



# DISCIPLINARY AND GRIEVANCE POLICY

**Objective:** The objective of this employee disciplinary and grievance policy is to establish guidelines pertaining to employee conduct and to clearly define the disciplinary and corrective actions to be taken in certain situations. It is also to explain how Kora Payments Network Limited (the “Company”, Kora, “we”, “our”, or “us”) handles employee misconduct or performance issues. This policy describes our progressive action steps, including possible consequences for employee actions.

In this policy, we provide a process by which employees can correct any misconduct or improve their work performance prior to more disciplinary action, up to and including termination.

Although we have highlighted a progressive action policy, the procedure to be followed will depend on the individual nature of each situation. All employee misconduct or performance issues are addressed on a case-by-case basis.

The overall intention of this policy is to also create and ensure a fair and consistent method of dealing with instances of misconduct and addressing grievances within the Company.

**Scope:** This policy applies to all employees of Kora. All teams are required to adopt the provisions of this document when implementing disciplinary actions.

**Policy:** Kora may impose disciplinary actions for workplace infractions, including employee misconduct and poor performance, at its sole discretion. Disciplinary actions may include but are not limited to, verbal or written warnings, disciplinary meetings, corrective action, paid or unpaid leave, suspension without pay, demotion, reassignment, or termination.

**Guidelines:** The guiding principle behind this policy is strict observance and compliance with the fundamental principles of justice, equity, and fairness.

Kora wishes to provide guidelines for employee behaviour. We understand the difficulty of outlining standards of conduct for every situation. However, bearing in mind the need to protect the commercial interests of the Company while ensuring adherence to the principles of fairness, equity, and justice, we have established the following guidelines for dealing with unacceptable behaviour.

A. Disciplinary issues will be treated with minimal delay, and employees have the right to defend themselves appropriately and, where necessary, to appeal. Disciplinary actions will focus on correcting the employee’s unacceptable behaviour, except where termination is absolutely necessary.

B. Except in instances of major violations or as otherwise provided under this policy, the disciplinary procedure typically consists of verbal warnings followed by written warnings, suspension, or dismissal from the company. The situation will also determine the disciplinary procedure to be followed.

C. The disciplinary process may be informal (verbal warning) or formal (this could be in the form of a query or sanction). A disciplinary hearing may also be scheduled, depending on the complexity of the issue. Where a disciplinary hearing is scheduled, the employee will be informed beforehand and will be given adequate opportunity to defend herself or himself in accordance with the laws of the Federal Republic of Nigeria.

D. While the records of all accusations, grievances reported, violations, and actions taken will be kept in line with the Company's record retention policy, utmost confidentiality will be ensured throughout the process, and access to the records and/or the proceedings will only be on a strictly need-to-know basis, and public disclosure will only be of relevant and necessary parts of the information. This does not apply to requests or orders from relevant regulatory authorities or courts of competent jurisdiction.

#### **Procedures:**

##### **A. Minor Violations:**

1.1. The Line Manager should arrange for a one-on-one meeting with the employee to highlight the wrongdoing.

1.2. The employee should be given the opportunity to explain the reason for their wrongdoing, and both of them should discuss possible solutions and achievable timelines for achieving the recommended solutions.

1.3. The employee should also be advised of the consequences of further violations.

1.4. The Line Manager should keep all correspondence from the discussion and be sure to share with the People Operations team to aid any progressive discipline in the event of any repeat misconduct by the same employee.

##### **B. Major Violations:**

2.1. When an allegation of misconduct happens, the Line Manager will issue a query to the employee, copying the People Operations team. The query should also state a response time frame (usually 24 hours).

The apportioned time frame will take into consideration the severity of the action and the need for time to prepare an adequate defence.

- 2.2. The employee is expected to respond within this time frame and may attach supporting documents or statements to their response. Where necessary, in major violations, the employee may be permitted to invite a relevant person to substantiate her/his response.
- 2.3. The response is then reviewed by the Line Manager and the People team, and if the employee cannot prove non-involvement or further investigation does not exonerate the employee, a sanction is issued.
- 2.4. Depending on the impact of the breach and the decision taken, a counselling session could be arranged for the employee.
- C. In cases of misdemeanours that warrant dismissal or termination at first occurrence, a disciplinary committee will be set up to investigate the allegations. The following stakeholders will be involved in the disciplinary process and committee:
- a. A C-Level of another team aside from the team the employee is in, where the C-Level is unavoidably absent, he/she will need to nominate a representative at the Manager level or higher.
  - b. Three neutral representatives, at manager level or higher, who must be employees of Kora. Neutral representatives include an employee who, amongst other things:
    - (i) is not in the same division or business unit as the concerned employee;
    - (ii) does not have any connection with, or vested interest in, the matter at hand;or
    - (iii) has not complained about or been involved in proceedings against the concerned employee in the six (6) months immediately preceding the date of commencement of the committee's hearing.
  - c. The Line Manager may be present as a representative to provide facts on the case where necessary, but shall not be involved in the final decision-making in any capacity. The role of the Line Manager shall merely be an observational one.
  - d. A representative of the People team and Legal team will offer advice on current legislation/practices that are relevant to the disciplinary process. The committee shall be obligated to defer to the advice of the representative of the Legal team on issues relating to the conduct of the proceedings of the committee.

\*\* Except (i) a legal practitioner representing the employee; or (ii) where a non-Kora employee may be necessary to prove the case of the employee, a concerned employee shall not be allowed to invite any external representative to disciplinary hearings. The concerned employee must forward the names of any external person whom he/she intends to invite to the proceeding and the justification for the person's presence, together with all relevant documents, at least 48 hours before the commencement of the hearing, except where the hearing will commence shorter than 48 hours, in which case the names and documents must be submitted within 12 hours before the commencement of the hearing.

- D. The employee will be previously informed of the disciplinary hearing at least 24 hours before the hearing. Notwithstanding this timeline, the employee, having provided a justifiable basis, may be granted an extension of the timeline to adequately prepare; such extension is to be determined on a case-by-case basis at the absolute discretion of the committee, but not later than one (1) month.
- E. All proceedings will be documented and kept in a copy of the employee's file for future reference in accordance with the Company's record retention policy. Kora may disclose this information on request to regulators, a court of competent jurisdiction, or any third party to whom Kora may feel professionally obligated to disclose, upon request.
- F. The employee will be entitled to a right of appeal, notwithstanding the level of the proceedings. In this case, the Executive Management will review the facts of the case and make a final decision. The same procedure outlined in paragraphs C and D above will apply. The right of appeal will become exercisable immediately after the decision of the committee and must be exercised within five (5) days from the date of the committee's decision.

### **Grievance Procedure:**

This procedure encourages and allows employees to deal with grievances fairly, consistently, and speedily, ensuring that both managers and employees have the right channels of communication for discussing any issues, concerns, complaints, or dissatisfaction that may jeopardise the harmony of the company.

The following steps should be taken:

1. The aggrieved employee should put her/his grievance in writing or discuss it with a member of the People team or Line Manager. If the grievance is against the Line Manager or any member of senior management, it should be reported to the People Manager.

2. The concern will be raised with the employee and all parties involved, with a member of the People team acting as a mediator. If necessary, other members of the Management team, or Senior Management team as the case may be, may be consulted.
3. If the outcome of the mediation is unsatisfactory by the employee or there is no response, the issue will be escalated to the Senior Management in that team, or the People Manager might decide to escalate to the CEO. Where the grievance is against the CEO or any other member of the Senior Management Team, the mediation shall be overseen by another person other than the CEO or such other person.
4. Where necessary, the People team may immediately, or at any stage in the grievance resolution process, refer the issue to a disciplinary committee or Executive Management.

#### Appeal Procedure:

This procedure is followed when an employee is not satisfied with the outcome of a formal inquiry resulting in a warning being given, dismissal, or some other administrative decision. If an employee is dissatisfied with a dismissal decision, they have valid grounds in terms of the procedural fairness of that decision and may request an appeal. (Please see Section F(f) of the Procedure).

This appeal should be made to the People Manager. This will be escalated to the Appeal Panel, and the panel's decision will be final.

#### Disciplinary Actions:

These guidelines indicate the disciplinary action to be taken when there is misconduct. The list is, however, non-exhaustive, but it is a guide on how possible misconduct may be treated.

The sanctions listed will generally be applied as maximum penalties; each case of misconduct will be viewed individually, and where the circumstances of a case warrant a review of the sanctions listed, Kora reserves the right to impose any or a combination of the approved sanctions.

NATURE OF MISCONDUCT	FIRST OFFENCE	SECOND OFFENCE	THIRD OFFENCE	FOURTH OFFENCE
<b>MINOR VIOLATIONS</b>				
Persistent/habitual lateness to work	Verbal Warning/Counselling	Written Warning	Final Written Warning	Dismissal/Termination

<i>(Habitual lateness without satisfactory explanation to work, meetings and official functions)</i>				
Absenteeism <i>(Wilful absence from work without just cause.)</i>	Verbal Warning/Counselling	Written Warning	Final Written Warning	Dismissal/Termination
Violation of the Company's internet and email policy	Written Warning	Final Written Warning	Dismissal/Termination	-
Using insulting, obscene language or signs while on duty or on company premises.	Verbal Warning/Counselling	Final Written Warning	Dismissal/Termination	-
Inefficiency / unsatisfactory work performance; failure to carry out work to the required standards	Written Warning	Final Written Warning	Dismissal/Termination	-
Failure to meet already set company-wide deadlines <i>e.g., signing of policies by the Compliance or People team.</i>	Verbal Warning/Counselling	Written Warning	Final Written Warning	Dismissal/Termination
<b>MAJOR VIOLATIONS</b>				
Insubordination <i>(insolence towards a superior, customer, or member of the public shown by demeanour, action, or words; refusal or failure to obey the Company rules, regulations, processes, and procedures).</i>	Final Written Warning	Dismissal or Termination	-	-
Being under the influence of alcohol (drunkenness) or illegal drugs during work hours.	Final Written Warning	Dismissal or Termination	-	-
Password Compromise/ Hacking/Phishing or phishing attack	Final Written Warning, 2 weeks suspension without pay and compulsory training with the Information Security team	Dismissal or Termination	-	-
Non-completion of Compulsory Training in a calendar year	A <b>warning email</b> will be issued for failure to complete mandatory training.	A <b>deduction</b> will be applied to the performance score for that quarter. For example, failure to complete 1 out of 3 assigned trainings = $(\frac{1}{3}) \times 100\% = 33.33\%$ <b>deduction.</b>	<b>(Thrice in a quarter or within any 6-month period):</b> A <b>final written warning letter</b> will be issued. A <b>15% deduction</b> will be applied to the overall performance score for	<b>(Four times in a calendar year):</b> May result in a <b>one-month suspension</b> , which will impact the performance score for that quarter.  <b>More than 4 Offenses</b>

		<p>This will also impact the <b>department's OKR performance score.</b></p> <p><b>2nd Offense (Twice in a quarter):</b> A <b>written warning letter</b> will be issued. A <b>3% deduction</b> will be applied to the overall performance score for that quarter.</p>	that quarter.	<p><b>in a Calendar Year:</b> May lead to <b>dismissal or termination.</b></p>
Failed Simulation Phishing Tests in a calendar year	A warning email will be issued.	<p>Twice in <b>a year</b> will be issued a written warning letter and a total <b>2% deduction</b> in the overall performance score for the quarter.</p> <p>Twice in a <b>quarter</b> will receive a total 5% deduction in the overall performance score for the quarter.</p> <p><b>Note:</b> <i>Only a warning email would apply to new employees.</i></p>	<p>Three times <b>a calendar year</b> will receive a final warning letter and a total 7.5% deduction in the overall performance score for the quarter.</p> <p>Three times in a <b>quarter</b> will receive a total 15% deduction in the overall performance score for the quarter. Only a warning email would apply to new employees.</p>	Four times in a <b>year</b> may attract one one-month suspension, impacting performance score for the quarter. More than four times in a calendar year may lead to dismissal or termination.
Aiding and Abetting (Employees covering up a fraudulent act; Line Managers shielding direct reports from reprimand for proven misconduct)	Final Written Warning and Compulsory Training with the People team	Dismissal or Termination	-	-
Engaging in any business that conflicts with the Company's interest	Final Written Warning and Compulsory Training with the Compliance team	Dismissal or Termination	-	-
Responsible for an Information Security Breach	Final Written Warning and Compulsory Training with the Information Security team	Dismissal or Termination		
Theft/Dishonesty of any nature	Dismissal or Termination	-	-	-

<i>(unlawful unauthorised possession of Company properties; Bribery/ kickbacks, giving false or misleading statements to the Company, client, employee(s), or vendors).</i>				
Deliberate falsification of the Company's records, fraud, forgery, and divulging of confidential information concerning the Company.	Dismissal or Termination	-	-	-
Making false statement(s)/providing false information on employment <i>(falsification of official documents such as academic or personal records, or providing false information to gain employment)</i>	Dismissal or Termination	-	-	-
<a href="#">Cultural mismatch</a>	Dismissal or Termination	-	-	-
Sexual Harassment <i>(unsolicited sexual advances and other verbal or physical contact of a sexual nature)</i>	Dismissal or Termination	-	-	-
Misuse of privileged Company information.	Dismissal or Termination	-	-	-
Gross misconduct that may bring or attempt to bring the name of the organisation into disrepute. <i>(Conduct is contrary to the Company values and is likely to bring the organisation into disrepute.)</i>	Dismissal or Termination	-	-	-
Absence of work without lawful	Dismissal or Termination	-	-	-

excuse for three consecutive days or more				
Assaulting or fighting on company premises.	Dismissal or Termination	-	-	-
Wilful (intentional) damage to Company property.	Dismissal or Termination	-	-	-
Intimidation or incitement of employees against each other or Management.	Dismissal or Termination	-	-	-
Unauthorised possession of weapons in the workplace while on duty <i>(Being in possession of dangerous weapons such as guns, chloroform, explosives, and items. This list is non-exhaustive.)</i>	Dismissal or Termination	-	-	-
Being convicted of a criminal offence that results in imprisonment	Dismissal or Termination	-	-	-

Please note that:

1. The Company reserves the right to take disciplinary action against any employee for good cause other than those already stated in this policy.
2. The Company reserves the right to amend, add to, or delete any provision of this policy.

#### **APPLICABLE/ REFERENCED DOCUMENTS/ LINKS**

Nigerian Labour Act

Decisions of the National Industrial Court of Nigeria and other courts of competent jurisdiction in Nigeria.