DÜMMEN ORANGE™

FIDES KENYA LTD

THE HUMAN RESOURCE POLICY & PROCEDURES MANUAL

NOVEMBER 2016

SUBJECT:	DEVELOPMENT OF A NEW HUMAN RESOURCE POLICY AND PROCEDURES MANUAL
ISSUE NO:	01
DATE:	05/11/2016
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DATE COMMISSIONED:	

ACRONYMS

BOD	BOARD OF DIRECTORS
CBA	COLLECTIVE BARGAINING AGREEMENT
DSA	DAILY SUBSISTENCE ALLOWANCE
EOC	EQUAL OPPORTUNITY COMMITTEE
FA	FINANCE AND ADMINISTRATION
FC	FINANCIAL CONTROLLER
HELB	HIGHER EDUCATION LOAN BOARD
HoD	HEAD OF DEPARTMENT
HR	HUMAN RESOURCE/S
HRM	HUMAN RESOURCE MANAGEMENT/MANAGER
HRP	HUMAN RESOURCE PLAN
HRPM	HUMAN RESOURCE POLICY AND PROCEDURES MANUAL
MD	MANAGING DIRECTOR
NHIF	NATIONAL HOSPITAL INSURANCE FUND
NSSF	NATIONAL SOCIAL SECURITY FUND
PAYE	PAY AS YOU EARN
PM	PERFORMANCE MANAGEMENT
PMS	PERFORMANCE MANAGEMENT SYSTEM
SACCO	SAVINGS & CREDIT COORPERATIVE
SMT	SENIOR MANAGEMENT TEAM
RBA	RETIREMENT BENEFITS ACT
WIBA	WORK INJURY BENEFITS ACT

GENERAL OPERATIONAL DEFINITIONS

Consultants are professionals engaged to undertake specific assignments on behalf of Fides Kenya Ltd.

Contract of Service means any agreement whether oral or in writing, expressed or implied, to employ or to serve as an employee in return for remuneration, or a contract of apprenticeship and indentured learnership. It shall be constituted by a Letter of Appointment from Fides Kenya Ltd to be followed by a detailed Employment Contract signed by both the employee and Fides Kenya Ltd authorised person.

Contractual Period is the period specified in the employment contract and/or the appointment letter.

Dependent Children are biological off-springs or legally adopted children, who are 18 years and below, and are wholly dependent on the employee. Exceptions to this age restriction may be provided for dependents with intellectual or psychosocial disabilities.

For purposes of personnel records, all dependent children must be declared at the time of appointment or at the time of birth or adoption if it occurs during employment with Fides Kenya Ltd. Copies of birth certificates or legal adoption papers of dependants shall be required in either case.

Duty Station shall be the normal base of the employee's working station as contained in the employee's employment contract.

Effective date of Appointment shall be the date a new employee reports for duty at the station and site of placement, or the date stated in the appointment letter and/or employment contract. Where the two dates differ, the reporting date at the duty station shall be the recognised date.

Employee refers to a person employed to earn wages or a salary.

Intern refers to a student or recent graduate undergoing supervised practical training.

Employer means any person, public body, firm, corporation or company, who or which has entered into a contract of service to employ any individual, and includes the agent, foreman, manager or factor of such a person, public body, firm, corporation or company; in this case, Fides Kenya Ltd.

Employer’s Organisation means any number of employers associated together for the purpose, whether by itself or with other purposes of regulating relations between employers and their employees or the trade unions representing those employees.

Employment Matter means a matter concerning any terms or conditions of or affecting employees.

Trade Union means an association of employees whose principal purpose is to regulate relations between employees and employers, including any employer’s organisation.

Trade Dispute means a dispute or difference, or an apprehended dispute or difference, between employers and employees, between employers and trade unions, or between an employers’ organisation and employees or trade unions, concerning any employment matter, and includes disputes regarding the dismissal, suspension or redundancy of employees, allocation of work or the recognition of a trade union.

Federation means a federation of trade unions or a federation of employers.

Expatriate staffs are individuals who are not nationals of the country in which their duty station is located.

Immediate family shall consist of the employee's spouse, biological & legally adopted children and biological parents.

Legal dependants shall be one's spouse proved by a marriage certificate or any other official document as recognised by the law in the country and biological or legally adopted children.

National staff are employees who are nationals or permanent residents of the country in which their duty station is located.

Company refers to Fides Kenya Ltd.

DSA (Daily Subsistence Allowance) shall be an allowance an employee is entitled to when performing duties outside his/her normal duty station.

Personal Records contain personal details on all employees of Fides Kenya Ltd.

Salary herein means gross basic pay as stated in the contract of employment.

Spouse is the legally recognised partner of the staff member as defined by the laws of the country of operation (Kenya). For purposes of personnel records, the spouse must be declared at the time of appointment or at the time of marriage if it occurs during employment with Fides Kenya Ltd. Proof of marriage shall be required.

INTRODUCTION AND BACKGROUND

INTRODUCTION

Fides Kenya takes pride in its tradition of business acumen, leadership and innovation. The HR policies share this progressive character, providing foundation for a mutually supportive environment distinguished by equal opportunity and sound business practices.

Fides Kenya Human Resources Policy and Procedures Manual (HRPM) shall be a central reference to all Fides Kenya Ltd employee relations. Each policy is a guideline to be used with discretion, understanding, and management in the spirit in which the policy is written. The contents are available to all employees upon request made to the Human Resource Office.

The policies included or referenced in this manual apply to all Fides Kenya Ltd employees unless specifically stated otherwise in each policy.

The policies are taken as guidelines only, and they may be modified, supplemented, or revoked at any time at the company's discretion. In particular, these policies do not constitute a contract (nor should they be construed as a contract) guaranteeing employment for any specified duration, except as set forth in writing in collective bargaining agreements, individual employment contracts, or other Fides Kenya Ltd policies.

No supervisor, manager, or representative of Fides Kenya Ltd has the authority to make any promises, commitments, or changes that conflict with the policies in this manual unless approved in writing by the Managing Director.

The policies in this manual supersede any handbook or policy statements, whether written or oral, issued prior to approval of this Manual. The company will provide as much notice as possible of any changes in these policies. This manual as well as any revision that shall be made in any section of the manual, as well as policy updates, shall be kept in the Human Resource Office, a copy of which shall always be availed to staff upon request.

This manual is a property of Fides Kenya Ltd and shall be treated as such. Employees with questions about any of these policies shall contact their line manager/ supervisor or the Human Resources Office directly.

Purpose of the Human Resource Policy and Procedure Manual (HRPM)

The purpose of this Manual is to provide a comprehensive description and documentation of Fides Kenya Ltd's Human Resource general rules, policies and operating procedures that guide Fides Kenya Ltd's recruitment, retention and phasing out of its employees.

Application of the Human Resource Policy and Procedures Manual

The policies and procedures set out in this HRPM shall be applicable to all employees of Fides Kenya Ltd, regardless of job title or grade. Where these policies conflict with the labour laws of the country of operation, the latter shall apply. Every employee shall be issued with a copy of the employee handbook, which is an extract from this HRPM, to read and understand and thereafter, sign an acceptance form if in consent; a copy of which shall be kept on his/her personal file. For details, see **Declaration of Acceptance Form: Appendix 1**

Amendment of the Human Resource Policy Manual

It is necessary to change these policies from time to time to reflect changes in the general business environment, internal Company changes including the needs of the staff, employment trends, economic conditions and state legislation. It is the prerogative of Fides Kenya Ltd management to formulate, change or amend any policies, terms and conditions contained in this Manual at any time in writing without prejudice to the rights of the employees. Any changes in this Human Resource Policy Manual 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 mission and goals;
- Communicating the company's standards and expectations;
- Valuing diversity;
- Assuring equal employment opportunity and a workplace where relationships are based on mutual respect;
- Treating all staff, and all Fides Kenya Ltd clients in a professional, non-discriminatory manner;
- Providing safe, effective working conditions and accommodation, and;
- Providing competitive salaries and benefits.

Distribution of the Manual

The Human Resource Office has the responsibility of ensuring that this manual is distributed to the following:

- The Board of Directors
- The Managing Director
- The Senior Management Team
- The Heads of Departments/ Units and supervisors
- Other consultants and persons authorised to use this Manual

Its distribution outside Fides Kenya Ltd shall be at the discretion and approval of the Managing Director. The persons, to whom the manual is distributed to, shall be responsible for its proper maintenance and safe custody.

BACKGROUND

Dümmen Orange, to which Fides Kenya is part of, is a leading company in the breeding and development of cut flowers, pot plants, bedding plants, bulbs, succulents and perennials. In addition to a large marketing and sales network, Dümmen Orange has a strong network of production sites. The key to Dümmen Orange's success is a broad and deep product range, supported by a global supply chain. The company embraces its social responsibilities and invests in the health, safety and personal development of its staff.

Fides Kenya Limited is situated 29 km south-east of Embu town and 169 km north-east of Nairobi, approximately 50 km south of Mount Kenya. The company started its business in Kenya in 1983 when Yoder Kenya Ltd was started by Yoder Brothers Incorporated of U.S.A. to supply chrysanthemum cuttings to the growing demand in the international market in Europe. In 1995, the company diversified to production of geranium cuttings and in 2008 an additional crop pot asters was introduced. In 2014 Poinsettia, Kalanchoe and Osteospermum production was also added

In December 1996, Yoder Kenya Limited was acquired by Kirin Brewery Limited of Japan and the name was changed to Kirin Agribio Kenya Limited. In August 2006 the name was changed to Fides Kenya Limited. In March 2010, the company was acquired by H2 of Holland under the Agribio group but the name was retained. In 2013 the Agribio group merged with Dummen group to Form DNA Green Group.

At present Fides Kenya Limited leases 400 acres from a local group of land owners where the chrysanthemums, geranium and asters cuttings are grown using very intensive cultivation and irrigation in greenhouses. All the cuttings are exported to international markets.

Vision: To Beautify Nature, Enrich lives.

Mission: With deep-rooted commitment to our people, our values and our unsurpassed passion for excellence, Dummen Orange is uniting the world through the language of flowers.

Goal: To be a reliable supplier of cuttings.

Values: Company values are the fundamentals of a company's culture and they aim at unifying employees and specifying desired behaviour from all employees. Fides Kenya's has five brand values:

Passionate Purpose: people, planet, profit: Passion lives in every moment and every detail of our work, uniting our mission, our people, and our planet in a vibrant cycle that's both sustaining and sustainable.

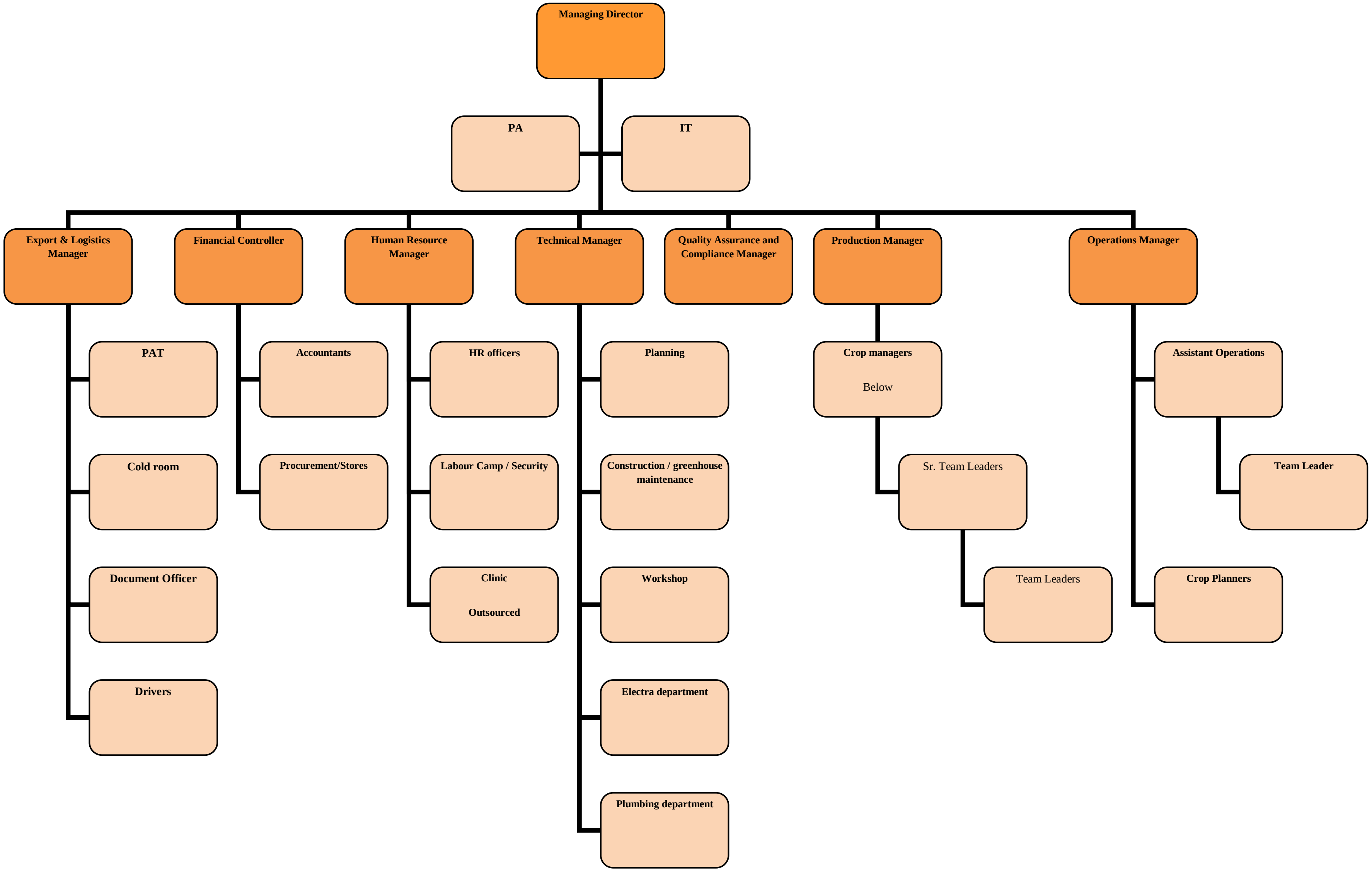
Inspiring Confidence: leaning on rich history and experience: Trust—earned by doing business honestly, transparently, accountably and reliably—inspires confidence in our relationships and pride in our legacy.

Boundless Solutions: out of the box: Serving the individual needs of our customers with sincerity and ingenuity fuels boundless floriculture solutions and business opportunities that continually advance mutual success.

Evolving Excellence: every day a little better: from products that outperform to leadership that outshines, continually evolving our standards of excellence feeds dynamic growth and deep-rooted success.

Empowering Expression: we are in the emotion business: Flowers speak to the best of our human nature—beauty, joy, love, life, art— empowering us to connect, communicate and elevate every day.

COMPANY STRUCTURE



NATURE OF EMPLOYMENT

Employment with Fides Kenya Ltd is voluntarily entered into, and therefore employees are free to resign any time, by giving a notice as contained in the individual employment contracts. Similarly, Fides Kenya Ltd may terminate the employment relationship at any time, with or without notice, as long as there is no violation of applicable state Laws. It is emphasized that the company does NOT offer employment to people under the age of eighteen (18).

The provisions in this manual supersede all existing policies and practices and shall not be amended or added to, without the express approval of the MD.

EMPLOYEE RELATIONS

Fides Kenya Ltd believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice them openly and directly to their supervisors.

The official language that will be used within the company will be English. This is required as Fides Kenya Ltd is an international company. Therefore, all official documents including this policy manual will be written in English. However, its interpretation and explanation will be made to all staff in a language they understand.

1.0 CHAPTER ONE: EMPLOYEE STANDARDS OF CONDUCT

These standards, as defined by Fides Kenya Ltd, identify the basic requirements for a productive work environment. All employees share the responsibility for complying and promoting these standards throughout Fides Kenya community.

1.1 Equal Opportunity

Fides Kenya Ltd understand that the term “equal opportunities” upholds the idea that all workers within the company should be entitled to and have access to all of the company’s facilities at every stage of employment, including the pre-employment phase.

Policy

Fides Kenya Ltd is committed to the promotion of equality of opportunity within a diverse environment for all its employees. Therefore, No employee shall be discriminated against because of Age, Sex, Race, Disability, Pregnancy, Marital status, Sexual Orientation, Tribe, Religion, Colour, Language, Gender, Political Affiliation, National/ Social Origin, Mental Status and HIV/AIDS status.

All employees are expected to respect and act in accordance with this policy. Any form of violation of this policy, including bullying or harassment in the workplace is totally unacceptable and shall be subject to disciplinary action as per the set out disciplinary procedures contained in this manual.

Fides Kenya Ltd shall endeavour to avail opportunity for every individual to have:

- An equal chance to apply and be selected for posts;(pre-employment)
- An equal chance to be trained and promoted while employed with the company
- An equal chance to have their employment terminated equally and fairly

The MD has ultimate responsibility of ensuring effective implementation, monitoring and review of the company's Equal Opportunities Policy. This will be done with support of an Equal Opportunities Committee which shall comprise of the MD or his/her representative, the Human Resource Manager and a representative from each of the following categories of employees: General Workers, Supervisors, Managers, and Heads of Departments. Any incidents identified as unjustifiable or unlawful discrimination will lead to disciplinary action which may include termination of employment or instituting legal procedures on the staff.

Policy Procedures/ Guidelines

- The company will ensure that staff and guests/ clients are informed of the Equal Opportunities Policy and associated policies and procedures.

- An extract of the Policy, contained in the employee handbook shall be availed to all staff through their supervisors or the office of the human resources.

- This equal opportunity policy shall extend to all aspects of the employment relationship including hiring, promotion, staff development, compensation, disciplinary action and the resolution of all unfair or unlawful discrimination issues and termination.

- Monitoring of the policy will not be an end in itself but will produce information to be used in planning and decision-making processes.

- Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

- Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or Head of Department or the Human Resources Office. Employees can raise concerns and make reports without fear of reprisal.

Fides Kenya shall reserve the right to;

- Take affirmative action measures consistent with the promotion of equality or the elimination of discrimination in the workplace

- Distinguish, exclude or prefer any person on the basis of an inherent requirement of a job

- Employ a citizen in accordance with the national employment policy; or Restrict access to limited categories of employment where it deems necessary

1.2 Personal Relationships at the Workplace

Employment of relatives or individuals involved in a dating relationship in the same area of a company may cause serious conflicts and problems with favouritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships.

For purposes of this policy, **relatives** are any persons who are related to each other by blood or marriage or whose relationship is similar to that of persons who are related by blood or marriage. **A dating relationship** is defined as a relationship that may be reasonably expected to lead to the formation of a consensual "romantic" or sexual relationship.

Policy

Romantic or sexual relationships between staff whereby one of the two has a direct supervisory role or influence on performance evaluation or career development over the other are prohibited.

A pre-existing relationship which could reasonably be perceived as having any influence on the objective performance evaluation of the other staff member involved must be immediately disclosed to the appropriate authority (MD/HRM Office).

When disclosed, the HR Office should take immediate action to ensure that the direct reporting line is changed. Such an action may include but is not limited to; changing one of the staff to another department or cessation of either the personal or supervisory relationship.

Policy Procedures/Guidelines

- This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

- Romantic or sexual relationships may occur in the work environment given the numbers of people at its campus and the cultural and historical aspects of the company but such relationships must not impact the performance of the individuals concerned, others they work with or the company.

- All relationships must be consensual and since, the company is aware that consent can be influenced by power and authority; conflict of interest and preferential treatment, there shall be certain circumstances when romantic or sexual relationships are expressly prohibited. These shall be;

    - If it is between a supervisor and a staff under his/her direct supervision or,
    - If it is between an SMT member and a junior under his/her direct supervision

- The company considers sexual relationships between supervisors and their supervisees, even if deemed to be mutually consenting relationships, to be a basic violation of the professional ethics and responsibility when one party has any professional responsibility over the other's job performance or professional future.

- Because of the complexity of these relationships, "consent" may be difficult to assess, and may be construed as coercive. Such relationships may also have the potential to result in claims of sexual harassment. In such circumstances, the senior staff will be the one held responsible by the company.

- Allegations, reports, or other information relating to undisclosed romantic or sexual relationships where one party has evaluative or supervisory responsibilities over the other party shall be investigated.

- Supervisors or the persons involved in the relationship are obliged to bring it to the attention of the human resources office. If noncompliance is ascertained, measures will be taken to ensure appropriate disciplinary measures with regard to the parties involved.

- The company shall discipline all its employees who make false allegations against their fellow employees. However, this shall be after a proper investigation has been done and the person is proved to have made false allegations.

- Employees in disclosed and confirmed close personal relationship of a sexual or romantic nature should refrain from public workplace displays of affection or excessive personal conversation during working hours.

1.3 Sexual Harassment

Fides Kenya Ltd understands sexual harassment to be any unwelcome sexual advances, requests for sexual favours or verbal, written, visual or physical conduct of a sexual nature by a manager, supervisor, co-worker, or non-employee (third party). Sexual harassment can be physical and/or psychological in nature and will be believed to have taken place under any of the following circumstances:

- Submission to the harassment is made either explicitly or implicitly a term or condition of employment or preferential treatment in employment;
- Submission to or rejection of a sexual request is used as the basis for employment decisions affecting the individual; or
- The harassment has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.

The company understands that;

- The victim as well as the harasser may be male or female or may not be of the opposite sex.
- The harasser may be a supervisor, a peer, an outside agent of Fides Kenya Ltd, or a non-employee.
- The victim does not have to be the person harassed but could be anyone affected by the offensive conduct (third party)

Policy

It is the policy of Fides Kenya Ltd that all employees are responsible for ensuring that the workplace is free from sexual harassment. Because of the company's strong disapproval of offensive or inappropriate sexual behavior at work, all employees must avoid any action or conduct which could be viewed as sexual harassment.

The company shall issue a policy statement to this effect, which shall be reviewed from time to time to respond to the prevailing circumstances. Violation of this policy shall lead to disciplinary measures including termination, as the case may be.

Policy Procedures/Guidelines

- Any employee who has a complaint of sexual harassment at work by anyone, including supervisors, co-workers or visitors, should immediately bring the matter to the attention of his/her supervisor. If the immediate supervisor is involved in the harassing activity, the violation should be reported to that supervisor's immediate supervisor, the head of department or HR office.

- If a Supervisor or Human Resource Officer knows of an incident of sexual harassment, they are obliged to take appropriate remedial action immediately. If the alleged harassment involves any types of threats of physical or psychological harm to the victim, the alleged harasser may be immediately suspended, pending a thorough investigation. The outcome of the investigation shall determine whether to end the employment contract or not; with pay or without pay of the employees terminal benefits.

- During such suspension, an investigation will be conducted by Fides Kenya Ltd. If the investigation supports charges of sexual harassment, disciplinary action against the alleged harasser will take place and may include termination with loss of terminal benefits

- If the investigation reveals that the charges were brought falsely and with malicious intent, the charging party may be subject to disciplinary action, including termination.

Examples of sexual harassment

Some examples of sexual harassment shall include but not limited to the following:

- Offensive jokes, pranks and double-meaning words ***(any jokes with a sexual aspect or nature to them directed to another person and which can upset, demean, harm or traumatize the other)***
- Unwelcome/ rude comments about appearance
- Displays of sexually offensive materials
- Requests and threats for dismissal/demotion transfer based on sexual favours
- Speculation about an employee's private life and/or sexual activities
- Threatened or actual sexual violence

Reporting cases of Sexual Harassment

- Cases of sexual harassment must be reported immediately to the immediate supervisor or the Human Resources Office as is deemed appropriate in the circumstances. This should immediately cause an investigation into the matter by the relevant office.

- Any employee who becomes aware of, or who receives cases of this nature has the duty to treat the information as confidential as is possible and reasonable but also to bring it to the attention of the relevant office, which in this case shall be the human resources office.

- At the discretion of the company, anyone found guilty of harassing colleagues including sexual harassment, may receive summary dismissal.

1.4 Conflict Of Interest

Fides Kenya Ltd as a company understands that personal and professional conflicts may arise in the course of doing business. For example, when an employee's interpersonal relationships interfere with their ability to lead fairly and objectively, or when an employee also works for other organizations. The company seeks to avoid all potential conflicts of interest posed by close personal relationships between employees and clients, beneficiaries, or other individuals participating in the company activities.

As used in this policy, **"close personal relationships**" include family relationships such as spouse, parents, children, siblings, cousins, extended family relations and other close relations. An actual or potential conflict of interest shall be taken to have occurred when a Fides Kenya employee is in a position to influence a decision that may result in a personal gain for that employee or for a close personal relation of that employee as a result of the company's business dealings.

Policy

It is the policy of Fides Kenya Ltd that all its employees shall not have any existing interest in particular financial or business interest that may conflict with that of the company and compromise their dedicated service to the company, neither shall they engage in any business directly or indirectly, personally or through another person; business name, partnership, association, corporation and/or family members with Fides Kenya Ltd or any of its agents and/or contractors unless the same has been disclosed to the company and authorized in writing.

All employees are responsible for identifying, avoiding and reporting these conflicts or potential conflicts appropriately. No "presumption of guilt" shall be created by the mere existence of a relationship with outside firms.

Policy Procedures/Guidelines

- All Fides Kenya Ltd employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest. Should any such arise, the staff concerned must disclose the same to the company without fail.

- If involved in recruitment of new staff, supervision, promotion or performance evaluation, Fides Kenya employees must disclose to the company all individuals who are known to them and the nature of their relationship with them.

- Following completion of induction training, all new staff must sign a conflict of interest disclosure form, refusal to do so will deem the employment contract null and void. For details, see **Conflict of Interest Disclosure Form; Appendix 2**

- All employees are prohibited from receiving personal gains resulting from kickbacks, bribes, substantial gifts, or special consideration as a result of any transaction or business dealings they were involved in, on their own behalf or on behalf of the company.

- When informed of a close personal relationship in accordance with this policy, the MD, in conjunction with the HRM shall recommend steps to eliminate any possibility for a conflict of interest.

- Employees who believe this policy is being violated should report the concern to their supervisor, or the Human Resource Office.

1.5 Ethics and Integrity Standards

Successful business operations and the reputation of Fides Kenya Company are built upon the principles of fair dealing and ethical conduct of employees. The company's reputation for integrity and excellence requires careful observance of and adherence to all applicable laws and regulations, as well as a scrupulous regard for the highest standards of ethics and personal integrity.

Fides Kenya Ltd understands integrity to mean: acting out of and in accordance with the company's basic principles; "...doing as we say, and saying as we do; act honestly, responsibly and lawfully in all matters of business; respect the universal rules of competition; uphold our own names and reputations as well as those of our company—Dümmen Orange".

Fides Kenya Ltd believes that its continued success as a Company is dependent upon its customers' trust and all employees must be dedicated to preserving this trust. Employees owe a duty to Fides Kenya, to act in a way that will merit the continued trust and confidence of the public.

Policy

Fides Kenya employees are expected to behave with ethical prudence and integrity. They shall refrain from any illegal, dishonest, or unethical conduct and conduct business in accordance with the spirit, and intent of all relevant laws.

All employees shall use good judgment, based on high ethical principles, to conduct acceptable business. In situations where it is difficult to determine the proper course of action, the matter shall be discussed openly with the supervisor and, if necessary, with the Human Resources Department for advice and further action.

Disregarding or failing to comply with this standard of business ethics and conduct shall lead to disciplinary action, including possible termination of employment.

Solicitation

Persons not employed by Fides Kenya shall not solicit or distribute literature in the workplace at any time for any purpose.

Fides Kenya recognizes that employees may have interests in events and organizations outside the workplace. However, employees are not allowed to solicit or distribute literature concerning these activities or any other form of literature during working time. Other **impermissible forms of solicitation include:**

- Collection of money, goods, or gifts for community groups; religious groups; political groups and any form of charitable group/organization
- Sale of goods, services, or subscriptions outside the scope of company business
- Circulation of petitions
- Collection of membership fees, or dues except for the authorized and recognized trade union

In addition, posting of written solicitations on company bulletin boards and solicitations by e-mail are restricted. Company bulletin boards display should be frequently checked for such important information as:

- Affirmative Action statements
- Announcements of job opportunities/vacancies
- Workers' compensation information like leave timetable

If employees have a message of interest to the workplace, they must submit it to the Human Resources Manager for approval. All approved messages will be posted by the Human Resources Department. This also applies to verbal announcements to staff.

Professional Discretion

Fides Kenya Ltd regards as very critical, the protection of its intellectual property, trade secrets and other confidential information, particularly in today's business world of rapidly changing technologies; business environments; clients' needs and expectations and stiff competition.

Policy

From time to time, employees of Fides Kenya Ltd may come into contact with confidential information, including but not limited to information about the company's business and strategic partners, suppliers, financial information, legal information and business plans among others. Employees are required to keep any such information or matters that may be disclosed to them or learned by them during their course of employment, strictly confidential.

Policy Procedures/Guidelines

- The employee shall observe complete discretion for a period of three years after the expiry of his/her contract, with regard to all matters, which shall have become known to him/her during his/her course of employment with Fides Kenya Company.

- Any such confidential information obtained through employment with Fides Kenya Company, must not be used by such an employee for personal gain or to further an outside enterprise.

- The passing on of information or business related data to external persons and Fides Kenya competitors which may potentially have adverse effect on existing contracts of Fides Kenya Ltd and its acquisition of new contracts shall be deemed a gross misconduct and may lead to termination of the employee without notice and the employee shall forfeit all terminal benefits accrued to them at the time of dismissal.

- Employees shall not therefore communicate, or cause to be communicated to, for any reason whatsoever, any information made available to them in their official capacity, whether such information relates directly or indirectly to the affairs of the Company, without the express permission of the MD.

- In cases where an employee is likely to come into contact with information which is regarded as "confidential" by the company, such an employee will be required to sign an **Employee Confidentiality Agreement.** This shall not apply to information or facts which is common knowledge, or which is not of a significant nature to Fides. For details, see **Employee Non-Disclosure Agreement; Appendix 3**

Non-Disclosure

The protection of confidential business information and trade secrets is vital to the interests and the success of Fides Kenya Ltd Company. Such confidential information includes, but is not limited to, the following:

- Technical information concerning Production data
- Acquisitions
- New Materials Research
- Compensation Data
- Partnerships
- Pending Projects and Proposals
- Computer processes/Programs and Codes
- Proprietary Production Processes
- Customer Lists
- Research and Development Strategies
- Customer Preferences
- Scientific Data
- Financial Information
- Scientific Formulae
- Investments
- Scientific Prototypes
- Labor Relations Strategies
- Technological Data
- Marketing Strategies
- Technological prototypes

Employees who act contrary to this policy will be subjected to disciplinary action, up to and including termination of employment and legal action, even if they do not actually benefit from the disclosed information.

1.6 Whistle Blower Policy

Fides Kenya is committed to the highest possible standards of ethical and legal conduct. Consistent with this commitment, the company provides an avenue for employees to raise concerns about suspected misconduct, dishonesty, and fraud and to provide reassurance that they shall be protected from reprisals or victimisation for whistle blowing in good faith.

Whistle-blowers are "reporting parties," not investigators. They are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by investigators.

Whistle Blowing Procedure

It is the responsibility of every employee to report concerns relating to suspected misconduct, dishonesty or fraud. If any person knows of or has a suspicion about misconduct, dishonesty or fraud, he/she should inform his/her Supervisor or the HR office as soon as they are made aware of it

For purposes of this policy, the definition of misconduct, dishonesty, and fraud includes but, is not limited to:

- Acts which are inconsistent with Fides Kenya policies
- Theft or other misappropriation of the company resources
- Mis-statements or other irregularities in the company records and documents

- Incorrect financial reporting
- Illegal activities
- Behaviour that would damage the company’s reputation or image

CONFIDENTIALITY

Policy

All employees who become aware of non-compliances or have cause for suspicion for violations of the rules and regulations of the company or become aware of practices of misconduct are obliged to immediately report such acts to management.

Policy Procedure/Guidelines

- The complainant may choose to reveal their identity or be anonymous which ever they feel is appropriate under the circumstances

- Reports of violations or suspected violations shall be kept confidential to the extent possible, consistent with the need to conduct an adequate investigation.

- Every effort shall be made to protect the complainant’s identity.

- Should the whistle-blower self-disclose his or her identity, there shall no longer be an obligation to maintain such confidentiality.

Evidence in court

An employee shall not knowingly or unknowingly give an opinion on the affairs of the company to any person desiring to use evidence in a court of law elsewhere without first obtaining permission from the Managing Director.

Anonymous Allegations

- Employees shall be required to put their names to allegations in circumstances where appropriate follow-up questions and investigation may not be possible unless the source of the information is identified.

- Concerns expressed anonymously shall be investigated, but consideration shall be given to: the seriousness of the issue raised; the credibility of the concern; and the likelihood of confirming the allegation from attributable sources.

- Anonymous whistle-blowers must provide sufficient corroborating evidence to justify the commencement of an investigation.

- An investigation of unspecified wrong doing or broad allegations shall not be undertaken without verifiable evidentiary support.

- Because investigators are unable to interview anonymous whistle-blowers, it may be more difficult to evaluate the credibility of the allegations and therefore, less likely to cause an investigation to be initiated; if the anonymous person is not willing to reveal their identity.

Acting in good faith

- Anyone filing a complaint must be acting in good faith and have reasonable grounds for believing the information disclosed indicates misconduct, dishonesty, or fraud.
- Any allegations that prove not to be substantiated, frivolous, and any allegations, which prove to have been made maliciously or knowingly to be false, shall be viewed as a serious disciplinary offense and shall be reason enough to take disciplinary action against such a person.

Investigating Allegations

- Any complaint with supportable and/or documented evidence of wrongdoing shall be investigated and corrective and disciplinary actions shall be implemented as appropriate.
- The company at its discretion, shall enlist outside professional support such as (legal, auditing, etc), as appropriate, to conduct any investigation of complaints any form of misconduct, dishonesty, or fraud.
- In conducting any investigation, reasonable efforts shall be made to protect the confidentiality and anonymity of the complainant.
- The amount of contact between the complainant and the body investigating the concern shall depend on the nature of the issue and the clarity of information provided.
- Further information shall be sought from the complainant if deemed necessary.

No Retaliation

- No employee, who in good faith reports a violation, shall suffer harassment, retaliation or adverse employment consequence.
- An employee who retaliates against someone who has reported a violation in good faith is subject to disciplinary action up to and including termination of employment.
- Additionally, no employee shall be adversely affected because they refuse to carry out a directive, which, in fact, constitutes fraud, is a violation of the company's policies, or is a violation of national laws.

1.7 Anti Corruption Policy

Corruption is viewed as a set of circumstances whereby there is dishonest or fraudulent conduct by people or groups who are in a position of power in regard to their capacity for the granting of potential benefit, business opportunity or positive outcome. As per the company's standards, this implies a Conflict of interest: a risk that professional judgment or actions regarding a primary interest will be unduly influenced by a secondary interest.

This policy shall apply to all employees of the company and all its stakeholders in the business including casual/seasonal employees, interns, out sourced service providers, outside agents who conduct business with Fides Kenya on behalf of their companies, guests and any other third party.

Policy

Fides Kenya Ltd prohibits bribery, corruption and extortion in all forms. The company shall fully support its employees who comply with this standard and no employee will be disciplined for refusing to engage in conduct that is contrary to this standard in the event that the company loses or does not secure business as a result.

The company shall not participate in party politics nor will it make payments to political parties or individual politicians

Policy Procedures/Guidelines

- Employees are prohibited from directly or indirectly offering, giving, soliciting or receiving any form of bribe, kickback, payment or anything of value to or from any person or company including government agencies, individual government officials, private companies or their employees under any circumstances. Gifts, entertainment or any other form of benefit must not be given or received as a reward or encouragement for preferential treatment.

- Employees are prohibited from using any funds, assets, resources, time or employees including in-kind contributions of services to make any political contribution, or assist any party or individual politician or candidate.

- Fides Kenya Ltd does not make charitable donations or sponsorships that could be perceived as bribes or payments to gain an improper business advantage

- Fides Kenya shall not make any deduction from the wages payable to its employees, an advance of wages in consideration of, or as a reward for, the provision of employment for that employee, or for retaining the employee in employment

Rewards, Gifts & Favors

The company understands that even gifts or favours given with purely good intentions may be inappropriate in context. The company emphasises its sensitivity to such complexities and therefore, does not give or accept gifts, favours or hospitality, in any form, when the giver may or may appear to expect something in return. However, In the course of work, an employee may occasionally be offered gifts or hospitality by contractors, consultants, or other members of the public. In some instances, accepting such gifts could place such an employee in a serious predicament, open to allegations of corruption, and to disciplinary proceedings.

Employees are prohibited from accepting or soliciting directly or indirectly any gift, reward, favour, entertainment, commission or any other item of monetary value from a person who is seeking contractual business or financial relations with Fides Kenya Ltd or one who appears to be offering any of the above with the expectation of obtaining advantage or preferential treatment in dealing with the company. These are considered criminal offences and will be dealt with as such.

Therefore, all gifts and hospitality immediately on receipt must be recorded in writing, in a book or register kept for this purpose at the reception, and should be acknowledged by a letter of thanks from the MD a copy of which should be placed on file.

Dealing with fraud

Transactions with outside firms must be conducted within a framework established and controlled by the company. Business dealings with outside firms should not result in unusual gains for those firms. **Unusual gains** refer to bribes; product bonuses, special fringe benefits, unusual price breaks, and other windfalls designed to ultimately benefit the employer, the employee, or both.

If an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that he or she discloses to the office of the MD, through their immediate supervisor or HR office as soon as possible, the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Violations shall be cause for immediate termination and, if warranted, legal action.

1.8 Productivity at the Workplace

Fides Kenya Ltd takes all its employees to understand their duties and responsibilities and therefore, expects them to be committed to performing them (duties and responsibilities) to the best of their abilities. The company also expects all its employees to be accountable for their actions and decisions, and to hold their fellow colleagues as well as any other third parties accountable in turn.

In addition, all employees are expected to meet high productivity standards. At Fides Kenya, productivity relates to time management, teamwork, efficiency, cooperation, contribution and compliance. The standards contributing to high productivity include, but are not limited to, the following:

- Consistently reporting to work and leaving work according to work schedule
- Fully engaging in the work while on paid time
- Meeting deadlines
- Asking for assistance when necessary
- Assisting others with information, knowledge, time and resources
- Being prepared to give extra time when necessary
- Responding positively to unanticipated overtime needs
- Limiting unscheduled absences
- Consistently meeting clients' needs and expectations
- Learning and using technology and databases for maximum efficiency
- Starting meetings on time; ending meetings on time
- Being prepared for meetings
- Avoiding unnecessary interruptions of others at work
- Following-up on activities that have been delegated
- Following company systems and procedures
- Minimizing the need to conduct personal business during working hours
- Producing work according to the set quality standards

If an employee is in a supervisory position and notices that these standards are not being met, the supervisor should discuss productivity concerns with the staff member in a direct, calm and candid session. Consistent failure to comply with the productivity standards shall be ground for dismissal.

1.9 General Appearance and Dress Code

Establishing a general dress code in the workplace gives employees an idea of what is expected.

Policy

Fides Kenya Ltd shall adopt a business casual dress code which will include but not limited to; pants, khakis, skirts or dresses, along with dress shirts. However, when representing Fides Kenya at formal meetings or gatherings, formal professional business attire shall be adopted; which will include but not limited to typically wearing formal suits or any other category of clothing considered formal, for both men and women.

Employees are expected to present a neat, well-groomed appearance and avoid extremes. Their general appearance should demonstrate a professional attitude to work and reflect a good image of the Company at all times.

Body Art

With tattoos and piercings becoming more main stream, body art has become part of many dress codes. Fides Kenya shall expect all its employees to keep tattoos covered and limit the number of visible piercings.

Personal Grooming

The company shall expect that all its employees refrain from applying strong perfumes or having poor personal hygiene standards that result in body odour because of their contribution in creating uncomfortable working conditions for the rest of work colleagues.

Supervisors and departmental heads shall be responsible for ensuring employee compliance with this. If your supervisor feels that your personal appearance is inappropriate, you may be asked to leave the workplace until you are properly dressed or groomed. Under such circumstances, you may be asked to compensate for the time away from work.

Company use of Uniforms and other forms of PPE

When the work carried out by the employee requires uniform or special clothing, such clothing shall be provided by the company at the endorsement of the relevant department heads.

The employee is responsible for keeping the uniform clean and in good order.

Some of the departments require you to wear special uniform at all times e.g. sprayers, cold store attendants, etc failure to put on these protective gears may lead to disciplinary action, up to and including termination of employment.

Company Identity Cards and their use

All employees shall receive an identity card on commencement of employment. The cards must be carried at all times and must be produced on demand.

The identity card is the property of Fides Kenya Ltd and shall be surrendered upon end of contract, termination of employment, dismissal, resignation or retirement.

If a new identity card has to be issued in the event that the old one is lost, the Company shall need evidence of the loss (e.g. a police letter/report) and the cost of replacement shall be borne by the employee.

2.0 CHAPTER TWO: RECRUITMENT, SELECTION, APPOINTMENT & EXIT

In Fides Kenya Ltd, Human Resource Management (HRM) is understood to be the function that focuses on the recruitment of, management of, and providing direction for the people who work for the company, including all of the processes and programs that affect them.

Fides Kenya Ltd employs both national (working within their country of origin) and expatriate (working outside their country of origin) staff depending on the competencies and skills required for delivery of its strategic goals and objectives.

2.1 Individuals who are not Company Employees

Individuals who are not employees of Fides Kenya Ltd may still perform services for or on behalf of Fides Kenya Ltd; as independent contractors, as employees of an agency (outsourced services) or as interns. While on campus, these individuals are responsible for complying with the company's standard code of excellence as well as its code of conduct.

Independent Contractors:
Independent contractors are individuals who perform services for Fides Kenya Ltd but are self-employed or employed by another company. The relationship between the two parties shall be guided by the terms of reference contained in the contracts drafted and signed by both parties.

The company shall not retain an individual on the status of "independent contractor" in the same or a substantially similar position, for a period which is more than 12 consecutive months. At the elapse of 12 months, if the company still needs to use the services, the status shall change as appropriate and according to the applicable laws.

Temporary Agency Employees
Individuals who are hired through the approved, outsourced agencies are employees of such agencies and Fides Kenya Ltd takes no responsibility of them other than that specified in the contract of service with their employment agency. In the case of Fides Kenya Ltd, these shall include the security services and the clinic services and any other outsourced services.

Interns/attaches
These are students or trainees who work, at a trade or occupation in order to gain work experience. At Fides Kenya Ltd interns shall be recruited to work only in the Production Department and shall do so without pay. Any benefit extended to them shall be at the discretion of the MD in consultation with the Heads of Department and the Human Resource Office.

Upon submission of their applications, the human resource office will first determine whether there are vacancies available for interns to undertake in any of the company's departments/units; then scrutinise their applications to determine their suitability with the available positions in the company but also to ensure compliance with the company's procedures and practices regarding interns. The Human Resource Manager will then submit a report with a recommendation on who to hire, for how long and in which department/unit to the MD for approval.

There shall be a maximum number of interns to hire per year and this shall be determined based on the needs of the company and availability of internship positions with due consideration of the available resources at the time of hiring.

All interns shall comply with all the company's policies and regulations as well as Standard Operating procedures. Failure to comply shall lead to dismissal and in extreme cases instant dismissal

2.2 Employment Categories

It is the intention of Fides Kenya to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. Accordingly, the right to terminate the employment relationship at any time is retained by both the employee and the company.

Each employee is designated as either on **Full time Contract** or on **temporary Contract.** Each employee will belong to either of the following:

Full time contract
These are employees who are on full time contracts and who are regularly scheduled to work with Fides Kenya Ltd's full-time schedule. They are required to give 100% of their working hours to the company. Generally, they are eligible for Fides Kenya Ltd's benefit package, subject to the terms, conditions, and limitations of each benefit program.

Individuals employed on a full-time basis shall be expected to work and complete a 45 hours schedule per week with one rest day per week. The specific work schedules shall be specified in their individual contracts. Full-time employees shall not take on any other work.

Temporary (Seasonal/Casual)
These are employees who are hired as interim replacements, to temporarily supplement the work force, to assist in the completion of a specific assignment. Contracts in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change in writing.

In addition, casual work shall be temporary work which shall not require prior training and, shall be paid on a daily basis.

Temporary on Probation
These are employees whose performance is being monitored and at the end, evaluated to determine whether they can be confirmed in full time employment. Usually this period ranges from 3 up to 6 months. An additional 6 months period is allowable for an extension of the probation period as the case may be. Beyond 12 months, a decision shall be made whether to retain or terminate the employee contract in question; subsequently, such a decision will be communicated, in writing, to the concerned employee.

Graduate Trainees
The graduate trainees are individuals taking part in the Company's trainee program. The minimum qualification for this position is a Bachelor's Degree in Agricultural related Studies. They are hired with an aim of developing highly qualified staff in supervisory positions at Fides Kenya upon

completion of the Program. This is done by giving participants experience in a variety of operational settings which allows them to acquire the skills and knowledge necessary to be future managers.

The Graduate Trainee Programme is 18 months in duration and during that time, each Graduate Trainee will:

- Rotate through major business functions for on-the-job training
- Go through a customized training curriculum in specific business, management and personal development areas
- Receive executive coaching from a management executive for ongoing professional and personal career guidance
- Demonstrate his/her potential and capability by undertaking various projects and delivering regular presentations/recommendations to the management

2.3 Staff Selection and Recruitment

Fides Kenya Ltd recognizes that its workforce is fundamental to its success. The company therefore needs to be able to attract and retain staff of the highest calibre and a strategic, professional approach to recruitment is essential to do this. The purpose of this policy is to provide a sound framework for the recruitment and selection of staff based on the principle of equal opportunity and other relevant policies.

Policy

The company's policy is to have open competition in all its approaches to recruitment. Therefore, it will endeavor to recruit the most competent individuals for the job based on merit.

The company will ensure that the recruitment and selection of staff is conducted in a professional, timely and responsive manner and in compliance with current employment legislation. Therefore, it will provide appropriate induction/briefing and any other form of support to all those involved in the recruitment and selection activities in order to meet the prescribed standards of this policy.

In addition, the company will continuously develop its recruitment and selection practices to allow new ideas and approaches to be incorporated.

If a member of staff involved in the recruitment process has a close personal or familial relationship with an applicant they must declare this as soon as they are aware of the individual's application and avoid any involvement in the recruitment and selection decision-making process. If they do not disclose this information and it's proved that they were aware of it prior to the recruitment and selection process, they will be dealt with accordingly as per the company's policy on conflict of interest.

All documentation relating to applicants will be treated confidentially in accordance with the confidentiality policy and practices of the company

This policy and procedure covers all activities that form part of the recruitment and selection process and it is applicable to all staff recruitment except casual staff.

Ultimately it is the responsibility of the HR to ensure that this policy is followed during any recruitment process. However, the MD, including the SMT and Heads of Departments, shall support the HR office in ensuring implementation of this policy.

Policy Procedures/Guidelines

- The case to create a new job, together with a clear job description shall be presented by the respective Heads of Department to the HR Office for review; then presented to the MD for approval.
- Vacant and newly created positions must first be posted internally for a period of one week in order to give current employees an opportunity to apply.
- If a suitable applicant cannot be found through the internal process, recruitment can then take place externally, i.e. newspaper ads and other media forms.
- When time constraints dictate, positions shall be posted internally and externally concurrently
- All applications will be date stamped upon receipt and all internal applications will be acknowledged.
- Job applications, both internal and external, shall be treated in strictest confidence and only shared with those individuals who are directly involved in the recruitment process.

2.3.1 Eligibility for Employment

All people that meet the defined profile of a specific job as advertised (i.e. as outlined in the job description) will be eligible to apply for employment. Priority will be given to current employees within the company.

2.3.2 Hiring Authority

To ensure the integrity of the recruiting and hiring process, Fides Kenya delegates the authority to approve employment and appoint persons into the company's employment to the following;

- The Board — for hiring the Managing Director
- The MD — for hiring the SMT Members
- The MD/ SMT — for hiring all HoDs, Managers and Supervisors
- The HODs/ Supervisors — for the rest of employees
- All the above shall work hand in hand with the Human Resources Office

The "hiring authority" is responsible for ensuring compliance with the country labour laws as well as, the company's Policies and Procedures.

The company shall consider an employment offer the beginning of the employment relationship and places strong emphasis on ensuring that the offer is well thought out and suitable for the candidate in question but shall also address the specific needs of the business.

2.3.3 Recruitment Procedures

The recruitment process shall comprise of the following stages;

Pre recruitment Procedures

Equality, Diversity and Inclusion; this shall be aimed at allowing the hiring authority to select the best person for the job based on merit alone and free from bias on the grounds of factors that are not relevant to the person's ability to do the job. The company expects the interview panel to have discussions around the recruitment process which will alleviate the possibility of discrimination occurring.

In addition, the company emphasizes the need for the hiring authority to be aware of the legal requirements that underpin the recruitment and selection process.

Vacancy: Vacancies can arise for many reasons such as resignation, sickness, leave etc. When a manager/supervisor expresses a need to recruit someone, the following shall first be put into consideration by the human resource office to determine the need for creation of a new job or not;

- the opportunity for job enrichment of other employees within Fides Kenya,
- the opportunity to restructure or redefining the job,
- the necessity of hiring a full-time, part-time or temporary employee,
- the financial cost of hiring a new staff; e.t.c

If after considering all the above, the HR Office still sees the need to recruit a new person, then they shall review the job description of the vacant post to ensure it is up to date and ready to go to the next stage of the recruitment and selection process.

Grading: This shall be done to ensure that the job is evaluated systematically and objectively.

Job review: All new or changed posts must be formally role reviewed and graded before they are advertised in order to help ensure equal pay for work of equal value. Before a post can be advertised, it shall be sent to the human resource office for review. The review will focus on the person specification of the post and where there are similarities in skills and experience, match them to the role.

i. Attracting candidates (advertising and Head Hunting)

This shall be through advertising, head hunting or using recruitment agencies whichever is appropriate

Advertising

- All posts will be advertised on the company website and the company’s LinkedIn profile. In addition, the job advert will be pinned on the various company notice boards to ensure all current employees who meet the specified job requirements are given the first opportunity to apply. The advert will run for two weeks.

- Only when it has been established that there are no suitable/interested persons internally, will the job vacancy be released for external advertisement. The human resource office shall use other forums at its disposal to place the job advert, such as the newspapers; specialized magazines and journals, the company networks such as the human resources managers association, etc

Head hunting

- Where applicable (e.g. in the case of a classified skill; or in times of emergency) head hunting for employees shall also be done with the approval of the MD for both national and expatriate positions.

- Headhunted candidates shall also be subjected to interviews and assessments to evaluate their competencies.

Application forms

- The job advert will include information on where to submit the job applications.
- All job openings will have apply-by dates. Potential applicants must submit an application letter, CV as well as copies of their academic and professional certificates to the specified address and within the specified time frame before they are considered an applicant for an open position.
- For the period in which the advert is running, no job offers of employment shall be made to any candidate.
- Applications received after the advert has been closed will not be considered unless there are exceptional circumstances. These may include situations such as, where there has been a low number of application forms received within the given timeframe or where all or most of the applications received don't meet the specified job requirements, a late application may be accepted.

Loss of application letters and or related documents

All application letters MUST be dropped off or delivered to the address indicated in the job advert. The company will not take responsibility for the loss of any application letter and related documents if they are not delivered to the designated address in the job advert.

ii. Screening and interview procedure

Initial screening of job applications

- All applications received and filed shall initially be screened by the HR Department to ascertain that they meet the personal specifications and job requirements for the post as per the job advert. Applications that do not meet the minimum requirements will not be shortlisted. For details, see **Initial Screening Form; Appendix 4**

Second-round screening of applicants

- The supervisor/line manager of the vacant post shall review the applications to ascertain whether the candidates in the initial screening fully meet the standards as per the job advert.
- The Head of Department together with the HRM shall agree on the final short list and submit to the MD as appropriate for approval.

Composition of the interview panel

- The interview panel shall be constituted by at least five people; a representative from the HR department, a technical person, the supervisor, head of department and another person delegated by the MD or the MD him/herself.

iii. Invitation for oral/ written interviews

- The HRM shall invite the short listed candidates for interview (oral, written or both).A minimum of two and a maximum of six applicants will be interviewed for any one position.

- A time period of at least five (5) working days shall be allowed between the time of contacting the candidates and the day when interviews are to be conducted. However, a shorter notice period may be given depending on the urgency to fill the position and the availability of the applicants.

- The HR department in consultation with the Supervisor shall also prepare and distribute interview packs to all members of the interview panel, at least three (2) working days before the interviews.

- The interview pack among other things shall include the interview schedule and copies of the application letters and CVs for the applicants and a copy of the advert. For details, see **Interview Checklist Pack; Appendix 5.**

- Applicants who meet the basic requirements of the position will be invited to an interview where they will be evaluated on their response to a preset list of topics and educational and experiential competencies against the needs of the company.

- It is the responsibility of each applicant to demonstrate that s/he meets the requirements of the position.

- A Second round of interviews will be held when several candidates demonstrate equal abilities.

Conducting interviews

- An interview guide shall be developed and approved by the interview panel prior to the interviews. For details, see **Interview Guide Template; Appendix 6**

- All applicants for key positions such as managers shall be subjected to a psychometric test. Fides Kenya key positions shall be determined by the MD/SMT depending on the needs of the business at the time.

- Upon completion of the interviews, the interview panel shall complete the assessment of all candidates and make a recommendation as to which candidate the Company should offer employment. The best 3 candidates shall always be recommended according to their order of performance; best, second best and third best.

Medical Examination/Certificate of fitness

Undertaking a medical examination is another additional requirement that will always support and guide decision making during the recruitment process at Fides Kenya. This will be confirmed by issuance of a medical certificate by a recommended doctor/hospital. For details, see **Medical Examination Checklist; Appendix 7.**

In this context, a medical certificate shall be a statement from a physician or any other recommended health care provider that shall attest to the result of a medical examination of a person to ascertain his/her fitness or unfitness to undertake the position applied for.

It will be a MUST requirement for a Medical checkup when considering making an offer to a potential employee, for specific types of jobs such as heavy duty jobs like working in the company workshops, green houses; the cold room, driving etc. A full list of such jobs is appended to this manual; **Appendix 8**

Conducting psychometric tests

Psychometric assessment is a process of testing that uses a combination of techniques to help arrive at some hypotheses about a person and their behavior, personality and capabilities. Conducting a psychometric assessment shall be a requirement that will always support and guide decision making during the recruitment process. However, the jobs/persons to undergo the psychometric assessment test shall be determined from time to time depending on the company's requirements and needs at the time.

Guidelines for conducting psychometric tests within Fides Kenya Ltd:

Psychometric testing shall always be performed online. Fides Kenya shall aim to conduct three types of psychometric tests and depending on the needs of the company at the time of recruitment, either or some or all of the three following tests shall be undertaken;

One: Personality test:

At Fides Kenya, this shall typically measure an individual's attitude towards and ability to work with stakeholders, their project/task management style, their behavior style towards other people such as co-workers and fellow managers, their ability to cope with stress in the workplace, their decision-making style, their level of creative thinking/ and acceptance of change, among other things, deemed relevant by the company.

The extent to which a candidate's personality characteristics match those of the role applied for shall be measured with a particular focus on the following;

- People leadership (influence, inspire and motivate others)
- Project management (managing resources, including staff, prioritizing tasks, managing risk and managing multiple tasks)
- Considerate, with the ability to listen to others' needs
- Social confidence and interpersonal skills (friendly and rapport-building skills)
- Analyzing situations in a structured, logical and calculated manner
- Emotional resilience
- Stress tolerance
- Take charge (direct others' HR-related activities)
- Influencing others' opinions and activities (in HR-related matters)
- Working collaboratively with peers, staff and customers
- Focus on customers and possess a business orientation
- Compliance with professional rules and regulations

Two: Octogram

This test shall be aimed at matching how an applicant's preferred work style matches with the requirements of a particular position. It will also help the interview panel to gauge the candidate's ability to recognize and understand how and why fellow work colleagues or team members do the things they do and why

At Fides Kenya, the test shall not be used to confirm whether a particular candidate is capable of doing or not doing a particular job but rather reveal to the company how much the candidate will be required to change, stretch or spend their energy to perform in a particular job/role or function.

The test shall be administered to measure the candidates' fit or match to the positions they have applied for, using a scale of 1-10 where 1 (one) shall represent **weak** and 10 (ten) shall represent

strong. Candidates shall be measured using Quinn's Competing Values Framework i.e. The eight features mentioned below;

Pioneer	**Networker**	**Achiever**	**Strategist**
Anchor	**Analyst**	**Team player**	**Helper**

Three: Communication Styles Test

All applicants vying for managerial posts in Fides Kenya shall undertake a communication styles test. This is because of the company's need to have managers who are effective negotiators, can make internal and public presentations on a number of issues regarding the company, send and be able to read and analyze written communications, write logical and analytical reports, effectively communicate verbally, provide feedback on a number of assignments to their supervisees but also to management.

In addition to that, everyone has a particular style of communicating. In Fides Kenya, we believe it is important for each individual to know what their communication style is, including its strengths and weaknesses, and how it compares to the styles of communication of others in order to be able to address the communication needs and requirement of the company.

Candidates therefore, will be assessed along the four fundamental communication styles: **Cooperative, Expressive, Directive and Reflective.** The Communication Style test shall be aimed at assessing how a candidate sees themselves through the eyes of others or how they think and feel that others see them in social interactions. The test shall measure more than verbal communication; it will address the non-verbal communication as well.

Conducting Employment Reference Checks

References will be taken up on all shortlisted candidates. The recruitment procedure requires all applicants to provide three references preferably; a former supervisor, a professional reference and any other deemed appropriate.

An employee reference checks shall be aimed at finding more about a potential employee's personal and professional life: their character, criminal records, etc. These checks shall be used to determine and confirm the candidate's credentials submitted during the interview process

Policy Procedures/Guidelines

- For all candidates for whom reference checks are performed, effort should be made to try to call the same number of references and ask the same base questions.

- This check shall be considered as one of the most crucial stages of Fides Kenya's hiring process, because it will give insight into the applicant's past performance even when experience and eloquence seems to be so impressive and depending on the outcome; an offer will be made to the selected candidate.

- For interns, the requirement is for one referee, normally a College or School Tutor. For Seasonals the requirement is one referee, normally a person well known to the potential Seasonal or a former supervisor and for Casuals, letter from the local area Chief. References will be undertaken using a standard reference form. For details, see **Employee Reference Check Form; Appendix 9.**

2.3.4 Selection Procedures

Once the selection process is completed, the HRM will write and submit an interview report to the MD, capturing all the stages of the recruitment process and the final decision on who was given the job offer.

Once a final candidate has been determined and prior to any offer of employment, approval must be obtained from the Managing Director except if the position being filled is that of the Managing Director, in which case the Board of Directors must give approval.

2.3.5 Appointment

Once a selection decision has been taken, the HR Office shall make an oral offer of employment to the candidate.

The salary offered should be at the lowest point of the grade. If a manager wishes to offer a salary at a higher point then justification must be submitted, fully explaining in detail the reasons why. Justification should give examples of where the competence levels of the candidate against the essential and desirable selection criteria have exceeded expectations. Managers should be encouraged to compare this competence level against those already performing similar duties in the same grade and perhaps on a lower point

General rule for appointments; No person shall be considered for appointment unless he/she submitted an application for the post and, was interviewed and recommended for appointment by the appropriate panel and approved by the MD.

Policy Procedures/Guidelines

- Once the interview panel has made a recommendation and the decision on who to offer the job has been made and approved by the MD, the HRM shall write the offer of employment letter, which shall be signed by the MD. For details, see **Appointment Letter Format; Appendix 10.**

- Offers extended by the Company shall be valid for five (5) working days, a period within which the appointed candidate is expected to respond or else the company may cancel the offer and award it to another candidate. Offers not accepted in writing within that time period shall be considered expired/invalid and the offer shall be extended to the next best candidate.

- The HRM shall ensure that successful candidate/s receive/s their appointment letter, employment contract and induction program along with all other necessary documents within a period of not more than two weeks after the decision of offer of employment has been made and approved.

- In the same manner, the HRM shall send out a communication to all shortlisted but unsuccessful candidates informing them of the outcome. HRM is not obliged to communicate to those applicants who were not shortlisted and this should be clearly stated in the advert.

- Offers of employment shall be subject to satisfactory written references. It is emphasised that any candidate with a doubtful or negative reference shall not be offered employment by the Company.

Bio data information

- Once appointed, an employee shall fill in a Bio-data form in order for the company to know and have factual information about their overall life and employment experiences.

- The bio-data form will focus on other aspects of employees such as their marital status, parents' names, their birth date, gender, religion, race, and nationality plus next of kin. For details, see **Bio Data Form; Appendix 11**

Change of personal information

It is a legal requirement for the Company to maintain a record of information on you. To make this possible, you should notify the office whenever there is change in your personal particulars such as name, address, home telephone number, marital status, dependants and next of kin. This information is necessary for the administration of salary, benefit plans and other important activities. The Company maintains these records as confidential, and will not release the contents of your personnel file to a third party outside the Company save where required by law.

Personal Emergency Information Form

Besides the Bio-data form, an employee will also fill a Personal Emergency Information Form to provide additional information concerning them. This information will always be used by the HR office in handling emergency situations regarding the employees.

The form shall contain information such as the names and contact details of persons to contact in case of an emergency; Medicines that an employee takes on a regular basis etc. The form will be regulary updated in order to give upto date information about an employee. For details, see **Personal Emergecy Form; Appendix 12.**

2.3.6 Employment Contract

The company shall issue contracts between 3-6 months for all its casual and seasonal employees and one year contracts for all its new full time employees. However, full time employees shall have an opportunity to have 3-year contracts upon successful completion of their first one year contracts and upon satisfactory performance and unquestionable conduct within that one year.

Once the offer is accepted, the HRM will prepare a written contract to be given to the new employee. The contract shall be signed by the MD. Any other written communication regarding employment contracts/appointments must be reviewed and approved by the MD. For details, see **Standard Contract Format; Appendix 13**

By signing the Employment Contract, the employee agrees to undertake the tasks and responsibilities that are specified in the terms of reference, which he/she has received and accepted. A copy of the employment contract signed by the employee shall be placed on his/her personal file.

Policy Procedures/Guidelines

- The best offer possible shall be made the first time. Normally no subsequent negotiations regarding the offer will be made.

- Neither the Supervisor nor the Human Resource Manager may make commitments or guarantees as to the likelihood of future employment or career growth other than those opportunities generally available to all employees.

- Contract renewal shall be based upon, availability of funds, performance of the employee, and the general needs of the company etc. Fides Kenya has no obligation to grant another employment opportunity to an employee whose contract has come to an end.

2.4 Induction and Orientation

Policy

To enable all staff become effective and efficient in their role as quickly as possible, it is essential that all staff new to the company or the role, receive a timely induction. The aim is to help the newcomer to adjust as quickly as possible to the new working environment, in order to achieve maximum working efficiency in the shortest possible time.

This policy relates to all newly appointed staff and to existing staff members who have taken on a new role within the company. Staff are expected to be proactive in their own induction, and ensure that they receive from appropriate sources the relevant information and support that enables them to apply themselves to their job and fully contribute to the success of the company.

The company places critical importance on thorough induction procedures which make new staff feel welcome, valued and settled in their new role. Therefore, the Human Resource Manager shall be responsible for the induction of the staff member/s. It is important to remember that induction is a process that should take place over a number of weeks; it is not a one-day event. The length and content of the induction program will vary depending on the nature of the new employee's role. For details, see **Induction Checklist; Appendix 14.**

All staff due for undergoing through an induction program shall be responsible for;

- Identifying and undertaking, in a timely fashion, all the induction activities which are indicated to them by their line-manager as well as the human resource manager.
- Applying the knowledge and skills gained through the induction process to performing their job.
- Maintaining induction records as part of their personal and professional development.

2.5 Probation Period

Policy

The probationary period within Fides Kenya shall be aimed at giving the company and the employee time to establish whether there is an appropriate match of skills and behavior to the requirements of the job and the work environment. Newly appointed employees will be subjected to a probationary period of three (3) months for the new seasonal employees and six (6) months for the fulltime employees but it may be extended for a further period of not more than three for seasonal and six months for full time employees with the agreement of the employee. The provisions of this policy do not apply to casual employees.

The probationary period shall be used as an opportunity to assess the employee performance and their adjustment to the job, work colleagues and the company at large; to determine if the employment relationship is mutually satisfactory.

During the probationary period an employee shall receive the full basic salary and all normal benefits with the exception of loans and salary advances

During the probationary period, employment may be terminated by either party for any reason whatsoever, with or without cause, with seven (7) days' notice period for the seasonal employees; one (1) month's notice for the full time employees or by payment by either party, of the notice period wages/salary in lieu of notice.

Assessment during the probation period & completion of the probationary period

At Two Months - Initial assessment of a new employee's work performance should be discussed with them two months after commencement.

At Four Months - A second assessment shall be conducted. Any performance issues identified should be addressed by agreeing on an improvement plan as part of the Probationary process. 4.3

At Five Months - Where areas for improvement were identified as part of the probationary process, at the fifth month, the supervisor must consider if improvement has been achieved before meeting with the employee. By the end of the fifth month the employee should be in no doubt as to whether there will be a recommendation to: extend the period of probation for a further period of up to six months; or confirm the appointment; or annul the appointment.

Based on the probationary report and the recommendations there in, the MD shall decide to either issue a letter of confirmation, extend the probation period or terminate the contract. All actions shall be done in accordance with the stipulated labour laws.

2.6 Staff Exit

Termination of employment is an inevitable part of personnel management within any company and many of the reasons for termination are routine. At Fides Kenya, termination of an employment contract may happen under the following circumstances

- **Resignation**—voluntary employment termination initiated by an employee.
- **Dismissal**—employment termination initiated by the organization.
- **Layoff**—employment termination initiated by the organization because of an organizational change or other reasons such as poor performance.
- **Redundancy**-this will happen in situations where the company no longer needs the services of an employee
- **Retirement**—voluntary employment termination initiated by the employee meeting retirement age, length of service, and any other criteria for retirement from the organization.
- **Death-** this shall be at the end of a life of a person/employee for whatever cause

In all the circumstances defined above, the company, in the process of ending the contract shall follow the prescribed procedures in the employment act

Notice periods

- Where the contract is to pay wages daily, the contract shall be terminated by either party without giving any notice period insert from employment act)

- Notice period for seasonal employees shall be seven (7) working days or payment of an equivalent of seven (7) days' wages in lieu of the notice period.

- Notice period for Managers, HoDs, SMT and MD shall be 3 months or payment of an equivalent of 3 months' salary in lieu of the notice period.

- Notice period for all other categories of workers shall be one (1) month or payment of an equivalent of one month's salary in lieu of the notice period

Payment in lieu of notice period

The company subscribes to the provision that either party may terminate the contract without notice upon payment to the other party, of the remuneration which would have been earned by that other party or paid by the company, as the case may be, in respect of the period of notice required to be given based on the employment act

Resignations

This shall take place when the employee gives an appropriate period of notice as set out in their letter of appointment/ contract or as per the appropriate legislation. The company reserves the right to waive an employee's period of notice and make payment in lieu of the notice period.

Employees who resign voluntarily shall be given the opportunity of an exit interview to provide constructive feedback about the Company and/or working conditions.

Any incidence of misconduct by an employee while a final written warning is running will result in termination of employment and the company reserves the right to withdraw all, or part of the terminal benefits accruing to the employee depending on the nature of the misconduct.

Dismissal/ lay off

This shall take place when the company terminates the employment of its employee/s with notice or with less notice than that to which the employee/s is/are entitled by the statutory provisions or their contract terms and all actions/processes involved shall be in accordance with the applicable labour laws

Summary dismissal

Summary dismissal shall take place when the company terminates the employment of its employee/s without notice. This shall happen in circumstances where the employee has by his/her conduct indicated that he/she has fundamentally breached his/her obligations arising under his/her contract of service. This shall be as a result of the employee performing acts of gross misconduct as stipulated in the employment Act; Section 44 and all the other provision of this policy concerning acts of gross misconduct.

Retirement

This shall take place when the employee becomes of retirement age. The retirement period for the company shall range from 50(fifty) - (55) fifty five years for all employees as follows; all employees at the Managerial level shall be required to retire at fifty five (55) years while all other positions below the managerial level shall be required to retire at fifty (50) years. However an employee may request and/or be requested by the Company to work beyond the retirement age; neither of the parties shall be obliged to grant such a request.

Redundancy

This will happen in situations where the company no longer needs the services of an employee.

Policy

Fides Kenya is committed to protecting the employment security of its employees by appropriate planning. It will ensure that, as far as practicable, the overall and departmental strategic and operational planning and budgeting processes will take into account of potential staffing implications and wherever possible avoid the need for redundancy. There may, however, be occasions when changes in financial resources, the demand for labour or the company's technological or business developments impact on staffing requirements. In such circumstances redundancy will be considered but with due regard to all the applicable laws

This policy applies to all employees under a full time contract of employment with more than twelve months' continuous employment as at the proposed date of dismissal.

Nothing in this policy shall prevent the company from seeking volunteers for redundancy and Selection of staff for redundancy shall be at the discretion of the company and shall be determined by the company's requirements to retain key skills and experience to meet the present and anticipated needs of the business.

Policy application

At Fides Kenya, a potential redundancy situation arises in the following circumstances:

- When the company has ceased or intends to cease, to carry on the business for which the employee was employed or has ceased or intends to cease to carry on that business in the department/unit where the employee was so employed or,

- The requirements of the company for employees to carry out work of a particular kind, or for employees to carry out work of a particular kind in the department/unit where the employee was so employed, have ceased or diminished or are expected to cease or diminish.

Policy Procedures/Guidelines

- Where the employee is a member of a trade union, the company will undertake collective consultation with the relevant trade union(s) and their elected representatives, as well as involving the labor officer in charge of the area to inform them of the reasons for and the extent of the intended redundancy not less than a month prior to the intended date of termination, on the account of redundancy.

- The company shall serve the employee(s) a minimum of one month's notice or one month's wages in lieu of notice; pay all the accrued leave in cash in addition to a severance pay at the rate of not less than 15 (fifteen) days' pay for each completed year of service.

- All employees who are the subject of this procedure will have the right to be accompanied at any formal meeting held under the procedures by a trade union representative or work colleague.

- The company shall ensure fair treatment and, where appropriate, provision of support in the application of this procedure. Employees shall be given an opportunity to share concerns about any equality or diversity issues which may arise during the process.

- The company shall ensure that all parties involved in these procedures maintain, as appropriate, the confidentiality of the process within and outside the company

- Any dismissal under this procedure will remain in force pending the outcome of any appeal.

Death

In the event of death of any employee while at work, Fides Kenya Management through the office of the Human Resources shall immediately report the incident using a prescribed form to the labour officer or if there is no labour officer, to the district commissioner within its district of operation. The human resource office shall call the employee's emergency contact person, if designated, or other known family member to advice of the employee's death. For details on how to handle other matters related to the death of an employee while at work or outside of work premises, see **Death Of Employee Checklist; Appendix 15**

Exit Interview.

All employees who resign or accept voluntary redundancy or retire will be invited to attend an exit interview conducted by the Human Resources Department. Attendance at an exit interview is voluntary, but employees are encouraged to attend and comment openly and honestly. The interview is conducted in confidence and the Human Resources interviewer together with the employee will jointly determine how the information might be used.

Certificate of Service

Every employee who leaves employment will be issued with a certificate of service before departure. The Certificate shall indicate the name of the employer and postal address, the name of the employee, the date when employment of the employee commenced, the nature and usual place of employment of the employee, the date when the employment of the employee ceased and such other particulars as the company may deem necessary. For details, see **Certificate of Service Format: Appendix 16.**

3.0 CHAPTER THREE: REMUNERATION, LEAVE & BENEFITS

Fides Kenya is committed to ensuring that its employees are remunerated with salaries or wages that are competitive within the labour market in the industry. This will enable the company to attract and retain the right staff for the right jobs. This remuneration policy therefore will support decision making processes that will lead to recruitment and retention of highly qualified and self-motivated employees. Hence forth, the company shall:

- Make remuneration decisions basing on qualifications, performance, and budget considerations,
- Recognize and reward excellent performance with merit increase whenever possible,
- Provide salary increase, that is within available resources

3.1 The Guiding Principles

The principles guiding remuneration shall be;

- Provision of non-discriminatory and competitive but realistic remuneration packages,
- Ensuring that outstanding contribution of staff to achieving the strategic goals of the organization and growth of the company is recognized and rewarded,
- Rewarding outstanding individual and team performance,
- Ensuring that the reward system is transparent and all criteria for rewarding individuals or teams is published without exposing the earnings of individual staff,
- Making reference to external sources on comparative remuneration levels within the industry,
- Making regular review of the remuneration policy to ensure that the company caters for inflationary, statutory and labour market changes,
- Giving attention to and consideration for critical employees' requirements during policy reviews and,
- Ensuring that all stakeholders understand the remuneration policy.

3.2 Salary Structure and Salary Reviews

A salary structure is an important component of effective compensation programs. Fides Kenya salary structure will ensure that pay levels for groups of jobs are competitive externally and equitable internally. Hence:

- The salary structure shall be reviewed regularly to maintain a competitive edge in attracting and retaining top talent.
- The HR Department shall conduct salary surveys at determined interval, to provide information on cost of living and terms of employment being offered by other Companies in the same industry.
- Salary reviews on the terms and conditions determined by Fides Kenya management and availability of funds.
- The survey findings shall be reviewed and approved by MD and shall be used as basis for reviewing the salary scales in the salary structure

3.3 Salaries and Wages

Fides Kenya will at all times put the following into consideration when determining employee salaries and wages: Is the employee,

- A new hire
- existing employee due for an increase
- An existing employee moving into a new role
- A valuable employee who is considering leaving the company
- Possessing scarce skills and competencies that are highly needed by the company
- The prevailing market conditions and volume of potential employees
- The economic conditions in the country and the prevailing national labor laws, among other things

3.3.1 Salary Policy

Every full time employee shall be entitled to a gross salary paid as per the signed employment contract. The company will endeavor to pay salaries and wages that are in line with the going rates in the labour market. Such rates will always be determined through salary surveys, which shall be carried out regularly as shall be determined by the Managing Director. All salaried positions shall be ranked and placed in the established hierarchical levels on the basis of responsibility, experience, education and skills required for the position.

Policy Procedures/Guidelines

- All salaries specified in the contract and in the salary scale shall be quoted as gross remuneration before any statutory deductions. Hence gross salaries are subjected to all lawful deductions.

- Salaries shall be paid as net (after making statutory deductions and other mandatory and approved company deductions) at the end of each calendar month. Where salaries cannot be paid as stated herein, a notice shall be given to that effect by the HRM.

- All salary payments shall be made to the employees bank accounts; and a salary pay slip shall be issued to the employees on a monthly basis

- On termination of employment, the last payment shall be made on provision of a Certificate of Clearance

- The company from time to time may decide to increase staff salaries; however, this shall be at the discretion of the Managing Director and will depend on the company's performance.

- Any changes to an employee's salary shall be made against a written authority by the Managing Director and signed to that effect by the same (Managing Director).

3.3.2 Wage Policy

Every temporary/part time employee shall be entitled to a wage which meets both the Statutory Minimum wage standards and the Industry benchmark wages which must be in line with the Agricultural Employers Association (AEA) and Kenya Plantations and Agricultural Workers Union (KPAWU) Collective Bargaining Agreement.

Policy procedures and guidelines

- Wages shall be paid at the end of each month at the place of work during working days.; and the wages will be subjected to any company approved deductions

- All wage earners shall be paid by cash at the farm. In the event that a regularly scheduled payday falls on a day off, such as a weekend or public holiday, payment shall be made on the last day of work before the regularly scheduled payday.

- If a regular payday falls during an employee's vacation, the employee may receive his or her earned wages before departing for vacation, if a written request is submitted at least one week prior to the vacation.

- On termination of employment, the last payment shall be made on provision of a Certificate of Clearance.

3.3.3 Statutory deductions and other salary deductions

- Statutory deductions shall be effected on the employee's gross salary in accordance with the provisions of the labour laws of Kenya.

- Monthly salaries shall be subjected to statutory PAYE, NHIF and NSSF; and other deductions approved by the company: such as the, SACCO, HELB loans & shares, Bank loans, mid month salary advances, welfare contribution recoveries, Canteen debts; and any other as may be agreed on from time to time.

- All these deductions (statutory and company) shall appear on the employee's monthly payslip

- Deductions from wages shall not exceed 2/3 of an employees' gross pay

3.4. Salary Advance "Mid Month"

Salary Advance "Mid Month"

Fides Kenya discourages its employees from taking salary advances or salary loans. However, understanding that there may be emergency and exceptional circumstances that would justify a salary advance or salary loan, this section of the manual provides the policy that defines the circumstances under which a salary advance or loan may be taken; and the procedures to be followed.

For purposes of this policy, an **emergency** is considered to be an event or circumstance that is unforeseen, and which could not be reasonably anticipated in the normal/routine daily life of the employee requesting the advance.

Emergency needs are limited primarily to expenses associated with the death of first line family members (spouse, biological or adopted children, and parents) who are registered with the company at the time of recruitment; extraordinary medical costs that are not covered by insurance; or an event at the discretion of the MD or HRM, that would have irreparable adverse impact on the employee.

Policy

Mid-month salary advances are granted to all employees provided they complete the mid-month advance request form. The company's salary advance (Mid Month) shall be given to employees faced with emergency or exceptional circumstances that warrant urgent financial needs. Salary advance shall mean only that amount indicated in the salary advance request form directly from the employee and approved by the MD or a designated employee at a senior management position and any salary advance shall be limited to half (½) of the basic salary, less the required statutory deductions and is payable through cash only. All salary advances shall be recovered in full, from the employee's next regular paycheck.

Policy Procedures/& Guidelines

- A Request for Salary Advance shall be issued by filling in a salary advance form. For details, see **Salary Advance Form; Appendix 17.**

- Salary advance shall not exceed 50% of an employee's basic salary, less the required statutory deductions and shall be repayable in the same month as it is given and shall not be taken more than once in any one calendar month.
- The HR Department prints the advance forms and forwards them to the Supervisors by 10th of every month. The filled-in forms should be forward to the HR Department before 15th of every month.

- The Payroll Assistant process, checks, verifies and confirms the filled-in forms, and forwards to the MD for approval who it turn approves and forwards the list to the Finance Department for effecting the payment. If all the procedures have been followed on time, the employee should expect to be paid the advance by the 15th of the Month in which the request has been made.

- In circumstances where a salary advance request is not approved; a formal communication will be sent to the employee by the 15th of the month in which the request was made, clearly stating the reasons for the disapproval.

Salary loan obtained from the bank

In circumstances where an employee wants to seek a salary loan from any bank of their choice, Fides Kenya shall facilitate a letter to the employee's bank, detailing the following:

- Declaration that the individual is an employee of Fides Kenya.

- Position, ID number, length of service, gross and net salaries, contract expiry date, instructions for salary deposit and any other general information that may help in the bank's decision making process regarding the loan request. For details, see Letter for a Bank Loan; Appendix 18

- Fides Kenya has no obligation or bears no responsibility whatsoever for the staff loan obtained from any bank,

3.5 Staff Allowances

Policy

Fides Kenya recognizes the importance of and shall pay allowances to its employees in recognition of specific duties or responsibilities that they have to carry out outside their normal work schedules or station and also as reimbursement for the expenses incurred while performing official duties; hence allowances shall be remunerative or reimbursable. Allowances shall be paid according to the approved rates. In case of taxable allowances; the tax will be computed basing on the applicable rules and regulations of the country (Kenya).

Expenses shall be reclaimed using the company designated time and expense procedure. Original itemized receipts must accompany each expense claim either in hardcopy or soft copy depending on the expense claim tool available. Photocopies of receipts are not acceptable expenses outside of this policy and will not be reimbursed. Food and beverage expense claims for multiple persons or business dinners need to specify with whom the expenses were made.

Boarding passes in case of air travel, train or bus tickets issued, and other appropriate receipts shall serve as proof of expense incurred and should be submitted to the Finance Department on return as part of the accountability requirements. In all cases, the most economically advantageous option should be selected and for all claimed expenses, an approval of the manager shall be required.

All accountabilities and claims for reimbursements should be made no later than 1 week upon return from the trip. Unauthorised delays in submission of trip expense reports may lead to non-reimbursement.

The specified allowances shall be calculated using the rates spelt out in ***the schedule of allowances*** that forms part of this Policy and Procedures document, this schedule shall be reviewed from time to time by the Senior Management Team; and approved by the MD. For details, see **Schedule of rates for Allowances; Appendix 19.**

Types of allowances

Out of station allowances

An allowance shall be paid to staff when they go outside the normal duty station to carry out approved official assignments. The amount paid shall be the one stated in the approved schedule of allowances.

Subsistence Allowance/ Night out Allowance.

A subsistence allowance shall be paid to an employee who is away from their normal duty station for more than 4 ½ hours but does not spend the night; to cater for breakfast and lunch; while a **night out allowance** shall be paid to an employee who is on approved official duties within the country and is required to spend a night or more away from home. This allowance shall cover incidental costs related to being away from the duty station such as dinner and night lodging. These two allowances shall be authorized by the Heads of Departments.

Transport Allowance

Travel allowance shall be paid or public transport tickets provided to employees travelling by public means on official Company duty. The payment shall be calculated based on the ruling public transport rates and shall be paid at the concerned employee's duty station. Where an employee uses their personal car (which must be after authorisation by the Transport and Logistics Manager), a mileage allowance shall be paid based on the radius. In case of travelling to and from a training venue to attend trainings organised outside company premises the company shall offer transport either through provision of a vehicle or a transport allowance at rates equivalent to use of public transport.

Daily Subsistence allowance (DSA)

An employee who travels on duty outside Kenya will be granted a daily subsistence allowance at a daily rate applicable to the country visited but also considering the position of the employee. DSA rates shall be determined by management and or the board from time to time. The DSA shall include visa fees, air or train or bus ticket fees, meals and accommodation as well as incidentals.

Acting and Duty Allowances

It is the policy of Fides Kenya Ltd that all its employees at the level of supervisor and above shall be given an opportunity to act in higher (vertical) or peer positions (horizontal acting). The acting period considered for payment shall be a minimum of eight complete and consecutive working weeks constituting two months.

The first two months, if served consecutively, shall be considered an opportunity for learning, growth and development of the employee in question, therefore, no employee shall be paid an acting/duty allowance within the first two months of serving in an acting position.

Serving in an acting position beyond two consecutive months shall qualify one to be eligible for payment of an acting or duty allowance; however, payment shall be calculated starting with the 3rd month of serving in the acting position and shall be remunerated according to the calculations below.

An Acting allowance shall be paid to an employee who acts in a higher position for a period which is more than two months. The acting allowance shall be calculated by getting the difference in salaries, between the entry point (step 1) of the higher position's salary scale (the position being acted in) and the ruling/current salary of the employee recommended to act.

A duty allowance shall be paid to an employee who acts in a peer position, and this shall be calculated by getting 20% of the entry salary point (step 1) of the peer position's salary scale the employee is recommended to act on behalf of.

3.6 Overtime Work

- Except for casuals, all other company employees who get a basic salary of Kshs 11540 and below are entitled to overtime payment while performing duty. Anyone earning above that rate is not entitled. However, they may receive compensatory time, if they have worked overtime with authorization. This shall be entirely at the discretion of the MD for the SMT category and at the discretion of the Head of Human Resources for the rest of staff.

- Overtime rates shall be agreed upon by management and reviewed from time to time as may be necessary

- An employee shall not unreasonably refuse to work overtime without a genuine and confirmed constraint

- All overtime performance will be authorized by the immediate supervisors in writing, using the standard form. Any unauthorized extra hours work will not be eligible for compensatory claims. For details, see **Overtime Claim Form; Appendix 20**

- All overtime performed accruals will be sent by the immediate supervisors to the HR office at the end of every month. No amendments will be accepted after accruals are received in the HR office.

Calculations of overtime payments

- For time worked in excess of the normal working hours at one and a half (1.5) times the basic hourly rate.
- For time worked on rest days and gazetted public holidays at twice (2) the basic hourly rate.

3.7 Leave

Policy

The company recognizes the importance of and shall accord its eligible staff leave for purposes of rest, recreation and recuperation, self-development, etc. so as to enhance their efficiency and effectiveness. Leave is therefore an entitlement to all staff and it shall be either paid or non-paid.

In exceptional circumstances, at the discretion of the MD, some staff may be requested to postpone their annual leave to the following year but it should be taken within the first 3 months of the following year.

However, while on leave, employees are supposed to check their emails at least once a day for urgent company communications and respond within 24 hours.

Policy Procedures/Guidelines

- In all cases, leave taken without authority shall be null and void and shall invite disciplinary action against the employee

- Where in the interest of the company, leave is not granted, it shall be carried over to the next year (but shall only be valid within the first 3- three months) or compensated in any other way as agreed by both parties.

- Employees wishing to take leave shall apply for the leave in writing with supporting documents where necessary. No staff shall take leave unless granted by the relevant authorized heads.

- Employees proceeding on annual leave shall fill the relevant form and pass it on to the immediate supervisor, Human Resource Manager and/or Managing Director as may be required. It will be the responsibility of the supervisor to indicate ways and means of covering for the employee's duty once the employees' proceeds on leave.

- The staff with a responsibility of authorizing and approving leave requests shall have to do it within three (3) days upon receipt of the application request.

Types of leave

Annual Leave

All Fides Kenya salaried staff shall be entitled to annual leave of 21 working days for each year worked. Employees earn their annual leave entitlement after working for a period of not less than one calendar year. Therefore one cannot apply for leave before completion of one year in Fides Kenya employment. The leave entitlements of staff who have been with the organization for a period less than a year shall be prorated accordingly. In addition to annual leave, all employees are entitled to the official public holidays recognized as non-working days by the government of Kenya.

Policy Procedures/ Guidelines

- There will be no entitlement to leave during the probationary period. An employee whose employment is terminated during, or at the end of the probationary period will not be entitled to leave or to payment in lieu of leave.

- Line managers shall approve annual leave for the team leaders & junior staff; Supervisors shall approve annual leave of the employees they supervise; the MD shall approve annual leave for SMT members while the board shall approve annual leave for the Managing Director and no period of leave should exceed three consecutive weeks.

- To minimize the risk of having too many staff going on leave at the same time hence causing disruption to work, annual leave shall be scheduled at the beginning of the year. It will be the responsibility of the immediate supervisors to advise the distribution of the leave periods of the staff under their supervision.

- An annual leave roster shall be prepared by each department at the beginning of the year and submitted to the Human Resource Office for companywide harmonisation and subsequent approval by the human Resource Manager. A copy of the approved annual leave roster shall be kept by the Human Resource Office and the departmental heads will keep roasters of their respective departments.

- Leave days cannot be substituted for cash except at a time of termination of contract. It is the employee's responsibility to ensure that they take their annual leave days every year.

- Employees must request for their leave by filling in a leave request /application form, which must be formally approved by their supervisors prior to taking leave. Leave requests should be submitted at least 2(two) days in advance for leave requests of two days or less and for all the other leave requests the notice period should be two weeks in advance. For details, see **Leave Application Request Form: (online form); Appendix 21.**

Sick leave

Sick leave may be taken for medical/dental examinations and treatment this will be granted to an employee on recommendation of a registered medical officer/practitioner.

All Fides Kenya full time staff shall be entitled to a sick leave of 30 (thirty) days with full pay and thereafter to sick leave of an additional 15 (fifteen) days with at half pay, within one calendar year.

Policy Procedures/Guidelines

- All sick leave days shall be recorded and signed by both the employee and the immediate supervisor at the end of the period of absence using a **Sickness and Absence Reporting Form; Appendix 22**

- Where an employee is off duty for one day, the Supervisor should be informed as soon as possible. Where an employee is off duty for more than three days, a medical certificate covering the period of absence will be needed.

- Failure to submit a duly signed medical form/report after a period exceeding three days of absence may result into the company taking disciplinary measures. Failure to submit medical reports for three consecutive times by an employee on sick leave will result into action under the disciplinary procedures.

- Employees on Full time contract may, at the discretion of the MD be granted prolonged paid sick leave under situations of continuous illness requiring hospitalization or bed rest.

The policy of the company regarding such extended illnesses will be as follows:-

- An employee shall be given sick leave amounting to 30 days at full pay. If an employee is unable to return to work after the first 15 days of sick leave, he/she shall be granted additional sick leave or bed rest at half pay for an additional period of 15 days. Beyond that, if the employee is still sick and unable to report to work, they will be advised to use their annual leave days, beyond that, they will be granted unpaid leave of 1 (one) month, upon request.

- Should an employee with a valid contract remain incapacitated and is unable to perform his/her duties at the elapse of one month's unpaid leave, granted to them by the company, termination of their contract on health grounds shall be effected.

Compassionate Leave
Up to a maximum of 3 (three) working days shall be granted at the discretion of the MD in consultation with the HR office and the department head/supervisor for exceptional reasons, such as bereavement in the immediate family (a spouse, a biological/adopted child, and parents).

Maternity Leave
Female employees shall be entitled to a 90 calendar days maternity leave, with full pay; this does not mean forfeiting the annual leave entitlement. If an employee takes maternity leave during her probation period, the probation period shall be extended by the period taken for maternity leave.

The employee shall submit a written notification of her expected date of delivery and intention to start her leave not less than 7 days before the expected date of delivery, or a shorter period as may be reasonable in the circumstances, of her intention to proceed on maternity leave on a specific date.

In the latter circumstance (short notice of less than seven days) the employee shall produce a certificate as to her medical condition from a qualified medical practitioner or midwife.

Paternity Leave
Male employees shall be entitled to paternity leave of two weeks (including weekends) with full pay when their officially registered spouses give birth. The employee shall have to give a formal notification to his immediate supervisor who will in turn notify the HRM one month before proceeding on paternity leave. In addition, he will provide a copy of the birth notification certificate and a copy of his wife's identity card.

Study Leave
Study leave shall be granted to an employee covering the period he/she shall be away on a course of study approved by the company. In cases of studies that are initiated and authorized by the company, the employee shall receive full payment; otherwise study leave shall be considered as leave without pay or benefits.

Policy Procedures/ Guidelines

- Paid study leave shall be recommended by the human resource manager in consultation with heads of departments. The study programs for employees shall be determined basing on the performance gaps identified through a formal performance appraisal system. All paid study leaves must be approved by the Managing Director.

- Paid Study leave for full time courses shall be categorized into two: Study leave not exceeding 3 months shall be leave with full pay; Study leave of 3-6 months shall be leave with half pay

- Unpaid study leave shall be approved for employees who source for their own training opportunities and funding.

- Applications for study leave shall be done in writing through the HR department and must be accompanied by supporting documents and must be approved by MD on a case by case basis
- Study leave shall only be approved for employees who have been confirmed into service and have worked with the Company for one year and more.
- Notification for study leave shall be at least a month before the training.

Leave of absence "Permission"
This type of leave shall only apply in circumstances where the employee has used up all their annual leave days and shall be authorized unpaid leave on a case-by-case basis.

This type of unpaid leave shall be authorised in emergency situations as follows: The MD shall be the approving authority for all Managers and SMT members and the HRM for all other positions upon recommendation by the Supervisor and Heads of Departments

Excused Leave/ Off Duty.
Employees who work on weekends or holidays are entitled to an equal number of days off duty as compensation. Off duty shall always have prior approval of the Head of Department

3.8 Staff Benefits

Fides Kenya provides certain benefits as monetary or non - monetary compensation to employees depending on the positions they hold in the company. Benefits are given in addition to salary payments and depending on the prevailing tax laws they may be subject to taxes. Benefits vary according to specific employment contracts.

Generally, the company provides a medical scheme and a company clinic facility for its employees. Both schemes shall be administered by the Human Resources department. The following benefits are generally provided to Fides Kenya employees. If any benefit is not applicable to certain employees, specific mention shall be made in their employment contracts

The Human Resource office shall always induct new employees and provide them with written briefs about their benefits to enable them understand their entitlements, rights and obligations.

i. Medical Insurance Cover
All employees earning a minimum of 200,000 and above, as well as their immediate family,(for purpose of this policy immediate family shall include a spouse and 2-two children who are 18 years and below registered with the company), are provided with membership to a membership medical health insurance scheme. Benefits are set out in detail in the appropriate medical insurance scheme policy document. All employees benefiting from this scheme shall be required to sign a declaration/ consent form after which they will be provided with a membership card and a copy of the policy.

ii. Company Clinic
The company provides a clinic to its permanent and seasonal employees. The clinic is a 24-hour service run on a daily basis at the company site. Close relatives and immediate family members are not covered under this scheme but they can attend the clinic at the cost of the employee.

Casual workers and interns are not covered under this scheme; however, if and when they get sick or injured in the course of executing the company's activities, at the company premises, they can attend the clinic having secured an authorisation from the HR manager.

Policy Procedures/Guidelines

- Employees shall be provided with free outpatient medical attention at the Company clinic. In case of serious ailments, the employee shall be referred for medical attention to a recognised and registered hospital. The employee shall collect the prescribed drugs from the clinic if available and if not, they will buy them at their own cost. However, the company shall make all efforts to ensure that the clinic is well stocked with the relevant drugs and medicines.

- All full time employees, at the level of supervisor and above, who are serving a 3 year contract shall be entitled to in-patient services up to a limit of Ksh.20,000 per year whereas that of the general staff serving a 3 year contract shall be Ksh.15,000 per year

- In the interest of health and safety the Company shall monitor the health status of its employees and it may find it necessary to take blood and/or other samples to carry out medical examinations from time to time.

- The Company shall carry out routine medical examinations annually for employees using a simple random sampling methodology. A 20% sample of employees shall be taken each year for purposes of health monitoring.

- The company reserves the right to terminate services of an employee who refuses or fails to give blood or test samples or to be medically examined without any justifiable reason. (are all these yellow bullets within the law? If not there is need to seek advice. From a legal person)

- No employee shall be required to undergo a medical examination for purposes of ascertaining his/her HIV/AIDS or pregnancy status.

The company shall not provide medical cover

- Where the illness or injury was contracted during a period when the employee was absent from their employment without lawful cause or excuse,

- Where the illness or injury is proved to be/ have been self-inflicted,

- Where medical treatment is provided free of charge by government or under any insurance scheme established under any written law which covers the employee.

iii. Work Injury Benefit

Fides Keny**a** employees shall be insured against work related accidents and illnesses in accordance with the WIBA laws of Kenya. The employee accident should be immediately reported to the supervisor and subsequently to the office of the human resources within 24 hours.

The company shall have an insurance cover for all employees who sustain bodily injury by accident or disease arising out of and in the course of their employment with Fides Kenya Company. This shall be instituted according to the stipulated procedures in the WIBA Act.

The policy shall cover any employee who shall sustain bodily injury caused solely and directly by accidental, violent external and visible means; and which injury shall solely and independently of any other cause result in sickness, disablement or death.

This insurance cover will not apply when,

- An employee has committed suicide or attempted suicide, willfully inflicted injury on self, or has acquired a mental or venereal disease
- Any injury caused or contributed to directly or indirectly by deliberate and willfully misconduct of the employee
- There is existing physical defect or infirmity
- There is a condition of pregnancy or child birth or miscarriage or abortion
- An employee is found to be under the influence of or due to wholly or partially to the effects of intoxicating liquor and/or drugs except where drugs are prescribed by a medical practitioner or such qualified person

iv. Expectant and Nursing Mothers Facility

The Company is committed to the health, safety and well-being of expectant and nursing mothers and the safety of the unborn/babies. Expectant and nursing employees are required to inform the Company of their condition as soon as possible with evidencing documents. The company provides special considerations for Expectant and Nursing mothers:

- The company monitors the well-being of expectant mothers and assign duties suitable for their condition as advised by qualified medical practitioners.
- Expectant and nursing mothers are allowed time to attend ante-natal and post- natal clinics subject to a maximum period of 9 months before and after delivery.
- All female employees ARE NOT under any circumstances required to spray or work in an area which is being sprayed.
- Nursing mothers with babies below 1 year are given a 1-hour break for breast feeding. This is done with due notification to their supervisors

v. Day Care Facility

The company runs a day care facility for employee’s children during working hours. The day-care admits children between the ages of 3 months to 36 months. Parents are usually informed and advised to take their children to pre-unit classes when they are ready.

- Employees are required to take their children at the Day care only when they are on duty and promptly pick them up when they leave work.
- An employee wishing to take their child to the day care must fill in the application form and have all the necessary requirements one month in advance. Casual employee’s children are not entitled to this benefit.

- All day-care children enjoy free medical services during the period of their admission at the Day-care centre.

vi. Housing Benefit

All permanent and seasonal workers are entitled to accommodation. Fides Kenya shall at all times provide reasonable accommodation for its employees in terms of a house within the farm or housing allowance. This allowance is paid as an addition to the wages or salary of the employee. The company pays a house allowance of 15 % of the basic pay to all company staff who have not been allocated company houses

All company houses for employees shall have access to safe drinking water and sanitation, energy for cooking, heating, and lighting

It is the responsibility of all housed staff to keep the house and surroundings clean and tidy

Policy Procedures/Guidelines

- Allocation of housing units shall be done basing on a “Housing Guide” which shall be reviewed from time to time depending on the number of and quality of housing units.

- The guide shall categorize the housing units and define the categories of staff to occupy the different categories of housing units.

- All employees who occupy Fides Kenya housing units shall sign a tenancy agreement and shall be expected to abide by the terms and conditions contained in the “housing guide” as well as the tenancy agreement. Failure to do so shall mean forfeiting the housing unit as well as the housing allowance. For details, see **Tenancy Agreement ; Appendix 23**

- Fides Kenya shall not take liability whatsoever for loss or damage of its employees personal belongings, property or assets during their occupancy in the company housing units.

- All employees who are occupants of such accommodation units shall take full responsibility of safeguarding against risks such as fire, arising out of personal carelessness and negligence. In case destruction or damage is caused to the housing units due to the employee’s carelessness or negligence; the employee will be liable for the costs of correcting the damage caused.

vii. Company Telephone

All employees at the level of supervisor and manager shall be facilitated with a company phone, with a monthly load of airtime which shall be determined by management from time to time.

The company shall have zero tolerance to the misuse of the company telephone and the CUG line provided there in. Failure to comply with this policy shall lead to disciplinary measures up to and including termination of your employment and instituting legal procedures as the case may be.

- The CUG lines shall be specifically used for internal communications within the Fides Kenya network

- Additional airtime shall be provided to a few exclusive offices with extra communication responsibilities outside the company at the discretion of the MD. The airtime provided shall be strictly used to conduct company business. Airtime shall be provided on a monthly basis and the amount provided shall be determined by the HR office basing on the communication needs of the job.

viii. Terminal benefits

Terminal Benefits are final entitlements of an employee upon termination of an employment contract or death of an employee. In the event that an employee is alleged to have committed acts of gross misconduct, the company shall carry out an investigation and if the allegations are confirmed to be true, the employee shall be dismissed instantly and may lose part of, or all of their terminal benefits. This decision shall depend on the nature of the misconduct and at the discretion of the MD.

The following are the different types of terminations that Fides Kenya Ltd will have at its disposal as the case shall require;

- Normal termination- without notice
- Normal termination with sufficient notice
- Summary dismissal
- Resignation serving sufficient notice
- Resignation without serving notice
- Redundancy, serving notice
- Redundancy without serving notice
- Retirement on grounds of age
- Retirement on medical grounds
- Normal termination after working for 5 years and above (CBAS or other)
- Desertion

Policy

Unless the relevant industrial agreement or the employee's individual contract specifically states otherwise, the following terminal benefits will normally be made to the employee, subjected to the following deductions

Deductions

- Statutory deductions like NHIF,NSSF, PAYE etc
- Any other authorised deductions
- Any other monies owed to the company
- Recover notice due to employer where applicable

Common benefits for all types of Terminations

- Salary for days worked
- Leave earned but not taken
- Overtime worked but not paid
- Certificate of service

Terminal benefits exclusive to specific types of terminations;

Type of termination	Entitlements upon termination
Expected benefits for normal termination- without notice	All the above and, ▪ Notice pay as per employment contract-prorated on the basis of short notice given
Benefits due upon redundancy, serving notice	All the above and, ▪ Redundancy payment at a rate and manner stipulated by the employee's contract of employment ▪ One month's notice
Benefits due upon redundancy without serving notice	All the above and, ▪ Redundancy pay as stipulated as stipulated in employment contract

<table>
<tr><th>Type of termination</th><th>Entitlements upon termination</th></tr>
<tr><td></td><td>▪ One month’s pay in lieu of notice</td></tr>
<tr><td>Benefits due on retirement on grounds of age</td><td>All the above and,
▪ Notice as per contract
▪ It contract of employment specifies any other payment, that becomes payable</td></tr>
<tr><td>Benefits due upon retirement on medical grounds</td><td>All the above and,
▪ Notice as per contract</td></tr>
<tr><td>Benefits upon normal termination after working for 5 years and above (CBAs or Other)</td><td>All the above and,
▪ Notice as per contract/CBA</td></tr>
<tr><td colspan="2">Other considerations
▪ Some employment contracts may have clauses on gratuity, that should be considered upon termination of such contracts
▪ Some CBAs may have clauses for gratuity. These may be considered over and above what is listed as due benefits depending on circumstances</td></tr>
</table>

Pension scheme

In addition, the Company shall have a pension scheme in place aimed at providing a retirement income security for the remaining life of the pension scheme member. The pension scheme is meant for all employees earning a basic salary of Kshs 40,000 and above and shall be given to them on termination/end of their contract.

This shall be implemented as follows: For all employees earning a basic salary between Kshs 40,000- 199. 999, the company shall contribute 5% and the individual beneficiary employee shall contribute 5% to the scheme; for all employees earning Kshs 200,000 and above, the company shall contribute 10% and the employee shall contribute 5% of their basic salary to the scheme. This shall then make a total of 10% and 15%, respectively, as the monthly contribution for each beneficiary of the Pension scheme.

In conformity with all the provisions of the Retirement Benefit Authority Act, the normal retirement age shall be 50 (fifty) years for general workers and supervisors and fifty five (55) years for the managers and all other levels above them. The employee age shall be determined by the date of birth in an employee’s Identity Card or company records. However, on attainment of the retirement age and subject to written agreement and acceptance by both parties, the retirement age can be extended to a maximum of fifty five (55) years, for the category whose retirement age is 50 years. In addition, any employee may opt for an early retirement based on medical or any other reasons justifiable under the law.

3.9 Bereavement Policy

Policy

In the event of death of any employee while at work, Fides Kenya Management through the office of the Human Resources shall immediately report the incident using a prescribed form to the labour officer or if there is no labour officer, to the district commissioner within its district of operation.

The employee's date of death shall automatically become the employee's last day of employment.

Payment of salary and all other benefits shall cease from the date of death.

The company shall deliver to the labour office all wages due to the employee at the date of his death to be held by the labour officer in trust subject to the law of succession act (Cap 160) or any other written law applicable to the disposal of a deceased person's property.

Policy Procedures/Guidelines

- Upon death of an employee, condolences from the company shall be conveyed to the employee's family through the human resource office.

- Unless the relevant industrial agreement or the employee's individual contract specifically states otherwise, the following payments will normally be made to the employee's legal representatives, upon proof of identification as required by the law, through the labour office of the area.

    - Accrued Annual leave until the official time of death.
    - Accrued Terminal benefits as per the employee's entitlement

- The company shall also assist with claims by the affected employees or family from the insurance companies as per the insurance cover. Fides Kenya shall bear no responsibility whatsoever for claims outside of the insurance cover.

In the event of death of a full time employee Fides Kenya will contribute an equivalent of Kshs 20,000 towards funeral arrangements of the deceased.

For all casual and seasonal employees, the company at the discretion of the MD in consultation with the Human Resources and the Finance and Administration Manager will determine what type of assistance to extend and up to what value in terms of financial assistance.

4.0 CHAPTER FOUR: GENERAL WORK PLACE POLICIES

4.1 Working hours and absence from work

Fides Kenya employees are expected to report punctually to the work station and to respect the normal working hours and schedules for work. Chronic lateness or absence from the work place during normal working hours is considered a serious offence and is ground for disciplinary action.

Policy

Normal hours and working patterns are as specified in the Employment Letter. Fides Kenya Ltd reserves the right to vary hours of work and patterns of working to meet the varying demands of the business. However, The Company shall comply with national laws and/or Industry benchmark standards on working hours. Working hours for unionisable staff will be guided by the collective bargaining agreement in force.

Policy Procedures/Guidelines

- Generally working hours, excluding 1(one) hour for a lunch break, shall be 45 hours per week, with one rest day per week. The employee shall be expected to agree to work additional hours to complete outstanding tasks should the need arise

- From time to time, employees may be required to work on non working days;

  - In case of managers/ supervisors and SMT members, this can be compensated with "compensatory time off".

  - For all other employees, an overtime payment shall be made according to the overtime policy set out in this manual and this shall be only in cases where the overtime work was authorised in writing by the immediate supervisor and or head of department

- An employee who is stopped from working by the Company (unscheduled interruption of work) for any reason other than the termination of their employment or dismissal or suspension, shall be deemed to have worked as if stoppage had not occurred and be paid in full notwithstanding the fact that the stoppage was occasioned by a breakdown of the plant or weather conditions. The company reserves the right to deploy such employees in other duties.

- The employee may be absent from work only with the prior approval of the supervisor. Where circumstances preclude this, the employee, must inform his/her supervisor (stating the reason), within the first three hours of absence from your reporting time so that arrangements can be made to handle your responsibilities. Failure to comply with this shall lead to disciplinary measures being instituted up to and including termination of employment.

- In case of unauthorised absence from work for a period of 3 (three) consecutive, full working days without notification of the supervisor or HR office or without presence of a medical certification or without excusable good cause being shown in terms of the contract, this employment contract expires automatically.

Policy Procedures/Guidelines

- Although the general working hours (excluding a 1-hour lunch break), shall be 9 hours per day, different categories of staff shall have different working schedules, given the nature of their work. Typically all office staff shall follow the Monday-Friday schedule from 7:00am-5:00pm where as field staff shall follow a tailored schedule for as long as it is up to a maximum of 45 hours per week.

- Poor attendance and excessive tardiness may lead to disciplinary action, up to and including termination of employment, if the employee consistently fails to give justifiable reasons for their consistent coming late to work.

- In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor in advance of the anticipated tardiness or absence.

Time sheets

A timesheet will be filled by specified categories of Fides Kenya staff as an additional method of tracking their performance and justifying their pay (salary/wage), over a given period of time. The time sheet will be used to record the start and end time of an activity hence revealing the amount of time an employee spends on an activity. This will guide the office of the HR, to determine the payroll and also track the company's employees' performance. For details, see **Time Sheet; Appendix 24**

4.2 Protection of the company’s property, tools and other interests

Policy

Fides Kenya assets, including financial assets, physical assets, intellectual property and confidential information, must be secured and protected in order to preserve their value. All employees are personally responsible for safeguarding and using the Company’s assets (especially those in their custody) appropriately.

The Company’s assets are intended to be used only to advance the company’s business purposes and goals. This includes but is not limited to, protection of the Company’s physical assets (short and long term), such as office facilities, housing units, furniture, equipment and supplies, information systems and other technology assets, intellectual property rights and confidential information.

Any employee who becomes aware of any dishonesty or falsification of records by another employee or any infraction of the organization’s rules and regulations within or outside the company or become aware on another one maliciously making damage to company property and assets must report the facts promptly to the office of the HRM and subsequently to the MD. Employees are particularly cautioned against failing to report an irregularity through a misplaced sense of loyalty.

An employee who without authority is found making use of the company’s assets for his/her personal gain will be liable to summary dismissal.

In exceptional cases, employees may use them for limited personal usage that does not interfere with the Company’s business and is otherwise in compliance with all applicable Company policies.

Policy Procedures/Guidelines

- Employees are expected to handle with extreme care all equipment and materials provided to them and to return all items in good working order upon termination of employment.
- The employee’s supervisor and finance Department shall keep an updated inventory of the property and material in an employees’ possession.
- When departing or changing office, employees shall be required to prepare a handover report of all the company property/assets in their possession and submit it to the Financial Controller and a copy to the human resource office.
- The employee shall be held responsible for any damage to equipment or materials due to neglect or intentional misuse as shall be determined by the supervisors and heads of Department
- If an employee fails to give back the company’s property in good working manner at the end of their contract, the value of the property shall be deducted from any terminal benefits due to the employee.

- Fides Kenya shall not accept any liability for the loss of an employee's belongings at the Company premises.

Vehicle use and maintenance

Vehicle accidents are costly to the company, but more importantly, they may result in injury to the driver or others. It is the driver's responsibility to operate the vehicle in a safe manner and to drive defensively to prevent injuries and property damage. The purpose of this policy is to ensure the safety of the company vehicles and those individuals who drive them and to provide guidance on the proper use of company fleet vehicles.

Policy

Fides Kenya endorses all applicable state motor vehicle regulations relating to vehicle use and driver responsibility. The Logistics department shall be responsible for general administration of this policy and also developing other detailed guidelines with regard to this policy.

The company expects each driver and any employee authorised to drive a vehicle to drive in a safe and courteous manner pursuant to the following safety rules.

Driver Guidelines and Reporting Requirements

- Company vehicles are to be driven by authorized employees only, except in case of repair testing by a mechanic.

- Any employee who has a driver's license revoked or suspended shall immediately notify the Logistics Office within 24 hours after the incident, and immediately discontinue operation of the company vehicle. Failure to do so may result in disciplinary action.

- All accidents in company vehicles, regardless of severity, must be reported to the police and to the Logistics Office. Accidents in personal vehicles while on authorised company business must follow these same accident procedures.

- Accidents involving the employee's personal injury must be reported to Human Resources for Worker's Compensation purposes. Failing to stop after an accident and/or failure to report an accident may result in disciplinary action, up to and including termination of employment.

- Drivers must report all ticket violations received during the operation of a company vehicle, or while driving a personal vehicle on authorised company business, within 3 days to the logistics office.

Driver Safety Rules

- Drivers are responsible for the security of company vehicles assigned to them. No unauthorized personnel are allowed to ride in company vehicles.

- No driver shall operate a company vehicle when his/her ability to do so safely has been impaired by illness, fatigue, injury, or prescription medication.

- The use of a company vehicle while under the influence of intoxicants and other drugs (which could impair driving ability) is forbidden and is sufficient cause for discipline, up to and including termination of employment.

- Mobile phone usage while driving is prohibited. (This includes picking up calls and reading or sending text messages), however, only in exceptional cases when the call/text message is very important and urgent should the mobile phone be used. In such cases, the driver should pull off the road, park the car and make or answer the call/read or send a text message.

- All drivers and passengers operating or riding in a company vehicle must wear seat belts, even if air bags are available.

- All State and Local traffic laws must be obeyed, including defensive driving rules and guidelines applicable

Vehicle Maintenance

Proper vehicle maintenance is a basic element of any fleet safety program, not only to ensure a safe, road worthy vehicle, but also to avoid costly repair expenses and unexpected breakdowns.

- Routine inspections or safety checks of critical items, such as brakes, lights, tires, wipers, etc., must be done.

- The vehicle must be cleaned (interior and exterior) regularly to help maintain its good appearance for you and the company.

- Prior approval from the Logistics Manager is required on any vehicle maintenance needs. All maintenance performed for the month must be listed on the mileage reports.

Personal use, Passengers, & Authorized Drivers of Company Vehicles

- Company vehicles are to be driven by authorized employees only, or in case of repair testing, by a mechanic. Spouses, other family members, or other non-employees, are not authorized to drive company vehicles.

- Passengers must be limited to only those individuals authorised to ride in the vehicle to conduct Fides Kenya business.

- Company vehicles will not be used on non working days or holidays except in exceptional/emergency circumstances such as driving a sick employee to a referral hospital or undertaking emergency work related activities at the farm. However, such circumstances will be determined by the Export and Logistics Manager and use of company vehicles in such circumstances shall be after approval of the same.

Vehicles Designed Primarily to Transport Cargo; such as Vans, Pickup Trucks, etc.

- Restricted, needs based use, to run errands and other limited personal business may be done during the work day and on the way to and from work. Approval for exceptional use should be in advance unless emergency circumstances prevent advance approval.
  - Once approved, the employee shall be responsible for any liability not covered by company insurance.

- Due to the design of these vehicles and related safety concerns, transport of employee family members is not allowed except in situations of emergency or exceptional needs. Such use may be approved on a case (per incident) basis by the logistics manager.

4.3 Communication Policy

Fides Kenya recognizes that accurate, detailed and up-to-date information on all aspects of operations is essential to the proper running of the Company, whether communicating internally or externally.

Policy

Management shall at all times encourage effective communication amongst all departments and across all levels of hierarchy within the company, through a variety of channels, including and not limited to conducting management, departmental& staff meetings, generating reports, minutes of meetings, use of the telephone ,intranet, email, letters and face to face conversations.

Policy Procedures/Guidelines

Communication from and to the Board of Directors or any other external party; from and to the Company's employees shall be communicated through the MD who shall in turn ensure that the communication is delivered to the relevant employees as the case may warrant.

Official communication/ Information

An employee is forbidden, unless permitted by the Managing Director, to make any communication to the press, anonymously or otherwise on any matter connected with the affairs of the company or to disclose to any person other than an authorized person in the course of his/her duty, any official information. Under ordinary circumstances, the Managing Director is the authorized person to issue public statements or talk to the media on behalf of the company

Publication

An employee shall not write, publish or contribute articles to any newspaper, presentation, journal or magazine on any matter or subject, which concerns Fides Kenya activities without the express written permission of the MD.

Protecting Fides Documents

Software, plans, documents, hard and soft copies, photocopies etc. made by all Fides Kenya employees are the sole property of Fides Kenya Company. Upon termination of his/her employment, the employee shall be obliged to return to the company all documents pertaining to the assignment, in a complete and orderly form.

Erasures

An employee shall not make erasures in any books, files, or any other document of the company, (both print and electronic) where such erasures amount to concealment of vital information. All alterations made shall be clearly initialled by the employee concerned and should be properly authorized.

Electronic Mail/Internet

i. **Electronic mail use**

Overview

Electronic email is pervasively used in almost all industry verticals and is often the primary communication and awareness method within an organization. At the same time, misuse of email can post many legal, privacy and security risks, thus it's important for users to understand the appropriate use of electronic communications.

Electronic mail should mainly be used for formal business correspondence and care should be taken to maintain the confidentiality of sensitive information. Formal memos, documents and letters for which signatures are important, should be issued on the company letterhead regardless of whether a physical or electronic delivery method is used

Purpose

The purpose of this email policy is to ensure the proper use of Fides Kenya email system and make users aware of what Fides Kenya deems as acceptable and unacceptable use of its email system. This policy outlines the minimum requirements for use of email within Fides Kenya Network.

Scope

This policy covers appropriate use of any email sent from a Fides Kenya email address and applies to all employees, vendors, and agents operating on behalf of Fides Kenya.

Compliance Measurement

The Dummen Orange ICT team will verify compliance to this policy through various methods, including but not limited to, periodic walk-thrus, video monitoring, business tool reports, internal and external audits, and feedback to the policy owner.

Exceptions

Any exception to the policy must be approved by the Dummen Orange ICT team in advance.

Non-Compliance

An employee found to have violated this policy may be subject to disciplinary action, up to and including termination of employment.

Policy Procedures/Guidelines

- All use of email must be consistent with Fides Kenya policies and procedures of ethical conduct, safety, compliance with applicable laws and proper business practices.

- Fides Kenya email account should be used primarily for Fides Kenya business-related purposes; personal communication is permitted on a limited basis, but non-Fides Kenya related commercial uses are prohibited. Email is not to contain material that amounts to gossip about colleagues or that could be offensive, demeaning, persistently irritating, threatening, and discriminatory, involving the harassment of others or concerns personal relationships.

- All Fides Kenya data contained within an email message or an attachment must be secured according to the Data Protection Standard. Email that is identified as a Fides Kenya business record shall be retained according to Fides Kenya Record Retention Schedule.

- Email should be retained only if it qualifies as a Fides Kenya business record. Email is a Fides Kenya business record if there exists a legitimate and ongoing business reason to preserve the information contained in the email.

- When using email a person must not pretend to be another person or use another person's computer without permission. In addition, the company's email system shall not to be used for the creation or distribution of any disruptive or offensive messages, including offensive comments about race, gender, hair colour, disabilities, age, sexual orientation, pornography, religious beliefs and practice, political beliefs, or national origin. Employees who receive any emails with this content from any Fides Kenya employee should report the matter to their supervisor immediately.

- Users are prohibited from automatically forwarding Fides Kenya email to a third party email system. Individual messages which are forwarded by the user must not contain Fides Kenya confidential or above information. Special care should be taken when communicating confidential and/or sensitive information that is not already public. Where appropriate, label messages as “Confidential” or note “Do not forward.”

- Users are prohibited from using third-party email systems and storage servers such as Google, Yahoo, and MSN Hotmail etc. to conduct Fides Kenya business, to create or memorialize any binding transactions, or to store or retain email on behalf of Fides Kenya. Such communications and transactions should be conducted through proper channels using Fides Kenya approved documentation.

- Using a reasonable amount of Fides Kenya resources for personal emails is acceptable, but non-work related email shall be saved in a separate folder from work related email. Sending chain letters or joke emails from a Fides Kenya email account is prohibited.

- Fides Kenya employees shall have no expectation of privacy in anything they store, send or receive on the company’s email system therefore, the company reserves the right to monitor access, review and disclose use of its e-mail and to inspect the contents of any electronic message at any time, including documents stored in computers and on external drives, through its authorised persons/departments. The company shall do so under any of the following circumstances:

    - On the basis of reasonable suspicion of any work-related fraud, misrepresentation, theft, or other activities that could adversely affect the interests of the Company.
    - To investigate complaints of inappropriate conduct or violations of the Company’s policy
    - To respond to court orders in matters of litigation
    - To enable normal workflow during employees’ absences

- The email records of other persons are not to be accessed except by management (or persons authorized by management) engaged in ensuring compliance with this policy, or by authorized staff who have been requested to attend to a fault, upgrade or similar situation. Access in each case will be limited to the minimum required to complete the task.

- Since employees are ultimately responsible for any information that is sent from their e-mail ID, it is important to safeguard e-mail access privileges. Employees should treat their passwords as personal, online signatures, keeping them private and not allowing others to use them.

- All emails sent should include the approved organization disclaimer.

- Failure to comply with these instructions is an offence and will be subjected to appropriate investigation. In serious cases, the penalty for an offence or repetition of an offence may include dismissal.

ii. Internet use

Use of the Internet and the resources available on it are a great asset to Fides Kenya. Any use of Internet, which is not in furtherance of Fides Kenya’s purposes or supportive of an employee’s work for Fides Kenya Ltd is prohibited.

It is each individual's responsibility to use the Internet resources in a responsible fashion. Inappropriate use not only reflects on the Company, but may lead to penalties, including revocation of privileges, disciplinary action up to and including termination, and, if warranted, legal action.

4.4. Occupational Health, Safety & Security

Policy

Fides Kenya is committed to securing the safety; health and welfare of all its employees at the place of work and to protect them against risks, to their safety and health arising out of, or in connection with the activities of their operations at work. The company shall adopt the universal principles of a healthy workplace to include a safe working environment, healthy work practices, and programmes to promote health and to address psychosocial risk factors in the work place.

This policy is to prevent accidents, injuries and illnesses resulting from all foreseeable workplace hazards and risks and to respond rapidly and appropriately when these occur.

Policy procedures/ Guidelines

These health safety and security procedures shall apply to all employees of Fides Kenya, (permanent or temporary) while at their place of work:

- As required by the law, the company shall from time to time carry out a risk assessment for the workplace in order to identify any hazards in the workplace, assess the risks arising from such hazards and identify the steps to be taken to deal with any risks.
- A written statement shall be issued from time to time, and among other things, will duly inform the employees of the safety, health and security arrangements and procedures that are being in force at the time.
- The compliance department will be responsible for enforcing this policy and ensuring a detailed security/safety Code of Conduct is developed and enforced.

Security and Safety

- Fides wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end the company prohibits the possession, transfer, sale, or use of such materials on its premises.

- All employees shall be briefed on and shall accept the security situation and safety regulations in force.

- Any breach of security and safety regulations or of the Code of security shall be considered as a serious misconduct that shall cause termination of the contract with or without notice depending on the gravity of the misconduct and in extreme cases attract legal proceedings on the part of the employee who has committed the security/safety breach.

Security Inspections

- Desks, lockers, and other storage devices may be provided for the convenience of employees but remains the sole property of fides Kenya. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of the company at any time, either with or without prior notice.

- To ensure that no one is taking away the company property, all staff will be inspected at the gate before getting out. This inspection policy applies also to all vehicles both company owned and private going out the company premises.

- All staff are expected to cooperate with the security guards and support them in their mission. Any resistance to be inspected or giving any verbal resistance will result into disciplinary action, up to and including termination of employment.

- Possession of company property at the gate trying to get away with it intentionally will be considered as **theft**. Theft as one of the gross misconduct will result into **summary dismissal**, and the employee will be taken to the **Police Station** as Kenya Laws requires, for more legal action.

- Gate security guards have the right to inspect any suspicious person (employee or non-employee) or car (company owned or private) for the safety of peoples and properties within the company's premises.

Safety Precautionary Measures:

- Availability of first aid kits at each work station and employee training on first aid.

- Property and facility maintenance, to ensure that there is no damage to buildings and equipment that can cause a health and safety hazard.

- Detailed Emergency evacuation plans and procedures are in place e.g. in case of fire.

- Protective gear available for those that require it e.g. gloves, boots, head gears, etc.

- Appropriate waste disposal facilities shall be kept.

Work related injuries; Accidents at work

- All accidents involving employees must be reported to the Human Resource Department for necessary action.

- Should an employee be accidentally injured in the workplace during working hours, it shall be the responsibility of the employee him/herself, their supervisor together with the HR Department to make appropriate arrangements for immediate medical attention.

Workplace Violence

Workplace violence is defined as a threat or an act of aggression resulting in physical or psychological damage, pain or injury to a worker, which arises during the course of work.

Workplace violence shall include abuse: the use of unwelcome, embarrassing, offensive, threatening or degrading Psychological and physical acts.

The company has zero tolerance with regards to harassment and violence. Employees or interns engaging in either harassing or violent activities will be subject to the Disciplinary Procedures, which may include termination of employment and other possible criminal charges.

Smoke-free Work Place

Smoking is not permitted by employees within office rooms or anywhere else on the farm. Anyone found to be in violation of this policy shall be dealt with according to the disciplinary procedures set out in this manual.

4.5 Fides Kenya's relationship with Trade Unions/Employee's Federations

Policy

Fides Kenya employees shall have a right to participate in forming a trade union; join a trade union or leave a trade union.

The company shall not discriminate against any employee or any person seeking employment for exercising any right regarding joining any trade union of their choice or participate in its activities. Neither shall the company dismiss or in any other way prejudice an employee or a person seeking employment:

- Because of their past, present or anticipated trade union membership
- For participating in the formation or the lawful participation in the activities of a trade union of their choice

The human resource office shall develop, and from time to time review and issue out guidelines on how the company and all its employees relate with Trade Unions

4.6 Policy on Child Labour

Policy

It is the policy of Fides Kenya not to employ any person regarded as a child according to the labour laws applicable. Henceforth, no person of or below the age of 18 shall be employed by the company whatsoever.

In addition, the company shall not employ any child between 13-16 years of age other than one serving under a contract of apprenticeship or indentured learnership in accordance with the provisions of the industrial training act.

Subsequent to the above, the company shall not employ a child in an industrial undertaking between the hours of 6:30pm- 6:30am.

4.8 HIV/ AIDS Work Place Policy

Policy

Fides Kenya acknowledges the impact of HIV / AIDS in the workplace, and respects the rights of each individual equally, regardless of his / her health status.

Any information regarding an employee's HIV/AIDS status or his/ her family members shall be kept strictly confidential. Every employee has a common right to privacy.

Employees do not have a legal duty to inform the company of their status, nor may a health worker do so without authorisation.

No employee infected with or affected by HIV / AIDS shall be discriminated against, victimised or rejected.

Any instances of discrimination or victimization at the workplace shall be dealt with according to the Company's disciplinary code.

Continued employment and benefits

- HIV status alone shall not prejudice an employee's continued employment, training, promotion or other employment opportunities.
- Denial of opportunities in these circumstances shall be dealt with in the same way as any other serious condition.
- HIV infected employees shall enjoy the same access to employee benefits as other employees.

Termination of an employee's services

In the event of an employee sick with HIV/AIDS being medically unable to continue his/her duties, the company shall make effort to amend his/her contract with a view to scale down the employee's duties to a reasonable level within the same position.

Termination shall be a last resort, and shall only be considered when the employee is no longer able to perform even his/her amended job contract satisfactorily.

HIV/AIDS testing

A successful candidate selected for appointment to an employee's position shall be required to undertake a medical examination, and to produce a certificate of good health signed by a registered (or appointed) medical practitioner. Employees need not undergo HIV testing during the obligatory medical examination unless with their consent.

If in the process of this examination, the candidate's HIV status is revealed, the medical practitioner shall not be deemed to convey this information to the company without the candidate's consent.The certificate is intended to state whether the candidate is in good health or not but not to reveal the HIV/AIDS status of the patient unless with their consent.

HIV/AIDS Education and awareness

- The company shall clearly communicate its HIV/AIDS workplace policy to all employees to ensure they are conversant with its contents.
- HIV/AIDS training, education, awareness and information programme shall be made available and maintained for all employees.
- Educational material shall also be available for the benefit of all employees.

5.0 CHAPTER FIVE PERFORMANCE MANAGEMENT

In Fides Kenya, Performance management (PM) shall be and on-going process, throughout the year, aimed at having employees have a clear understanding of the work expected from them, to receive ongoing feedback regarding how they are performing relative to expectations, to distribute rewards accordingly, to identify development opportunities, and to address performance that does not meet expectations.

The company shall strive to provide an environment where all employees understand the impact their contributions have, on the achievement of the company's goals as well as providing them with an opportunity for ongoing personal growth. The PM process shall culminate into an annual performance review.

Policy

The company shall strive to provide each employee with clear performance objectives, ongoing coaching and performance feedback, professional development and recognition for outstanding work through;

- Linking individual employee work efforts with the company's mission and objectives, in order for the employee to understand how their job role contributes to the wider company goals.
- Focusing attention on setting clear performance expectations (results + actions & behaviors), in order to help the employee know what needs to be done, to be successful on the job.
- The use of objectives, standards, performance dimensions, and other measures to focus the employee efforts.
- Conducting regular performance discussions, which include status updates, coaching, and performance feedback, in order to promote flexibility, allowing the employee to identify problems early enough to change the course of executing the assignment.

Policy procedures/guidelines

Performance Management at Fides Kenya shall be comprised of four main stages:

i. The day-to-day management of an individual's performance to ensure that what needs to be achieved is achieved effectively and on time.

ii. Individual accountability (operational plans) where employees together with their supervisors shall agree on the performance objectives/goals, performance indicators and targets to be achieved in a year. Needless to say, there will be shorter term targets set periodically such as weekly, monthly or quarterly aimed at managing the day to day performance of the employees.

iii. Performance review or appraisal which is an assessment of each individual employee to find out whether he/she is performing in his/her job according to the clearly defined objectives in the agreed operational plan which shall be held twice a year.

iv. Professional development through which each employee's existing skill, knowledge and experience shall be developed so that he or she performs as effectively as is possible in the job.

After undertaking the performance management process, the HR Department shall compile a list of employee development needs and develop the training and development calendar for the given period.

Fides Kenya principles of a Performance Management process

In undertaking a performance management process, Fides Kenya shall follow the following principles:

- The principle of consensus and cooperation- this shall aim at getting a consensus from all stakeholders as opposed to control or coercion of employees
- The principle of continuity- this principle shall aim at having a continued and revolutionary process in which performance shall be improved over time through having continuous feedback
- The principle of participation and inclusion- this principle shall aim at having a performance measurement and assessment based on jointly agreed objectives
- The principle of openness- this principle shall aim at having a management style that is open and honest and encourages two-way communication between supervisor and supervisee

5.1 Performance Review

The performance review will undertake to measure an employee's performance in the current position. It will be aimed at providing an excellent opportunity for both the supervisor and the employee to communicate about his/her performance, evaluate the employee's job satisfaction, and make plans for the employee's future performance.

Policy Procedures/Guidelines

- At the end of the performance period, the supervisor shall review the employee's performance against expected goals/objectives; performance indicators/targets, as well as the means used and behaviors demonstrated in achieving them. Together, they shall establish new performance objectives for the next performance period.

- A performance review checklist will be followed to ensure a very effective and fair performance review process. For details, see **Performance Review Checklist; Appendix 25**

- Both parties shall review and append their signature and date to the performance review report. The signatures will acknowledge the holding of the performance review discussion and the contents there in, not necessarily agreeing with them; The HoD and the HRM shall also append their signatures to the report, a copy of which will be made and given to the employee and the original kept on the employee's personal file.

5.2 Performance Appraisal

The employee performance appraisal shall be a summary of all that has been discussed. Based upon job expectations and key areas of contribution, and previously discussed goals and evaluation methods, the appraisal should be a written confirmation of what has already been discussed with the employee throughout the year.

The process shall include key job responsibilities, current work/assignments, relevant competencies, goals and achievements. Previously completed performance appraisals shall be used as reference documents.

In addition, the process shall provide for employees to record their comment and input. All comments included on the appraisal form need to be job-related and based upon observable behaviors. The performance appraisal process shall consist of 2 stages, namely; the self appraisal stage and the appraisal interview.

Stage One: Self-Appraisal

- In preparation for an appraisal, every employee shall review his/her own performance against set objectives, performance indicators and targets agreed on for the appraisal period (period under review) for details, see **Performance Appraisal Form; Appendix 26.**

Stage two: Appraisal interview

- During the interview, the supervisor shall review and discuss the employee's self-appraisal and the employee shall have an opportunity to discuss his/her performance in terms of their job-description and all specific objectives and tasks set for the assignment in a given period of time.

- In addition, the employee shall among other focus areas, take the initial responsibility for presenting his/her achievements to his/her supervisor; discuss and agree on objectives for the next year as well as their training and development needs.

- In addition, the appraisal process shall provide both the supervisor and the employee with an opportunity to reflect on changes in the job vis-à-vis the job description, e.g. changes in scope and responsibilities.

- The employee will get a formal performance feedback and hence receive the relevant guidance on the next course of action but also discuss opportunities for career growth and development within the company.

- During the interview, employees must be shown what has been written about them, including performance ratings and feedback for performance improvement, recommendations on future career development plans such as training or coaching etc.

Notice of performance improvement

In cases where performance problems are identified the following procedure is to be followed:

- Details of deficiencies in performance are to be brought to the employee's attention and should be confirmed in writing. The employee must be provided with a copy of any documentation regarding their appraisal.

- Expected goals/standards or expectations must be established by the supervisor for the employee. Specific completion dates must be agreed, where appropriate, for particular tasks.

- The employee must have an opportunity to remedy the work deficiencies and be provided with coaching and counselling by the supervisor where appropriate, or be given any other support that may held the employee improve their performance.

- The notice shall include a mutually agreed upon improvement plan, which should have an improvement period of not more than 30 days. Where a mutual agreement cannot be reached, the

Supervisor's recommendation will supersede. For details, see the **Performance Improvement Form; Appendix 27**

5.3 Employee Training and Development

The challenges associated with the rapid and dynamic changing nature of work and the workplace environment require a skilled, knowledgeable and competent workforce with employees who are adaptive, flexible, and focused on the future.

Policy

Fides Kenya commits to developing its workforce by providing adequate and relevant training, supporting staff development programs as well as providing opportunities for career growth and development.

In order to achieve this, the company recognizes the need for a shared responsibility between the company and the employee. Therefore, the company will work with the employee to;

- Assess and provide feedback on their skills and knowledge gaps, interests and aspirations
- Select learning and development activities that match their career development objectives and job needs
- Follow up with employees after a learning activity to integrate new skills and knowledge into their responsibilities

On the other hand, Fides Kenya expects its employees to

- Take initiative to assess skills and interests and seek development activities that match their personal and job needs
- Work with their supervisors to identify learning and development needs and objectives

Most employee learning and development programs shall fall under the following categories:

- Management Development
- Career Development
- Basic Skills
- Professional Skills
- Technical Training
- Supervisory Skills
- Personal development

- The HR department shall be responsible for developing a staff development and training budget which shall be reviewed by the Finance Manager and approved by the MD.

Handling grievances arising out of the staff training and development nomination procedure

The company shall always endeavor to apply the principle of **Equality, Diversity and Inclusion**; while undertaking the staff training and development program. This shall be aimed at allowing the nomination authority to select the most suitable staff based on the company's needs, staff commitment towards work, and other criterion which shall be determined by the Human Resource Manager from time to time.

All grievances arising out of the staff training and development nomination procedure or any other issues regarding the entire staff training and development program should be addressed to the human resource office; however, the company reserves the right to select and confirm staff to participate in the company's staff training and development program.

Obligation of trainees:

All employees who have undergone training facilitated by the company shall be obliged to write and submit training reports, detailing the course content, what they have benefited from the training/course and how they intend to apply the knowledge/skills obtained in the training to advance company goals. In addition, they shall submit a copy of certificates of completion where applicable.

On the other hand;

The Human Resource Department shall track and monitor all trainees who are undergoing the company's staff training and development program, to ensure value for money by undertaking a training and development evaluation process, as well as having data which shall be instrumental while undertaking the human resource planning process for the department and the entire company. Such data will also be used to update employee personal files for future promotions, job rotations, etc

Policy Procedures/Guidelines

- Training opportunities shall be open to all employees without discrimination.

- Training and development programs arranged for employees shall be related to the work of company and specific to identified training needs of that employee and the objectives and aims of each training activity shall be clearly specified on the employees' training plan. For details, see **Training plan form; Appendix 28**

- The company shall allow the necessary time for relevant and approved employee development programs and activities.

- In the event of limited resources, training activities and all other employee development programs shall focus on team/group support rather than individual support.

- The Training Responsibility shall lie on:

  - Line Managers who will be responsible for the continuous development of their employees through planning training, counselling, mentoring, coaching or any other support program aimed at helping their employees attain higher levels of performance.

  - The HR department to oversee and supervise the effective implementation of the staff development and training program, which shall be approved by the MD in consultation with the Finance & Administration Manager for confirming availability of a training budget.

Identification of Training Needs

To ensure a professional, focused and needs based approach to training, the company shall regularly institute a training needs assessment process that shall be driven by the Company's performance management and strategic planning processes.

Training Methodology

The company shall make use of a variety of training methodologies and shall in each instance, apply the one that is most suitable, depending on the nature of the training need to be addressed, the number of employees requiring the training and the most cost efficient way of delivering such training.

On the Job Training/Support

On-the-job training/support shall be the responsibility of the line supervisor with the support of the HoD and shall be conducted in accordance with the job requirements vis-a-vis the technical skills/knowledge gaps of the individual employee.

In instances where several employees require training in a specified skill/knowledge area, the company will offer such training on a group basis. In such instances, a suitably qualified employee will organise and run appropriate training sessions for the employees.

Alternatively, when deemed the most appropriate choice, an external consultant shall be contracted to design, present and deliver the necessary training programme.

External Training

Fides Kenya shall offer an opportunity for employees to be sent for training at an external institution within the country or abroad either individually or in a group or participate in an exchange program outside of Kenya. This shall be after the recommendation of the line Manager/s; the HoDs; the HR Manager and approval of the MD

External training/support shall comply with the Training Needs Assessment and must be specifically approved by the MD depending on the availability of resources.

Bonding staff who have undergone training facilitated by the Company

It is the company's policy that all employees who have undergone any type of training facilitated by the company, shall work for the company for a period of not less than 3 years after completion of the training course. In the event that they want to leave the company the following procedures shall apply;

If an employee who desires to leave the company within the first year after completion of the training/course, they shall pay 75% of the total cost of the training/course to the company before they leave; within the second year after completion of the training/course, they shall pay 50% of the total cost of the training/course to the company before they leave; in the 3rd year, they will be liable to pay 25% of the total cost of the training fees and after the elapse of 3 years, they will pay nothing

In case an employee desires to leave the company after serving three years, after completion of the training/course, they shall pay nothing to the company.

5.4 Re-Deployment/Job Rotation

One of the outcomes of undertaking a performance management process may be undertaking a job rotation (re-deployment).

Policy

In order to respond to the changing operational environments, Fides Kenya shall reserve the right to assign the employee to other duties within the company and to transfer other responsibilities to him/her of an equivalent level to those he/she has been performing until that time. This shall also include the right of the company to transfer the employee to any other department or unit.

The basis for making re-deployment decisions shall be work allocation and distribution, with the intention of optimising utilisation of internal capacity and resources to meet the company goals but also for career and personal development of the employee.

The employee's place of work however, is specified in the individual employment contract or in the transfer letter signed by the HR office with approval of the MD

Policy procedures/guidelines

- The need for re-deployment can be initiated by the immediate supervisor, the Head of Department or the employee.
- The need for re-deployment can also arise in cases where the Company decides to merge, phase-out positions or as a disciplinary measure where it requires placing employees under close supervision.
- In all the mentioned examples, the initiating party shall approach the HRM who shall in turn make consultations and there after convene a meeting between the current supervisor, Head of Department and the employee to agree on the way forward.
- In the event that there is an agreement for the re-deployment/designation, the HRM shall seek approval of the MD

5.5 Employee Counseling

The company's shall provide work related counseling through its human resource office in conjunction with the supervisors/line managers and heads of department to all staff. This shall be aimed at supporting staff to deal with a wide range of work related or family and personal issues which significantly affect their performance negatively, at the workplace.

Guidelines

- All employees with a supervisory role shall be expected to offer employee counseling for their supervisees
- Employee counseling shall be intended to provide a short-term support intervention. It is designed to give staff the opportunity to promptly address issues of immediate concern to them that seem to significantly affect their performance at work. Staff who require longer-term assistance shall have to make private arrangements for support.
- All consultations will be conducted in complete confidence between the staff member and the supervisor. The company may obtain statistical data on the broad categories and frequency of access and use of the counseling program for future human resource planning. Such data will not include names of persons using the services.
- Because of the sensitivity of the activities undertaken by such an employee assistance program, grievances may arise from its application, from time to time. The company shall refer to its grievance and handling procedures and any other relevant policies set out in this manual to solve the grievance amicably.

5.6 Staff Promotions

Policy

The company believes that unclear promotion policies can create conflicts and high turnover rates among employees who don't understand why co-workers received a promotion instead of them. Therefore, the company's promotion policy and procedures shall be applied in a transparent and consistent manner to all employees in order to eliminate grievances that may arise out of unclear promotion procedures.

Fides Kenya's promotion policy shall focus on advancing employees based on their skills, experience, knowledge, performance and commitment to the company rather than favoritism or personal relationships with management or any member of the human resources department.

Guidelines

- The minimum criteria for staff promotions shall be determined by the human resource manager in consultation with the heads of departments/supervisors and approved by the MD.
- The criteria may for example include the minimum years of service in the company; consistent achievement of monthly set targets, having the right academic credentials, etc to be considered for promotions
- The HR office shall ensure that all employees are in the know of the set standards they need to meet in order to earn promotions.
- All qualified employees for a promotion shall be assessed in the same manner to avoid all forms of favoritism or discrimination.
- The entire promotion process shall be documented for reference in case there are questions about whether the promotion policy is biased.

5.7 Human Resource Planning

The company's human resources plan shall be designed to address both the short-term and long term staffing needs and challenges while adapting to changing conditions in the business environment from time to time.

The purpose of strategic HR planning program shall be to:

- Ensure adequate human resources to meet the strategic goals and operational plans of the company; ensuring the right people with the right skills are in the right jobs at the right time
- Keep up with social, economic, legislative and technological trends that impact on human resources in the company and in the sector/industry
- Prepare the company to manage changes if the future is different from what was anticipated

Policy Procedures/Guidelines

The HR department shall

- Assess the current HR capacity of the company in terms of knowledge, skills and abilities.

- Make realistic HR needs forecasts for the future based on the strategic goals of the organization.
- Determine the gap between where the company wants to be in the future and where it is currently
- Develop HR strategies that will guarantee achievement of the company's strategic intentions. These may include but shall not be limited to the following
  - Restructuring strategies
  - Training and development programs
  - Recruitment strategies
  - Succession planning e.t.c

6.0 CHAPTER SIX: DISCIPLINE; DISCIPLINARY ACTIONS & GRIEVANCE HANDLING

6.1 Discipline and Disciplinary Procedure

Discipline is the process of dealing with staff whose performance or behaviour falls short of the expected standards. It is a process of communicating with the employee to improve unacceptable behaviour or performance.

Definitions

Disciplinary meeting: The discussion and analysis of issues which affect an employee's conduct and/or work performance in an attempt to find solutions to on-the-job problems. Counselling shall be used to improve an employee's performance where their behaviour or conduct is unacceptable or unsatisfactory.

Disciplinary action: Action taken by the company to deal with any actual or perceived breach of policies, codes or other standards of work performance and/or conduct.

Misconduct: Behaviour so serious in its nature that it may warrant severe discipline of the employee by the employer including but not limited to instant dismissal.

Abscondment: An employee who without justifiable cause does not report for duty for seven (7) consecutive working days shall be taken to have absconded from duty and will be automatically terminated from service except under exceptional circumstances which must be investigated for proof. Such circumstances could be abduction, accidents of a grave nature, sickness of a serious nature among other exceptional circumstances.

Policy

Fides Kenya Ltd aims at ensuring that its employees behave in a way that ensures everyone, including the company customers, suppliers, guests and any other third parties are treated fairly and without bias or discrimination. Therefore, the company encourages behaviour that supports and fosters self discipline and promotes the company's code of conduct. Disciplinary action shall be taken whenever an employee violates company policies. The department of Human Resources shall be responsible for overseeing and ensuring proper implementation of this policy.

All staff are expected to maintain a high standard of personal conduct in their duties in and outside the office. Where indiscipline arises among staff the policy of the company is to have sanctions in place to redress the situation. In such cases, it is the policy of the company that employees concerned get *a* just and fair treatment as required in the administration of justice. In the interest of good morale and operational efficiency, all employees are required to fulfill competently and in accordance with the instruction of Fides Kenya the duties and responsibilities called for by the position they hold.

Where deemed appropriate, disciplinary measures shall be taken when employees behave in a way that contradicts the company's code of conduct, or any other company policies and procedures, or in any other way perceived to adversely affect the company's objectives or good reputation.

This policy establishes an equitable and consistent approach to addressing unsatisfactory work performance and/or conduct by:

- Ensuring disciplinary meetings take place to reinforce the expected performance or conduct standards
- Establishing a process under which warnings may be issued and discussed
- Providing for disciplinary action where performance or conduct does not improve.

The company shall hence forth ensure that,

- The principles of natural justice and procedural fairness are observed by ensuring that,
    - The employee who is the subject of concern shall be informed of all the allegations in relation to his/her behaviour; shall be provided with the opportunity to put forward their case; all parties shall have the right to be heard; all relevant submissions and evidence shall be considered; irrelevant matters shall not be taken into account and the decision-maker(s) shall make all effort to be impartial, fair and just.
- Investigations and proceedings are conducted honestly, fairly and without bias
- There is no undue delay in investigations and proceedings.
- All parties involved in the disciplinary process participate fully in the resolution process in good faith.
- Utmost confidentiality is observed, respected and maintained at all times within the constraints of the need to fully investigate the matter, subject to any legal requirements for disclosure and consistent with the principles of natural justice.

Policy Procedures/Guidelines

In Fides Kenya Ltd, all disciplinary actions and processes will be aimed at correcting poor performance or behaviour rather than punish employees; therefore they shall be constructive in nature. The Company will normally adhere to the following general disciplinary process for addressing any conduct that warrants discipline, resulting from unacceptable behaviour, poor performance or violation of the company's policies, practices or procedure:

- Meet with the employee in question
- give them the details of the infraction; explain it in detail and ensure they understand and acknowledge it
- advise them to amend the fault
- advise them that further misconduct may result in formal and more serious disciplinary action

Generally, the steps that shall be followed will be but not limited to the following;

- Identification of the problem-Notifying the person of the problem immediately but a lag by the employee could imply their acceptance of poor performance or unacceptable behaviour,
- Holding a disciplinary meeting (formal/informal) where a thorough discussion about the problem shall happen and a thorough investigation of the cause,
- Getting a response/reason/explanation from the employee(s) in question. The disciplinary committee shall be prepared to ensure/give a fair hearing of and proper consideration to any reason or excuses given,
- Concentrating on the facts of the situation by ensuring there is evidence for facts and figures,
- Making the person aware of the consequences of noncompliance with requirements,
- Negotiating outcomes (e.g. training, counselling, disciplinary action etc),
- Setting a period for improvement, allowing the employee(s) time to demonstrate improvement, Monitoring change in line with the review period and standards set at the disciplinary meeting,
- Documenting the outcome of the disciplinary meeting; the person should be allowed to see, sign and make any comments on this file note.
- If the behaviour persists, act as per the notified consequences.

Disciplinary Committee

Minor offences shall be handled by the respective supervisors; the disciplinary committee (comprised of the Chairperson, Management representative and the HR representative) shall handle major offences and acts of gross misconduct while the MD shall compose a hearing committee for hearing appeals.

In Fides Kenya Ltd, the types of disciplinary actions shall range from oral caution, written warnings, suspension, demotion, termination and summary dismissal, among others. It is emphasised that the company will follow the applicable labour laws and the Employment Act requirements when carrying out any of the disciplinary actions.

In Fides Kenya, each of these disciplinary actions shall mean and be taken to have happened under the following circumstances;

Oral caution/Reprimand: shall be taken to be an infraction- a petty crime or a minor breaking of rules as stipulated in the "table of nature of offenses and related actions. An employee will be given an oral caution/reprimand when he or she engages in problematic behaviour. As the first step in the progressive discipline policy, a verbal caution shall be meant to alert the employee that a problem has been identified and the company intends to address it. Verbal warnings shall be documented and maintained by one's immediate supervisor.

Written Warning: A written warning shall mean an infraction of a more serious nature than an oral caution. A written warning will be given when an employee engages in conduct that justifies a written warning or the employee engages in unacceptable behaviour during the period that an oral caution is still in effect.

Written warnings shall be properly documented and maintained on an employee's personnel file while a copy shall be given to the employee; and shall remain in force for a period of 12 months. At the elapse of the

12 months, the warning letter shall no longer count against the employee except for future reference/disciplinary history.

When an employee transfers to another department or unit within the company, any active written warnings or disciplinary actions shall remain in effect at the new Department/Unit.

Generally, the written warning shall be issued: When an offence is repeated even after some oral reprimands have been issued, or in the case of an habitual offender; When the misconduct is so serious that a verbal reprimand would be inadequate and or When an offence merited a termination but due to other mitigating considerations, management opts for a warning letter.

The decision to issue a written warning letter shall be reached after the employee has had opportunity to be heard to determine if or not he/she deserves the same. In the same respect, he/she shall not be asked to sign the warning letter as an acknowledgement of receipt but not necessarily as an acknowledgement of the contents there in nor shall their signature be a prerequisite for the validity of the warning.

However, where the disciplinary procedure requires an employee to sign as acknowledge of receipt, any refusal to do so shall be regarded as an offence.

Suspension: suspension shall occur when an employee commits an act of gross misconduct and they are subsequently asked not to attend to their duties for a given duration. Suspension in itself shall not constitute a punishment but rather a part of the company's disciplinary procedure, to allow an investigation to take place.

Suspension within Fides Kenya shall normally be with full pay and the employee shall remain with her/his employment rights while on suspension. However, there are circumstances which shall warrant **suspension without pay**, from time to time, on a case by case basis and these shall be determined by the disciplinary committee based on the nature of gross misconduct the employee has engaged in, pending the outcome of the investigation. If the outcome reveals that the employee was falsely accused, their full rights and entitlements shall be reinstated. If the investigation proves otherwise, the employee's contract shall be terminated and their terminal benefits forfeited.

The duration of suspension shall not exceed 14 (fourteen) working days. This period may be broken into two periods of suspension depending on the circumstances, to allow an employee have a 2^{nd} chance at presenting their case before a final decision is made.

Offenses/circumstances warranting suspension shall include all acts of gross misconduct as stipulated in the Table of **Nature of Offenses and related Disciplinary Actions; Appendix 29**

When taking a decision to suspend an employee, the following shall be put into consideration

- Is there "on the face of it" reason to believe that the employee was involved in the misconduct? Yes/No
- Is the alleged misconduct of a serious nature? Yes/ No
- Is there a possibility that the employee may prejudice investigations in any way? Yes/No
- Is there the possibility that the employee may tamper with evidence? Yes/No
- Is there a possibility that the accused employee may retaliate against the complainant, especially if the complainant is in a lower position than the accused employee? Yes/No

- Is there a possibility that the employee may commit further similar acts of misconduct if he/she is not suspended? Yes/No

The following conditions shall be in force when an employee is suspended;

While on suspension the employee,

- Will not be allowed near, around or within the farm premises
- Will not be allowed to make any contact whatsoever with any employee of the farm or the company's customers/suppliers or any of the company's third parties known to them even if the employee may have personal or family relations with them.
- Must surrender all company property and documents and any other tool/uniform/ etc that has been given to them during the course of their work within the company
- Shall abide by any other conditions set in their suspension letter

In preparation of the meeting regarding an employee's suspension process, the company through its designated authority shall inform the employee (s) in question of the following,

- The date, time and venue of the meeting;
- The proposed action by the employer;
- The allegations that gave rise to the proposed action "suspension";

Opportunity for the employee to make representations as to why he/she should not be suspended; or, If he/she fails to avail him/herself of the opportunity to make representations at the meeting, he/she will be given the opportunity to submit written representations by a certain time and date. For details, see **Notice of intention to suspend/ Suspension Notice templates; Appendix 30**

An employee's suspension process shall be properly documented and a record kept on their personal file.

Demotion: a demotion is a reduction in an employee's terms and conditions of employment- resulting in a reduction of his/her job title, responsibility, authority or status, Or, A reduction or diminution of dignity, responsibility, power or status-even if the salary and attendant benefits are retained.

A demotion shall only take place when there is justifiable cause and proven evidence to demote an employee, having followed a fair procedure in demoting an employer, and with full consultation and consent of the employee in question because of the existing employment contract.

All demotion processes and procedures shall be properly recorded and documented and kept on an employee's personal file as well as providing a copy to the employee in question.

Termination: An employee will be terminated on grounds of misconduct, poor performance or physical incapacity or operational requirements of the employer. This shall follow a thorough investigation by the Human Resources to determine that termination of the employee is necessary. At the time of termination, all company property must be relinquished to the employee's manager. While undertaking the process of termination, all applicable labour laws of the country shall be followed and the process shall be properly documented and put on record on the employee's personal file.

Summary dismissal: this shall be behaviour on the part of the employee which is of a gross misconduct and is so bad that it has fundamentally breached the company's policies and code of conduct and undermines the relationship of trust and confidence between the employee and Fides Kenya Company. Further still such an action shall be of a nature where there is no longer any chance of establishing a normal trusting relationship between the parties and that reconciliation cannot take place. Examples of acts of gross misconduct which shall amount to summary dismissal are stipulated in the Table of **Nature of Offences and related Disciplinary Actions; Appendix 29**

While the Company will generally take disciplinary action in a progressive manner, it reserves the right, in its sole discretion, to decide whether and what disciplinary action will be taken in a given situation.

6.2 Grievance and Grievance Procedure

For purposes of this policy, grievance shall mean any genuine or imaginary feeling of dissatisfaction or injustice which an employee experiences about their job and its nature, about the management policies and procedures or a complaint that arises from perceived personal concerns relating to one or more work-related interpersonal relationships. If more than one staff member raises the same or substantially similar grievance(s), then each grievant will be managed separately. Fides Kenya Ltd believes that such a feeling must be expressed by the employee and brought to the notice of management.

Policy

It is the policy of Fides that all its employees must work together in a respectful manner to foster prompt and fair resolution of their concerns and Grievances. The company encourages all its employees to resolve their disagreements through informal, frank, and open discussion processes. However, the company also recognizes that occasionally more formal processes are needed.

All such activities, whether informal or formal, must be carried out by all participants within a framework of good faith and mutual respect. Everyone participating in the grievance resolution process as outlined in this policy may exercise his or her right and fulfill his or her responsibilities without being subject to reprisal or retaliation.

Grievances and the proceedings under this policy will be treated with the greatest degree of confidentiality possible. Initiators are advised, however, that confidentiality can only be respected insofar as it does not interfere with the company's obligations to investigate allegations of misconduct that require it to take corrective action, or to fulfill duties imposed by law, including, but not limited to, access to records, etc

All staff members have a right to use the procedures in this policy if they believe they have a legitimate grievance that can be dealt with under these procedures.

Employees shall be given the right to be accompanied by a fellow employee of their own choice, when raising a grievance or appealing against a decision. This is aimed at settling the grievance as near as possible to its point of origin.

At all levels of the grievance process, action must be taken within five working days of the request and the process must involve all stakeholders and the employee raising the grievance or appealing against the decision taken, as well as his/her representative, if desired.

Vexatious claims and claims made without reasonable cause:

Staff members should not raise allegations which are vexatious or without reasonable cause.

Vexatious means that: the main purpose of a claim is to harass, annoy or embarrass the other party; or there is another purpose for the grievance other than the settlement of the issues arising in the claim (or response).

Where a claim is determined as vexatious, the staff member who raised the complaint will be subjected to disciplinary action up to and including termination where the situation or circumstances warrant it.

'Without reasonable cause' means that a claim is made without there being any real reason, basis in fact(s) or purpose.

Where a claim is made without reasonable cause, the staff member who raised the complaint will receive written notification of the determination which will include reasons as to why the complaint was deemed as without reasonable cause.

Policy Procedures/Guidelines

- Where a Grievance arises as a result of the company's decision, the Company will, where possible, refrain from the activity during the period taken up by discussion under these procedures which will be completed within 21 days where practicable. Additionally, the status quo of the Employee/s concerned will, where possible, remain unchanged in all other aspects.
- Where the Employee or their Nominated Representative, and the Human Resources Manager agree, the time-limits set out in these provisions may be extended and/or the Grievance process may begin at the second step of these procedures.
- Where two or more employees believe they have an identical or common problem, they may take action together and the matter will be dealt with as a single Grievance.
- A matter raised within these procedures may be withdrawn by the employee or their Nominated Representative, at any stage during these procedures by notice in writing, to the Human Resource Manager.

Step One: Facilitation

When an employee wishes to raise a grievance with the Company within these procedures, that employee must initially attempt to resolve the grievance through discussions with the other party or parties involved in the grievance process.

The employee must also verbally advise the employee's immediate supervisor of the situation. Where the employee claims to have been aggrieved by the employee's immediate supervisor, the employee may instead inform the supervisor's immediate superior, if the employee feels unable to approach the immediate supervisor on the grievance issue.

The person or persons with whom the grievance is raised will make a full verbal response to the employee not later than five working days, where practicable, from the date the matter is raised.

The most senior person in this process shall always be charged with ensuring that the matter proceeds in accordance with the time frames stated in these procedures and the dates of meetings are clearly documented. The employee may be assisted by a Nominated Representative in preparing for, and participating in these procedures.

At any one stage of this 1st step process, the office of the Human Resources shall be available to facilitate one-on-one discussions, on request.

Step two: Mediation

If the employee is dissatisfied with the reply (or if there was not a timely reply at the First Level), the employee, or, where requested, their Nominated Representative, must advise the Human Resources Manager, of the unresolved grievance.

At the request of the parties involved in the grievance process, or at the discretion of the Human Resources Manager, the Human Resources Office will arrange a Mediation of the grievance with the aggrieved person or persons by independent and neutral Mediators (selected at the discretion of the HRM), within five working days where practicable.

The Human Resources Manager will ensure that all parties involved are fully informed of the grievance meeting, and on time, including the provision of any related written material(s).

Step Three: Referral to the Equal Opportunity Committee (EOC) of the Company

Where the grievance remains unresolved after five working days, or as soon as practicable, following the Mediation, either party to the grievance process may refer the matter to the Equal Opportunity Committee of the company.

All recommendations made by the EOC Committee will be binding on the parties involved in the grievance process and will constitute a settlement of the matter.

While undertaking any of the 3 steps stated above, the guiding principles shall be;

- **Quick action-** As soon as the grievance arises, it should be acknowledged and all efforts made to address it. The manager/supervisor must look into the complaint impartially and without any bias.

- **Gathering facts-** The managers/supervisors should gather appropriate and sufficient facts explaining the grievance's nature. A record of such facts must be maintained so that these can be used in later stage of grievance redressal.

- **Examining the causes of grievance-** The actual cause of grievance should be identified. Accordingly remedial actions should be taken to prevent repetition of the grievance.

- **Decision making-** After identifying the causes of grievance, alternative course of actions should be thought of to manage the grievance. The effect of each course of action on the existing and future management policies and procedure should be analyzed and accordingly decisions should be taken.

- **Execution and review-** The manager/supervisor should execute the decision and a follow-up must be there to ensure that the grievance has been resolved conclusively and adequately.

6.3 Making Appeals

In all circumstances, an employee on whom disciplinary decision/action has been taken has the right to appeal. When the designated person of the company writes to give the employee the company's decision, regarding any outcome of the grievance raised, he/she shall state;

- What the employee did wrong and the likely consequences of further misconduct if the hearing was for the way an employee has behaved at work
- What improvement they expect and within what period if the hearing was to take action about how well an employee does their job

- What penalty the committee is imposing and, if appropriate, how long it will last
- The deadline for appealing against the decision
- How and where the employee should appeal.

The employee on the other hand can appeal against the following;

Challenge the way the disciplinary action was taken against them. For example, if the disciplinary policy and procedures were not followed.

Challenge the evidence on which the committee based their decision. For example, if they believed something to be true without evidence or without enough evidence to support it.

Challenge the decision the committee took. For example, if they have acted differently in the past in similar cases.

Give new evidence or reasons why disciplinary action shouldn't be taken. For example, you may want to point out your clean disciplinary record, work record and length of service, or explain that you need training or adjustments to your work to avoid the problem happening again.

In all cases, the employee should give their reasons for their appeal, in writing and ensure submission in time to allow the committee adequate time for considerations and review of the case before responding to the appeal made.

Who will deal with your appeal?

In order to ensure that the appeal process is impartial, the appeal shall be heard by the MD. The MD shall set a date for the hearing meeting and after it has been conducted, he/she shall inform the employee, in writing, of the outcome of their appeal within 5 five working days.

The decision of the MD shall be final. Where the action is instant/summary dismissal, an appeal shall only be heard when the staff is no longer on duty.

If he/she wishes, the employee shall be represented at the appeal by a fellow employee of his/her own choice. The HRM should also be present at the hearing.

No disciplinary action that is subject to appeal shall be confirmed until the outcome of the appeal.

What to consider during the appealing meeting

Depending on the reasons for your appeal, the appeal meeting may be either *a review of the disciplinary action against you with no further hearing*, or *a re-hearing.*

6.4 Nature of Offences

There are 3 types of offences: minor, major and gross misconduct. In some cases where the boundary between these categories is not clearly defined the HRM and or MD shall be consulted for guidance.

Amendments

The Managing Director together with the SMT shall review the offences, rules and regulations of the company every three years and if necessary modify or come up with new rules and offences. This review shall take into account the labour laws, emerging public policy and practices in similar companies in the same industry.

Procedure for Handling Minor Offences

- In the event that an employee commits a minor offence that requires a verbal reprimand at the first instance, the immediate supervisor ought to summon the employee for a discussion over the matter. This will be all that is necessary to settle a first incident of a minor nature rendering actual disciplinary action unnecessary. Immediate supervisors shall nonetheless keep the Human Resource Office/Managing Director informed of the discussions and should keep records of such meetings/discussions

- Should the employee commit another offence of similar nature, the immediate supervisor will issue a written warning and copy the Human Resource Office. The employee for whom the written warning is being made shall have the opportunity to defend him or herself.

- Supervisors are required to have all written warnings properly documented in the employee's personal file. Good documentation of disciplinary measures can be attained if complete investigation has been conducted.

- Committing the same minor offence the 3rd time within a period of one year will amount to termination of the contract.

Procedure for Handling Major Offences

- An employee who commits a major offence shall be served a first written warning,

- Infraction of a similar offence, or another offence of a similar nature or magnitude, within a period of 4 months from the time the first offence was committed will lead to a second and similarly, a final written warning.

- In the very unlikely event that the employee commits yet another offence of a similar nature within a period of a year from the time the last offence was committed, then, the immediate supervisor will have no option but to recommend termination of the employee's contract to the Managing Director through the HR Office.

Procedure for handling Grave Offences (Gross misconduct)

- Grave offences are of gross misconduct that an employee caught committing such offence will be dismissed instantly.

- If circumstances are unclear by any dimension, the Managing Director will interdict such suspect cases. Interdictions will, normally not last more than 21 working days, and will always be in writing with a copy to the Board for the expatriate staff and the labor officer of the area for the rest.

- During the period of interdiction, the employee may get half pay. Should the company fail to prove guilt of the employee within 21 working days, then the employee will be re-instated with full pay, if he/she wishes to continue serving the Company.

Without prejudice to the general provisions given above, the following shall constitute the types of behaviour (offences), which will result into disciplinary action: Refer to the Table of **Nature of Offences and Related Disciplinary Actions; Appendix. 29**

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