** This contract is unspecified in its duration and is normally given only to those employees whom the company considers to be long-term/permanent member of its staff.

2.4.2 Definite period or Piece of Work -Contract of Employment: This contract has a time limit in its duration of employment or the performance of specific piece work for which the employee is employed. A termination date/period is clearly written in the contract document. This contract is normally issued to those seasonal employees, who serve the company's need on a temporary or seasonal basis due to the nature of the work.

2.5 PRINCIPLE OF EQUAL EMPLOYMENT OPPORTUNITY

The Company provides equal employment opportunity to everyone regardless of age, gender, color, race, creed, national origin, religious persuasion, material status, political belief, or disability that does not prohibit performance of essential job function. This is reflected in practices and policies regarding hiring, training, promotions, transfers, rates of pay, layoff and other forms of compensation. Once hired all matters relating to employment are based upon ability to perform the job, as well as honesty, dependability and reliability. 

2.6 ELIGIBILITY FOR EMPLOYMENT

Employees/workers should satisfy the required Job specification in order to be eligible for employment. The following conditions may not qualify a candidate even if they fulfil the required specification and is found to be

- Below the age of 18
- 20 years and below for employees working in chemical area
- Unfit on medical ground
- Convicted of crime

2.7 RECRUITMENT AND SELECTION

Effective recruitment and selection is central and crucial to the successful functioning of Dümme Orange /Red Fox Ethiopia PLC/. It depends on finding people with the necessary skills, talent, expertise and qualifications to deliver the company's strategic objectives and the ability to make a positive contribution to the values and aims of the organization.

2.7.1 General Rules

- 2.7.1.1 All activities of the company shall be carried out on the basis of an organizational plan.
- 2.7.1.2 A vacancy is deemed to exist only after the need has been fully justified and the justification has been approved by the HR Department.
- 2.7.1.3 For every vacancy desired to be filled, an employee requisition shall be initiated by the requesting department manager with the necessary information clearly stated in the manpower requisition form prepared for this purpose. **(Annex IV)**
- 2.7.1.4 Qualifications required for a vacant post shall be in accordance with relevant job specification of the organization.

2.7.2 STAFF REQUISITION APPROVAL

- 2.7.2.1 The requesting department manager shall identify its manpower requirement, fill the employment request form and present it to Human Resource Department.
- 2.7.2.2 All newly created positions will be filled if and when the company's General Manager approves the requisition.

2.7.3 SOURCE OF EMPLOYMENT

2.7.3.1 INTERNAL RECRUITMENT or PROMOTION

In the absence of a direct climate to fill the vacant post and/or transferable employees are not available, the procedures hereunder established shall apply for internal selection of a suitable candidate for promotion to the vacant post.

- 2.7.3.1.1 Promotion is the advancement of a staff member from a lower position to a higher one.
- 2.7.3.1.2 Vacant posts for employees/workers shall be filled in accordance with the promotion procedures described here under with the principle of giving priority to employees from within the company being the major guide.

- 2.7.3.1.3 Whenever possible, vacancies shall be filled by the most competent personnel available within the company. Vacancy shall be announced internally and externally but preference given for internal.
- 2.7.3.1.4 The position shall then be posted to internal applicants and the HR department shall follow the right recruitment procedure to select the right candidate for the vacant post.
- 2.7.3.1.5 An employee's promotion can only be considered when there is a vacant post and only when the employee/worker is competent.
- 2.7.3.1.6 All employees with one year service in the company and who fulfill the requirements set out for the vacant post shall submit their application to the HR Department. Apart from this, the employee must at least work one year in his current position to apply for an internal vacancy.
- 2.7.3.1.7 The average performance of the employee shall be 70% and above to apply for internal vacancy. All other things remain constant; the employee with higher performance evaluation score shall be selected for the post.
- 2.7.3.1.8 Employees with unexpired disciplinary measure shall not be legible to apply for internal vacancies for promotion.
- 2.7.3.1.9 The requesting department together with HR shall select from among the applicants the suitable candidate with **oral or written examination**.
- 2.7.3.1.10 If candidates are equal after full evaluation, the one with more experience shall be promoted.
- 2.7.3.1.11 The promoted person gets benefits starting from the calendar month of promotion.
- 2.7.3.1.12 Promoted employees shall always receive starting salary of the position.
- 2.7.3.1.13 If incase the position cannot be filled form internal source, the HR department shall make sure that the position is filled with the right personnel from the external source.
- 2.7.3.1.14 An employee shall not be barred from taking another post because his supervisor needs him at his present post.

2.7.3.1.15 If a promoted employee does not give satisfactory **result in his new post for 45 days**, then such employee shall be returned to his original post with his original remunerations.

2.7.3.2 **EXTERNAL RECRUITMENT**

2.7.3.2.1 The appropriate talent search channel (ethio jobs and others shall be used to search candidates from external source. The announcement shall include all the detail requirement of the post, specify the manner, time and place where applications are to be submitted in person or through company mail.

2.7.3.2.2 Any Vacancy announcement be it internal or external to the minimum shall include the following:

- The title of the job
- The Location of the job
- The grade of the job
- The required educational qualification level
- Condition of employment
- Salary and other benefits
- Time, place (address), date and mode of application
- Supporting document requirement
- Others as appropriate

2.7.4 **SELECTION METHODS**

2.7.4.1 Interviews shall be held by a selection committee comprising of evaluators from human resource and the requesting department, and a minimum of two persons, gender balanced wherever possible.

2.7.5 The Human Resources department shall be in charge of all interviews.

2.7.6 The selection and appointment of the candidates shall be made by members of the selection committee and the panel shall be chaired by the HR department.

- 2.7.7 A set of questions shall be agreed by the interview panel in advance and shall be developed from the current job description for the post. The panel shall seek to develop questions which ask the candidates to give examples of their previous relevant experience.
- 2.7.8 All candidates shall be asked the same questions in the same order, and their responses rated between 1-10. The panel shall each have a copy of the questions and shall score independently of each other during the interview. Time is allocated between interviews for the panel to discuss each candidate and to award a total point's score. Additional notes may be made by the panel during the interview. However, it should be noted that candidates shall have access to all information should they request it.
- 2.7.9 It should be remembered that an interview is a two way process, and candidates shall be given every opportunity to view the offices where they will work and ask questions about the Company, to ensure that they have a full understanding of the post for which they are applying and the way the Company operates.
- 2.7.10 In addition to interviews, a range of other selection techniques may be used. In such circumstances reasonable notice and relevant information shall be given to ensure that candidates have sufficient time and information to prepare.
- 2.7.11 All temporary delegation shall be made strictly on merit and related to the requirements of the job.
- 2.7.12 The General Manager has delegated powers to department managers to make temporary delegation to employees/workers.
- 2.7.13 All interviewed candidates shall be notified of the outcome of the selection process as soon as possible by telephone.

2.7.14 All unsuccessful candidates' application forms and interview notes shall be retained for six months from the date of interviews taking place. After this date they shall be discarded.

2.7.5 RELEVANT CHECKS

All offers of employment shall be made conditional upon satisfactory results from the following:

Three satisfactory references;

- Whenever the position requires, employee shall be asked to conduct medical checkup within the company clinic. For positions in green house a Cholinesterase test is mandatory.
- Criminal Records Certificate from the Authorized Government Organ.
- The cost of medical and criminal record certificate shall be refunded to employees upon the issuing of legal receipt.

2.8 CONTRACT OF EMPLOYMENT

The company shall have two types of contracts designed for:

- Indefinite (Permanent) period.
- Definite period or Piece of work period as per article 10(1) of the labor proclamation 377/2003.

2.7.15 Indefinite Contract of Employment

2.7.15.1 Each permanent employee shall be required to sign an applicable contract of employment; the date written on the contract shall be the first day of employment. **(Annex IV)**

2.7.15.2 The contract of employment for employees/workers shall be counter signed by the Human Resource Manager on behalf of the company.

2.7.15.3 The contract of employment shall at least contain the following elements:

- The full name and address of the employer and employee
- The title of the position
- The place of work

- The duration or term of the contract of employment
- The contract of employment issued by the HR manager as appropriate shall clearly state the engagement is **on probation basis** and that either party may terminate the contract of employment prior to the 45 days probation period.
- The prescribed hours of work, as applicable to the work location
- Full detail of the monthly salary and applicable allowance (if any)
- Salary grade
- Signature of the contracting parties and Signature of three witnesses.

2.7.16 **Definite Contract of Employment**

- 2.7.16.1 When the need dictates due to additional volume of work or in the lengthy absence of the permanent employee, seasonal employees, for a period not exceeding six months shall be engaged. **(Annex V)**
- 2.7.16.2 The contract of employment shall state that the definite (seasonal) employee is subject to dismissal at any time prior to the indicated period of employment without compensation.
- 2.7.16.3 The company shall recruit employees on definite (seasonal) basis for specific jobs with limited duration.
- 2.7.16.4 Such definite (seasonal) employees are also entitled to all the benefits enumerated in their contract of employment.
- 2.7.16.5 The company's obligation to protect its employees from any health or other hazards while on duty is also applicable to definite (seasonal) employees as well.
- 2.7.16.6 The HR manager shall maintain a list of possible candidates for definite (seasonal) employment.

2.8 PROBATIONARY PERIOD

- 2.8.1 All employments into the company shall be made in accordance with the labor proclamation 377/2003 of Ethiopia and its amendments subject to a probationary period of 45 days.
- 2.8.2 And the employees on probation are not entitled to
- Prior notice of termination
 - Termination, severance pay and compensation for service
 - Medical Insurance, life insurance, 5% saving fund, and other benefits
 - Loan and Promotion and Transfer
- 2.8.3 The HR department is responsible to follow-up all employees under probation and ensure that the evaluation of the employee is submitted by the department concerned prior to the expiration of the 45 days probation period.
- 2.8.4 After one and a half month, a review meeting shall take place between the post holder and their line manager to discuss progress. Evaluation of employee on probation shall be made before the end of the probation period.
- 2.8.5 At the end of the probationary period, and subject to a satisfactory report by the appropriate head of section or line manager, employees shall be notified in writing Permanent employment letter stating that they have successfully completed their probationary period and they are official permanent employees of the company. The employee shall be notified, in writing, of the company's decision either to continue with or to terminate his/her contract of employment with in the probation period.
- 2.8.6 The company shall not entertain a probation period in relation to employees for definite period of time.
- 2.8.7 The company shall have no obligation to give a written notice to terminate a definite nature contract unless and otherwise it is stated in the specific contract.

2.9 PERSONAL FILE

- 2.9.1 The company shall keep a personal file for all indefinite employees. Personnel files of employees/workers shall be kept in the Human Resource Department.

2.9.2 The personnel file shall at least contain:

- 2.9.2.1 The employment application form
- 2.9.2.2 The announcement for vacancy
- 2.9.2.3 Minutes of employment committee proceedings
- 2.9.2.4 Testimonials of educational qualification and work experience
- 2.9.2.5 Medical and Criminal Record Certificates
- 2.9.2.6 Letter of employment
- 2.9.2.7 Job description which is read and signed by the employee
- 2.9.2.8 Probationary period rating report
- 2.9.2.9 Job performance appraisal
- 2.9.2.10 Letters of disciplinary measures (if any)
- 2.9.2.11 On the job and off the Job training certificates
- 2.9.2.12 Certificate of leaves etc.

2.9.3 Access to employees' personal files is limited to the relevant personnel in the HR Department.

2.9.4 The employee can have access to his/her personal file in the presence of the HR Officer but only when approved by the HR Manager.

2.10 IDENTITY CARD

2.10.1 Employees shall be issued with company identification card and produce them on request while at work and any functions at the farm.

2.10.2 Without a valid company Identification Document (ID) the employee cannot enter the premises and the farm facilities of the company.

2.10.3 The company shall provide temporary ID within two days after employment to seasonal and probation period workers.

2.10.4 The Identity cards remain the property of the company and must be returned on termination of contract of employment before the payment of final benefits.

2.10.5 Any employee who loses his/her Identity Card (ID) shall submit letter to the Human Resource Department requesting replacement for the lost ID card. Then the Human Resource Department shall replace the ID within two days of the application.

2.10.6 An employee who loses his/her identity card shall be required to pay birr 10 for replacement to be deductible from salary. But after one time loss the payment shall be birr 15.

2.11 TRANSFER, DEMOTION AND TERMINATION PROCEDURE

2.11.1 TRANSFER

2.11.1.1 Employees/workers of Red Fox Ethiopia P.L.C /Dümmen Orange/ shall be given consideration for any posted position for which they apply and qualify.

2.11.1.2 Any employee/worker who desire to be considered for transfer are eligible to apply for transfer into other departments where a suitable opening exists and shall submit an application to the HR department.

2.11.1.3 Any permanent transfer in the organization shall take place by the agreement of both departments and HR department shall facilitate the process.

2.11.1.4 The two department managers should agree on the date of transfer. Normally, the change shall be effective after two weeks' notice (15 working days).

2.11.1.5 Salary and grade cannot be lowered in a permanent transfer. The worker shall get all benefits at the transferred job title.

2.11.1.6 A written transfer letter shall be given to the worker in advance whenever a worker is transferred. Job title and allowance shall be described in the transfer order. However, any transfer out of the current location shall be noticed to the worker in written before 30 days. If this is not fulfilled, the transfer will not be considered as valid.

2.11.1.7 Whenever a medical board or physician orders to temporarily place a worker to light work for definite period which is out of contract of employment because of illness or Cholinesterase result, the company shall transfer the worker to similar salary grade and Job. Otherwise, the company shall transfer the worker to any

job position by keeping the salary of worker as it is until the light work period is lapsed.

- 2.11.1.8 The worker shall also be entitled for a benefit of temporary assigned position. However, unless he/she submits additional medical order issued by the medical board or physician for light work, the employee shall be returned to the former position.
- 2.11.1.9 The organization can temporarily transfer any worker. However, the transfer must be based on the same Job. Classification, not repeatable and not more than three months, this shall be given to the worker in writing. Any benefits, salary and grade remain the same with respect to the transfer.

2.11.2 Delegation

- 2.11.2.1.1 When there is vacant position the company shall move worker from lower position to the higher vacant position as replacement and if the individual act for more than one month, then he/she shall be paid 20% of the salary of the new position and the amount shall not exceed the starting salary of the position.
- 2.11.2.2 The delegate shall be notified officially in written that he/she is delegated to act on behalf of the position holder.
- 2.11.2.3 If the delegate is not able to discharge the responsibility to the required level, the Department Manager can cancel the delegation and assign other delegate in consultation with the HR Department and the General Manager.
- 2.11.2.4 The acting time cannot exceed six months.

2.11.3 Demotion

- 2.11.3.1 Demotion may occur as a consequence of disciplinary procedures and incompetence.
- 2.11.3.2 Demotion does not involve reduction of salary. 
- 2.11.3.3 To effect demotion three periods of performance evaluation of an employee shall be referred and is found that the employee scores 40% and below.

Demotion can also be effected when an employee fails respond positively and shows no improvement his/her behaviour or action for disciplinary measures given to correct minor or major offences.

- 2.11.3.4 Efforts to help the staff member to upgrade the performance of the employee shall be carefully recorded in writing.
- 2.11.3.5 The employee is previously notified in writing and counselled prior to the second evaluation that minimum performance results in demotion.
- 2.11.3.6 The department manager shall recommend for the demotion and the HRM shall carefully study and accept the demotion before taking the case to the GM.
- 2.11.3.7 All demotions shall be approved by the GM.
- 2.11.3.8 Employees have the right to through the grievance procedure stated on section eight of this manual if they have any complaint related to the decision made.

2.11.4 RETIREMENT

- 2.11.4.1 Retirement of an employee shall be **treated as per the relevant law**.
- 2.11.4.2 The normal retirement age for all employees shall be 60 years calculated from the date of birth in accordance with the Ethiopian or Gregorian calendar.
- 2.11.4.3 The retirement age of 60 may be extended by mutual consent of the company and the employee followed by the formal approval of the concerned government office.
- 2.11.4.4 Each employee shall be notified in writing by HR department his/her retirement date 3 months before such date.
- 2.11.4.5 The company has the right to request that each employee present a birth certificate. For all employees who have been with the company over five years, in case there is discrepancy between the birth certificate and the employees prior statement at the time of employment or that used for insurance purpose, the company shall have the right to retire the employee at the earlier period.
- 2.11.4.6 An employee, who has attained the age of 55 on the initiation of the individual employee, be allowed to retire.
- 2.11.4.7 The company cannot initiate early retirement unless there are justifiable factors such as disablement etc. An employee with partial or total disability due to

accident or disease and certified by a medical board that the employee cannot perform his assigned duties will automatically be retired.

2.11.4.8 On retirement an employee is not entitled to severance payment but only the 5% saving.

2.11.4.9 Early retirement is retirement prior to the age 60 initiated by the employee and accepted by the company. Retirement at the age of 55 and initiated by the employee shall not fall under the category of early retirement.

2.11.5 TERMINATION OF CONTRACT OF EMPLOYMENT

2.11.5.1 Cause for termination

An employee's contract of employment will normally terminate as a result of one of the following occurrences:

2.11.5.1.1 Voluntary resignation – when an employee voluntarily resigns from the company with prior written notice as per the Ethiopian labor law.

2.11.5.1.2 Termination of contract on medical grounds – It occurs when the company terminates employment if an employee becomes unable to perform his/her duties efficiently due to medical reasons for more than six months (consecutively or separately) within a year.

2.11.5.1.3 Death of an employee

2.11.5.1.4 Termination of a contract: This termination of contract may happen because of the work for which the employee was hired to do has come to end, by the mutual agreement of the parties (the company and the employee), the company is forced to downsize due to business decline or the company is facing a force majeure which is beyond its control.

2.11.5.1.5 Retirement of an employee.

2.11.5.2 Termination Procedure

2.11.5.2.1 An employee shall give a one-month notice period if he/she wants to terminate his/her contract. If not the company have the right to deduct one month (30 days) salary from any remains entitlements.

2.11.5.2.2 A notice of termination should be addressed to the HR department.

- 2.11.5.2.3 The period of notice to be given by the employer on termination or resignation shall be regulated by Article 35 of the Labor Proclamation No. 377/2003.
- 2.11.5.2.4 An employee can be terminated as per the rules stated on the annex (III) anything that is not stated in the annex shall be in accordance with article 27 of the Labor proclamation No. 377/2003.
- 2.11.5.2.5 The Company shall conduct an exit interview orally or in writing and shall be filed to employee's personal file.
- 2.11.5.2.6 Letter of termination shall be handed to the staff member in person. In case of refusal or impossibility to find the staff member, the letter shall be posted on the notice board of the Company for ten consecutive days.
- 2.11.5.2.7 Termination payments for all employees shall be made upon presentation of clearance papers circulated by the individual.
- 2.11.5.2.8 In the case of death, the heirs should produce proper papers from courts or competent authority testifying to their entitlement.
- 2.11.5.2.9 The company may retain a staff member beyond the retirement age in accordance with the relevant law.
- 2.11.5.2.10 The Company shall give a minimum notice period of three months to retiring staff in writing.
- 2.11.5.2.11 The employer upon termination of employee shall justify the reason for termination.
- 2.11.5.2.12 If complicated case happen and an employee is accused; the company shall suspend the employee from work until investigating the case as per on labor Proclamation No. 377/2003.

2.11.6 EXIT INTERVIEWS

- 2.11.6.1.1 All employees who leave the Company voluntarily shall have an exit interview in a form of questionnaire given by the HR Department before their last day of employment. **(Annex VI)**
- 2.11.6.1.2 Exit interviews provide the opportunity for departing employees to discuss their reasons for leaving. The information provided is useful in identifying trends, learning and development and evaluating the effectiveness of HR policies and

practices, organizational culture, level of supervision, career development trend of the organization etc.

- 2.11.6.1.3 The appropriate line manager and the Human Resource Department shall receive all appropriate information, such as recommendations made for change, or significant issues raised in the questionnaire, whilst bearing in mind confidentiality issues. The exit interview questionnaire shall be retained on the employee's personal file.

SECTION THREE

3. INDUCTION POLICY AND CHECKLIST

3.1 GENERAL POLICY STATEMENT

Dümmen Orange /Red Fox Ethiopia P.L.C/ believes that all new employees Must be given timely induction training. This training is regarded as a vital part of staff recruitment and integration into the working environment. This policy, associated procedures and guidelines define the Company's commitment to ensure that all staffs are supported during the period of induction, to the benefit of the employee and Company alike.

The Induction checklist is a very useful way of ensuring that information is imparted to new employees when they are likely to be most receptive. It avoids overloading employees with information during the first weeks whilst ensuring that all areas are covered. Managers/supervisors should ensure that these matters have been properly understood whilst the checklist is being completed, perhaps in the form of a weekly chat with the new entrant. Arrangements should also be made for the employee to visit any relevant departments with which they have regular contact in the course of their duties. At the end of the process the induction checklist should be signed by the relevant parties and placed in the employee's personal file.

3.2 AIM

It is the aim of the Company to ensure that staff induction is dealt with in an organised and consistent manner, to enable staff to be introduced into a new post and working environment quickly, so that they can contribute effectively as soon as possible. This induction policy, associated procedures and guidelines aim to set out general steps for managers and staff to follow during the induction process. It is expected that all managers and staff shall adhere to this policy.

3.3 BENEFITS OF INDUCTION

The Company expects that the implementation of good induction practice by managers/supervisors will:

- 3.4.1.1 Enable new employees get familiarised with the working culture, code of conduct, SOPs and have a clear picture of the overall organization.
- 3.4.1.2 Enable new employees understand the mission and vision of the organization and there by shape their attitude accordingly.
- 3.4.1.3 Enable the organization shape the mind and attitude of new employees the way it wants before any informal groups.
- 3.4.1.4 Enable new employees to settle into the Company quickly and reduce fear and insecurity.
- 3.4.1.5 Ensure that new entrants are highly motivated and that this motivation is reinforced.
- 3.4.1.6 Assist in reducing staff turnover, lateness, absenteeism and poor performance generally.
- 3.4.1.7 Assist in developing a management style where the emphasis is on leadership.
- 3.4.1.8 Ensure that new employees operate in a safe working environment.
- 3.4.1.9 Reduce costs associated with repeated recruitment, training and lost production.

3.4 SCOPE & DURATION OF THE INDUCTION TRAINING

Induction training shall be conducted for all new employees of Dümme Orange / Red Fox Ethiopia P.L.C/ as follows:

- 3.4.1 General organisation induction which affect all employees within the organisation including new employees.
- 3.4.2 Orientation which will be tailored to the new employee's specific department and job.
- 3.4.3 Existing employees shall be subjected to orientation process on an ongoing basis depending on availability of new or amended policies and programs.
- 3.4.4 Induction training shall be conducted for a period not exceeding one day for HR and QHSE departments. The orientation period for the respective department can extend two days to one week period due to the nature of the job to ensure that new employees are properly oriented and are aware of the overall activities in all sections of the department.

3.5 RESPONSIBILITY FOR INDUCTION

The following Departments shall be involved in the induction and Orientation process:

3.5.1 Human Resources Department

The Human Resources Department shall be responsible for issues such as the employment contract, compensation, Medical scheme, Pension funds, Bonus, Allowance, Leave, safety and PPE usage etc. and the development and monitoring of the success of the induction checklist. **(Annex VII)**

3.5.2 Quality, Health, Safety and Environment Department

QHSE Department shall be responsible for giving induction training to employees regarding Quality and Hygiene Issues. The department shall also take the new employees to Greenhouse on a familiarisation tour so that they can have a better understanding of the company's mission.

3.5.3 The Respective Department

3.5.3.1 It is the responsibility of the Department Manager to make sure that every employee is given the required orientation before engaging in any form of work.

3.5.3.2 The immediate supervisor must ensure that the employees in the section receive all the information necessary to enable them to function as efficiently and effectively as possible. This will include the introduction of new employees to co-workers, explaining job duties and responsibilities as well as procedures, rules and regulations.

SECTION FOUR

4 WORKING DAYS, HOURS AND ATTENDANCE RECORDING

4.1 WORKING DAYS AND HOURS OF WORK

- 4.1.1 Regular working days shall be Monday to Saturday half day inclusive for regular office and Addis Ababa office workers.
- 4.1.2 Employees are entitled to uninterrupted 24 hours rest day within a week and rest day shall be determined by the company depending on the nature of the job.
- 4.1.3 The regular working hours of work for employees shall not exceed 48 hours.
- 4.1.4 The formal working hour for employees of Dümme Orange (Red Fox Ethiopia PLC) is 7:30 AM to 5:30 PM, Monday and Friday, 7:30 AM to 4:30 PM, Tuesday, Thursday, and Saturday, and 7:30 AM to 1:30 PM on Sunday.
- 4.1.5 The formal working hour for Addis Office shall be Monday to Friday 8:00 AM to 5:30 PM and Saturday 8:00 AM to 12:30PM. 
- 4.1.6 The normal hour of work may be varied as and when the operational requirement dictates.

4.2 ATTENDANCE RECORD

- 4.2.1 All employees are obligated to punch in and out at the start and finish of the days working hours using the electronic scanning machine and failure to do so results in penalty.
- 4.2.2 Late coming to office and leaving early is not acceptable and consequently, penalties may follow according to this HR policy and procedure manual and also will result in deduction of salary.
- 4.2.3 In occurrences where the scanning machine does not work, employees are expected to report the situation to the HR Department.

- 4.2.4 Any employee that is required to leave the work compound for any reason shall fill the form available at the HR Department (Annex VI) and clock his movements in and out.
- 4.2.5 Similarly any employee that is permitted to leave the premises for valid private reasons shall have to fill in the corresponding form obtained in the HR department on permission being given by the supervisor, he/she shall leave the form with the HR Officer and clock out. In case she/he returns within the same morning or afternoon hours, she/he shall record his/her return by clocking in.
- 4.2.6 Employees are not permitted to move from their assigned place of work to another without the supervisor's permission except the established work hour or at the time for which due to the respected nature of job.
- 4.2.7 It is strictly prohibited to clock in and out by proxy by the time scanning machine is not working. Any employee found to do so intentionally or otherwise shall be subject to dismissal.
- 4.2.8 Employees that do not report for work at their regular working hour without the proper leave will be administered absent.
- 4.2.9 The company shall deduct salary of employees who come to work 15 minute late and leave the company 15 minute early. Contentious lateness will result in disciplinary measure.
- 4.2.10 Employees coming to work more than 30 minutes late will not be allowed into the compound and will be administered absent.

4.3 REST PERIODS

- 4.3.1 The company has arranged free lunch for its employees and designs two separate lunch area. SG11 and above positions are dining in the **"Management Canteen"** and SG 10 and below positions shall dine in the **"Food for all Canteen"**. Hence, not following the dining arrangement procedure shall lead to penalty to those employees that have not abided by the rule.
- 4.3.2 SG 11 and above Positions are permitted 15 minutes breakfast time within the 8:00 am and 9:30 am time frame.

4.3.3 Every employee has an hour lunch break between 11:30 am and 1:30 pm and lunch schedule shall be facilitated with the help of department managers.

4.3.4 The lunch hour for employees working in canteen is 1:30 PM to 2:30 PM.

4.4 PUBLIC HOLIDAYS

The company shall give leave with pay on the following public holidays

- Ethiopian New year day
- Id Al-Adha (Arafa)
- Meskel (Finding the true cross)
- Mawlid (Birth of Mohammed the Prophet)
- Ethiopian Christmas day
- Epiphany
- Victory of Adwa commemoration day
- Ethiopian Good Friday
- Easter
- International Labor day
- Patriots Victory day
- Dawn Fall of Dergue Regime
- Id Al Fetir /Ramadan/

4.5 LEAVES

Leave is hereby defined as approved absence from work with or without pay during employees working hours. **(Annex VIII)**

4.5.1 ANNUAL LEAVE

4.5.1.1 ANNUAL LEAVE COMPUTATION

4.5.1.1.1 For a service of one year period, all employees/workers shall be granted 18 working days annual leave for the first year service and one

additional working day for each additional year they served.

- 4.5.1.1.2 Unless a public holiday falls on Saturday, Saturday shall be considered as a working day for all employees of the company for the purpose of computing annual leave.

4.5.1.2 PROCEDURE FOR GRANTING ANNUAL LEAVE

- 4.5.1.2.1 Annual leave shall be computed basing the date of employment of the employee.
- 4.5.1.2.2 Every employee is entitled for 18 working days annual leave for the first year he/she has served the company plus one working day for every additional year of service.
- 4.5.1.2.3 To be entitled for annual leave an employee shall complete his/her probation period.
- 4.5.1.2.4 Annual leave shall be taken based on leave plan considering the interest of the employee and the company's work schedule and in case of emergency or urgency, their annual leave shall be granted consulting with concerned body.
- 4.5.1.2.5 The Company will grant the leave request as per the employees' request as much as possible. However, because of work load and other circumstances the organization may postpone such leave requests.

4.5.2 MATERNITY LEAVE

4.5.2.1 A pregnant employee shall, upon the written recommendation of a medical doctor, be entitled to leave with pay for medical examination connected with her pregnancy and /or such rest days subscribed by the medical doctor.

4.5.2.2 A written advice to the department Manager from the employee is to be given, specifying the expected date of delivery. Such notice shall in as much as possible, be given at least 45 days prior to the expected date of delivery.

4.5.2.3 For a normal maternity case, an employee shall be entitled to a period of 30 consecutive day's pre-natal leave with pay and a period of 60 consecutive days of post- natal leave.

4.5.2.4 If delivery takes place before the pre-natal 30 days leave period has elapsed, the post – natal leave shall commence.

4.5.2.5 In case of premature delivery, certified by a medical certificate acceptable by the company's clinic Head, the employee shall be entitled to an additional 30 consecutive days leave with full pay.

4.5.2.6 Male employees shall be granted 3 days paternity leave and are expected to bring birth certificate of the new born on return.

4.5.3 COMPASSIONATE LEAVE

Six days mourning leave with pay shall be granted for the death of father, mother, child, brother, sister, husband or wife of an employee. In these circumstances, additional six leave accounted from the employee's annual leave or 5 days leave without pay shall be given at the employee's request if the employee does not have annual leave balance and is expected to bring Death Certificate from a recognized authority or association upon return.

4.5.3.1 On the date of the employee's spouse's descendants or ascendants or another relative up to second degree die that is father, mother, child, brother, sister, husband or wife, the same leave days as above shall be granted and is expected to bring Death Certificate from a recognized authority or association upon return.

4.5.3.2 An employee shall be entitled to leave with pay for 3 working days when his/her second degree relative that is Uncle, Aunt, Grand Parents and Grandchildren die and is expected to bring Death Certificate from a recognized authority or association upon return.

4.5.3.3 On the date of the employee's spouse relative on a second Degree that is Uncle, Aunt, Grand Parents and Grandchildren die, the same leave days as above shall be granted and is expected to bring Death Certificate from a recognized authority or association upon return.

4.5.3.4 If a permanent employee of the company dies, the company shall give birr 6000 (Six Thousand birr) for the employee's family and in accordance with the condition of the work, transportation shall be arranged to few employees to attend the funeral ceremony.

4.5.4 MARRIAGE LEAVE

4.5.4.1 An employee is entitled to 3 days leave with pay when he or she concludes legal marriage. The employee shall notify the HR department and the department manager in writing of such events before two weeks to the intended start of marriage leave.

4.5.5 LEAVE WITHOUT PAY

4.5.5.1 The company shall grant further leave without pay to those confirmed employees who have exhausted their annual and compassionate leave entitlements and who in the company's opinion, have a real need for such a leave and who can be released without jeopardizing the company's security or operation. However, the employee shall get prior approval from his/her department and in consultation with HR.

4.5.5.2 Leave without pay shall not exceed 10 days with in a year. However, depending on the seriousness of the condition, the HR Department in consultation with the department manager can grant additional days.

4.5.5.3 An employee cannot accumulate and carry over any leave without pay to the next year.

4.5.6 LEAVE FOR SPECIAL PURPOSE

4.5.6.1 If an employee is called to appear at police station and/or courts to give testimony, he/she shall be granted leave with pay for the time utilized for the purpose. These appearances shall include appearance before bodies competent to the labor dispute.

4.5.6.2 However, police stations and court appearances arising from civil cases instigated by the employee or criminal cases where the employee is found to be the guilty party, leave without pay only is to be granted.

4.5.6.3 An employee who exercises his civil rights or duties shall be granted leave without pay, only for the time utilized for the said purpose. Such exercises of civil rights and duties shall in general be governed by government pronouncement like election period etc. but shall not include demonstration and the like on matters unrelated to the contract of employment.

4.5.7 EXAM LEAVE

4.5.7.1 To be entitled for education leave, employees must notify their education status to the company at the beginning of every semester.

4.5.7.2 Paid exam leave shall be given to employees who are taking educational courses and is given only for final exam.

4.5.7.3 Where the exam is given during the regular working hours, for the education that an employee undertakes out of the regular working hours, he/she shall be given leave with pay by bringing note from the institution that he/she is enrolled.

4.5.7.4 Exam leaves shall be granted only for those courses or studies registered by the HR department as being followed by the employee and by the presentation of exam schedule from the respective institution before a week.

4.5.7.5 An employee sitting for national exam shall be granted leave with pay for the duration of the examination period.

4.5.8 SICK LEAVE

4.5.8.1 Where an employee after having completed his/her probation, is rendered incapable of work owing to sickness other than resulting from employment injury, he/she shall be entitled to a sick leave.

4.5.8.2 Where an employee absents himself from the work on the ground of sickness, he shall, except where the employer is in a position to be aware of the sickness or it is impractical, notify the employer the day following his absence. For those employees in the position in which their absence affect others job, should notify the employer on the same day of the absence.

4.5.8.3 Absence from work for non-occupational sickness shall be certified by the company's clinic head.

4.5.8.4 The leave referred to sub Article 4.6.8.1 shall, in no cause, be more than 6 months counted consecutively or separately in the course of any 12 months period starting from the first day of his sickness.

4.5.8.5 The period of sick leave provided in Articles 4.6.8.1 through Article 10.3. 4 shall be granted in the following manner:

4.5.8.5.1 The first month with 100% of his/her wages

4.5.8.5.2 The next 2 months with 50 % of his/her wage

4.5.8.5.3 The next 3 months with 20% of his/her wage

4.5.8.6 The Company at its discretion will endeavor to place to different positions those employees who are not able to discharge their contractual responsibilities because of permanent sickness. However, if this reassignment is not possible the company will terminate the employment contract as per Article 28 / (1) (b) of the Labor Proclamation No. 377/2003.

4.6.8.5 If an employee falls ill while on annual leave and presents sick leave obtained from the local medical center, then the number of sick days shall be added to his/her annual leave.

4.6.9 UNION LEAVE

4.6.9.1 Union executive committee members or members shall be granted leave with pay arranged by Ethiopian Trade union or any other governmental organization provided that the company is informed in writing prior to the convening of such meetings or seminars.

4.6.9.2 Union executive committee members shall be given 5 days paid leave prior to the expiry of the Collective Agreement in order to prepare a new one.

4.6.9.3 Upon receipt by the company of at least one week notice in advance, the union shall hold its regular meetings twice a year. All employees who are members of the union shall be granted three hours paid time off for the express purpose of attending these meetings. In exceptional cases, when one week notice could not be given, the company shall waive the requirement subject to operational problems. In any of the cases, date of meeting shall be approved and set by the company.

4.6.9.4 The Labor union executive committee members shall have half day per week for routine works of the union. When doing so they will have to choose representative among them and make schedule by consulting with their department managers.

4.6.9.5 The Human resource department shall meet with the labor union executive committee members once per week and the General Manager shall meet with the labor union once a month.

4.6.9.6 The time utilized by the union executive committee members in presenting themselves for hearing of dispute committee and courts on matters related to the employees shall be subject to salary payment for the hours that fall within the working hours.

4.6.9.7 HR department shall issue an official letter to the union executive committee members entitled to leave detailing the start and finishing dates of the leave. The letter shall be copied to the department manager.

SECTION FIVE

5.1 SALARY, BENEFIT AND MISCELLANEOUS

5.1.1 SALARY

5.1.1.1 Basic salary shall mean the basic earning of an employee expressed in terms of money which is payable by the company to the employee on a monthly basis for his service rendered during the normal working hours.

5.1.1.2 Job grading with minimum and maximum salary scale is established on the basics of the organization salary scale to indicate the minimum and maximum salary of an employee.

5.1.1.3 The finance department shall prepare pay roll of each month on the basis of the attendance record of the employees prepared by the HR department.

5.1.1.4 Salary shall be paid for all employees from 1st to 3rd day of the month. If the payment day falls on a rest day or a public holiday, then salary will be paid one day advance.

5.1.1.5 Salaries are payable after deduction of all legal income and other taxes.

5.1.1.6 Loans directly advanced and those loans guaranteed by the company shall be given priority for deduction from the employee's salary over those being claimed by outsiders next to pension contribution and income tax deduction.

5.1.1.7 The company shall also deduct salary of the employee based on orders of courts and other legal authorities.

5.1.1.8 In the event of such orders overlap each other, the principle of first come first basis shall be followed unless specifically ordered by the court.

5.1.1.9 The employee shall be notified of all deductions made from his salary by means of the pay slip given to him together with his pay.

- 5.1.1.10 Any mistakes in salary because of attendance or any other reason shall be reported to HR officer at the HR desk in 3days and the payment shall be effected within 7 days.
- 5.1.1.11 Salary review for all employees shall be done once a year. The amount of this percentage increment will be decided on by the company. The union can discuss and give suggestion about the increment.
- 5.1.1.12 Salary review is composed of inflation adjustment on which the percentage to be decided by the company every year having the inflation rate of the country and financial performance of the company as a base.
- 5.1.1.13 The inflation adjustment to each employee shall be based on the current inflation rate of the country and the labor union can make suggestions on the allotment of the inflation. However, final decision shall always be made by the company represented by its General Manager.
- 5.1.1.14 The company shall also at its opinion awards salary increase to individual employees who in the company's opinion perform exceptionally well. Such merit increase shall be made in as much as possible using the appraisal of performance as base.
- 5.1.1.14.1 The company shall provide 2 step increments to 20% of its employees who score 80% and above in their annual performance evaluation.
- 5.1.1.14.2 One step increment shall be given for 60% of its employees who score 60% - 79% a in their annual performance evaluation.
- 5.1.1.14.3 No step increment shall be given to those employees who score 40% - 59% in their annual salary increment. 
- 5.1.1.14.4 Warning letter shall be issued to those employees who score less than 40% in their annual performance evaluation.

5.1.1.14.5 If an employee scores less than 40% for three consequent evaluation periods and fail to respond to all the development support given by the company, his/her contract of employment with the company shall be terminated.

5.1.1.14.6 All Salary reviews shall be done in the month of October every year.

5.1.2 Overtime

5.1.2.1 Circumstances in which overtime work is permissible

5.1.2.1.1 An employee may not be compelled to work overtime. However, overtime may be worked whenever the employer cannot be expected to resort to other measures and only when there is;

5.1.2.1.2 Accident, actual or threatened

5.1.2.1.3 Force majeure

5.1.2.1.4 Urgent work

5.1.2.1.5 Substitution of absent employees assigned on work that run continuously without interruption.

5.1.2.1.6 Overtime work of an individual employee due to an urgent work shall not exceed 2 hours in a day or 20 hours in a month or 100 hours in a year. 

5.1.2.1.7 Notwithstanding the legal provisions mentioned in 5.2.1.1.1 and 5.2.1.1.2 above, overtime outside the above restrictions can be worked by consent of the employee.

5.1.2.1.8 Overtime shall be worked only on the express written instructions of the department manager. In exceptional cases where the department manager already has left, assistant managers can ask permission for overtime to conclude the cutting works of the day, with explanation on delay of the works to beyond normal working hours.

5.1.2.1.9 Prior to overtime, HR needs to receive a signed copy of the approval. In case of Overtime made due to Force majeure, deadline is within 24 hours after overtime has been signed for the day. **(Annex IX)**

5.1.2.2 OVERTIME PAYMENT

- 5.1.2.2.1 Employees working in excess of 48 hours a week shall be paid overtime.
- 5.1.2.2.2 Overtime payment shall be calculated according to the labor proclamation 377/96 article 66, 67(2) and 68.
- 5.1.2.2.3 In case of work done between six o'clock (6 AM) in the morning and ten o'clock (10 P.M.) in the evening, at the rate of one and one half (1 ½) multiplied by the ordinary hourly rate;
- 5.1.2.2.4 In the case of night time work between ten o'clock in the evening (10 p.m.) and six o'clock in the morning (6 a.m.) at the rate of one and one half (1 ½) multiplied by the ordinary hourly rate;
- 5.1.2.2.5 In the case of work done on weekly rest day, at the rate of two (2) multiplied by the ordinary hourly rate;
- 5.1.2.2.6 In the case of work done on public holiday, at the rate of two and one half (2 ½) multiplied by the ordinary hourly rate.
- 5.1.2.2.7 The working condition of a pregnant shall be determined by labour Proclamation 377/1996 article 87 sub articles 3 & 4.
- 5.1.2.2.8 Female employees who bring medical certificate showing their pregnancy are not obliged to work from 10 pm to 6 am and also are not obliged to work neither overtime nor heavy works.
- 5.1.2.2.9 In addition to the normal wage, an employee who works overtime shall be entitled to the following payments:

5.1.3 PENSION AND SAVING

- 5.1.3.1 All Permanent employees of the company shall be governed as per Private Organization Employees' Pension Proclamation No. 715/2011. The contribution of company and employees shall be as per stated guidelines on this Proclamation.
- 5.1.3.2 The company shall also save 5% of the employee's monthly gross salary as saving.
- 5.1.3.3 The accumulated saving shall be paid to the employee only when the contract with the company is terminated without good cause.

5.1.4 PER-DIEM

Red Fox Ethiopia's per diem and allowance are intended to compensate staff for expenses they incurred due to board and lodging on occasional trips while performing their duties outside of their normal assigned duty station, which will be defined in the employee's contract of employment. They are not intended to be supplementary to staff salaries or to be part of a remuneration package.

5.1.4.1 Standard per diem Allowance

For all staff members, the standard rate of per diem for work outside their duty area shall be as follows.

Type	Per-diem
Breakfast	10%
Food	49.5
Bottled Water	11
Coffee/Tea	5.5
Total	66
Lunch	132
Dinner	132
Total	264
Bed	275
Total	605

5.1.4.2 Time frame for per diem

5.1.4.2.1 Employees/ Workers of Dümme Orange (Red Fox Ethiopia PLC) are entitled for per diem.

5.1.4.2.2 The daily breakfast allowance will be paid if away or coming back from or to normally assigned duty station before 8:00 a.m. Breakfast.

5.1.4.2.3 The daily lunch allowance will be paid if away from normally assigned duty station before 11:30 p.m. Lunch hour.

5.1.4.2.4 The daily dinner allowance will be paid if away from normally assigned duty station after 7:00 p.m. Dinner.

5.1.4.2.5 The allowance for Bed will be 275 Birr per day.

5.1.5 TRAVEL EXPENSES

5.1.5.1 Employees shall be entitled to claim reimbursement from the company for actual travel related expenses are incurred for official work purposes.

5.1.5.2 Any transport expense approved in advance and incurred by the employee for work purpose. Such expenses can only be reimbursed upon presentation of receipt.

5.1.5.3 Any communication expenses (telephone, e-mail, fax) incurred by the staff for work purposes while on any official travel. Such expenses can only be reimbursed upon presentation of receipt.

5.1.6 BONUS

5.1.6.1 Work to Plan

5.1.6.1.1 The main objective of Work to Plan (WTP) bonus is to motivate employees use their full potential to perform the job they are hired for and get the targeted bonus amount designed to their respective department.

5.1.6.1.2 Except plant protection, Irrigation and harvesting group leaders, all employees of the company whose salary grade is below supervisors initial salary scale are eligible for WTP bonus.

5.1.6.1.3 Departments shall set the minimum performance expectation or target.

5.1.6.1.4 If incase tasks are over or under target, it is the responsibility of the HR departments to make sure that targets are revised timely and secure productivity.

5.1.6.1.5 All group leaders that are out of harvesting department get 1/3 of their departments WTP payment.

5.1.6.1.6 All supervisors get 1.5 of their departments WTP Payment excluding irrigation and propagation supervisors

5.1.6.1.7 Cooling workers get fixed 20 birr including group leaders and supervisors during high season (week 50 – 10 and week 25-34)

5.1.6.1.8 WTP payments rate is calculated accordingly

Department	WTP Rate
Elite	18 birr per day
Harvesting	11 birr per day 15 birr per day for red ash workers
Breeding	13 birr per day
Cooling	20 birr during high season and 13 birr for law season
QHSE	12 birr per day
Propagation	15 birr per day
Store	12 birr per day
Technic	13 birr per day
Canteen, Guest House, HR and others	11 birr per day

WTP Criteria		
Standards	Description	Deduction Days
AB	Absent	6
SL	Sick Leave	2
LWP	Leave With Out Pay	1
AL	Annual Leave	1
ML	Maternity Leave	1
FL	Funeral Leave	1
PL	Paternity Leave	1
HW	Holy Water	1
CC	Court Case	1
EF	Extra Free Day	1

5.1.6.2 Location Bonus

5.1.6.2.1 Location bonus is paid to employees/workers who reside at koka and Ejersa area.

5.1.6.2.2 The aim of this bonus is to encourage the local people for work and create a sense of belongingness and ownership to the organization.

5.1.6.2.3 Location Bonus payments are calculated accordingly

Location Bonus					
Destination	Weeks of the month				
	1 st Week	2 nd Week	3 rd Week	4 th week	Total Bonus
Koka	30	40	50	60	180
Ejersa	20	30	40	50	140

5.1.6.2.4 Based on the above table the location bonus of each destination is calculated on weekly basis. The amount starts from 30 birr for the first week and increase by 10 birr each week and stops on 60 for koka and 50 for those employees who are living at Ejersa.

5.1.6.2.5 The total location bonus payment for employees living at Koka is birr 180 and for those residing at Ejersa is birr 140.

5.1.6.2.6 If the employee has 1 sick leave or Absence in the first week or in the middle he/she will lose the weekly bonus and the bonus for the next week starts from 30 for koka and 20 for Ejersa.

5.1.6.2.7 If the employee has 3 days sick leave or Absence he/she will lose the entire location bonus set for the month.

5.1.6.2.8 If disciplinary letter issued to the employee he/she will lose the entire location bonus set for the month.

5.1.6.3 Speed Bonus

- 5.1.6.3.1 Speed bonus is a kind of bonus which is directly associated with the actual performance of employees. This type of bonus is applicable only for harvesting and maintenance departments.
- 5.1.6.3.2 In each of the departments there are certain tasks with specific target which employees are expected to achieve to get their daily bonus.
- 5.1.6.3.3 The targets are set depending on the two seasons Pelargonium and Poinsettia. For Pelargonium season for every extra bag harvested per hour, the employee shall get 1.25 and for poinsettia season 0.75 for every extra bag harvested per hour.
- 5.1.6.3.4 The minimum bag expected to be harvested in pelargonium season is 1 bag per hour and 1.5 bags per hour in Poinsettia season. 
- 5.1.6.3.5 Scanning ladies get the average speed bonus of their respective group.
- 5.1.6.3.6 Speed collectors get 25 birr per day during high season and 10 birr per day during low season.
- 5.1.6.3.7 Counting employees get 16 birr per day during high season and 10 birr per day during low season.
- 5.1.6.3.8 For all target groups, 1 absent day shall make them loses the weekly bonus and 1 sick leave shall make them lose two days bonus.
- 5.1.6.3.9 The bonus is calculated as
$$\frac{\text{Speed} - \text{Expected}}{\text{Expected}} \times 100$$
- 5.1.6.3.10 Team Leaders get speed bonus based on the percentage of what the employees perform beyond the minimum target set. The bonus is progressive and increases in line with the increase of percentage.
- 5.1.6.3.11 The bonus for maintenance workers is calculated based on the number of extra double gutter maintained per hour.

5.1.6.3.12 The target is revised every year based on the nature of the season.

5.1.6.3.13 For every extra double gutter maintained, the employee shall get birr 1.50 for Pelargonium and birr 1.00 for poinsettia season. The bonus is paid for the extra double gutter done very day.

5.1.6.3.14 Group leaders speed bonus in maintenance department is calculated the same way as group leaders in harvesting department.

5.1.6.3.15 The below table shows the relationship between bonus pay and employee performance (speed) in percentage.

Performance (Speed) based Bonus Pay						
0%	10%	20%	30%	40%	50%	60%
10	16	22	28	34	40	45

5.1.6.4 Milk Allowance

5.1.6.4.1 This bonus is paid only for irrigation and plant protection employees that have direct exposure to chemical.

5.1.6.4.2 The amount is determined based on the assumption that 2 liters of Milk per day that value 38 birr per day.

5.1.6.4.3 The rate of absence and number of sick leave also affect the amount of bonus the employee earns. For one absence the employee loose six day's bonus and for one sick leave he/she shall lose three days bonus.

5.1.6.4.4 For reminder the employee loses three days bonus and warning shall make the employee lose his/her five days bonus.

5.1.6.5 Season End Bonus

- 5.1.6.5.1 The company provides season end bonus twice a year on Ethiopian New Year and Ethiopian Easter based on specific criteria.
- 5.1.6.5.2 The evaluation period for Season end bonus is September to February for a bonus to be given on Ethiopian Easter and March to August for bonus to be given on Ethiopian New Year.
- 5.1.6.5.3 Employees under the category of SG1 to SG14 shall receive 100% of their salary as a bonus. Employees under the category of SG15 shall receive 80% of their Salary as a bonus.
- 5.1.6.5.4 For RV no criteria are required and they shall always receive 100% of their season end bonus.
- 5.1.6.5.5 If employees under the salary group SG1 -SG10 have more than 2 days absence or more than 10 days sick leave or receive 1 warning letter, they shall lose 2/3 of their salary and 1/3 of their salary (bonus) shall be secured.
- 5.1.6.5.6 If an employee under the salary group SG1 -SG10 receives more than 1 warning letter, they shall lose 100% of their salary (bonus).
- 5.1.6.5.7 For Salary group SG11 - SG14, 1/3 of the monthly salary shall only be secured for sick leaves which is 11 and above. If the employees under this category receive 1 warning letter or 1 absent day, it shall make them lose 100% of their bonus amount.
- 5.1.6.5.8 For salary group SG15, absence for 1 day or, sick leave more than 10 days, or one warning letter shall make them lose the entire season end bonus. The criteria for seasoned bonus is summarized in the below table.

Season End Bonus Eligibility Criteria						
Salary Group	Evaluation Period	Bonus	Absence	Sick leave	Reminder	Bonus
		% of Monthly Salary				
SG1 - SG10	September to February & March to August	100%	2	10	1	100%
SG11 - SG14		100%	0	10	0	100%
SG15		80%	0	10	0	80%

Conditions to secure 1/3 of the season end bonus					
Salary Group	Evaluation Period	Absence	Sick leave	Warning	Bonus
SG1 - SG10	September to February & March to August	3 & above	11 & Above	1	1/3
SG11 - SG14		0	11 & Above	0	1/3

5.1.7 MEDICAL BENEFITS

5.1.7.1 Non-occupational disease

- 5.1.7.1.1 The company has fully equipped clinic at head office for employee's medical examination and treatment. Hence, both permanent and seasonal employees are entitled to medical benefit within the company's clinic.
- 5.1.7.1.2 Medical cases that are beyond the capacity of the company's clinic shall be transferred to company approved clinic or hospital and the medical cost shall be covered by the company. This procedure is applicable for permanent employees whose salary grade is below SG11.
- 5.1.7.1.3 Seasonal employees are entitled to get medical treatment in the company clinic only and hence the company shall not cover any other medical costs brought from other clinics and hospitals.

- 5.1.7.1.4 Seasonal employees are not also entitled to bring sick leave from any hospital or clinic.
- 5.1.7.1.5 The company shall also provide Medical and Life Insurance for employees who are on SG 11 and above.
- 5.1.7.1.6 The annual medical insurance for employees under SG11 and above is birr 10,000.00 (ten thousand). The total cover is broken down as birr 1,500.00 (one thousand five hundred) for denture, birr 1,500.00 (one thousand five hundred) for eye glass and birr 7,000.00 (seven thousand) for standard. Medical costs that are out of this category shall not be covered either by the medical insurance or the company.
- 5.1.7.1.7 The company shall also provide Group yearly renewable term life insurance for 30 months' salary as sum assured.

5.1.7.2 OCCUPATIONAL DISEASE

- 5.1.7.2.1 Medical expense coverages, compensation payments for death, permanent and temporary disablement, and other related benefits shall be governed by the Workman's compensation insurance policy.
- 5.1.7.2.2 Work related illness is classified into Occupational Accident, which is Injury sustained by a worker in connection with the performance of his/her duty. Occupational Disease, which is any pathological condition that occurs as a result of the type of work performed or surroundings in which the worker is obliged to work. However, this does not include endemic or epidemic disease which is prevalent and contracted in the area where the work is done.
- 5.1.7.2.3 An employee needs to report occupational illness or accident to HR department and the company's clinic by the time it occurs.
- 5.1.7.2.4 The clinic's health officer/nurse shall give treatments to such patients in his/her capacity. If further treatment that is beyond the capacity of the company's nurse is needed, the patient shall be referred to the company-approved clinic/hospital.
- 5.1.7.2.5 Medicines shall be issued from the stock at the company's drug store. If medicines needed are not in stock then, the patient can buy them from outside

and he/she shall be refunded. However, such refunds shall only be done after checking in the company's stock, and with prior approval.

- 5.1.7.2.6 All medical costs including referrals shall be covered by the company.
- 5.1.7.2.7 The Company shall not be liable for any injury intentionally caused by the injured employee or if illness/injury is caused due to the disobedience of safety instructions or being in a state of intoxication. These actions include,
 - a) Accident caused by engaging oneself in fights, riot, strike etc.
 - b) Diseases caused by negligent use or avoidance of safety equipment such as eye glass, belts, masks, safety shoes, gloves etc.
 - c) Accidents caused by intoxicating oneself with alcohol and substances such as chat, drag, sleeping or antalgic drugs etc.
- 5.1.7.2.8 All travel expenses and accommodations shall also be covered by the company for the patients only.
- 5.1.7.2.9 Accommodations and transportation fees shall be covered as follows:
 - a) Lunch: following the per diem rate of the company
 - b) Travel costs shall be reimbursed when proper receipt is presented.
- 5.1.7.2.10 The company shall conduct medical and eye checkup for all workers who are exposed to chemicals and other risks due to the nature of the job. Such checkups shall be conducted every three month.
- 5.1.7.2.11 The company shall give copies of General medical checkups and cholinesterase test result that is conducted evert three months to the employees who are exposed to chemical and employee who have direct contact with chemicals respectively.
- 5.1.7.2.12 Employees transfer to other work area due to result of cholinesterase test shall be tested until the result becomes normal.
- 5.1.7.2.13 Payment during absence arising from sickness due to occupational illness shall be governed by the provisions of the workmen's compensation insurance entered, with the premium paid by the company.
- 5.1.7.2.14 In the events that the company decides not to have insurance, the company shall cover 100% of the medical cost of the employee.

- 5.1.7.2.15 Immediately an occupational accident occurs, employees directly affected by the accident, as well as those who are aware of it, are obliged to facilitate the reporting of the accident for insurance claim purpose, so that compensations for sick payments are forth coming at the earliest possible time.
- 5.1.7.2.16 If the illness is proven to be work related and permanent, the organization will pay benefits in accordance with the Labor Proclamation No. 377/2003.
- 5.1.7.2.17 The degree of work related disability will be decided by a competent medical board.
- 5.1.7.2.18 The amount of the disablement compensation to be paid by the employer shall be in accordance with Article 109 (3) (a) and (b) of the Labor Proclamation No. 377/2003.
- 5.1.7.2.19 In case of death, from work related illness payment will be made to the dependents as per Article 110 of the Labor Proclamation No. 377/2003.

5.1.8 SEVERANCE AND COMPENSATION PAYMENTS

Severance and compensation payment for termination of employment without notice shall be governed according to article 39, 40 and 41 of the labour proclamation 377/2003.

SECTION SIX

6. Performance Appraisal

Performance Evaluation is a formal process centred on an annual meeting of each employee and their immediate supervisor to discuss his/her work. The purpose of the meeting is to review the previous year's achievements and to set objectives for the following year. These should align individual employees' goals and objectives with organisational goals and objectives.

6.1 Core Principles of the Appraisal

- 6.1.1 The appraisal process aims to improve the effectiveness of the organisation by contributing to achieving a well-motivated and competent manpower.
- 6.1.2 Appraisal is an ongoing process with an annual formal meeting to review progress.
- 6.1.3 The appraisal discussion is a two way communication exercise to ensure that both the needs of the individual and of the organisation are being met, and will be met in the next year.
- 6.1.4 The appraisal discussion shall review the previous year's achievement, and shall set an agreed Personal Development Plan for the coming year for each employee.
- 6.1.5 The appraisal process shall be used to identify the individual's development needs and support the objectives of the Training and Development Program.
- 6.1.6 All employees shall receive appraisal training as an appraisee, and where appropriate as an appraiser.
- 6.1.7 The appraisal process shall provide managements with valuable data to assist succession planning.
- 6.1.8 The appraisal process shall be a fair and equitable process.

6.2 Performance Appraisal Implementation

- 6.2.1 The organization shall take performance appraisal of employees **twice a year** on April and September for all employees/workers and **the average result** shall be taken as the employees annual performance evaluation result.

- 6.2.2 Performance appraisal discussions shall be held over a designated one week period on semi-annual basis. It shall be arranged by the appraisee's line manager. Line managers are encouraged to provide the opportunity for an additional verbal quarterly appraisal review, or other informal reviews as necessary throughout the year.
- 6.2.3 The discussion shall be held in private. Information shared during the appraisal shall be shared only with line manager, HR Manager, performance Manager and salary and benefits administration head. The exception is training needs that shall be provided to the HR Development Department for action. Confidentiality of appraisal shall be respected.
- 6.2.4 Head of Departments shall be appraised by Assistant Managers and Department Managers, Supervisors shall be appraised by Head of Departments, Group Leaders shall be appraised by supervisors and workers at lower level shall be appraised by Group Leaders.
- 6.2.5 Positions not stated in article 6.2.4 of this agreement shall be appraised following the formal hierarchical structure of the organization.
- 6.2.6 Performance Manager shall facilitate the overall performance appraisal program. All appraisal documents shall be issued to both parties prior to the discussion, in order to allow time for both parties to reflect and prepare. These shall provide a framework and focus for the discussion. (**Annex X**)
- 6.2.7 Performance appraisal should be free from personal biasness, and hatred. It should be focused on the discharging of duties and task accomplishments as well as with company discipline.
- 6.2.8 Every department should have a well-organized record /achievement or errors/ of his/her subordinates that enable him/her to rationally evaluate.
- 6.2.9 Performance appraisal result shall be referred before the following measures are taken;
- a) Before permanent employment.
 - b) Before proposing for promotion or demotion.
 - c) Before transfer is made.

- d) Before taking performance related disciplinary measure.
- e) Before getting development training.
- f) Before the provision of annual salary step increment and bonus.

6.3 Performance Rating

Performance evaluation shall be scored out of 100% with the evaluation result as follows

6.3.1 Below 40% Poor

6.3.2 40% - 59% Satisfactory

6.3.3 60% - 79% Good

6.3.4 80% and above Very Good

6.4 Performance based salary increase

Performance evaluation result	Incremental steps	Size of employees
80% and above	Two	20%
60% - 79%	One	60 %
40% - 59 %	No step	15%
Below 40%	Warning letter	5%

6.5 Steps Increment Criteria

6.5.1 To be entitled for step increment employees shall not have more than 4 days absent.

6.5.2 Overall evaluation result should be at least 60%.

6.5.3 No unexpired disciplinary measures in the past one year.(An expiry period of six months for warning & 3 months for reminder)

6.5.4 Not more than 15 days sick leave.

6.5.5 The highest step increment by department is only two steps.

6.5.6 Overall evaluation result should be 60 % to 79% for one step increment and 80% and above for two steps increment.

- 6.5.7 The maximum number of employees who score above 80% in a department should not exceed 20%.
- 6.5.8 An employee who scores between 40% and 59% shall get no increment.
- 6.5.9 An employee who scores below 40% will be given warning letter so that he/she would improve his/her performance for the coming season.

6.6 TRAINING AND MONITORING

Senior Management is responsible for the appraisal process, and he/she shall ensure that appraisers and appraisees are adequately equipped and trained to undertake the performance appraisal.

SECTION SEVEN

7.1 EDUCATION AND TRAINING

7.1.1 GENERAL

The increasing pace of technological change and economic growth in the modern world daily create new challenges and opportunities for employees of an organization. Each of these challenges & opportunities brings with them heavy demands on the resources, especially the most essential resource, the workforce for it is the people of an organization who must solve today's problems, cope with tomorrow's concepts and anticipate the trends of the day after tomorrow. To do this an organization must be equipped with well-educated people with the skills & energies needed to meet these demands. But more is required, if the organization is to grow and develop. With the current "Problem" of globalization and its consequences, an organization and its workforce should be dynamic and be informed about the up to date techniques and technologies.

Human Resource Development (HRD) is defined as an organized and systematic learning experience conducted in a definite time period, to increase the possibility of improving job performance & growth.

Training and development activities are activities which are geared towards specific objectives. These objectives are important for Managers, Trainers and even for Trainees. Managers need the objectives, so that they know what kind of return they are receiving from their training investment. Trainers need the objectives to plan and conduct the learning environment, so that they may achieve the desired results. Trainees need the objectives, so that they know what exactly is expected of them.

Training by definition is basically a learning process which involves the changing of skills, knowledge, attitudes or social behaviour of its participants. Training is a process of exposing the trainee in a systematic way to a series of events, experiences of events and experiences of materials that in themselves comprise opportunities to learn. The behavioural, attitudinal, technical and other changes that are seen within the trainee are the outcomes of learning.

Training not only increases self-confidence and the morale of the trainee but also increases production, reduces initial errors, improves the quality of employee's work & also decreases work accidents and wastage. Training lessens the amount of supervision necessary, reduce turnover caused by unsatisfactory adjustment to jobs, correct mistaken judgments as a result of the employment interview process, and increases interest in the job because of a more thorough understanding of the work and its relation to that of other employees.

It is with all these things in mind that the Dümme Orange (Red Fox Ethiopia P.L.C's) training & development policy & the related procedure is prepared.

7.1.2 TRAINING AND DEVELOPMENT POLICY

It is the policy of Red Fox Ethiopia P.L.C to ensure that all positions in the Company are occupied by people that have relevant knowledge, skills and expertise to perform their work to a consistently high standard. Red Fox Ethiopia P.L.C has incorporated Training and Development Department and is fully responsible for the activities included in this manual. Red Fox Ethiopia P.L.C believes in & is expending more time, energy & finance annually for training and development activities and conducts continuous short term trainings to upgrade its employees to a standard level. It is the commitment of Red Fox Ethiopia P.L.C to train an employee at least once every two years in order to have a staff that can function competitively in this dynamic sector.

7.1.3 AIM

It is obvious that the role of training in a company is determined by the overall purpose of the Company. In our case, as Red Fox Ethiopia .P.L.C is a flower producing & export business firm, training & development should be geared towards product quality and Hygiene, not forgetting the value of supporting departments in the overall organizational goal achievement. With this target in mind, more attention should be given to Production department as they are more nearer to the production process & constitute more than 80% of the Company's workforce.

The aims therefore, could be stipulated as:

- 7.1.3.1 To help assure Red Fox Ethiopia P.L.C's strategic themes, with particular reference to the target Departments & Services,

- 7.1.3.2 To help bridge any performance gap of an employee or group of employ
- 7.1.3.3 To assist staff members (employees) in adjusting to technological and organizational changes in their respective fields,
- 7.1.3.4 To encourage all employees to achieve continuous improvements in their work, and
- 7.1.3.5 To encourage job satisfaction and improve opportunities for career advancement.

7.1.4 SCOPE

The policy applies to all CBA permanent full-time employees of Red Fox Ethiopia P.L.C. The policy applies to the concerned groups based on the criteria that the HRD and the selection committee for long range local and overseas trainings develop. Where appropriate and necessary, Red Fox Ethiopia P.L.C will encourage training to increase skill, knowledge and expertise of staff (employees) and better equip them to contribute more effectively to the accomplishment of Red Fox Ethiopia P.L.C's strategic aims.

7.1.5 PURPOSE OF TRAININGS IN RED FOX ETHIOPIA P.L.C

The main purpose of the trainings given by Red Fox Ethiopia P.L.C for its workers and employees is the annual plan which is proposed by and collected from Departments based on their needs and later on prepared in a compiled form by the HRD department. The respective departments who wish to upgrade their staff will prepare or establish their need from the mission, vision & strategic objective of Red Fox Ethiopia P.L.C. This need establishment is summarized based on the annual budget of Training and Development which is further allocated to Departments. From the annual training & development budget, the lion share will go to Production, as they are involved in the important baseline activity of Red Fox Ethiopia P.L.C. Keeping this notion in mind, trainings in Red Fox Ethiopia P.L.C could be initiated for or because of one of the following:

Training to Fill Performance Gap or for upgrading based on Departments' need

Among the most important reasons for conducting training in an organization (Red Fox Ethiopia P.L.C) are; to bridge the gap between the existing performance ability and desired

performance (i.e. the present and what is expected of an employee and it is also conducted to familiarize an employee to new technological & technical findings and when it is found necessary to upgrade the skill of the worker/employee for the higher position to maintain succession plan. The gap could be observed because of different reasons. When it is believed that the observed difference could be bridged, if training is given, then the training could be proposed and conducted in either of the ways indicated under article 1.5 of this training policy and procedure manual.

Please note that performance gap in this context does not directly relate with employees' performance report (efficiency) that is made and filled twice a year. This might make every one subjective; and it is believed that the efficiency report does not encompass only performance of the worker rather it includes other elements like timeliness, punctuality, honesty, trustworthiness, etc. which are more subjective.

Performance gap refers to the inability of the person to accomplish his/her assigned task in an efficient manner to the required standard. Such inefficiency can be observed by the immediate supervisor. For instance, the work to be done may not be to the required standard in terms of quality, its appearance may not look good; the number of output may not be to the required level, etc. other things remain normal. In this case the supervisor and the manager should discuss together with the worker how to solve such problems and when they believe that it can be minimized and improved through training, the request can be forwarded to HRD department after it is approved by the respective Department Manager.

When such gaps are observed in the existing performance ability of workers or whenever there is a technological change, the concerned Departments should take into account the problem of their subordinates and officially request the Human Resource Development Department for training earlier than the budget and plan preparation time. Unless it is substantially and badly needed due to exceptional circumstances, no training request is accepted after the yearly plan is made.

All Department Managers and other responsible staff will also contact employees with low performance, discuss with their supervisors and if it is believed that their performance could be improved by giving them training, it can arrange the training for the poor performers.

As part of an overall professional development program

As part of succession planning

To "pilot", or test, the operation of a new performance management system

To train about a specific topic

To create remarkable organizational culture

Each Department is required to notify its training need using the **“Training Need Notification Form” (Annex XI)** by taking into consideration the allocated training budget for the company. This form is prepared by the HRD department & is distributed at the start of each budget year to every Department. After collecting the necessary information from their subordinates, the form will be filled by the respective departments where they are supposed to make their own priority list, do some cost-benefit analysis and send their final plan to the HRD department. The HRD department will collect the forms & then the annual training plan of Red Fox Ethiopia P.L.C will be finalized and submitted to the General Manager for approval.

It will be the responsibility of each Department to follow what they have requested and the HRD department will coordinate the implementation of the plan. The HRD department will be responsible for the subsequent steps of the implemented trainings.

7.1.6 TYPES OF TRAININGS

The company basically provide two types of trainings **on the job** and **off the job**. These trainings are discussed as follows.

7.1.6.1 ON –THE JOB TRAINING

On the job training shall be given to existing employees, new recruits, to promoted or transferred employees, to introduce employees to newly acquired technologies or it shall be prepared if a specific training is needed to be held in parallel with a specific activity (job).

The respective Department Manager and Head of department to whom the new worker is assigned in the form of transfer, promotion, or newly recruited are responsible to provide on the job-training by colleagues or supervisors before entering the normal work. The report on the status of the training that shows the type of training given to the worker, the training time/date that took to train; and the name of the trainer should be sent to HRD department within fifteen days after the new worker is assigned to the position. All such activities are the responsibilities of the respective department Managers and head of department.

Red Fox Ethiopia P.L.C uses the following procedure to deal with on the job trainings.

- 7.1.6.2 The HR department shall acknowledge, in writing, the newly employed, transferred, and promoted employees to HRD department for follow up purpose.
- 7.1.6.3 HRD department will communicate the respective departments and follow up the situation to ensure whether the required training is given to the newly assigned employees and workers.
- 7.1.6.4 The Human Resource Development department will check the availability and readiness of the necessary inputs of the training & notify the requesting departments.
- 7.1.6.5 The training will be notified to the concerned groups with the easiest possible way by their respective departments.
- 7.1.6.6 The training will be conducted
 - The trainees will write a brief report about the training
 - The respective department will send the report of the training
 - The immediate supervisor of the trainee will handle the post training evaluation for a month and report to HRD department.

7.1.6.1 OFF-THE-JOB TRAINING

Off-The-Job training in the case of Red Fox Ethiopia P.L.C is a training program conducted in a training hall for different groups of employees, which is requested by different departments & implemented by the following procedure.

- 7.1.6.1.1 Every department shall prepare its request for in-house training by specifying the number of trainees, training time, training topic and trainer in the training request form.
- 7.1.6.1.2 The HRD department will arrange the necessary inputs for the training (by consulting the requesting department) and the schedule.
- 7.1.6.1.3 The HRD department will notify the trainees (which it receives from the requesting department) about the details of the training.
- 7.1.6.1.4 The training will be conducted as per the schedule
- 7.1.6.1.5 Trainees will produce a brief report about their training and submit to the HRD department.
- 7.1.6.1.6 The immediate supervisors of the trainees will evaluate the trainees.

7.1.6.2 LOCAL TRAINING

Local training, in the case of Red Fox Ethiopia P.L.C, is that which is conducted in the country, out of the company compound. These trainings are conducted by service providers (Such as Ethiopian Horticulture Association, Ethiopian Management Institute, Chamber of Commerce and others) or special schedules by others. Red Fox Ethiopia P.L.C follows the following procedure to implement such trainings.

- 7.1.6.2.1 Training request shall be presented by the respective departments to HRD department using training request format at the beginning of the budget year.
- 7.1.6.2.2 Department managers or responsible person from the department shall give a brief description of why they need the training and also shall indicate the gaps identified.

- 7.1.6.2.3 The HRD Department will check the schedule & contact the respective Departments to make their own prearrangements.
- 7.1.6.2.4 The HRD Department will notify the trainees using the easiest means.
- 7.1.6.2.5 Trainees shall fill pre training form before attending the proposed training
(Annex XII)
- 7.1.6.2.6 After attending the training trainees are required to produce and submit brief summary report about the training to HRD Department using the format given by the HRD department. They are also expected to train others in their department.
(Annex XIII)
- 7.1.6.2.7 Trainees are required to bring training modules (soft and hard copy) and certificate given from the institution for filing purpose.
- 7.1.6.2.8 Post training evaluation will be conducted by the immediate supervisors of the trainees using the Format given by the HRD Department.

7.1.6.1 OVERSEAS TRAINING

Overseas (abroad) training in Red Fox Ethiopia P.L.C is a training that is given out of the country. Overseas training in Red Fox Ethiopia P.L.C is given only when the training is not available in the country and/or Online Training & when it is deemed very important. Overseas training of Red Fox Ethiopia P.L.C will be planned and scheduled with the request of departments and go ahead of the General Manger. After the overseas training is approved by the General Manager, the HRD department shall discuss with the respective department of which the trainee is to be selected and in consultancy with the department will facilitate the training.

Overseas trainings may be conducted if it is planned in the training plan where it is primarily approved by the GM after it is submitted by the concerned Departments, or it can be done out of the plan whenever the chance is there.

7.1.7 OBLIGATION OF THE TRAINEE

A trainee who is participating in any training set by Red Fox Ethiopia P.L.C is expected to fulfil the following obligations:-

- 7.1.7.1 The trainee shall not be out or miss the training opportunity he/she is assigned to participate, unless he/she encounters a serious problem in the case of which the HRD department of Red Fox Ethiopia P.L.C and the trainer should be notified or informed as soon as possible.
- 7.1.7.2 The trainee should prepare & submit a summarized report about the training to the HRD department after coming back from the training for local trainings and within a week time for in-house and on the job trainings. The report should consist of: Date, time, topic of the training, sub-topics, methods, techniques and approaches of the training/the trainer, the way the trainer presented the topic and his/her interest to entertain questions, comments, his/her interaction with trainees, refreshments, energizers, lessons drawn from the training, level of satisfaction by the training, contribution to the job he/she is assigned, contribution to the Company, what is new in the training and what lacks from the training, etc. Furthermore:
- 7.1.7.3 Justification of such assistance is dependent on the six monthly report submitted to the Human Resource Development Manager on the satisfactory progress of the training attested by examinations result.
- 7.1.7.4 The attendance of any course of study shall always be outside regular working hours. Therefore the company shall not approve any application for education which is programed to be given during working hour.
- 7.1.7.5 Any correspondence course to be studied shall be reported in advance by the employee to the HRD department in writing.
- 7.1.7.6 The company shall not sponsor correspondence courses from foreign universities or colleges.
- 7.1.7.7 An employee is to be trained abroad with the company's special arrangement shall serve the company the duration of the training program and commitment service shall count stating from the end of the training program.

7.1.7.8 Employees selected to attend overseas training shall sign separate commitment agreement before attending the training program.

7.1.7.9 Total costs for overseas training include VISA, Medical Check-ups, training Fee, transportation expense, accommodation fee, etc.

7.1.7.10 If the trainee fails to complete or adhere to the obligation stated above, he/she is obliged to pay back the total cost to the Company. If partially adhered, he/she will pay back proportionately.

7.1.8 EVALUATION OF TRAININGS

Trainers for trainings given as per this manual are recruited according to the type, place and duration of the training given. Red Fox Ethiopia P.L.C uses its own employees for in house & on the job training trainers. Sometimes it can use professionals from different fields to support or fully care for the process. Concerning local training the HRD department of Red Fox Ethiopia P.L.C will contact institutions & organizations to take full care of the process.

Training & Development programs should be effectively monitored and evaluated to determine their relative success in terms of both objectives achieved and impact on the organizations' objective. Moreover, the evaluation process serves as a feedback whether the training method employed is a success or not and take appropriate action later.

7.1.8.1 One way is evaluation by immediate supervisors of the trainees. This evaluation is conducted for a period of one to two month time after the trainee resumes his/her regular job.

7.1.8.2 Another way is the examination which is given at the end of the training session by the trainer.

7.1.8.3 The HRD department could also have some discussion with the supervisors of the trainee about the changes seen on the trainee after the training.

7.1.8.4 The performance appraisal of the trainee could also be used to check whether the gap (which was the primary reason for the training) is bridged or not.

7.1.8.5 The need & composition of the subjects included in the training and the ability of the trainers is to be checked from the report the trainees are supposed to produce at the end of the training.

7.1.9 EVALUATION OF TRAINING INSTITUTIONS

Besides to the implementation of monitoring and evaluation of the training based on impact assessment, monitoring and evaluating of training institutions (individual trainer) for the success of the training is deemed necessary for the achievement of organizational objectives. This will help the company to optimize its benefit in terms of realizing cost efficiency and quality training.

Such evaluation can be done by setting criteria. The criteria may include training cost, distance where the training institution for local training is found, i.e. (the nearby institutions or venues for the training can be considered as better than others found far from the Company. Experiences and reputation of training institutions (which are well known, better organized by teaching and learning materials, equipped with experienced professional trainers, etc), reliability (institutions most likely following to and guided by their annual training program without/with minimum cancellation of the program) and the feedback obtained from trainees (about training aid materials, method and technique of the training, environment of the training including room comfort and refreshment, professional skill and the way the trainer presented the training, lessons drawn from the training by the trainee, etc.)

7.1.9.1 TRAINING COST

Training cost is the major area where the company is focusing. Its most interest is to get quality training service with relatively lesser service fee. It is often a wise approach to achieve company's objective with minimum cost. In such a manner, from those listed training institution, the one that offers the least training cost will obtain the maximum allocated point that is 25%, the next will follow by 20%, 15%, 10%, 5%, etc.

7.1.9.2 EXPERIENCES AND REPUTATION OF TRAINING INSTITUTIONS

A firm which is most well-known and that is equipped with better teaching and learning materials, and with experienced professional trainers, will get the maximum point, that is, 25%. The next experienced will acquire 20% followed by 15%, 10% and 5%. There is no bench mark used as a reference. It is compared with other competitors by its own document and publicity.

7.1.9.3 RELIABILITY

Institutions most likely following to and guided by their annual training program without cancellation of any training program will be allocated with 20%, others with 1-3 program cancellation will get 10% and some with 4-6 training program cancellation will get 5%.

7.1.9.4 FEED BACK

If the feedback obtained from trainees (about training aid materials, method and technique of the training is very high and satisfied with it, the point allocated to this will be 15%, if it is at satisfactory level it will be awarded with 10% and if it is poor, it shall get only 5%. 'Apart from this, regardless of the evaluation, new but energetic institutions which are well equipped with professionals, training aid materials and training room facility as well as newly established government training institutions and others shall be considered by Red Fox Ethiopia P.L.C as a test for one preceding year and will come to evaluation in the following year.

7.1.10 APPRENTICESHIP TRAINING & PRACTICAL ATTACHMENT PROGRAMS

7.1.10.1 APPRENTICESHIP TRAINING

Red Fox Ethiopia P.L.C is participating in the accomplishment of the national capacity building policy by accepting & enrolling apprenticeship students.

Apprenticeship training is on the job training which is given for students from Universities, Colleges and TVET institutions. The main aim of this training is to let the students have some environmental & practical experience as to what they are going to do & face when they complete their education. Red Fox Ethiopia P.L.C believes in and do participate in this activity as one of its duties in the line of national service & helping reach the strategic goals set by the Federal Government concerning education.

Red Fox Ethiopia P.L.C will continue to accept and enrol some of these students every year so that they could come out to be employees with good manners, better experience and have some exposure to the working environment. Red Fox Ethiopia P.L.C follows the following procedure for apprenticeship training.

7.1.10.2 PLAN

7.1.10.2.1 Departments should quarterly plan for the specific number and qualification of apprentice required in their departments. The number and qualification should be defined based on the job that the company intended to perform using those apprenticeship students and the space that the company have.

7.1.10.2.2 Departments also should properly plan to utilize those apprenticeship students for the company work and attach them with experts.

7.1.10.3 ACCEPTANCE PROCEDURE

7.1.10.3.1 The request paper from institutions will be collected by the HRD department.

7.1.10.3.2 The HRD department will check the availability of place & possibility of accepting the students by referring to plans and contacting departments.

7.1.10.3.3 If the response from departments is negative that will be communicated to the requesting institution.

7.1.10.3.4 If the response is positive the student will be told to come on a specified date to HRD Department.

7.1.10.3.5 A brief orientation will be given by HRD department about the rules & regulations they are supposed to follow while they are in Red Fox Ethiopia P.L.C.

7.1.10.3.6 Upon agreement they will be assigned to the different departments as per their field of education.

7.1.10.3.7 Attendance sheet prepared by HR department together with the evaluation form submitted by the student will be sent to the assigned Supervisor.

7.1.10.4 EXPECTED WORK DISCIPLINE

7.1.10.4.1 Students who are on apprenticeship are expected to obey all the work rules and regulations of the company set specifically for apprenticeship students from the first day they joined the company.

7.1.10.4.2 HR department should prepare & give an induction program to any individual who joined the company for apprenticeship.

- 7.1.10.4.3 HRD department shall make sure that daily attendances have been taken by the concerned departments, discusses on the personal and work discipline of the apprenticeship student and take record of it.
- 7.1.10.4.4 When needed an apprenticeship student is expected to do a shift work.
- 7.1.10.4.5 Absenteeism of any apprenticeship student shall result in discipline measure. For first day absence reminder, 2 days absence will result in last warning letter and reminding the University for final Decision and the Absence of 3 days or above from apparent work shall result cease of the apprenticeship program.
- 7.1.10.4.6 If an apprenticeship student is ceased because of any disciplinary action, then Human Resource Development department is required to report the case to the university immediately.
- 7.1.10.4.7 Absence of not using any safety and hygiene measures on the job shall result in a discipline measure up to dismissal the same way as the employees of the company.

7.1.10.5 AT THE END OF THE APPRENTICESHIP

- 7.1.10.5.1 When the date of the contract is due, HRD department shall immediately communicate with the concerned department.
- 7.1.10.5.2 The concerned department, where the apprenticeship student is working, shall score the performance of the student according to the criteria sent by the University.
- 7.1.10.5.3 Human Resource Development department can challenge the result given by the concerned department referring to the regular follow up feedback.
- 7.1.10.5.4 After a common agreement, if the students complete the minimum requirement, their evaluation result paper, which they have brought from their institution, will be filled and sent back to their institutions.
- 7.1.10.5.5 A recognition certificate shall be granted to an outstanding student based on his/her performance and work ethics.
- 7.1.10.5.6 Depending on the performance evaluation result, commitment & discipline that the apprenticeship student showed during his/her stay in the company; the department manager can recommend him/her to be employed in the company

when only there is a vacant post to be filled. The recommendation will be seen and approved by the General Manager

7.1.10.6 BENEFITS TO THE APPRENTICESHIP STUDENT

Any Student that joined the company as an apprenticeship student can have the following benefits:

- Free lunch benefit.
- Transport service with company employees.

7.1.10.7 SPECIAL ATTACHMENT (INDUCTION) TRAININGS

These are programs to be conducted when need arises to cover a vacant position or a potential vacant position by a new recruit/s or graduate/s. Induction training is given for new employees (both permanent and seasonal employees) to familiarize them with the overall organizational culture and working procedure. The employees will be given information regarding the company's background, products of the organization, organizational structure, code of conduct, different benefit packages and related to their work. Induction training shall be given by HR department and the respective departments of the organization.

7.2 FORMAL EDUCATION OF EMPLOYEES

To utilize opportunities and learn & benefit from the challenges, an organization must be equipped with well-educated people with the skills & energies needed to meet these demands. But more is required, if the organization is to grow and develop. With the current "competition" of any business and its consequences, an organization and its workforce should be dynamic and be informed about the up to date techniques and technologies. In this regard Human Resource Development becomes a key to any organization.

Educating and development employees should be geared towards specific objectives. These objectives are important for managers and even for trainees.

Managers need the objectives, so that they know what kind of return they are receiving from their training investment. Trainees need the objectives, so that they know what exactly

is expected from them. The behavioural, attitudinal, technical and other changes that are seen within the trainee are the outcomes of learning.

Educating employees not only increases morale and self-confidence of the trainee but also:

- Increases production
- Reduces initial errors
- Improves the quality of employee's work
- Decreases work accidents and wastage
- Reduce the amount of supervision necessary
- Reduce turnover caused by unsatisfactory adjustment to jobs
- Correct mistaken judgments as a result of the employment interview process and
- Increases interest in the job because of a more understanding of the work and its relation to that of other employees.

With all these advantages Red Fox Ethiopia P.L.C has prepared this educational training policy.

7.2.1 FRAME WORK

To perform our work to a consistently high standard all positions in the company should be occupied by people that have relevant knowledge, skills and expertise. And this should be the responsibility of Red Fox Ethiopia P.L.C to ensure that.

As a result, Red Fox Ethiopia P.L.C is working to retain the existing staff and injects semi-skilled professionals to be trained on the job. The existing staff and newly injected semi-skilled professionals should be educated to reach to the level that they can contribute more to the company.

In this regard Red Fox Ethiopia P.L.C gives educational training opportunity **for high school (8 -10/12 grade), Diploma (TEVT) and BA/BSC degree in Extension program or in Distance education only.** However, **the company will not provide Master's degree program** for CBA staff. Out of the total educational beneficiaries **75 % has to be from production**

department. Educational opportunity shall be given to those employees who qualify for the following criteria's:

- 7.2.1.1 Those who served the company at least for two years
- 7.2.1.2 The field of study except for high school applicants shall directly be related to their Job that is the type of educational program should directly assist the current job of the employee.
- 7.2.1.3 Education shall be conducted only outside working hour and without affecting company's Production.
- 7.2.1.4 The employee shall not have equivalent educational award.
- 7.2.1.5 The employee shall get a minimum of 80% performance evaluation results in two consecutive fiscal Years.
- 7.2.1.6 Has no any disciplinary record with in a year.
- 7.2.1.7 Has not more than 10 day's sick leave within a year excluding work related (occupational) injuries.
- 7.2.1.8 An employee who can bring recommendation letter from his/her department manager regarding work ethics and discipline.
- 7.2.1.9 Who agrees to sign a separate education commitment agreement with the company **(Annex XIV)** and is willing to serve the company the time that the employee spent in that specific educational training (the duration of the study program). Commitment service shall be counted right after the award (completion of the study program)
- 7.2.1.10 Who agrees that the company refunds only to the passed exam payments.
- 7.2.1.11 Who agrees that he/she cannot discontinue the program.
- 7.2.1.12 In addition to the above criteria's, priority shall be given to those employees who want to continue their education in governmental colleges and Universities than Private Universities.
- 7.2.1.13 Those applicants who do not fulfil the above criteria will automatically be cancelled from taking part in the selection process and their application letter will be rejected.

At the end of every budget year, advertisement will be posted to all employees to register

for this educational opportunity. And those who registered will be analysed by Human Resource Development department in consultation with the HR department and the concerned department Manager.

7.2.2. SCOPE

This policy applies to all permanent (Indefinite) CBA employees of Red Fox Ethiopia P.L.C. and it will be applied as per the criteria stated above.

7.2.3. Number of Sponsored Employees

7.2.3.1 Every year a maximum of 20 employees will be given to attend 8 - 10/12 grades in public or governmental school.

7.2.3.2 The organization shall give the opportunity for 10 employees **on a round basis** to attend their Diploma/TVET program. Other employees will get the chance after the first round employees are graduated.

7.2.3.3 The organization shall give the opportunity for 5 employees **on a round basis** to attend their Degree program. Other employees will get the chance after the first round employees are graduated.

7.2.4 SELECTION COMMITTEE

7.2.4.1 Applicants for education sponsorship shall be selected through the **Education Selection Committee** composed **of HRD manager, HR/Performance Manager and the respective department manager.**

7.2.4.2 The committee is chaired by the **HRD manager.**

7.2.4.3 The committee members shall screen and select the right applicants for the education sponsorship and send the report to the General Manager for final approval based on the quota given to each department.

7.2.4.4 **Committee members also hear grievances concerning the education sponsorship** if there is any and give reply timely.

7.2.4.5 Committee members have the authority even to stop the educating sponsorship of employees if they fail to take their responsibility as stated in the HR manual and chance will be shifted to others.

7.2.5 SELECTION CRITERIA

7.2.5.1 The selection committee will screen applicants based on the criteria stated in the below table.

Selection Criteria		
No	Criteria	Weight
1	Field Relevance to the Position	20
2	Performance Appraisal	20
3	Service Year	20
4	Working Hour (Distance, Extension)	15
5	Absence(10)	10
6	Sick Leave (10)	10
7	Department Recommendation	5
Total Score		100

7.2.5.2 For each criterion the highest weight shall be given for the applicant who fulfils the criteria to the most and the rest of the applicants will be given the ratio of the highest result.

7.2.6 FINANCIAL SUPPORT

7.2.6.1 Employees, who get the chance to conduct 8 - 10 /12 grades in public or governmental school, shall get full sponsorship.

7.2.6.2 Those employees selected attending Diploma/TVET and Degree program shall get full sponsorship from the company as far as there is document showing exam pass and fulfil criteria's stated above.

7.2.6.3 In all the three types of sponsorship (8 - 10 /12 grades, Diploma/ TVET and Degree) the company shall not cover by any means the payments for failed courses.

7.2.6.4 At the annual budget planning this educational training cost should be budgeted by HRD department and approved by the General Manager.

7.2.7 RECORD KEEPING OF EMPLOYEES EDUCATIONAL STANDARDS

The Human Resource Development department shall facilitate the filing of documents of employees. This shall be done whether the educational expenses are paid by the company or not.

SECTION EIGHT

8 DISCIPLINARY PROCEDURE

8.1 INTERODACTION

Discipline measures ensure adherence to generally accepted work rules. When rules are not adhered the organization must take appropriate action. The first element in the discipline system is the establishment of work and behaviour rules. The rules concern behaviour that is acceptable and be communicated to the employee. However, it must be taken in to consideration that the purpose or objective of taking disciplinary measure is to draw employee's attention to any shortcomings in the performance of their duties or misconducts. They are intended as a corrective measure and to provide guidance for further improved performance and behaviour.

A disciplinary action is confined to application of penalties that lead to an inhibition of undesired behaviour. Therefore, employees/workers are expected to conform to policies, regulations and orders. It is the policy of Dümmen Orange (Red Fox Ethiopia PLC) that the purpose of disciplinary action is to condition behaviour not to punish. This requires an establishment of rule and regulations that contribute to effective operation; rule and regulations that contribute to effective operation. Rule and regulation are established in such areas as attendance, safety, theft, insubordination, intoxication, fighting, dishonesty, excessive lateness, performance, hygiene rules, negligence at work, disobedience and other breaches of rules which are examples of problems for disciplinary actions may be warranted.

8.2 GENERAL DESCRIPTION

- 8.2.1 Dümmen Orange (Red Fox Ethiopia PLC) encourages a climate of mutual respect, openness, understanding, healthy work environment and discussion among supervisors and subordinates.
- 8.2.2 The absence of these may lead to grievances and subsequently to an undesirable working atmosphere. Even when continuous effort is made to establish an organizational culture where the above traits are prevalent, there may at times arise some circumstances whereby matters need to be handled procedurally. It is,

therefore, based on this premise that the following provisions are stipulated in this policy manual.

- 8.2.3 Disciplinary procedure in Dümme Orange (Red Fox Ethiopia PLC) aims at encouraging employees/workers to achieve and maintain high standards of behaviour and performance. It also aims at ensuring that disciplinary offenses are dealt with fairly and consistently.
- 8.2.4 All disciplinary measure requests from departments shall be submitted to HR Department and HR Department shall take measures after the necessary investigation is made. Overall, once disciplinary cases are reported to HR department, **measures shall be taken within a week (seven days) following the right disciplinary procedure.**
- 8.2.5 Any disciplinary measure without the prior consultation of the HR is not valid.
- 8.2.6 In any of the cases Departments shall be consulted about the disciplinary measures taken and nothing shall be decided without their knowledge.
- 8.2.7 The General Manager of the company shall approve final decisions for suspension and dismissal.
- 8.2.8 Any disciplinary measure including suspension or dismissal contrary to the provisions prescribed shall be null and void and shall in no case constitute good cause for dismissal unless otherwise modified by the laws of the land or the applicable Collective Agreement.
- 8.2.9 More than one disciplinary measure shall not be imposed for any offense committed at a time.
- 8.2.10 Any employee aggrieved by the disciplinary measure taken against him may lodge his grievance through the grievance procedure stated in section nine of this manual.
- 8.2.11 When it is established that there was no good cause for disciplinary measure, the measure taken against him shall be nullified and shall have no adverse effect whatsoever on the employee. The company will notify the employee concerned and the union in writing to their effect.
- 8.2.12 In all cases, the company shall copy to the union all last warning, suspension and dismissal letters. If the union is not satisfied with warning letters the cause will be

handled through the process of joint consultation as provided for by the grievance procedures as defined in section nine hereunder.

- 8.2.13 Any improvement in performance or lack of it after any warning letter or disciplinary measure shall be accordingly noted in the employee's appraisal of performance.

8.3 REQUIRED STANDARDS OF CONDUCT

- 8.3.1 Each employee is expected to acquaint himself / herself with performance criteria for his/her particular job and with all rules, procedures, and standards of conduct established by the company and the employee's department.
- 8.3.2 An employee who does not fulfil the responsibilities set out by such performance criteria, rules, procedures, and standards of conduct may be subject to adverse personnel action.

8.4 OBLIGATIONS OF STAFF MEMBERS

- 8.4.1 This section intends to broadly staff some major proper and prohibited conduct while working for Dümme Orange (Red Fox Ethiopia PLC). These will help staff members abstain from illegitimate acts, which may lead to disciplinary action. Obligations of staff members are:

- 8.4.1.1 To perform the work specified in the job description and work plan
- 8.4.1.2 To follow instructions given based on the terms of employment
- 8.4.1.3 To handle with due care all instruments and tools entrusted to them for work
- 8.4.1.4 To secure the Hygiene and safety rule of the company
- 8.4.1.5 To report for work always in fit mental and physical condition
- 8.4.1.6 To give all proper aid when an accident occurs or an imminent danger threatens life or property in their place work without endangering their own safety and health
- 8.4.1.7 To observe work rules and directives issued by Dümme Orange (Red Fox Ethiopia PLC)
- 8.4.1.8 Not to commit, in the place work, any act, which endangers life or property

- 8.4.1.9 Not to take away property of the organization from the work place without the authorization of the responsible person
- 8.4.1.10 Not to be repeatedly tardy for work
- 8.4.1.11 Not to be absent from work without permission and outside the rules of the company
- 8.4.1.12 Not to create or engage in fights or quarrels at the work place
- 8.4.1.13 Not to accept gifts or remuneration from a third party in recognition of work done in the line of duty, which may be found irregular and result in dishonesty
- 8.4.1.14 Not to use information known to them by reasons of their official position for private advantage
- 8.4.1.15 To keep organizational confidential information to themselves
- 8.4.1.16 No to engage in any form of sexual harassment or power abuse

8.5 DISCIPLINARY ACTION

8.5.1 POLICY

Disciplinary action is to be considered as primarily corrective; thus dismissal will normally be resorted to only after corrective or rehabilitative methods have failed, unless the offense in itself is sufficiently serious to warrant dismissal in accordance with the policies and procedures described in this section and section 6.

8.5.2 VERBAL COUNSELING

- 8.5.2.1 Verbal counselling occurs when a supervisor or other administrative official and an employee meet to discuss the employee's job performance, behaviour and action.
- 8.5.2.2 Verbal counselling sessions should be accomplished in confidential meetings. Verbal counselling should provide the supervisor an opportunity to discuss with the employee his or her job performance, behaviour or expectation.
- 8.5.2.3 Verbal counselling is not disciplinary in nature; therefore, the employee may not initiate grievance based upon a verbal counselling session. However all such sessions should be thoroughly documented by the supervisor and maintained in the employee's personal file.

- 8.5.2.4 Documentation of verbal counselling sessions can be used, as a basis for the next disciplinary action should a problem continue.

8.5.3 WRITTEN WARNING

- 8.5.3.1 Written warning is appropriate in which an employee has failed to respond to verbal counselling or has committed an offense or violation which is in itself, sufficiently serious to warrant more than verbal counselling but less than suspension without pay or dismissal.
- 8.5.3.2 Based on the gravity of the offense various written warnings may be imposed. These shall include: first written warning, second written warning third written warning and finally last written warning. However, depending on the severity of the offence an employee may receive 1st, 2nd, 3rd or last written warning at first instant.
- 8.5.3.3 Written warning should be presented in written document, one copy of which should be presented to the employee, one copy of which should be retained for department file, and one copy of the warning which should be forwarded to HR Department for placement in to the employee's personal file.
- 8.5.3.4 Whether employees agree with the disciplinary measure or performance appraisal result or not, they have an obligation to receive letters given by the company. Failure to receive any form of letter given by the company shall result in disciplinary action by itself. However, if employees do not agree on the appraisal result or disciplinary measure, they have every right to file a grievance in response to written warning following the grievance procedure.

8.5.4 SUSPENSION FROM WORK

An employee, who commits major offences that will result in last warning letter or instant termination intentionally or unintentionally, shall be suspended from work with immediate effects in order to avoid the perpetuation of the offence and further damage. Based on the result of the investigation the final decision shall be made.

8.5.4.1 Ground for Suspension

- 8.5.4.1.1 Where an employee is considered committed Major Offence and believed that his being on duty will be a trait for the wellbeing of the organization, he shall be suspended from work by its department and HR. However, decision on suspension shall be consulted to company lawyer and get approval from the GM beforehand.
- 8.5.4.1.2 Where an employee is considered committed Major Offence and if the employee on his presence is suspected to hide relevant documents related to the offence.
- 8.5.4.1.3 Where an employee is considered committed Major Offence and due to the seriousness of the offence, the employee is no more trusted to do the job.
- 8.5.4.1.4 If the presence of the employee creates a negative work environment and sense of insecurity to the rest of the staff.
- 8.5.4.1.5 Where the offence itself requires the suspension of an employee from work.

8.5.4.2 Suspension Procedure

- 8.5.4.2.1 A written suspension letter shall be issued to the employee stating the reason for suspension and duration.
- 8.5.4.2.2 If it is impossible to give the letter to the employee, the suspension letter shall be posted on the HR board within the company.
- 8.5.4.2.3 Where the case is found to take further investigation, the HR department shall create a temporary investigation committee not exceeding 4 individuals consisting of the HR Manager, the department manager and two other individuals that have the appropriate knowledge related to the offence.
- 8.5.4.2.4 Any decision made by the company shall be effective from the date of suspension.

8.5.4.3 Duration for Suspension

- 8.5.4.3.1 The employee shall be suspended for a maximum of one month.

8.5.4.3.2 Where the company cannot decide because of a serious problem to finalize the investigation within the given one month period of time, it shall be postponed for an additional one month.

8.5.4.3.3 The employee under consideration is expected to fully cooperate for any information & explanation that is needed to investigate the case and final decision shall be made with the information at hand.

8.5.4.4 Salary Pay during Suspension

8.5.4.4.1 The salary of the employee who is suspended should be withheld.

8.5.4.4.2 Where the results of the investigation made on the employee tells that the employee is free of the said misdeed, the salary withheld during suspension period shall immediately be effected to him/her without any interest.

8.5.4.4.3 If the employee is found guilty and the decision made by the investigation committee results in termination of contract of employment with the employee (dismissal), the salary withheld during suspension shall not be returned to him/her and the dismissal shall be effected right from the day suspension took place.

8.5.5 DISMISSAL

8.5.5.1 A dismissal is appropriate in instances in which an employee has committed a single grave offense (Termination) or from an accumulation of minor deficiencies and /or offenses (Summary Dismissal).

8.5.5.2 All such deficiencies and /or offenses should be thoroughly documented and investigated. An employee shall be notified of a dismissal in writing.

8.5.5.3 No supervisor or HR should dismiss an employee prior to conforming to the required procedural steps described in this volume.

8.5.5.4 The letter confirming dismissal shall contain the following information:

- a) The reason for dismissal and any administrative matter arising from the termination of their employment.
- b) The employees right of appeal and to whom they should make that appeal

8.5.5.5 Any disciplinary measure including suspension or dismissal contrary to the provisions prescribed shall be null and void and shall in no case constitute good cause for dismissal unless otherwise modified by the laws of the land or the applicable Collective Agreement.

8.5.6 **OFFENSES**

For the purpose of taking disciplinary measures accurately, offenses that leads to different kinds of disciplinary measures are summarized and presented on **(Annex XV)**

SECTION NINE

9 GRIEVANCE PROCEDURE

- a) The grievance procedure is intended as the tool by which a member of staff may formally have a grievance, regarding any condition of their employment, heard by the management of the company.
- b) In the event of a member of staff wishing to raise a grievance, it is preferable for the grievance to be satisfactorily resolved as close to the individual and their line manager as possible. It is understood however that this is not always possible and that a formal procedure is required to ensure the swift and fair resolution of matters which aggrieve the company's employees.
- c) Time scales have been fixed to ensure that grievances are dealt quickly, however these may be extended if it is agreed upon by both parties.
- d) This procedure is not intended to deal with dismissal or disciplinary and disputes, which are of a collective nature.

9.1 Stage 1

- 9.1.1 An employee, who has a grievance, should raise the matter to his immediate supervisor immediately in writing. If the matter itself concerns the employee's immediate supervisor, then the grievance should be taken to the next person in charge following the hierarchy.
- 9.1.2 If the immediate supervisor is unable to resolve the matter at that time then a formal written grievance form should be submitted (**Annex XVI**). The Head of the department (the next legible person following the formal Hierarchy) shall then respond within **2 working days** (i.e. the company's normal working days) to the grievance unless an extended period of time is agreed upon by both parties. The response shall give a full written explanation of the managers decision and who to appeal to if still aggrieved.

9.2 Stage 2

- 9.2.1 In most instances the company would expect the decision in stage 1 to be final and for the matter to come to a close. However, in some circumstances the employee may remain aggrieved and can appeal against the decision of the manager concerned.
- 9.2.2 The appeal then must be presented to the Department Manager within ten working days of the original response to the employees' grievance. The appeal must be in writing (**Annex XVII**) and contain the original formal grievance form. The Department Manager shall attempt to resolve the grievance. A formal response and full explanation shall be given in writing, as will the name of the person to whom they can appeal if still aggrieved, **within 7 days**.
- 9.2.3 If the case is not solved with in the department and the employee still remains aggrieved, then the grievance should immediately progress to stage 3.

9.3 Stage 3

- 9.3.1 If the employee remains aggrieved, then the employee shall present his/her grievance to the Human Resource Department Manager. This appeal must be made in writing (**Annex XVIII**), enclosing a copy of the original formal grievance form, to the manager within ten working days of receipt of the Stage 2 response. The HR Manager shall arrange and hear the appeal with performance manager and another management representative and respond formally with a full explanation **within 7 working days**.
- 9.3.2 Where the outcome of the discussion is negative and no consensus is reached, the then the grievance should immediately progress to stage 4.

9.4 Stage 4

- 9.4.1 If the employee still remains aggrieved, the issue shall be presented to the General Manager of the company with all the documents attached to it.

9.4.2 The General Manager of the company shall present his final decision to the matter **within 7 days.**

9.4.3 If the employee still remains aggrieved with the decisions made by the company, then he/she can be judged by the law of the land.