

# **HUMAN RESOURCE POLICIES & SERVICE RULES**

HUMAN RESOURCES DIVISION

**DOCUMENT HISTORY**

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## GENERAL

### Short Title

The regulations shall be called the Askari Bank Ltd, Human Resource (HR) Policies & Service Rules, as approved by the Board of Directors.

### Commencement and Application

These Human Resource Policies & Service Rules shall be deemed to have come into force with effect from the date of their approval by the Board of Directors. Subsequent additions / deletions / amendments shall be effective from the date of its approval by the BoD.

### Definitions

In these regulations, unless there is anything repugnant to subject or context:

- i. **"Bank"** means the Askari Bank Ltd.
- ii. **"Board"** means the Board of Directors of the Askari Bank Ltd.
- iii. **"President"** of the Bank would be "Chief Executive" appointed by the Board of Directors.
- iv. **"Cadre"** means the strength of a service or part of service sanctioned as a separate unit.
- v. **"Employee"** means full time employee in any grade of the Bank.
- vi. **"Probationer"** means a person employed on probation against a substantive vacancy.
- vii. **"Management Trainee Officer"** means an officer so selected for training on probation with a view to appoint him in a grade after completion of satisfactory training in the Bank.
- viii. **"Rules"** means "Askari Bank Ltd, Human Resource policies & Service Rules" as framed by the Board of Directors of the Bank and as amended from time to time.
- ix. **"Service"** means and includes the period during which an employee is on duty as well as on leave duly authorized by the competent authority, but does not include any period during which an employee is absent from duty without permission or overstays his leave unless specifically permitted by the competent authority.
- x. **"Selection Committee"** means a committee constituted by the President & CEO or BoD for selection of suitable candidates for appointment to any post.
- xi. **"Subsistence Grant"** means a monthly grant given to an employee during the period, he is under suspension. "Substantive pay" means the amount drawn by an employee as pay fixed for him in a pay scale or otherwise but does not include allowances and other emoluments.
- xii. **"Family"**<sup>1</sup> shall include the employee's spouse, children, dependent parents, dependent lineal ascendants, descendants, dependent brothers and sisters residing with him/her, unless otherwise stated.
- xiii. **"Allowances"** means recurring or non-recurring payment other than pay granted to an employee.
- xiv. **"Line Manager"** means the supervisor/manager of an employee to whom he/she reports

<sup>1</sup> Changes approved by BOD on August 17, 2022

- to and who initiates his/her performance evaluation.
- xv. "**HR**" means Human Resources while "**HRD**" means Human Resources Division.
  - xvi. "**Key Executives**" means all those executives holding positions as defined by SBP in Prudential Regulations G-1 and instructions for FPT issued from time to time.
  - xvii. "**Calendar Day**" means all days in a month, including weekends and holidays.
  - xviii. **Working Day**: Any day (other than Sunday or legal/statutory holiday) on which legal business can be conducted.
  - xix. **Act 2010**: The Protection Against Harassment of Women at the Workplace Act 2010.
  - xx. **Harassment**: Harassment is an act committed by a person that makes another feel uncomfortable, offended, intimidated or oppressed. Harassment may include, but is not limited to words, gestures or actions which tend to annoy, alarm, abuse, demean, intimidate, belittle or cause personal humiliation or embarrassment to another; or that cause an intimidating, hostile or offensive work environment. It includes harassment based on any grounds such as race, religion, colour, ethnic origin, physical attributes, gender or sexual orientation. Harassment may be deliberate, unsolicited and coercive. Harassment may also occur outside the workplace and/or beyond working hours. It can include a one-off incident or a series of incidents. The intent shall be established against the accused Employee/ Individual/ External Service Provider, if the harassing act or combination of acts are taking place and are directed towards a specific Employee/ Individual/ External Service Provider.
  - xxi. **Sexual Harassment**: Any unwelcome sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature or sexually demeaning attitudes (intending to insult the Sexual Harassment modesty of an Employee/Individual/External Service Provider, by which a person's privacy is intruded upon) causing:
    - 1. Interference with work performance; or
    - 2. Creating an intimidating, hostile or offensive work environment; or
    - 3. The attempt to punish the complainant for refusal to comply with such a request or is made a condition for employment.

Sexual harassment may occur between persons of opposite sexes or of the same sex. While typically it involves a pattern of behavior, it can take the form of a single incident or a series of incidents; and it may be directed towards a group or toward a particular person.

Sexual Harassment may include but is not limited to:

- a. Physical or verbal harassment or abuse; (flirtations including through the use of electronic media, unwelcome advances, and/or propositions).
- b. Behaviour or words, including demand for unusual favors, accompanied by implied threats or preferential treatment concerning a person's employment status; (individual's employment, work assignments, or status, salary, academic standing, grades, receipt of financial aid, or letters of recommendation).

- c. Assaults, insults, jokes and reference to such literature, or anecdotes that belittle or demean a person or a group's standing/gender.
  - d. Inappropriate display of suggestive objects or pictures.
  - e. Unnecessary and inappropriate touching, such as holding hands, patting, pinching, hugging, or brushing against a person's body.
  - f. Gestures, verbal expressions, or comments about a person's body, clothing, or sharing of bizarre experiences.
- xxii. **Abuse of Authority:** Any individual who improperly uses the power and authority inherent in a position to endanger a person's job, undermine the performance of that job, threaten the person's economic livelihood, or in any way interfere with or influence a person's career. It is the exercise of authority in a manner which serves no legitimate work purpose and ought reasonably to be known to be inappropriate. Examples of abuse of authority include, but are not limited to, such acts or misuse of power as intimidation, threats, blackmail or coercion, misuse of position to gain personal advantage or prerogative.
- xxiii. **Abusive Conduct:** For the purpose of this policy: Harassment, Sexual Harassment, Abuse of Authority, Retaliation and Discrimination shall collectively be referred to as "Abusive Conduct".
- xxiv. **Employee** means a person who is employed by AKBL under any type of Employment agreement that may include Employees on Probation, Regular/Confirmed, Contractual (Inclusive of Fixed Term) appointed on AKBL letter of Appointment under AKBL Policies and Service Rules
- xxv. **Individual** means a person having an established working relationship with AKBL which may include but not limited to an intern or an apprentice, customer, vendor, consultant, or any other arrangement.
- xxvi. **External Service Providers** means and includes any employee of a third-party resourcing company, not included in the definition of the employee, providing services to the Bank as an external resource without any linkage in terms of service contract, employment and payroll with the Bank.
- xxvii. **Complainant/Reporting Person:** An Employee / Individual / External Service Provider who has made a complaint on being aggrieved to alleged abusive conduct or a witness of such act or was informed of it by the victim.
- xxviii. **Alleged Accused /Respondent:** An Employee/ Individual / External Service Provider (through their respective employer) who's alleged conduct is subject of a complaint.
- xxix. **Focal Person:** Staff assigned as HR Relationship Managers in the Regions across Pakistan shall be the focal person for reporting purposes.
- xxx. **Workplace:** means the place of work or the premises where Askari Bank operates, this may be a specific building, open area or a geographical area where the official duties of the Bank are carried out and including any situation that is linked to official work or official activity outside the Office. It is the access that a perpetrator has to the person being harassed by virtue of a job- or job-related functions and activities.

## CODE OF ETHICS & CONDUCT

### 1. Introduction

Present day banking serves an important function in the public eye. Maintaining high standards of service and ethics enables Askari Bank to be perceived as impartial, ethical and independent. All employees of Askari Bank must ensure that their actions and conduct protect and promote the reputation and image of the Bank. Nothing that an employee of the Bank does or says should cause the Bank embarrassment or bring the Bank into disrepute in the public eye, especially as regards the impartiality and fairness of the Bank.

**This Code:**

- 1.1 is mandatory for compliance by all employees, whether full or part time, employed by Askari Bank, directly or indirectly through a service contract and wherever located.
- 1.2 also applies as a general guideline to the Directors, mutatis mutandis.
- 1.3 sets out minimum standards of good banking practices and lays down core values relating to the lawful and ethical conduct of our business activities and provides guidance to all. While the Code provides guidance on the aspects of integrity and impartiality, it cannot and does not cover every situation an employee may encounter. If an employee is uncertain about what to do in a particular situation, guidance should be sought from the Reporting Officer or the concerned Manager.
- 1.4 does not alter or replace the duties and responsibilities of some of the employees as specifically defined in Banking and Corporate Laws applicable to Askari Bank.
- 1.5 may be amended or varied generally or specifically with the approval of the Board of Directors for changes due to regulations, laws and practice.
- 1.6 is not meant to be a complete record of our relationship with customers. Specific products and services have their own terms and conditions, and these will continue to govern customer relationships with regard to the use of those products and services.

Each Askari Bank employee must be fully aware of the provisions of this Code.

### 2. General Guidelines of Conduct

Askari Bank employees shall at all times maintain the good reputation of the Bank and shall:

- 2.1 Render, with integrity, a responsible and effective service of high quality which is accessible by all customers, present and prospective.



- 2.2 Not abuse the authority that he or she has as an employee of the Bank, in dealings with customers and other employees reporting to him /her.
- 2.3 Act judiciously, fairly and impartially to all customers when exercising any discretion in the performance of duties;
- 2.4 Exercise those powers conferred on them in a responsible manner particularly by:
  - 2.4.1 performing all their duties impartially without favouring any customer and without regard to status, sex, race, religion, political beliefs or aspirations;
  - 2.4.2 acting honestly, respectfully, transparently and in an accountable manner;
  - 2.4.3 treating all persons with equal consideration and objectivity;
  - 2.4.4 using any discretion vested in them judiciously, sensibly, impartially and reasonably.
- 2.5 Refrain from divulging any information received in the course of their work and duties unless the performance of duty or the needs of justice require otherwise;
- 2.6 Refrain from making wrong declaration to the Bank, other employees or customers.
- 2.7 Resist and report any offers of bribes or other corruption emanating from any source.
- 2.8 In their private life behave in a manner, which does not bring discredit to or impair the dignity or reputation of the Bank.
- 2.9 Seek to attain the highest possible standards of performance; interpersonal relationships and exercise care for others in employment related activities.
- 2.10 Carry out official decisions and policies of the Bank within the ambit of law of the land faithfully and impartially.
- 2.11 Respect and apply this Code and if they have reason to believe that a violation of this Code, laws or regulations has occurred or is about to occur, report the matter to the Reporting Officer or the concerned Manager.
- 2.12 Employees are prohibited to follow any practices which intends to get any undue advantage either for him/herself or for their family members.<sup>1</sup>
- 2.13 Employees are prohibited to carry or display any fire arms weapons or any forbidden material which may be used as weapon in the Bank's Premises, however, this restriction does not apply to security staff.<sup>2</sup>

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<sup>1</sup> Changes approved by BOD on December 20, 2023

<sup>2</sup> Changes approved by BOD on December 20, 2023



### **3. Corporate Culture**

The Bank recognizes a staff member's personal behavior and interaction with others as a vital part of the duties of his / her position. In order to achieve the desired level of performance and corporate objectives, preservation of congenial and professional working environment is encouraged.

Askari Bank seeks to create an environment where all persons are treated equitably and with respect, where person's rights are respected and where efforts of staff are encouraged and their achievements given due recognition.

### **4. Professionalism<sup>1</sup>**

Professionalism embraces the necessary skills, qualification and knowledge to undertake tasks in a competent manner. The employees at the Bank are expected to carry out their responsibilities in a professional manner at all times.

Employees shall exhibit high standards of personal conduct, both inside and outside the Bank. They must conduct financial or other affairs in a prudent manner and should avoid situations that could reflect unfavorably on themselves, Bank or its customers.

Employees shall be bound to avoid the actions which reflects misconduct, intimidating & insulting behavior, verbal onslaught, accusations, misogynist behavior, sexual harassment, ignorance of regulatory framework, spate communication (letters, emails, etc.) without highlighting specific discrepancies, humiliation, pressurizing tactics, coerciveness, disruptive and distractive measures, bullying, disruption of conduct of business, unnecessary interference in management issues, unethically tarnishing image of any person.

### **5. Customer Relationship**

Knowing our customers and their needs is the key to our business success. Fairness, Truthfulness and Transparency governs our customer relationships in determining the transactional terms, conditions, rights and obligations.

All employees must be committed to the continued development of the excellent service culture in which we seek consistently to exceed customers' expectations. Employees should seek to understand customers' financial circumstances and needs to be able to provide them with most suitable products and services.

All employees must ensure that any advice given to a customer is honest and fairly expressed and restricted to only those services or products where the Bank has the relevant expertise and authority.

### **6. Maintaining Confidentiality**

Confidential information comprises of (a) any non-public, written or oral, information received directly or indirectly from a customer, prospective customer or

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<sup>1</sup> Changes approved by BOD on December 20, 2023

a third party with the expectation that such information will be kept confidential and used solely for the business purposes of the customer, prospective customer or the third party; and

(c) Askari Bank's proprietary information that includes any analyses or plans created or obtained by any Askari Bank Division, Operating Unit or Branch.

All Askari Bank employees have a duty to safeguard confidential information, which may come to their possession during their day-to-day work. Respect for customers' private affairs, merits the same care as does the protection of the Bank's own affairs or other interests.

This duty of confidentiality involves not divulging information to third parties other than in the following circumstances:

- i. where the customer concerned has given permission to do so;
- ii. where the Bank is legally compelled to do so;
- iii. where there is a duty to the public to disclose; and
- iv. where it is necessary for the Bank to present its case - e.g. in court or in other circumstances of a related nature.

Confidentiality applies whether the information has been obtained from those with whom the Bank does business or from sources within the Bank. All such information should only be used for the purpose for which it is intended and must not be used for the personal benefit of an employee, his / her spouse or family member.

All employees must sign a declaration of confidentiality / secrecy and must comply with the procedures and regulations.

## **7. Conflict of Interest<sup>1</sup>**

Circumstances should be avoided in which personal interest conflicts, or may appear to conflict, with the interest of the Bank or its customers.

Circumstances may arise where an employee, his / her spouse or family member directly or indirectly hold a business interest which conflicts or may conflict with the Bank's interest. In order to ensure that the Bank makes objective decisions, employee must declare in advance such interest to the Management through Reporting Officer.

Any involvement in an outside activity or any external position held by an employee:

- i. must not give rise to any real or apparent conflict with a customer's interest;
- ii. must not adversely reflect on the Bank; and
- iii. must not interfere with an employee's job performance.

Employees must not negotiate or contract on behalf of the Bank with an enterprise in which they have a direct or indirect interest.

Employees on the payroll of Askari Bank must not undertake any other employment,

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<sup>1</sup> Changes approved by BOD on December 20, 2023

whether part time, temporary or other, or act as consultant, director or partner of another enterprise, or deliver lectures except with the prior permission of relevant GH/CH & CH-HR/P&CEO as the case may be.

In case of doubt about whether a particular circumstance / situation would create conflict of interest, employees should first consult their Reporting Officer or the concerned Manager for seeking guidance before taking action.

## **8. Know Your Customer**

Commonly referred to as KYC, is the process to ensure that the Bank is not used for any unlawful transactions. This is achieved by obtaining sufficient information about the customers to reasonably satisfy us as to their reputation, their standing and the nature of their business activities.

Effective use of ‘know your customer’ discourages money laundering, which uses banks as vehicles to disguise or “launder” the proceeds of criminal activities. Involvements in such activities undermine bank’s integrity, damage its reputation, deter honest customers and lead the bank to severe sanctions.

All employees, particularly working in the customer services areas, must establish the identity of every new customer from reliable identifying documents. For existing customers, they must remain vigilant and aware of:

- i. Activities not consistent with customer’s business;
- ii. Unusual characteristics or activities;
- iii. Attempts to avoid reporting or record keeping requirement; and
- iv. Unusual or erratic movement of funds.

A suspicion that funds transacted with the Bank stems from illegal activities, must be reported internally to the Reporting Officer or concerned Manager. Employees are strictly prohibited from disclosing the fact to the customer or any other quarter that Suspicious Transaction Reporting (STR) or related information is being or has been reported to FMU, except if required by law.<sup>1</sup>

## **9. Personal Investments**

Personal transactions are actual or intended transactions, usually in marketable investments, by employees for their own account, or in which employees have direct power to make decisions or influence the decisions of persons connected with them by reason of family or business relationship.

Employees must ensure that no conflict of interest arises between their personal transactions and corporate and customer responsibilities. Employees must never attempt to use their position in Askari Bank to obtain an advantage to buy and sell investments.

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<sup>1</sup> Changes approved by BOD on December 07, 2021

Employees in doubt about the propriety of any proposed personal transaction should consult their Reporting Officer or the concerned Manager.

Employees shall not, at any time, carry out:

- i. short sales of marketable securities or currencies or any other form of trading which is speculative in nature in their own account or for the account of their spouse or family members.
- ii. trading in shares, securities or currencies which involve improper use of unpublished price sensitive information for personal benefit.

## **10.Relations with Regulators**

Relationship with Regulators is one of the most important relations, which Askari Bank maintains with the aim of developing mutual confidence and trust. All employees must comply in letter and spirit, with legal and regulatory requirements applicable to the activities in which we engage.

In case a regulation appears to conflict with the provision of any other regulation or laws, or compliance appears to be impractical or against the general banking ethics, it must be reported to the competent authority for appropriate action. Under no circumstances a violation of a regulation should be committed.

## **11.Relationship with Competitors**

Except in situations where the Bank is participating in a transaction with other bank(s), no employee shall have any agreement, understanding or arrangement with any competitor with respect to pricing of services, profit rates and / or marketing policies, which may adversely affect the Bank's business.

## **12.Gifts, Entertainment and Borrowing<sup>1</sup>**

Gifts, business entertainment or other benefits from a customer or a supplier / vendor, which appear or may appear to compromise commercial relationships must not be accepted by the employees.

Employees may, however, accept normal business entertainment or promotional items appropriate to the circumstances with prior intimation to the Reporting Officer or the Manager.

In the event that a gift must be accepted for reason of customer's insistence and sensitivity of relationship, such gifts must be surrendered to the Head of Human Resource along with reasons of acceptance.

Under no circumstances an employee shall either directly or indirectly accept any amount of money as gift, gratuity, subscription or reward from any employee of the Bank, customer, supplier or vendor.

Customers who wish to express gratitude for the services of Askari Bank should be requested to send a letter of appreciation.

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<sup>1</sup> Changes approved by BOD on December 20, 2023

Employees shall not borrow money or indulge in collection or canvassing for collection of money/donation/committee collection in personal capacity within office premises from associates or sub-ordinates or customers of the Bank or from persons likely to have dealings with the Bank.

### **13.Participation in Political Organizations/Activities<sup>2</sup>**

Employees are free to participate in political process as concerned individuals by exercising their right to vote, however, following actions are not permissible:

- No employee shall take part in or assist in any way, in any political activities and or subscribe in aid/collection of funds in the name of any person, or lend money or items of any value to any of the political candidates or parties or organization. This also includes using Bank's facilities, equipment, personnel etc. for the purpose.
- No employee shall participate in demonstrations, processions, sit-in/dharna etc., including sectarian acts/ provincialism/parochialism/patriarchalism.
- No employee shall contest, canvass or otherwise interfere or use his influence in connection with or take part in any elections to a legislative body, Local Body, Provincial or National Assemblies or hold any public office whether in Pakistan or elsewhere.
- No employee is permitted to canvass or engage in any political or religious discussion, activities or lobbying at the Bank premises.
- No employee shall exercise political or other outside pressure / influence, with intent to induce the authorities / superior officers in respect of any matter relating to the appointment, promotion, transfer, punishment, retirement or for any other terms and conditions of employment.

If any question arises whether any movement or activity falls within the scope of this rule, decision of the President & CEO thereon shall be final.

### **14.Fraud, Theft or Illegal Activities<sup>3</sup>**

Employees are expected to remain alert and vigilant with respect to frauds, thefts or illegal activities committed within the Bank premises. Any such activity must be immediately reported to the Reporting Officer or the concerned Manager.

All employees shall be screened against list of designated and proscribed individuals at the time of hiring and proper record of screening will be maintained. Screening will be an ongoing process which will be carried out during their routine banking activities as applicable to bank customers. Employees shall be disqualified/terminated if they are designated/proscribed or associated directly or indirectly with Designated Persons (DPs)/Proscribed Persons (PPs).<sup>1</sup>

<sup>1</sup> Changes approved by BOD on December 07, 2021

<sup>2</sup> Changes approved by BOD on December 20, 2023

<sup>3</sup> Changes approved by BOD on December 20, 2023

No employee shall be associated with any illegal activity concerning banking business, foreign exchange business, financial dealing and other business or employment.

Employee shall immediately intimate to HR (through Line Management) in case of registration of FIR relating to criminal complaint and or inquiry/investigation initiated against him/her by any Law enforcing agency/Authority/Court.

The Bank shall have a right to terminate the employment of any employee on immediate basis if he/she is found guilty or convicted by any Court of Law/ adjudicating authority, of any criminal offence in accordance with the laws that may be applicable at prevalent time.

## **15.Compliance**

All Askari Bank employees are fully committed to ensuring that all business decisions and actions comply with all applicable laws and regulations and to observing good standards of behavior and practice in accordance with the industry practices. Accordingly, all employees must acquaint themselves with all applicable laws and regulations.

Senior Management will ensure that:

- i. all employees are aware of this Code;
- ii. no employee will be asked to do anything that would contravene this Code; and
- iii. queries and concerns arising under this Code will be dealt with properly and may be addressed to the Human Resource Division at Head office.

## **16.Request for Waiver**

Where there is a reasonable likelihood that a contemplated action will violate the provisions of the Code, a waiver thereto must be requested from the President & Chief Executive Officer through Reporting Officer. However, waiver shall not be granted except under extra-ordinary circumstances warranting such waiver.

## **17.Breaches and Disciplinary Action**

Contraventions / violations of this Code will be dealt with in accordance with the Service Rules of Askari Bank as amended from time to time.

## **18.Insider Trading**

Employee shall abide by the “inside trading” laws that prohibit from buying or selling stock with advance knowledge of important company/associates information that is unavailable to the general public. Such information may include proposed mergers or acquisitions, new equity or debt offering.

## **19. Harassment at Workplace<sup>1</sup>**

Employees must avoid any behavior that can be termed as harassment and is found to be offensive, threatening or disturbing to other employees.

Any unwelcome sexual advance, request for sexual favors or other verbal or written communication or physical conduct of a sexual nature or sexually demeaning attitudes, causing interference with work performance or creating an intimidating, hostile or offensive work environment, or the attempt to punish the complainant for refusal to comply to such a request or is made a condition for employment. The above is unacceptable behavior in the Bank and at the workplace, including any interaction or situation that is linked to official work or official activity outside the office.

## **20. Drugs, Alcohol and Substance Abuse<sup>2</sup>**

The use of illegal narcotic drugs, alcohol or any of other addictive or prohibitory substance by any employee at Bank's premises or at a place, where representation is made by employee(s) on behalf of the Bank is strictly prohibited.

## **21. Social Media Ethics<sup>3, 4</sup>**

The employees of the Bank are expected to reflect professionalism while interacting on social media. Any information of the bank applicable to employees individually or collectively should not be shared on any social media platform.

Circumstances should be avoided which can cause harm to the reputation of bank through individual act of employee on any social media group/platform which may include but not limited to inappropriate / threatening language, uploading abusive, vulgar, pornographic material, criticizing Bank/government / state institutions etc.

The employees shall ensure following while usage of social media:

1. Be polite and ensure decency while having conversations on any social media / other media forums. Avoid racism, bigotry, express or implied threats of harassment or physical harm, or hate speech or abusive language. If you find yourself in a disagreement on social media, use a respectful tone or disengage.
2. Be responsible and avoid to post or upload any information without ensuring its factual accuracy.
3. Maintain confidentiality of information/data which is an intellectual property of Bank.
4. Do not post or upload Bank's information, circulars, letters or any other record on social media forum OR disclose any content related to colleagues, customers or third parties without their permission.

<sup>1</sup> Changes approved by BOD on December 07, 2021

<sup>2</sup> Changes approved by BOD on December 07, 2021

<sup>3</sup> Changes approved by BOD on August 17, 2022

<sup>4</sup> Changes approved by BOD on December 20, 2023



5. Do not create, promote or enlist in any group / community /webpage which uses name or logo of Askari Bank unless expressly created or permitted by the Bank.
6. Do not post or upload any remarks / views / material which may be defamatory, indecent, abusive, or derogatory to the Bank or its officials/employees or regulatory bodies and or government institutions and may damage reputation of Bank.
7. Do not express / forward any views or opinion on behalf of the Bank unless authorized by the Management. Use disclaimer for any comment in personal capacity. Do not create any profile by using official email ID of the Bank.
8. Do not escalate official grievances in the public domain either by name or creating alternate / fake IDs.

## **22.Safeguarding Bank's Assets<sup>1</sup>**

The Employees of the Bank are required to use Bank's assets, proprietary information and intellectual rights for business purposes of the Bank and not for personal benefits of gain. They shall ensure utmost efforts for the protection and efficient use of Bank's assets. Assets in custody of employee shall be returned upon separation from service.

## **23.Environmental and Social Responsibilities<sup>2</sup>**

The directors, management and employees should advocate the best practices and ensure commitment to strengthen environmental and social responsibilities in accordance with the best global practices.

Employees should ensure optimum utilization of resources and digital tools provided by the Bank to enhance efficiency and to reduce carbon footprint. Efforts shall be made for prevention of waste of energy and natural resources.

## **24.Diversity & Inclusion<sup>3</sup>**

The bank promotes diversity and inclusion and provide equal opportunities to all employees irrespective of their culture, race, gender, caste, and religion. All employees shall ensure to maintain work environment free from discrimination, harassment and intimidations of any nature.

## **25.Disclosure/Employment of Close Personal Relationship (CPR)<sup>4</sup>**

All employees of Bank are required to declare their close / blood relatives (as defined in Conflict of Interest policy) working in the Bank at the time of hiring and upon any subsequent addition.

In case any new relationship is established between two employees by virtue of their

<sup>1</sup> Changes approved by BOD on December 20, 2023

<sup>2</sup> Changes approved by BOD on December 20, 2023

<sup>3</sup> Changes approved by BOD on December 20, 2023

<sup>4</sup> Changes approved by BOD on December 20, 2023

own marriage or any marriage in their family with AKBL employee, these employees shall intimate HR immediately of such development for further assessment of their conflict of interest.

## **26. Media & Advertising<sup>2</sup>**

- Employees are not authorized to publish/circulate any advertisement related to Askari Bank on any media forum except those officially advertised by the bank.
- Employees are not allowed to give any interview/views/comments on behalf of Askari Bank in print/electronic/social media, or road talk unless authorized by the bank. Prior approval of the same needs to be obtained from Competent Authority.
- Employees are not allowed to participate in or act in cinema/television/ stage plays/vlogs or any media forum with respect to Askari Bank.
- Employees are not allowed to operate any social media channels with respect to Askari Bank.

## **27. Circulation<sup>1</sup>**

The code shall be required to be circulated every year and acknowledged by all employees. Each employee in the Bank shall be required to read / review this Code at the time of joining and upon subsequent circulation, ensuring that he / she understands his / her responsibilities to comply with the provisions set forth herein.

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<sup>1</sup> Changes approved by BOD on August 17, 2022

<sup>2</sup> Changes approved by BOD on December 20, 2023

## CLASSIFICATION/ TERMS OF SERVICE/SEPARATION

### 1. Classification of Employees

The employment in the Bank will be classified as follows:

#### 1.1 President & Chief Executive Officer

The President & Chief Executive Officer shall be appointed by the Board of Directors. The President & Chief Executive Officer shall receive such remuneration (whether by way of salary, commission, participation in profits, allowances, perquisites, etc. or partly in one way and partly in another) as the Board of Directors may fix.

#### 1.2 Regular Employment<sup>2</sup>

The employment in this category will be considered on permanent basis. The employees in the regular employment will be eligible to salary and benefits as described in this policy and their service will continue till attaining the age of superannuation i.e., 60 years of age.

#### 1.3 Employment on Bank Contract<sup>3</sup>

The employment in this category will be considered on a contract basis. The contract will be limited by period or a project. Hence the employee in this category will cease to work upon the expiry of the contract period or the completion of the project. The terms of employment will be defined in the contract.

### 2. Categories of Service

The Regular service in the Bank shall be further categorized as under:  
**Category 'A'<sup>1</sup>**

#### **Executives<sup>4, 5</sup>:**

- |       |                                      |             |
|-------|--------------------------------------|-------------|
| i.    | Senior Executive Vice President - I  | (SEVP - I)  |
| ii.   | Senior Executive Vice President - II | (SEVP - II) |
| iii.  | Executive Vice President - I         | (EVP - I)   |
| iv.   | Executive Vice President - II        | (EVP - II)  |
| v.    | Executive Vice President - III       | (EVP - III) |
| vi.   | Senior Vice President - I            | (SVP - I)   |
| vii.  | Senior Vice President - II           | (SVP - II)  |
| viii. | Vice President - I                   | (VP - I)    |
| ix.   | Vice President - II                  | (VP - II)   |
| x.    | Assistant Vice President             | (AVP)       |

<sup>1</sup> Changes approved by the BOD on March 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on December 12, 2022

<sup>5</sup> Changes approved by the BOD on February 21, 2024

### **Category 'B'**

#### **Officers:**

- i. Manager Grade
- ii. Assistant Manager Grade
- iii. Officer Grade - I(OG-I)
- iv. Officer Grade-II(OG-II)
- v. Officer Grade-III(OG-III)

### **Category 'C'**

#### **Clerical Staff:<sup>1</sup>**

- i. Office Assistant/Clerk
- ii. Teller
- iii. PABX Operator

### **Category 'D'<sup>2</sup>**

#### **Non-clerical Staff:**

- i. Technician
- ii. Drivers
- iii. Peon

**Note:** Other categories may be included as and when decided by the President & CEO or BoD.

## **3. Appointments**

- a. Appointment to all grades may be made either by direct recruitment or by promotion and on such terms and conditions as may be decided by the President & CEO or BoD from time to time.
- b. The President & CEO may delegate above power to assign duties and responsibilities to the Senior Executives or any other officer of the Bank as he may decide.

## **4. Commencement of Service**

Service in the Bank shall commence from the working day on which an employee reports himself for duty at the place indicated to him by the appointing authority, or under his instructions by an authority subordinate to him, provided the employee reports before noon, otherwise his service shall commence from the following working day.

## **5. Service Agreement**

Management Trainee Officers shall be required to execute a Service Agreement requiring them to serve the Bank for a specified period after completion of their training. Staff handling cash and other banking officers may also be required to execute surety bond/ service agreement.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

## 6. Transfer

An employee of the Bank shall be liable to serve in any office/branch of the Bank situated anywhere in the territory of Pakistan or abroad, unless otherwise specifically mentioned in his/her letter of appointment.

## 7. Separation

The employees may be separated in either of the following cases:

### 7.1 Retirement

A Regular employee shall retire from service on attaining the age of sixty years. Provided that the President & CEO or BoD in a special case may allow extension in its discretion.

### 7.2 Resignation

An employee, other than a Management Trainee, may resign from the service of the Bank after providing prior notice in writing or, in lieu of notice, pay to the Bank an amount equivalent to his substantive basic pay for the period of notice. The notice periods shall be as follows:

- Ninety days' notice in case of confirmed employee, and;
- Thirty days' notice in the case of temporary/contractual employees or probationary employee.

The President & CEO- or BoD may waive off notice period in full or part, or appropriate the leave balance of the employee concerned for an equivalent period.

No notice of resignation or payment in lieu of notice shall be accepted or any resignation shall become effective during the pendency of any disciplinary proceeding against the employee concerned.

Resignation cases of Management Trainees shall be dealt with as per the terms of their appointment letter / service agreement.

### 7.3 Termination of Service

The Bank may terminate the services of an employee or call upon him to resign from the service of the Bank. In either case he will be entitled to notice in writing or salary in lieu thereof for the period as under:

- Ninety days' notice in case of confirmed employees.
- Thirty days' notice in case of temporary / contract employees.

Provided, however, over and above the notice or salary in lieu thereof such employees shall be entitled to other benefits as may be admissible under the law for the time being in force.

### 7.4 Dismissal from Service

The Bank may dismiss an employee of dispense with his/her services subject to disciplinary action taken against him/her without giving any notice. An employee dismissed earlier from the services of the Bank shall not be appointed again in any capacity whether regular, contractual etc.

**7.5 Discharge on Medical Ground**

Where an employee, in the opinion of the management, is incapable or has ceased to be capable by reasons of infirmity of mind and / or body, the President & CEO or BoD may discharge him on medical ground and pay him such compensation as may be decided by the Board.

**7.6 Completion of Contract**

An employee who is hired on a contract for specified period will be released from service on expiry of the contract unless it is renewed further.

## ORGANIZATIONAL STRUCTURES POLICY<sup>1</sup>

### 1. Organizational Structures:

Whilst it is understood that the Bank must be flexible in its approach to organizational structures, it is also recognized that there are certain approval requirements that should always be completed irrespective of the size or complexity of the organizational structure itself:

- a. Any change and update in Bank's top-line Organizational Structure i.e. (P&CEO and COO Direct Reports) will be approved by Board of Directors upon recommendation of BHR & RC.
- b. Organizational Structure for next line i.e. (Business Units / Functions) managed by DRs of P&CEO to be approved by P&CEO after recommendation by respective GH/CH and CH HR.
- c. Other Organizational Structures beyond mentioned above, shall be jointly approved by the GH/CH of relevant functions and CH HR.

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<sup>1</sup> Changes approved by the BOD on December 20, 2023



## RECRUITMENT & SELECTION POLICY

### 1. Introduction

Recruitment & Selection is an ongoing strategy to identify resources with the right skills for the bank. The Recruitment & Selection process tends to focus on long-term human resource planning and finding appropriate candidates' vacant positions. This policy provides Askari Bank with a set of recruitment & selection practices for the effective resourcing of employees in an efficient and fair manner.

### 2. Purpose:

- a. Ensure Recruitment & Selection of diverse quality resources by a standardized and transparent Recruitment & Selection framework and process.
- b. Use the most cost effective and efficient methods to recruit the most suitable candidates to match specific requirements.
- c. Identify possible Recruitment & Selection sources (Internal & External).
- d. Creating talent pools which provide the data base for particular positions.
- e. Enhance AKBL's brand image as 'Employer of choice'.

### 3. Scope:

The policy shall be applicable to all types of Employments / contracts and related Recruitment & Selection processes unless otherwise specified.

### 4. Manpower Planning & Budgeting<sup>1</sup>

- i. Each Group/Function/Division before the beginning of the next Financial Year will be required to prepare and submit a comprehensive Head Count and Personnel Cost Budget. This plan will be reviewed by Human Resource Division and Finance. Same will be accordingly presented to President & CEO.
- ii. In the event of any business growth or expansion, Group/Country Heads may request for additional unbudgeted headcount(s) to meet the business requirements. Approval on additional headcount shall be approved by the President & CEO subject to overall limit of headcount approved by the Board. Any addition to the approved headcount will be obtained from the Board.
- iii. Any recruitment done against available budget of yet to be opened branches/units/offices may temporarily be posted in the existing branches/units/offices.

### 5. Creating Talent Pool & Employer Branding:

#### 5.1 Creating Talent Pool:

Human Resource Division may define AKBL's 'Talent pool' initially and adopt any or in

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

combination the following means (but not limited to) to create a talent pool for the Bank:

- a. Employee referrals
- b. Headhunting Agencies
- c. Social media platforms
- d. Internal Job Posting
- e. AKBL Career website
- f. Talent networking events (conferences, university visits, job fairs etc.)

## 5.2 Employer Branding:

Human Resources Division will incorporate Employer Branding Strategy in Recruitment & Selection Policy. The following employer branding techniques may be incorporated (but not limited to) to portray AKBL's image as the employer of choice:

- a. Social Media Platforms.
- b. Glass door.
- c. Workplace events coverage on social media.
- d. Employer branding videos to highlight AKBL's culture & practices.

## 6. Types of Recruitment:<sup>1</sup>

Following types of inductions exist in Askari Bank details of which are enumerated as under:

- i. **Fresh Banking Officers:** Fresh Post Graduates / Graduates.
- ii. **Batch Hiring:** Hiring activity carried out by the Bank as a Batch according to business requirements.
- iii. **Experienced Bankers / Professionals:** Hiring of candidates who possess at-least three years of relevant Banking experience.
- iv. **Key Executives:** Key positions identified in SBP regulations for Fit & Proper (FPT)-issued from time to time.
- v. **Administrative/ Supporting Staff:** Administrative and support staff may be hired on third party for performance of various functions and jobs. Staff hired in this category will work in clerical or non-clerical categories of service.
- vi. **Employment on Bank Contract<sup>2</sup>:** Resources may be hired on Bank Contract to fill in short-term requirements of various functions. Services of an employee can also be hired after superannuation on bank contract. The contract period shall vary from six months to three years at the sole discretion of the President & CEO or BoD.
- vii. **Third Party<sup>3</sup>:** The "third party" refers to employees who are on third party employment status engaged through an outsourcing company and occupy administration/support/sales positions.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

## 7. Guidelines:

- i. Human Resource Division will ensure that, all hiring in the Financial Year is within the approved annual HR budget.
- ii. Once position has become vacant and resource needs to be identified, preference will be given to provide opportunity from existing talent/employees. Internal Job Posting Process may be exercised with approval of Country Head-Human Resource.
- iii. In case, no suitable candidate is found internally, Human Resource Division will exercise all the applicable parameters as described in this policy to ensure the best suitable resource is hired for the Bank.
- iv. All candidates will go through the selection process prescribed by the Human Resource Division.
- v. Human Resource Division may specify selection tools and criteria. Candidates will be selected only if they are found to match the job requirements and eligibility criteria.
- vi. All candidates shall be pre-screened against list of designated and proscribed individuals. Accordingly, candidates shall be disqualified if they are found designated/proscribed or associated directly or indirectly, with Designated Persons (DPs)/Proscribed Persons (PPs).<sup>1</sup>
- vii. No prospective candidate should be convicted/involved in any illegal activity, fraud/forgery, financial crime etc.<sup>2</sup>
- viii. Recruitment & Selection will ensure completion of the entire process within reasonable time upon completion of pre-hiring formalities and/or requisition is raised.<sup>4</sup>
- ix. **Methods of Communication:** During any phase of the Recruitment & Selection process, candidates will be contacted using electronic or conventional communication methods or a combination of both including but not restricted to telephone calls, electronic emails, letter and/or personal contact or referral.
- x. **Re-Employment in the Bank:** The Bank may re-employ ex-staff members keeping in view the needs and requirements of the Bank (on case-to-case basis) at the discretion of the President & CEO. The Bank shall not re-hire under any circumstances those ex-employees who were terminated / discharged / dismissed / asked to submit forced resignations due to Disciplinary action.
- xi. **Employment of Relatives<sup>5,6</sup>:** TThe Bank aims to discourages the employment of Family Members/Close Personal Relationship (CPR) defined in Conflict of Interest Policy, however, the candidates may be considered on selective basis for specialized/critical roles subject to no conflict of interest.

Details of candidate's relatives working in the Bank will be arranged during the process of hiring assessment and such individuals will be hired upon the recommendations of

<sup>1</sup> Changes approved by the BOD on December 07, 2021

<sup>2</sup> Changes approved by the BOD on December 07, 2021

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on August 17, 2022

<sup>5</sup> Changes approved by the BOD on August 17, 2022

<sup>6</sup> Changes approved by the BOD on December 20, 2023

respective Group/Country Head and approval of President & CEO.

In order to discourage all sorts of conflict of interest (COI) and remove elements of favoritism, nepotism etc. the hiring of relatives of employees will be governed subject to fulfillment of below mentioned parameters:

1. Employee and CPR are geographically not stationed at the same Branch / Area / Region / Head Office function. Moreover their working relationship interests are mutually exclusive either within the function or cross function.
2. Employee & CPR have no direct or indirect reporting relationship.
3. Employee & CPR have different Line Manager.

Parameters for assessment of COI may be reviewed for revision, whenever required, with the approval of the President & CEO.

- xii. **Diversity and Inclusion:** Human Resource Division will ensure that equal opportunity is given to all genders, unemployed mothers, disabled, diverse backgrounds and females based on their qualification and merit.
- xiii. **Fit and Proper Test (FPT) Criteria for Key Executives<sup>1</sup>:** Recruitment for Key Executive positions will be in compliance of Fit & Proper Test (FPT) Criteria of State Bank of Pakistan and instructions for FPT issued from time to time. All key positions falling under the ambit of Fit & Proper Criteria of State Bank of Pakistan shall be recommended by the Board Human Resource & Remuneration Committee (BH&RC) and approved by the Board of Directors. While, evaluating hiring cases against the positions which fall within the ambit of Fit & Proper Criteria, the Bank will follow CGF SOP for key executives approved by the BoD.

The appointment, compensation package (including retirement benefits), promotion/demotion and renewal of the employment contracts of Key Executives shall invariably be approved by the Board of Directors.

## 8. Sources of Recruitment:

Recruitment & Selection team will make necessary arrangement for the position advertisement once external hiring is approved. Recruitment & Selection team may use any of the following platforms by preferring cost-effective option;

- Social Media
- AKBL Career web page
- Print Media
- Head-hunters / Professional Recruitment Service Providers

<sup>1</sup> Changes approved by the BOD on August 17, 2022

## 9. Eligibility Criteria:

### i. Education<sup>1</sup>

For all positions in OG-III and above, HEC recognized universities will be considered. For foreign degree, HEC issued equivalence certificate will be requested wherever needed.

Minimum qualification criteria for hiring of all officers (OG-III and above) will be bachelors/associate degree or equivalent. The grade and compensation shall be determined on case to case basis depending upon the length of degree program, university ranking and technical skill set with a ceiling at OG-I for fresh graduates.

### ii. Age Limit

Bank shall not hire any person below the age of 18. Superannuation age shall be 60 years for all regular employees or in conformity with standard superannuation legal age within Pakistan whichever is later.

### iii. Nationality

Bank shall give preference for employment to Pakistani Nationals for all positions based in Pakistan. Hiring of any non-Pakistani national for any position in the Bank shall be approved by the President & CEO and governed by Laws of the Country of Origin as well as Local Statutory Laws, as applicable.

For all positions located outside Pakistan, Bank shall hire persons according to the Law of the state concerned and/or as deemed appropriate by the management of the Bank.

### iv. Verification of References, Antecedents & Documents<sup>2</sup>

The employment will be subject to satisfactory verification of antecedents. The antecedents of experienced candidates shall be verified from last employer and all financial institutions.

Bachelors and above academic credentials, professional certifications (ACCA, ACA, ACMA, CMA, CPA, CFA, FRM etc.) shall be verified from HEC/universities/institutes. In case of suspicion of fake degree, HR may verify further educational documents. In case highest degree is awarded by foreign university, last local degree/certificate may be verified through HEC/universities/institutes.

### v. Compensation Negotiations

All decisions on salary shall be negotiated / made by Human Resource Division. Qualification, experience, specialized skills, market value of the skills as well as position, existing salary of the candidate and prevailing salary levels within the bank shall be the determining factors for deciding the salary of potential employee. Selected Candidates would be offered the appointment letter as per basic salary approved by the President & CEO. Salary and other terms of employment of Contract employees shall be approved by the President & CEO.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

Point iv 'Health & Fitness' is deleted. August 21, 2023

Point v 'Surety Bond/Service Agreement' is deleted. August 21, 2023

## 10.Requisition of a Position:

Recruitment process starts with requirement of staff received from Unit/Office/Region/Division/Group through annual HR budget which is presented to the BoD for approval. A requirement for recruitment shall arise in order to fill a position which may have become vacant due to departure of an existing employee or budget of additional staff requirement. The concerned Unit/Office/Region/Division/Group shall send their requirement along with job description of the position required to be filled.

## 11.Applications-Shortlisting:

Efforts shall be made to fill the vacant positions internally. If the vacant position cannot be filled internally then Human Resource Division shall search for potential staff from other sources as narrated in section 4 above of this policy. Human Resource Division shall make efforts to collect sufficient applications with relevant qualification and experience. Screening and shortlisting shall be done by Human Resource Division from stock of the applications which have already been held in record with Human Resource Division, through employee referrals, advertisement in the newspaper or advertisement on the Bank's Website.

## 12.Written Tests:

All entry-level staff for appointment in the Bank may be required to appear in the test to be conducted by HRD. The minimum passing marks for clearing the test shall be determined by the Management from time to time.

## 13.Interview:

At least two individual / panel interview (s) shall be conducted for every vacant position within the Bank. For all senior level positions, at least two candidates shall be short listed for consideration of appointing authority. Interviews shall be conducted by at least two executives of the bank one of which should be CH HRD.

## 14.Appointment Approving Authority:

Interview/Selection shall be arranged by HRD according to a grid developed for the purpose periodically and adjusted as and when required. Country Head – HRD will be the recommending authority. The appointments in Askari Bank will be approved as under: -

- i. **SEVP(I & II)/ Direct Reports\*/Key Executives\*\* Board of Directors on recommendation of BHR&RC**
- ii. **EVP I & Below** **President & CEO**

President & CEO may delegate his powers to any executive from time to time.

The Recruitment Committee/team shall consist of Country Head – HRD while respective business heads (Group / Country Heads / Regional General/Area Managers) will be additional members of the committee/team. Selection Committee/member may add / delegate some of the recruitment processes to their nominees and/or Recruitment Team as deemed appropriate. The above appointment approving authority is subject to change by Board of Directors or President & CEO.

## 15. Waivers:

Any deviations/relaxations/waivers in respect to the terms of this policy shall be granted by appointing approving authority.

\*Excluding administrative and support staff

\*\*As per SBP's PRs or Corporate Governance Regulatory Framework as the case may be

## 16. On Boarding & Orientation:

- i. All new hires will be provided orientation and on boarding plan.
- ii. The on boarding plan will be jointly conducted by Human Resource Division and the concerned department.

## 17. Probation Period & Confirmation of Service<sup>1</sup>:

The probation requirement shall apply to all regular staff employment. However, executives may undergo probation of three months and others shall have six months' probation period.

Confirmation of service will be subject to following:

- i. Satisfactory performance and completion of business targets.
- ii. Completion of mandatory training programs.
- iii. Completion of documents for personal file.

On satisfactory completion of probationary period or extended period of probation the employee concerned shall be confirmed in service at agreed salary and or at a salary and grade approved by the President & CEO or BoD.

Extension in probation period will be allowed up to a maximum period of three months only once subject to a maximum of nine months' probation duly justified by the Group/Country Head.

Non-satisfactory performance or non-compliance of point ii and iii above, after the extension in probation period, may result in termination of service.

Any exception to above shall be recommended by Country Head HR duly approved by the President & CEO.

## 18. Relocation Accommodation upon Joining:<sup>2</sup>

- i. In case, a resource is hired and job/position requires relocation, employee may be allowed maximum 21 night's hotel accommodation as per approved hotel accommodation entitlement (s) without TA/DA.
- ii. Booking of hotel shall be arranged by the General Services Division only.

## 19. Internship Programs<sup>3, 4</sup>:

- i. 4 to 8 weeks internship program (with or without stipend) with a maximum cap of 12

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on February 21, 2024



weeks will be offered to students who are in the process of completing degree or have completed degree.

- ii. Paid internships and stipend of interns shall be approved by the President & CEO with the recommendation of Country Head HR.

## **20. Diversity & Inclusion (D&I) Program<sup>1</sup>:**

In line with Diversity and Inclusion AKBL will encourage employment of the followings;

- i. Re-employment of females who left jobs due to childcare / family pressure / marriage or any personal reason may be considered by the Bank.
- ii. Apart from regular employment conditions, there may also be options provided to PWD candidates as stated in the “Financial Inclusion for Persons with Disabilities” section in the ‘Gender Equality, Diversity & Inclusion policy’.

## **21. Job Description Document:**

The Job Description Document including Person Specification shall set the criterion for selection. These documents shall be used to set out the duties of the job and the skills needed to fill it for advertisement purposes. For all replacement posts existing job description and person specification document shall be used. For all newly created posts, these documents shall be prepared and made available by the Human Resource Division in consultation with the concerned units before recruitment process is initiated.

## **22. Need to Advertise:**

Every effort shall be made to advertise all vacant positions internally or externally, with certain exceptions. Decision to advertise the position shall be made if sufficient qualified candidates are not available in the Banks resume data base.

## **23. Non-Eligibility<sup>2</sup>:**

Following people shall not be eligible for employment at Askari Bank: -

- i. Those who have been previously terminated or dismissed because of fraud and forgery from any organization particularly from a financial institution.
- ii. Any misinformation or furnishing of fake documents/references may lead to initiation of Disciplinary Action against the employee leading to Termination of Services as per Bank’s policy.
- iii. Those staff who have left the bank under Voluntary Separation Scheme (VSS).

## **24. Adherence to Prudential Regulations:**

Bank shall ensure to comply with Prudential Regulations for Corporate Governance and all regulatory requirements of fit and proper for recruitment in senior grades and key positions.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

## REMUNERATION POLICY

### 1. Introduction

Askari Bank remuneration policy focuses on defining fair, transparent and competitive remuneration mechanism to inculcate “Pay for Performance” culture across all cadres of the bank by giving them equal opportunity to perform and prosper. The remuneration policy also aims to maintain Pay-Gap in each employee grade within a reasonable level.

### 2. Scope<sup>1</sup>

This policy shall be applicable to the regular staff only unless specified. Pay and allowances of contractual staff shall be outlined in the Contract employment letter/policy.

### 3. Job Evaluation

Askari Bank shall assign a grade level to each job with relevance to the value contributed by the role towards the achievement of organizational goals. Jobs that have similar levels of responsibility shall have similar grades, however, this does not mean that they shall necessarily be paid the same; rather they are valued the same within the Bank. The salary of experienced employees may vary due to qualification, experience, past appraisals and nature of skills. Minimum salary in different grades of fresh /non-experienced staff shall be determined by the President and CEO on the basis of qualification, grading of the university and average salary levels in the banking industry.

### 4. Salary Structure<sup>2</sup>

The Gross Salary shall comprise of the following components:

- Basic Salary
- House Rent Allowance
- Utility Allowance

In addition to the above, the employees will be paid Medical, Fuel allowance as per entitlement, with monthly salary.

Net Salary of an employee will be arrived at by deducting provident fund contribution, income tax, loans installments and any other statutory deductions from salary.

Various components of salary shall be as follows:

#### 4.1 Basic Salary

- i. "Basic salary of an employee shall be determined by the competent appointment approving authority whereas minimum and maximum salary for each grade shall be approved/reviewed by BHR & RC on periodic basis.
- ii. On promotion to a higher grade, salary shall be fixed by giving appropriate increase in the basic salary, as approved by the President & CEO or BoD.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

- iii. The annual increment will be on the basis of %age of the basic salary which will vary as per performance rating of the employee and as approved by the President & CEO or BoD.
- iv. An increment cannot be claimed as a matter of right but it depends at the discretion of the President & CEO or BoD. The President & CEO or BoD may allow additional increment on the basis of performance.
- v. As working guidelines, HRD shall prepare minimum basic pay to be offered to a fresh employee in a specific grade on the basis of qualification and the institution from where they have been obtained. While for experienced candidate, pay can be fixed in any grade to commensurate his/her experience and keeping in view previously drawn salary/market pay, as approved by the President & CEO or BoD. The guideline specifying minimum pay etc.; will be finalized with the approval of HR Sub- Committee.

#### 4.2 House Rent Allowance

An employee shall be entitled to receive from the Bank a house rent allowance @ 45% of the Basic salary.

#### 4.3 Utilities Allowance

The utilities allowance for monthly gas, electricity and water charges (Residential) etc. shall be admissible to all employees @ 10% of Basic Salary.

#### 4.4 Medical Allowance<sup>1</sup>

Reimbursement of Medical expenses shall be made in cash each month with the payroll equivalent to 10% of the Basic Salary.

#### 4.5 Fuel Allowance<sup>2,3,5</sup>

Fuel allowance shall be paid with the monthly payroll subject to following approved limits:

Sr. No.	Grade	Fuel in Liters
1	SEVP - I	850
2	SEVP - II	600
3	EVP - I	500
4	EVP - II	450
5	EVP - III	425
6	SVP - I	400
7	SVP - II	375
Sr. No	Grade	Monetized Amount (Rs.) <sup>4</sup>
8	VP - I	52,500
9	VP - II	37,500
10	AVP	22,500
11	MG	18,000
12	AMG	15,000

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by BOD on March 17, 2022 (Monetization approved w.e.f. April 01, 2022)

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on December 12, 2022

<sup>5</sup> Changes approved by the BOD on February 21, 2024

13	<b>OG-I</b>	12,000
14	<b>OG-II</b>	10,500
15	<b>OG-III</b>	9,000

Weighted average rate of petrol during the month shall be applicable for payment of fuel expense as approved by the President & CEO.

Special Conveyance Allowance based on the functional requirements to be approved by the President & CEO.

#### 4.6 Overtime Allowance

The overtime allowance shall be admissible only to category 'C' and 'D' employees of the Bank as determined by the President and CEO in accordance with Labor Laws.

#### 4.7 Special Duty Allowance<sup>1</sup>

Special duty allowance shall be paid to employees as may be determined by the President & CEO or BoD.

Certain staff may be required to work on Gazetted holidays. To compensate for the work performed during their day off, employees will be eligible for holiday allowance which will be determined the President & CEO.

#### 4.8 Special Allowance

An employee may be allowed special allowance as may be determined by the President & CEO or BoD from time to time.

#### 4.9 Monthly Relocation Allowance <sup>1</sup>

An employee shall be entitled to monthly relocation allowance as determined by the President & CEO or BoD on case to case basis upon his transfer/posting from one city to another city subsequent to a decision of the management, for operational and other reasons, made in the best interest of the bank, provided that the transfer/posting is not affected on the request of the employee or on grounds of discipline, and subject to following maximum limits:

Grade	Married	Un Married
SEVP (I & II)	Rs.150,000/-	Rs.96,000/-
EVP (I, II & III)	Rs.100,000/-	Rs 60,000/-
SVP (I & II)	Rs. 90,000	Rs. 55,000/-
VP (I & II)/AVP	Rs.62,500/-	Rs.36,000/-
Officers	Rs.37,500/-	Rs.24,000/-
Others	Rs.20,000/-	Rs.12,000/-

The original posting station (as stated in the appointment letter) shall be the city of first

<sup>1</sup> Changes approved by the BOD on August 17, 2022

place of joining the bank or the place of posting for which he/she is hired.

The above allowance will be paid for a period of three years from the date of posting/transfer and afterward this allowance will not be paid to him/her. For transfers affected on account of compulsory rotations/temporary basis for a period less than 6 months shall be entitled to 50% of the above limits. This allowance will cease to be paid immediately upon posting/transfer of employee to his/her original posting station.

Any exception to the above shall be approved by President & CEO.

#### **4.10 Club Membership<sup>1,2</sup>**

- i. Executive in EVP (I & II) and above grade will be entitled to one club membership anywhere in the country of their posting. Total membership fee paid by the Bank to the clubs shall not exceed Rs. 3.5 million. Furthermore, EVP – III grade will also be entitled for one club membership by the bank cost of which will not exceed Rs. 1.5 million.
- ii. At the time of obtaining approval for the club membership, the executive will submit an undertaking to return the membership fee to the Bank on prorated basis if he/she leaves the Bank for reason other than retirement/death and before completion of 05 year's service with the bank.
- iii. Maximum age for allowing club membership fees shall be restricted to age of 55 years. In case of age exceeding the prescribed limit and period of service with the Bank till retirement is less than 5 years, the fee may be allowed on prorated basis.
- iv. In case of resignation, where the executive has completed the required number of service years with the Bank, he/she will be allowed to retain the club membership. However, in case of resignation prior to completion of such service period, the employee shall have to refund the club membership admission fee to the Bank on prorated basis.
- v. In case of death or retirement/superannuation of an executive from the service of the Bank, membership fee will not be refundable to the Bank.
- vi. In case of forced resignation/termination/dismissal on disciplinary grounds, before completion of minimum period as mentioned above, the executive concerned will have to return the membership admission fee on prorated basis.  
The executives concerned will be entitled to claim reimbursement of club expenses for basic monthly subscription and fees for using the facilities of the club.
- vii. Expenses relating to refreshments and food shall not be admissible for reimbursement, except for official entertainment which will be allowed at actual.
- viii. In case, an executive already has a club membership at the time of joining Bank and full fee has already been paid, no replenishment shall be made of the fee paid by him/her and/or by his/her previous institution.
- ix. Contractual staff/executives will not be entitled to the club membership.

<sup>1</sup> Changes approved by BOD on March 17, 2022

<sup>2</sup> Changes approved by BOD on February 21, 2024

#### 4.11 Furniture, Fixture & Electrical Appliances for Executives

##### 4.11.1 Entitlement

All executives shall be allowed to purchase furniture fixture and electrical appliances for their residence as per following entitlement:

Grade	Total Entitlement
Senior Executive Vice President (I & II)	Rs.280,000
Executive Vice President (I, II & III)	Rs.230,000
Senior Vice President (I & II)	Rs.185,000
Vice President	Rs.140,000
Assistant Vice President	Rs.100,000

##### 4.11.2 Purchase Procedure:

- Executive may purchase any house hold related Furniture, Fixture & Electrical appliances/equipment.
- Executive may purchase the Furniture, Fixture & Electrical appliances/equipment from his/her own resources and get the amount reimbursed by submitting the original bills.
- The Executives on promotion will be allowed to avail the differential amount of the entitlement under this policy.

##### 4.11.3 Writing Off/Depreciation

- Furniture, Fixture & Electrical appliances/ equipment purchased by the executive shall be booked as an asset in the bank.
- These assets shall be depreciated as per depreciation policy of the bank.
- The fully depreciated/adjusted items of furniture, fixture and Electrical appliances/equipment would become the property of the concerned executive after writing it off from Bank's books.
- The executives will be authorized to purchase and own the items of Furniture, Fixture & Electrical appliances/ equipment provided to them as per entitlement on payment of the written down value (WDV), five years after the original purchase date of the items. The original cost of such items, purchased at WDV by the executive, shall be added back to the entitlement.
- In case of death or retirement/superannuation, the executive or his/her legal heirs shall be allowed to retain the Furniture, Fixture & Electrical appliances/equipment free of cost without recovering the outstanding Written down Value (WDV).
- Upon compulsory/volunteer retirement and resignation from the service of the bank, the written down value, as at end of month preceding the date of release from service in Askari Bank, of items purchased by him as per his entitlement will be recovered from him and these items will be allowed to become his personal property.

#### 4.12 Entitlement of Cars for the Executives<sup>1</sup>

- i. Executives (AVP & above) will be provided with following car benefits:
  - a. Mark-up free loan (0%) equal to the price of benchmarked car of their respective grades.
  - b. Monetized monthly car allowance to be paid via payroll equal to the 1/60th of the car loan amount disbursed to the executive irrespective of the car loan availed / not. In case car loan is availed, same will be set-off against the monthly car loan instalment.
- ii. The executives shall be allowed markup free car loan equal to purchase price of following vehicles; prices for which will be fixed in January each year (for other than bank-maintained car only):

Grade	Vehicle Entitlement <sup>2, 4</sup>
<b>SEVP - I</b>	Cost of Any Car up to Rs. 250,000/-pm
<b>SEVP - II</b>	Cost of Any Car up to Rs. 210,000/-pm
<b>EVP - I</b>	Honda Civic RS Turbo 1.5L CVT
<b>EVP - II</b>	Honda Civic Oriel Turbo 1.5 CVT
<b>EVP - III</b>	Honda Civic (Standard)
<b>SVP - I</b>	Toyota Corolla Altis Grande CVT-i 1.8
<b>SVP - II</b>	Cost of Toyota Corolla AT 1.6
<b>VP - I</b>	Cost of Honda City Aspire 1.5 LAS (Manual)
<b>VP - II</b>	Suzuki Swift GL CVT <sup>6</sup>
<b>AVP</b>	Cost of Suzuki Swift GL (Manual)

- iii. In case of separation from services, the second car entitled to executives serving in EVP-I & above grades will be offered at prevailing market price. However, it is mandatory that the vehicle remained under use of the executive for a minimum period of one year. <sup>7</sup>

Grade	Bank Maintained Car Entitlements <sup>3, 5</sup>
<b>SEVP - I</b>	Honda Civic RS Turbo 1.5L CVT
<b>SEVP - II</b>	Toyota Corolla Altis Grande CVT-i 1.8
<b>EVP - I</b>	Honda City Aspire 1.5 LAS CVT

- iv. The above loan amount excludes registration/ maintenance cost which will be reimbursed /paid separately to only those executives who avail the mark up free

<sup>1</sup> Changes approved by BOD on March 17, 2022 w.e.f April 01, 2022

<sup>2</sup> Changes approved by BOD on March 17, 2022

<sup>3</sup> Changes approved by BOD on March 17, 2022

<sup>4</sup> Changes approved by BOD on February 21, 2024

<sup>5</sup> Changes approved by BOD on February 21, 2024



loan facility.<sup>3</sup>

- v. The eligible executives may utilize this facility to buy any new/reconditioned car of his/her own choice from the market which shall not be more than eight (8) years old at the time of purchase.<sup>8</sup>
- vi. Mark up free loan amount will be as per the price fixed in the first year for next 5 years and loan tenure will be maximum 5 years from the date of disbursement<sup>4</sup>.
- vii. The executives will be allowed to take a fresh loan upon completion of 5 years from car allowance kick-off date OR in case of promotion to next grade after repayment of existing loan.<sup>5</sup>
- viii. The car will be registered in the name of the executives under Lien with Askari Bank Limited.
- ix. The loan applied can be availed up to the specified grade entitlements, however, the car value should not be less than the loan amount.<sup>1</sup>
- x. In case the value of the car is higher than the disbursed amount, the differential amount on account of insurance, registration, maintenance will not be paid to the executive and shall be borne by the concerned executive.
- xi. The employee will be responsible for the maintenance, road tax, or any other expenses related to the car. The Bank will arrange the comprehensive car insurance from the insurance company up to the loan disbursed amount.<sup>2</sup>
- xii. Each year in the month of August, Bank will pay one-year maintenance charges/road tax (in arrears) to the executive at an incremental rate as percentage of ECF entitlement amount at the following rates:

Years	Applicable Rates
Year 1	2.0%
Year 2	3.0%
Year 3 & onward	4.0%

The executive will be required to maintain the car from this amount and may be required to produce all maintenance related bills if desired by the President & CEO.

- xiii. Employee will also be responsible for excise duties or any other levies and taxes as imposed by the Government of Pakistan from time to time.
- xiv. Similarly, in the month of July each year, Bank will pay the additional tax, in

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by BOD on March 17, 2022

<sup>4</sup> Changes approved by BOD on March 17, 2022

<sup>5</sup> Changes approved by BOD on March 17, 2022

<sup>6 7 8</sup> Changes approved by BOD on December 12, 2022

arrears, being born by the employee due to the changes in the tax rate after payment of monthly car allowance under this scheme.

- xv. In case of separation of an executive due to retirement/ resignation the outstanding loan amount will be either paid by him or loan can be taken over by his/her new employer or he/she may opt to transfer the loan amount into consumer auto finance subject to fulfillment of the conditions of Consumer Banking.
- xvi. In case of separation from service due to retirement or resignation prior to the disbursement of annual maintenance charges and income tax differential, same shall be paid to executive on prorated basis. Insurance of the vehicle will be canceled or if requested by the executive to continue, the insurance premium amount for the remaining period of insurance shall be borne by the leaving executive on prorated basis.
- xvii. In case of death of an employee the car loan shall be recovered from group insurance and the car shall be handed over to the legal heir free of cost.
- xviii. In case of theft, total loss of the vehicle and upon realization of the insurance claim, the same shall be paid to the executive concerned for the adjustment of outstanding balance of previous loan. A new loan will then be sanctioned to him/her as per entitlement. Moreover, the deduction of loan installment and monthly car allowance shall continue at the same rate till the adjustment of existing car loan. Loan installment shall be revised after disbursement of fresh loan.
- xix. The employee may change the security/upgrade the vehicle with the prior approval of Country Head HR once during the tenure of the loan. However, the previous security will remain intact with the Bank till the marking of HPA in the name of AKBL of new vehicle. No additional loan/enhancement/insurance coverage/reimbursement /registration charges etc. will be given for change of security till completion of the loan tenure.<sup>1</sup>

#### 4.13 Reimbursement of Residential Telephone Expenses

The monthly telephone expenses for residential phones shall be reimbursed on the production of telephone bills as per following entitlement;

Grade	Monthly limit
SEVP (I & II)	Rs 6,000
EVP (I, II & III)	Rs 3,000
SVP (I & II)	Rs 2,000
VP (I & II)	Rs 1,000
AVP	Rs 860

<sup>1</sup> Changes approved by the BOD on August 17, 2022

#### **4.14 Mobile Phone Facility<sup>3</sup>**

- i. Executives in SVP grade & above will be provided with mobile phone for official use. The President and CEO shall determine maximum limits for the cost of mobile phone set and monthly bills.
- ii. Guidelines for the cost of mobile phone set along with monthly usage limit shall be prepared by HRD for review/approval of the President & CEO periodically.
- iii. Mobile Phone along with monthly bill ceiling to the other employees in grades VP and below will only be allowed on the basis of their functional assignments, which shall be determined by the President & CEO<sup>4</sup>.
- iv. Minimum replacement life of mobile phone set will be 2 years after which new mobile phone will be provided to the executive concerned and old mobile will be retained by him/her.
- v. If an executive leaves the Bank for reason other than retirement/death and before completion of 02 years' service after the availing date of mobile phone set, the same will be charged back on prorata basis and set will be retained by the leaving employee.
- vi. The mobile phone cost shall be expensed out in the year of its purchase.
- vii. In case of retirement/ death the mobile phone set shall be handed over free of cost to the employee or his/her legal heir, whichever the case maybe.
- viii. In case the mobile phone set is totally damaged or lost before completion of two years of its useful life, the same shall be replaced with the approval of President & CEO.
- ix. Prior approval of the President & CEO shall be required to avail international roaming facility while on official visit abroad.

#### **4.15 Security Guards for Residence<sup>1</sup>**

One Security Guard shall be provided at the residence of executives in the grade of SEVP (I & II). OR

In lieu of a Security Guard for Residence, they will be entitled to a monthly allowance in salary equivalent to Rs.50,000/-.<sup>2</sup>

#### **4.16 Cash Handling Allowance**

All staff working full time in the cash department in the branches/units and handling cash shall be paid cash handling allowance as per branch category. Other staff handling petty cash shall not be eligible for this allowance. This allowance shall cease to be paid

<sup>1</sup> Changes approved by BOD on March 17, 2022

<sup>2</sup> Changes approved by BOD on March 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on August 17, 2022

Para 4.16 'Car Facility for the employees below the rank of AVP is deleted

once an employee's job is changed from cash department to any other department. President & CEO shall approve this allowance to eligible employees.<sup>1</sup>

#### **4.17 Driver's Allowance**

All Group/Country Heads shall be authorized for a driver allowance of Rs. 20,000/-. Existing Group/Country Heads availing the services of driver will only become eligible for this allowance once the driver's been surrendered/appropriately adjusted. However, for fresh hiring at Group/ Country Head positions, this allowance will be made part of their offered monthly compensation package.

#### **4.18 Saturday Allowance**

All staff at designated branches to remain open on Saturdays as per the instructions issued by SBP shall be paid as per the rates approved from time to time by President & CEO.

#### **4.19 Child Day Care Allowance<sup>2</sup>**

- i. All female staff having children under the age of 4 years shall be paid an allowance equivalent to Rs. 10,000/- via monthly payroll; which can be utilized for day-care facility.
- ii. This policy is available to female employees in regular employment of Bank upon confirmation.
- iii. Payment will terminate once the children reaches the age of 4 years.
- iv. President & CEO shall determine and approve the limit for allowance.

#### **4.20 Functional Allowance<sup>3</sup>**

Functional allowances shall be paid to employees as may be determined by the President & CEO.

#### **4.21 Advance against Salary<sup>4</sup>**

All regular confirmed employees in need of funds for an emergency may be allowed advance against maximum of two salaries. Advance against salary will be recovered within next six (6) month's payroll.

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<sup>1</sup> Changes approved by BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on December 12, 2022

## REMUNERATION POLICY FOR MRTs & MRCs<sup>1</sup>

### 1. Introduction and Scope:

This remuneration policy for Material Risk Takers (MRTs) and Material Risk Controllers (MRCs) is developed to comply with the Guidelines and Disclosures on Governance and Remuneration Practices (“the Guidelines”) issued by State Bank of Pakistan (“SBP”).

The purpose of this document is to develop fair, transparent and sound compensation structure, for employees categorized as MRTs and MRCs of the Bank that is aligned with risks and responsibilities.

This policy shall be applicable to all the employees of the Bank categorized as MRTs or MRCs under the criteria given within this policy, in both local and international operations including the representative offices to the extent as mentioned in this policy.

Employees newly categorized as MRT/MRC will move from the existing compensation structure to the proposed compensation structure under this policy. When an employee ceases to be an MRC/MRT their compensation structure will revert to the existing compensation structure.

### Governance Framework

The Bank’s governance model aims at guaranteeing an appropriate control on remuneration practices, ensuring that decisions are taken with sufficient independence and in an informed way, by such functions, to which different responsibilities are delegated.

The BHR&RC shall regularly review the compensation system in light of the SBP guidelines under the recommendations of ManCom. In case of any difference in the Bank compensation policy and practices with the laws and regulations currently in practice in Pakistan, the applicable laws (including labor laws) shall prevail.

The roles and responsibilities of various elements of the governance framework of the Bank in relation to this policy are as follows:

#### 1.1 The Board of Directors

The Board of Directors is responsible for developing, approving and implementing the remuneration policy. The Board of Directors shall ensure that the remuneration policy is adequately documented and accessible inside the Bank.

#### 1.2 The Board Human Resource & Remuneration Committee (BHR&RC)

The BHR&RC is responsible for recommending the policy guidelines to the Board in light of the regulatory requirements and ensuring its correct execution.

The BHR&RC shall structure and recommend to the Board of Directors the compensation package of the President & CEO, all direct reports of the President &

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<sup>1</sup> Changes approved by BOD on April 22, 2021

CEO and any other employee or group of employees including MRTs and MRCs. It will be the mandate of the Committee to decide the Deferment Period and percentage of deferred variable pay.

BHR&RC shall be responsible for review and this policy at least once every three years or as and when required to ensure continuous alignment with the regulatory requirements.

The BHR&RC - may seek input from other committees of the Board including Board Risk Management Committee and Board Audit Committee for implementation of SBP guidelines.

### **1.3 Roles and Responsibilities of the Corporate Functions**

The following is a description of the role and responsibilities of different corporate functions, to ensure transparency and robustness to the remuneration policy definition and to the compensation management process:

#### **1.3.1 Human Resources Division**

The Human Resource Division (HRD) of the Bank shall establish and conduct the process related to the preparation and implementation of the remuneration policy, to be approved by relevant bodies and manages execution of the policy. The Division is also responsible to periodically assess market practices aimed at verifying the competitiveness and attractiveness of compensation packages. HRD to coordinate with respective divisions to ensure consistent application of the policy.

#### **1.3.2 Compliance Division**

The Compliance Division (CD) shall be responsible for regulatory reporting with regards to the remuneration practices and related regulatory requirements.

#### **1.3.3 Risk Management Group**

The Risk Management Group (RMG) shall verify alignment between the remuneration policy and the correct and cautious risk management, providing advice on the Key Risk Indicators (KRIs) defined for each MRT / MRC position in the Bank.

Furthermore, the Risk Management Group shall provide the identification of the “Material Business Units” as described under the quantitative criteria for MRTs given in this policy. The RMG shall also provide performance data against KRIs of MRTs and MRCs.

RMG in consultation with HRD and Other Divisions shall develop relevant KRIs for MRT and MRCs. Weightage of each KRI shall be linked with the significance of the risk which shall be integrated with likelihood and impact. Each KRI shall carry an associated threshold which will establish the exception limit for the risk metric against which actual exceptions reported can be recorded to assess the degree of risk-taking behavior. Data for actual exceptions reported shall be acquired from the relevant divisions to calculate the excess risk score of an MRT or MRC.

#### **1.3.4 Finance Division**

The Finance Division (FND) shall ensure the financial sustainability of salary-increase and variable-pay plans including management of deferred bonus pool. FND shall also ensure alignment of remuneration plans with forecasts, budgets and long-term strategic plans. Disclosures in the annual reports about compensation system shall also be ensured by Finance Division.

#### **1.3.5 Internal Audit Division**

The Internal Audit Division (IAD) shall ensure the compliance of this Policy and inform the Board Audit Committee on the results of verifications. During the implementation phase the IAD should periodically review the effective implementation of the policy on an ongoing basis.

### **2. Framework Principles**

The Bank's Compensation Framework for employees categorized as MRTs and MRCs shall be based on the following:

#### **2.1 Risk Adjusted Compensation**

Compensation shall take account of the risks taken by the employees on behalf of the Bank. Compensation shall take into consideration prospective risks and risk outcomes that are already realized. Compensation shall be adjusted for all types of risk as per the current Risk Management Policy of the Bank.

##### **2.1.1 Compensation Deferments**

Compensation shall be divided into fixed and variable compensation. Compensation pay-out schedules at the Bank must be sensitive to the time horizon of risks. Profits and losses of different activities of the Bank are realized over different periods of time, however, variable compensation payments shall be deferred for a period of 3 years.

#### **2.2 Presentation and Disclosures**

The Bank shall disclose clear, comprehensive and timely information about the compensation practices to facilitate constructive engagement by all stakeholders. Country Head HRD, Country Head Risk Management, Country Head Finance Division and other departmental head(s) involved in the review and update of compensation system shall have access to all information they need to evaluate the conformance of practices to the principles adopted by the Bank in this document.

### **3. Compensation System**

The Bank's compensation system for MRTs and MRCs shall have following components:

#### **3.1 Risk Profiling**

In establishing a risk-based Compensation Framework, the starting point shall be an



assessment of the Bank's risk profile and its risk appetite (or tolerance). This assessment shall take into account all material risks and shall identify material risks for all individual business lines.

### **3.2 Risk Takers, Risk Controllers and Others**

Firstly, The Bank shall classify its functions as Risk Takers (RT), Risk Controllers (RC) and others. The classification shall be conducted on the basis on below criteria:

**Risk Taker** shall be a function of the Bank which takes, or is in a position to take, risk that may result in financial losses as circumstances may change, but might also present an opportunity for a rewarding outcome for the Bank.

**Risk Controller** shall be a function of the Bank positioned to proactively identify risks associated with the businesses of the Bank and may advise the mitigation thereof. RC shall be independent of the business and support units it monitors and controls.

**Others** shall include all those functions of the Bank which are not classified as Risk Takers or Risk Controllers.

### **3.3 Identification of MRTs and MRCs**

Not all the positions of the Bank have material impact on the risk profile of the Bank. Therefore, concept of 'materiality' is introduced to effectively manage and translate the risk management into the compensation mechanism of the Bank.

For remuneration purposes, the Bank distinguishes the key positions into Material Risk Takers (MRTs) and Material Risk Controllers (MRCs) in accordance with the requirements of SBP guidelines.

#### **3.3.1 Material Risk Takers**

An MRT shall be a designation in the risk taker function whose professional activities have a material impact on the Bank's overall risk profile. In line with the SBP Guidelines, the HR Division of the Bank shall take into account following qualitative and quantitative criteria to identify MRTs at the Bank:

#### **Qualitative Criteria**

1. President of the Bank;
2. All direct reports to the President (excluding secretarial / administrative nature support).
3. Head of Bahrain Branch.
4. Direct reportees to the members of senior management, managing those critical functions, excluding administrative and managerial functions, as determined by BHR&RC that subject the Bank to significant risks;
5. Money / stock market dealers with authority to take positions (head of a treasury desk, money market, equities, FX, derivatives deals /sales)



6. With regard to decisions to approve the introduction of new products subjecting the Bank to significant risks, the employee:
  - a. has the authority to take such decisions; or
  - b. is a member of a committee which has authority to take such decisions

### **Quantitative Criteria**

1. Subject to meeting the following criteria; all Business Unit Heads (up to Regional/Departmental Head's level) responsible for managing aggregate asset portfolio, for their respective business lines, greater than or equal to 50% of the previous year end tier 1 capital.
2. With regard to credit risk transactions, employee:
  - i. is responsible for proposing credit proposals, or structuring credit products; or
  - ii. has authority to take or approve a decision on such credit risk exposures; or
  - iii. is a member of a committee which has authority to take the decisions referred to in point (a) or(b);

provided, the amount per transaction is greater than or equal to:

- i. in case of renewal of an existing facility, 20% of tier 1 capital: and
- ii. in case of a fresh proposal, all credit proposals above 1% of tier 1 capital, other than consumer and agri financing.

In addition to the assessment on the basis of above-mentioned criteria, the Board may seek Board Audit Committee and Board Risk Management Committee to identify any other positions which may be classified as MRTs at the Bank.

### **3.3.2 Material Risk Controllers**

An MRC shall be a designation in the risk controlling function whose professional activities have a material impact on the Bank's overall risk profile. In line with the SBP Guidelines, the HR Division of the Bank shall take into account following criteria to identify MRCs at the Bank:

#### **Criteria:**

1. The staff member is responsible for, or is a member of a committee responsible and accountable for the activities, of the independent risk management function compliance function or internal audit function;
2. The staff member heads a function responsible for legal affairs, finance including taxation and budgeting or economic analysis;
3. Member of the senior management, i.e. direct reportees to the President;
4. Direct reportees to the members of senior management of risk controlling functions as determined by the BHR&RC.

### **3.4 Performance Appraisal**

For the purpose of annual performance appraisal exercise, MRTs and MRCs shall develop Key Performance Indicators (KPIs) as per their job roles and responsibilities. The Line Managers shall review the KPIs to ensure that the KPIs are linked with roles and responsibilities of the employee. In order to ensure independence, the performance appraisal of MRCs shall not be performed by business or risk-taking functions.

Detailed guidance over the performance appraisal process is provided in the performance management policy of the Bank.

### **3.5 Ex-ante and Ex-post Risk Assessment**

Country Head HRD shall ensure that incentives to take risk are constrained by incentives to manage risk. The best way to achieve this outcome is to vary incentive-based compensation according to risks taken (ex-ante) and risks realized (ex-post).

1. Ex ante - by adjusting remuneration for risk as it is accrued and awarded, to take into account potential adverse developments in the future; or
2. Ex post - by adjusting accrued remuneration during (e.g. through a malus clause) a deferral period in the light of experience and observations of risk and performance outcome made.

### **3.6 Malus**

The malus provision allows the Bank to determine the paid/unpaid elements under the deferred compensation plan that can be adjusted/ cancelled in certain situations. Any decision to revoke an individual's award will be the mandate of the Board.

The events include the following:

1. The reasonable evidence of willful misbehavior, material error, negligence or incompetence of the employee causing the Bank/ business unit to suffer material loss in its financial performance, material misstatement of the Bank's financial performance, material risk management failure or reputational loss or risk during the concerned performance year.
2. The reasonable evidence of deliberately misleading the market, regulator and/or shareholders in relation to the financial performance of the Bank during the concerned performance year by the employee.

## **4. Composition and Structure of Compensation<sup>1</sup>**

Compensation awarded to MRTs and MRCs shall comprise of a fixed and variable component. For MRCs the fixed component may form the major portion of the total compensation. The compensation of MRCs shall be based on function-specific objectives and shall not be dependent on the financial performance of the business areas they monitor. The compensation structure shall be as follows:

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<sup>1</sup> Changes approved by BOD on August 21, 2023

	MRTs	MRCs
<b>Fixed Component</b>	70%	70%
<b>Variable Component</b>	Up to 30%	Up to 30%
<b>Deferred Component (of Variable Component)</b>	25%	20%

*The above percentages may be revised as per the direction of BHR&RC*

Deferred component of Performance Bonus will be prorated for both MRT's/MRC's on the actual number of days the staff has served on the designated position.

Furthermore, the Bank shall not provide any form of guaranteed variable compensation as part of the overall remuneration package. Employees shall not be allowed to practice hedging strategies or remuneration-and liability-related insurance to undermine the risk alignment affects embedded in their remuneration arrangements.

Fixed and guaranteed bonuses, other than bonuses paid on Eid, Christmas or other festive occasions shall not be paid to the MRTs.

#### **4.1 Fixed Compensation**

The fixed component shall appropriately compensate the employee for his or her role and shall be commensurate with the duties, responsibilities and relevant experience. Fixed salary shall be the same as defined in Compensation Policy (Pay, Allowances & Other Benefits). Fixed salary shall be sufficient enough to allow variable part to fall, in whole or in part, as needed.

#### **4.2 Variable Compensation**

The variable component shall be clearly linked to the work and performance of the individual, the performance of his/her department and the overall performance of the Bank. The variable portion of the compensation shall be paid in terms of a yearend bonus linked with performance against KPIs and KRIs of the individual.

The funding for distribution of bonus pool shall be dependent upon the achievement of the financial targets. The performance measures shall ensure that the total variable remuneration be contracted in the event of subdue or negative financial performance of the Bank. Furthermore, the target bonus pool as determined above shall be subject to risk adjustments in line with the risk assessment and linkage framework.

##### **4.2.1 Composition of Variable Remuneration**

Variable remuneration paid to MRTs who have an impact on the risk profile of the Bank shall contain a deferred component which takes into account the risk horizon of the underlying performance. Non-deferred component shall be paid after ex-ante adjustment on the basis of excess risk score.

In case of MRCs, variable component shall also contain a deferred component which will

be paid after adjustment of ex-ante risk adjustment on the basis of Excess Risk Score calculated for that particular year.

The amount thus withheld shall be paid proportionately during the deferral period, even if that individual is no longer an employee of the institution.

#### **4.2.2 Deferral Arrangements<sup>1</sup>**

Deferred variable pay shall be divided by the deferment period to arrive at the annual deferred payments. The deferred amounts shall be paid after adjustment of Excess Risk Score of relevant year i.e., ex-post risk adjustment. President & CEO will determine the parameters of ERS for all MRTs/MRCs.

Allocation of a penalty with respect to the individual's (MRT/MRC) performance against Key Risk Indicators for the year shall be assigned by the respective line manager and then a final excess risk score will be calculated based on that penalty rating by the Risk Management Group.

### **5. Compensation of Contractual Employees**

Contractual employees shall be compensated as per their relevant qualification(s), experience and assigned job roles and responsibilities to provide reasonable basis for the awarded compensation.

Contractual employees identified as MRTs and MRCs shall be entitled for variable remuneration based on their performance. The compensation mechanism for contractual employees shall be applicable in the same manner as mentioned in this Policy for regular employees.

### **6. Compensation of Non- Executive Directors**

Non-Executive Directors (NEDs) shall be compensated as per applicable Rules & Regulations. The compensation paid to the NEDs shall be reasonable and appropriate and it shall be linked to the actual number of Board and/or committee meetings attended by an individual director/ Chairman.

### **7. Management of Deferred Pool Benefits**

The deferred benefits pool shall be managed internally by the Finance Division of the Bank and returns arising from investments from the pool, if any, shall be distributed among the members according to their balances in the pool.

### **8. Presentation and Disclosure**

The Bank, through its Finance Division, shall, in the annual report, present and disclose clear information about the compensation system, as required by the law and to the satisfaction of regulators and stakeholders.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

SBP disclosure requirements pertaining to remuneration of MRTs and MRCs will be followed.

## **9. Exception to the Policy**

Any exception to the Policy will be approved by ManCom and reported to BoD through Board Human Resources and Remuneration Committee (BHR&RC).

## **10. Distribution & Dissemination**

Human Resource Division shall be responsible to distribute the policy to relevant stakeholders, whereas the policy shall be available on the AKBL intranet for dissemination.

## STAFF HOUSE BUILDING FINANCE POLICY

### 1. Introduction

In order to support the employees to have their own place of living, the banks and financial institutions allow loan/finance to the employees at concessional rate. Askari Bank shall also allow house building finance to its employees at concessional rate of mark up.

### 2. Scope

This policy shall be applicable to all regular employees of the bank.

### 3. Purpose<sup>2</sup>

The Bank may make an advance (which term shall be called "STAFF HOUSE BUILDING FINANCE") to its employees for the undernoted purposes: <sup>3</sup>

- i. Building a house or completing construction of house owned by the employee or his/her spouse which has been partially constructed.
- ii. Purchasing of a house in the name of the employee or his/her spouse.
- iii. Purchasing or taking on lease a plot of land in the name of the employee or spouse and building a house thereon.
- iv. Fresh/Enhanced House Building Finance can be allowed for renovation, repair, maintenance and alteration/expansion of the house on which house building finance was granted by the Bank.
- v. Purchase of a house at the new place of posting of an employee provided his transfer from one station to another is carried out in the Bank's interest and a house was purchased/ constructed with House Building Finance at last place of posting.
- vi. House Building Finance facility can be availed for conversion of existing consumer finances.

### 4. Eligibility<sup>1</sup>

An employee shall be considered eligible for Staff House Building Finance (SHBF) if he/she fulfills any of the eligibility criteria enumerated below, subject to the provisions mentioned thereafter: -

- i. Has completed three (3) years of service with Askari Bank.
- ii. **For New Employees<sup>4</sup>:** without any previous banking or other professional experience: Three years of service with Askari Bank Ltd.  
**For Experienced Staff:** Total three (3) years, including one year with Askari Bank Limited. Only full-time regular employment will be taken into account (internship, article ship or part time job will not be considered as previous experience).
- iii. Agreed by the bank at the time of appointment.
- iv. Has not been rated as "Needs Improvement/ Unacceptable" in any of his/her last two

<sup>1</sup> Changes approved by BOD on March 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on December 12, 2022

<sup>4</sup> Changes approved by the BOD on December 12, 2022

performance appraisals, however, after the PIP process of three months, if the performance has been improved, the employee shall be eligible for SHBF loan.<sup>1</sup>

An employee shall become eligible for enhancement of House building finance with or without change of security after completion of a minimum qualifying period of **2 (Two) years** after availing the House Building Finance (SHBF).<sup>3</sup> However, this enhancement facility could only be availed **TWICE** during the whole service<sup>2</sup>.

SHBF shall also be allowed upon transfer of services if the employee wish to buy/construct house at new place of posting. The amount of finance so granted to the employee will be worked out in a way that the total (previous advance + enhanced facility) does not exceed the entitlement of the employee as on the day enhanced facility is approved.

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<sup>1</sup> Changes approved by BOD on August 21, 2023

<sup>2</sup> Changes approved by BOD on March 17, 2022

## 5. Non-Eligibility<sup>3</sup>

The following applications for SHBF shall not be considered for approval: -

1. SHBF application second time during the service
2. Application received without relevant documents and details of property.
3. Application for SHBF against rural property unless it is justified to the satisfaction of the management.

## 6. House Building Finance Limit<sup>1,5</sup>

- i. House Building Finance will be sanctioned with the following maximum limits:

Grade	Entitlement Amount in PKR
SEVP (I)	Rs. 30.0 Mn
SEVP (II)	Rs. 27.5 Mn
EVP (I)	Rs. 25.0 Mn
EVP (II)	Rs. 22.0 Mn
EVP (III)	Rs. 21.0 Mn
SVP (I)	Rs. 20.0 Mn
SVP (II)	Rs. 18.0 Mn
VP (I)	Rs. 15.0 Mn.
VP (II)	Rs. 14.0 Mn. <sup>4</sup>
AVP	Rs. 12.0 Mn
<u>MG/AMG</u>	Rs. 10.0 Mn
<u>OG-I/OG-II/OG-III</u>	Rs. 6.0 Mn
<u>Others</u>	Rs. 2.5 Mn

- ii. Terms and conditions for the grant of Staff House Building Finance (SHBF) will also be applicable to the Enhanced House Building Finance (EHBF) facility.
- iii. Sanctions and disbursements of the Finance will be in multiples of thousand rupees.
- iv. The Board may, at its discretion, specify from time to time limiting criteria for the maximum total outstanding under this SHBF scheme, which will be called the OVERALL LIMIT.

## 7. Disbursements<sup>1</sup>

- a. Staff House Finance to an employee for the construction of house will be disbursed in

<sup>1</sup> Changes approved by BOD on March 17, 2022

<sup>3</sup> Changes approved by the BOD on December 12, 2022

<sup>4</sup> Changes approved by the BOD on December 12, 2022

<sup>5</sup> Changes approved by the BOD on February 21, 2024

<sup>1</sup> Changes approved by the BOD on August 17, 2022



the following manner:

- i. First installment up to a maximum of 50% of Finance amount for the acquisition of plot of land.
  - ii. Second installment equivalent to 25% of Finance amount for construction up to laying of roof or on evidence of utilization of tranche.
  - iii. Final installment equivalent to 25% of Finance amount after the roof has been laid or on evidence of utilization of tranche.
  - iv. The maximum period of disbursement between the first and the second installment shall not be more than 12 months; and between the second and the final (third) installment shall not be more than 24 months.
- b. In case where a piece of land has already been acquired or a partially constructed house has to be completed, the Finance will be granted in two equal instalments i.e. 50% each for the purpose mentioned in Para ii & iii herein above, according to the estimate required for the completion of plan.
  - c. For the purchase of already constructed House, the disbursement shall be made in lump sum directly to the owner/seller, through crossed payment order.
  - d. Post Disbursement loan documents are to be completed by the employees within 90 days' time. In case of non-compliance within the given period, the approved facility may be revoked by the HRD.

## **8. Usage of Property Purchased under SHBF**

The finance is allowed for a house, which should be used by employee and his/her family members only. The house or any portion of it must not be rented out without prior and written permission of the President & CEO.

## **9. Mark-Up**

The markup on SHBF shall be **5.0%** per annum. The markup can be revised at any time with the concurrence of BHR&RC, keeping in view the cost of funds and industry practice.

## **10. Repayment of Finance**

- a. For loans approved after the revision of the interest rate, repayment of the principal sum of the Finance together with the mark up thereon shall be made in the period of remaining service of the employee or before the age of superannuation, subject to a maximum of 25 years.
- b. For loans sanctioned prior to the revision of this policy, the monthly installment already being deducted shall be unchanged and the outstanding balance of loan/interest shall be adjusted as follows: -
  - i. Where remaining service of the employee is more than the loan period, the deductions of installment shall continue till the recovery of the entire loan plus interest amount i.e. number of installments will be increased to recover the entire outstanding amount.
  - ii. Where remaining service of employee is not enough to increase the number of

installments to recover the loan as mentioned above, the remaining outstanding balance shall be adjusted from the end of service benefits of the employee.

- c. In case of purchase of an already constructed house/apartment, repayment will commence three months after disbursement of the lump sum finance.
- d. In case of construction of a house, repayment will commence 24 months after the first disbursement of funds.
- e. In case where the plot has already been acquired or a partially constructed house has to be completed, repayment will commence 16 months after disbursement of the first installment (construction up to the roof level).

## **11. Collateral<sup>1</sup>**

The employee shall secure the repayment of the principal sum, of the Finance, the mark up thereon and other dues by making exclusive mortgage by deposit of title deeds in favor of the Bank pertaining to the land and building existing or to be constructed thereon and appurtenance thereto in respect of which the Finance is being or has been made and the title documents relating to them shall be retained by the Bank till the entire principal amount so financed and mark up thereon and other dues have been repaid in full within the stipulated period.

The employee shall complete perfection of security as per CAD and legal requirements. All costs shall, however, be exclusively borne by the employee themselves.

## **12. Change of Security**

The purpose of House building finance is to facilitate an employee to have his/her own house for living and is not meant for investment purpose. Therefore, frequent change of security shall be discouraged. Change of Security shall be allowed at the sole discretion of the management provided it is properly justified by the employee. Therefore, change of security documents, without enhancement of SHBF will only be allowed in following cases:

- a. Purchase of house at new place of posting upon transfer of service
- b. Promotion to next higher grade
- c. Completion of three (3) years period from the date of SHBF disbursement
- d. Liability taken over from the previous employer

## **13. Insurance and Municipal Taxes**

- i. The Bank shall arrange group insurance of the outstanding principal amount plus mark-up of house building finance against its employees.
- ii. The employee shall be required to arrange insurance of the house to keep it duly insured with bank's clause at his cost against risk of fire and earthquake, to the satisfaction of

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

the Bank, and to the extent of total amount of advance so disbursed. The insurance policy shall be assigned to and deposited with the Bank in original. However, insurance will not be required if the value of land appropriately covers the amount of principal plus markup.

- iii. The employee shall regularly pay all types of governmental municipal taxes and other levies, rates and dues payable in respect of land and/or to the building or any services connected therewith. The bank may from time to time require the employee to produce for verification, receipts of payment of such dues within 30 days of their falling due.
- iv. In case of non-payment of the insurance premium, or taxes or other dues as aforesaid, the Bank may require the employee to make such payment and furnish proof thereof within a specified period.
- v. The Bank shall also be entitled but shall not be bound, to deduct the required amount from the next monthly salary of employee and pay it directly to the concerned authority. Such deduction shall be in addition to the normal deductions from the salary of the employee as fixed in the sanction advice.

#### **14. Permissions for Transactions**

The employee shall not, except with the prior written permission of the Bank, sell, mortgage, gift, exchange agree to sell mortgage gift or exchange or otherwise transfer or encumber the land, buildings and other constructions or part thereof until he has repaid in full the principal sum of the Finance together with the mark up thereon and other dues.

#### **15. Cessation of Services <sup>1</sup>**

Notwithstanding anything to the contrary contained in this policy, the entire outstanding amount of the advance and accrued mark-up thereon shall immediately become payable to the Bank in the event of the cessation of service due to superannuation, resignation, termination, dismissal or otherwise and in case of non-adjustment of such liabilities, the Bank shall start charging commercial mark-up rate on outstanding staff finance facility/ies after a period of forty five (45) days from the last working day OR disbursement of end of service benefits; whichever is earlier. In case of death of the employee the remaining amount of principal plus markup shall be adjusted from proceeds of claim from group insurance arranged by the bank.

#### **16. Employee's Title on the Land**

An advance may be sanctioned for construction of a house on a plot which has been allotted to an applicant and of which he has obtained actual possession but in respect of which a lease cannot be granted unless a house is constructed thereon, provided that permission acceptable to the Bank is obtained from the President & CEO to mortgage the plot in favor of the Bank as security for repayment of the advance, the mark up thereon and other dues.

<sup>1</sup> Changes approved by BOD on March 17,2022

## 17. Repayment Capacity of Employee <sup>2</sup>

While recommending the advance, or any enhancement thereto, the existing liability of the applicant and his repaying capacity as judged in the light of his/her existing liabilities shall be particularly taken into consideration and put on record. The limit of the finance would be set in such a manner that monthly installment of all the finances availed by the employee including the proposed finance, do not exceed 50% of his/her gross monthly emoluments less Provident Fund and income tax. In order to work out DBR and repayment capacity of an employee total liability shall be checked through e-CIB and 5% of the outstanding consumer finances of other banks appearing in e-CIB provided amortization/monthly installment is not available shall be considered as minimum installment for such loans for this purpose. Employee income from any source other than the Bank shall not be taken into account for working out DBR

## 18. Sanctioning Authority

The advance shall be processed at Human Resource Division and sanctioned by the President of the Bank or the Executive authorized by the President in this behalf.

## 19. General

- i. All expenses, including stamp duty, registration fee, search fee and expenses incidental to processing of the application for finance shall be exclusively payable by the applicant.
- ii. Advance would be made by debit to the Staff Finance Account.
- iii. Except in the case of acquisition of land by allotment and its subsequent lease, disbursement for purchase of land or of a partially or fully constructed house shall be made simultaneously with the execution and registration of the sale deed in respect of it in favor of the applicant.
- iv. Disbursement of advance for construction or completion of a house would be made in suitable installments. The first installments would be disbursed on the execution of the loan and security documents and fulfillment of other conditions precedent prescribed in this behalf. The second and third installments would be disbursed after the Bank has been satisfied that the previous installment(s) of advance had been actually utilized in full for the construction of the house.
- v. The President & CEO may withhold, suspend or cancel the whole or a portion of the Finance not actually disbursed or recall the amount of Finance which has already been disbursed in case the amount of Finance has not been fully utilized or the service of the employee has come to an end whether by death, resignation, termination, dismissal or otherwise or if it has become improbable that the object for which the Finance was granted can be fully and reasonably achieved.
- vi. These rules may be amended, deleted or added to from time to time by the BoD and the rules so amended, shall be binding on and enforceable with immediate effect against all the employees who have already taken or may take in future any Finance from the Bank.
- vii. These rules shall be administered and interpreted by the President and any interpretation

<sup>2</sup> Changes approved by the BOD on December 12, 2022

made by him or order passed in the absence of any rule in that behalf shall be binding on the employees and shall not be questioned or challenged anywhere. Save as above, all applications for Staff House Finance shall be made and Finance sanctioned and disbursed subject to the conditions contained in these rules.

- viii. The Bank may demand any other form of security (i.e. Life insurance policy, personal securities and/or repayment guarantee from a confirmed employee, etc.), which it may consider necessary to cover the advance. The securities and written authority mentioned hereinabove shall lapse on the creation of a valid and enforceable mortgage.
- ix. Islamic Banking Staff can also avail this facility under Islamic Banking.

## **20. Right of Refusal/Delay**

- i. The Bank shall not be responsible for any consequences arising from any delay or refusal in the sanction or disbursement of the advance or any installment thereof to an employee or the cancellation of any undisbursed portion of the advance.
- ii. The Bank may at its discretion refuse to grant an advance to any employee and in doing so no reason shall be assigned to the employee concerned.

## **21. Employee's Liabilities with Previous Employer<sup>1</sup>**

House Finance liabilities of some of the employees outstanding with their previous employers may be taken over by the Bank.

However, the new joiner can avail their full entitled amount i.e. the differential amount (if any) upon confirmation of services, perfection of security and other applicable clauses.

Admissibility of a fresh House Finance from Askari Bank in such cases shall be governed by SHF rules of Askari Bank. Where a fresh Staff House Finance is so granted, the outstanding liabilities taken over from previous employers will be adjusted first and the balance will be disbursed as per the rules.

## **22. Exceptions to the Policy<sup>2</sup>**

Any exception to the Policy in terms of eligibility and availing enhancement facility for more than two times will be approved by the President & CEO for all grades.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

## STAFF TRANSPORT FINANCE POLICY

### 1. Purpose

Staff Transport Finance shall be allowed for the purpose of providing transport facility to executives and officers of the bank in EVP-II grade & below for purchase of car/motorcycle.

### 2. Scope

This Staff Transport Finance facility is applicable to the regular staff in EVP-II Grade and below.

### 3. Eligibility<sup>1</sup>

1. An employee shall be considered eligible for Transport Finance for purchase of appropriate transport provided he/she:
  - i. is an Officer in Grade III to EVP-II Grade.
  - ii. Upon confirmation of services.
  - iii. Agreed as a part of compensation package at the time of appointment.
  - iv. Has not been rated as “Needs improvement/Unacceptable” in any of his/her last two performance appraisals, however, after the completion of PIP process, if the performance has been improved, the employee shall be eligible for STF loan.<sup>2</sup>
2. An employee shall be considered eligible for Motorcycle Finance provided he/she:
  - i. is in Clerical/Non-Clerical grade.
  - ii. Upon confirmation of services<sup>3</sup>.
  - iii. has been agreed as a part of compensation package at the time of appointment
  - iv. Has not been rated as “Needs improvement/Unacceptable” in any of his/her last two performance appraisals, however, after the completion of PIP process, if the performance has been improved, the employee shall be eligible for STF loan<sup>4</sup>.

### 4. Finance Ceiling<sup>5</sup>

1. The Finance shall not exceed an amount on the date it is sanctioned subject to a maximum of:
  - i. **For AMG to EVP – II Grade:**<sup>6</sup>  
Cost of Suzuki Cultus or Cost of Car/Motorcycle purchased whichever is lower.
  - ii. **For OG-I/OG-II/OG-III:**  
Cost of Suzuki Alto or Cost of Car/Motorcycle purchased whichever is lower.
  - iii. **For Clerical / Non-Clerical Grade:**<sup>2,7</sup>  
Rs. 300,000/-or cost of Motorcycle purchased whichever is lower.

<sup>1</sup> Changes approved by BOD on March 17,2022

<sup>2</sup> Changes approved by BOD on August 21, 2023

<sup>3</sup> Changes approved by BOD on August 21, 2023

<sup>4</sup> Changes approved by BOD on August 21, 2023

<sup>5</sup> Changes approved by BOD on March 17,2022

<sup>6</sup> Changes approved by BOD on February 21, 2024

<sup>7</sup> Changes approved by BOD on February 21, 2024

2. Sanctions and disbursements of the Finance shall be in multiples of thousand rupees.

Where finance is allowed for second hand car, the disbursing authority shall be responsible to ensure that the market value of the vehicle is at least 10% more than the Finance Value and the car is not more than eight (8) years old at the time of its purchase. The Motorcycle Finance shall be utilized for purchase of Brand new / Unregistered Motorcycle only.<sup>4</sup>

## 5. Mark-up<sup>1</sup>

Finance for Motorcar / Motorcycle will be as per the following markup rates:

**For Officer to EVP-II Grades: 3% per annum**

**For Clerical/Non-Clerical: Mark up free**

## 6. Repayment<sup>2</sup>

Repayment of sum of finance shall be made over maximum period of 72 months being Principal settled first and mark-up thereafter or in the remaining period of service, if less than 72 months. Repayment instalments of the Finance shall commence immediately after the disbursement of Finance from the monthly salary of the staff member.

Repayment installments of the Finance shall commence immediately after the disbursement of Finance from the monthly salary of the staff member.

## 7. Security/Registration and Other Documentation<sup>3</sup>

The employee shall complete perfection of security as per CAD and legal requirements. All costs shall, however, be exclusively borne by the employee themselves.

## 8. Insurance

- i. The employee shall comprehensively insure the Car/Motorcycle and keep it comprehensively insured to the satisfaction of the Bank, and at least to the extent of the amount disbursed. The Car/Motorcycle will be comprehensively insured up to a minimum amount of the outstanding loan at the time of renewal every year. The insurance policy shall be assigned to and deposited with the Bank in original.
- ii. In case of non-payment of the insurance premium, or other dues as aforesaid, the Bank may require the employee to make such payment and furnish proof thereof within a specified period.
- iii. The Bank shall also be entitled but shall not be bound, to deduct the required amount from the salary of that employee and pay it directly to the concerned insurance company. Such deduction shall be in addition to the normal deductions from the salary of the employee.

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<sup>1</sup> Changes approved by BOD on March 17, 2022

<sup>2</sup> Changes approved by BOD on March 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on December 12, 2022



## 9. Change of Car/Motorcycle<sup>2</sup>

The employee shall not, except with the prior approval of the Bank, sell, mortgage, gift, exchange or otherwise transfer or encumber the Car/Motorcycle until he has repaid in full the principal sum of the Finance together with the mark up thereon and other dues. Change of car/motorcycle shall require prior permission of the sanctioning authority.

## 10. Cessation of Services

Notwithstanding anything to the contrary contained in these Rules, the entire outstanding amount of the advance and the accrued markup thereon shall become immediately payable to the Bank in the event of an employee's termination from Bank's services, whether by resignation, dismissal or otherwise. Where an advance is not adjusted within 45<sup>1</sup> days from cessation of the services, the finance shall be subjected to commercial rate of mark-up.

In case of death of employee, markup rate is to be changed to Zero from the date of death and outstanding principal plus markup shall be adjusted from group insurance arranged by the bank.<sup>3</sup>

## 11. General

- i. All expenses, including stamp duty, registration fee, and expenses incidental to processing of the application for Finance shall be paid by the applicant.
- ii. The President & CEO may withhold, suspend or cancel the Finance not actually disbursed or recall the amount of Finance which has been disbursed in case the amount of advance has not been fully utilized or the service of the employee has come to an end whether by death, resignation, dismissal or otherwise or if it has become improbable that the object for which the advance was granted can be fully and reasonably achieved.
- iii. While recommending the finance the existing liability of the applicant and his repaying capacity as judged in the light of his existing liabilities shall be particularly taken into consideration and put on record. The limit of the finance would be set in such a manner that monthly installment of all the finances availed by the employee including the proposed finance, do not exceed 50% of his/her gross monthly emoluments less Provident Fund and income tax. Employee income from any source other than the Bank shall not be taken into account for working out DBR.
- iv. In order to work out DBR and repayment capacity of an employee total liability shall be checked through e-CIB and 5% of the outstanding consumer finances of other banks appearing in e-CIB shall be considered provided amortization/monthly installment is not available as minimum installment for such loans for this purpose.<sup>4</sup>
- v. The Transport Finance can be sanctioned to an employee thrice in his entire service on adjustment of the previous Transport Finance liability.
- vi. These rules may be amended, deleted or added to from time to time and the rules so amended, shall be binding on and enforceable with immediate effect against all the

<sup>1</sup> Changes approved by BOD on March 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by BOD on December 12, 2022



- employees who have already taken or may take in future any Finance from the Bank.
- vii. These rules shall be administered and interpreted by the President and any interpretation made by him or order passed in the absence of any rule in that behalf shall be binding on the employees and shall not be questioned or challenged anywhere. Save as above, all applications for Car/Motor Cycle Finance shall be made and Finance sanctioned and disbursed subject to the conditions contained in these rules.
  - viii. The Bank may demand any other form of security (i.e. life insurance policy, personal securities and/or repayment guarantee from a confirmed employee, etc.), which it may consider necessary to cover the advance. These securities and written authority mentioned hereinabove shall lapse on the registration of the Car/Motor Cycle in joint name of the Bank and the employee.
  - ix. Islamic Banking Staff can also avail this facility under Islamic Banking.

## **12.Right of Refusal/Delay**

- i. The facility may not be claimed as matter of right.
- ii. The Bank shall not be responsible for any consequences arising from any delay or refusal in the sanction or disbursement of the advance.
- iii. The Bank may at its discretion refuse to grant an advance to any employee and in doing so it may not assign any reason to the employee concerned.

## **13.Previous Liabilities**

Transport Finance liabilities of some of the employees outstanding with their previous employers were taken over by Askari Bank. All such liabilities taken over by Askari Bank shall hereafter be governed by Staff Transport Finance (STF) rules, as applicable.

Admissibility of a fresh Transport Finance from Askari Bank in such cases shall be governed by STF rules of Askari Bank. Where a fresh Staff Transport Finance is so granted, the outstanding liabilities taken over from previous employers will be adjusted first and the balance will be disbursed as per the rules.

## **14.Exception to the Policy<sup>1</sup>**

Any exception to the Policy in terms of eligibility, will be approved by the President & CEO.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

## STAFF PERSONAL FINANCE POLICY

### 1. Introduction<sup>2</sup>

The Bank may make advances to its employees for meeting emergent needs of the employees.

### 2. Scope

The policy shall be applicable to all regular employees of the bank.

### 3. Eligibility

All regular confirmed employees of the Bank or as agreed by the management as part of compensation package at the time of appointment can avail this Finance. Employees working on contract/casual labor shall not be entitled.

### 4. Finance Limit<sup>1</sup>

The finance can be sanctioned equal to four months' basic salary for all staff subject to maximum of Rs. 1,000,000/-

An employee shall be considered ineligible if he/she has been rated as "Needs Improvement/Unacceptable" in his/her last performance appraisal. However, after the PIP process, if the performance has been improved, the employee shall be eligible for SPF loan.<sup>3,6</sup>

### 5. Markup

Mark up @ 3.0% per annum shall be recovered from borrower's account along with the monthly installment.

### 6. Repayment<sup>4</sup>

Repayment of sum of finance shall be made over maximum period of 36 months being or in the remaining period of service, if less than 36 months.

Repayment installments of the Finance shall commence immediately after the disbursement of Finance from the monthly salary of the staff member

### 7. General<sup>5</sup>

- i. This loan may be availed by the employee upon adjustment of existing SPF facility. This loan will be sanctioned to meet pressing requirements or exigencies and shall not be a matter of right.

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<sup>1</sup> Changes approved by the BOD on March 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on August 17, 2022

<sup>5</sup> Changes approved by the BOD on August 17, 2022

<sup>6</sup> Changes approved by the BOD on August 21, 2023

- ii. Debt Burden Ratio (DBR) including all other staff/consumer finances should not exceed 50% of total monthly salary less Provident Fund, Income Tax. Employee income from any source other than the Bank shall not be taken into account for working out DBR.
- iii. In order to work out DBR and repayment capacity of an employee total liability shall be checked through e-CIB and 5% of the outstanding consumer finances of other banks appearing in e-CIB shall be considered provided amortization/monthly installment is not available as minimum installment for such loans for this purpose.<sup>1</sup>
- iv. Islamic Banking Staff can also avail this facility under Islamic Banking.

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<sup>1</sup> Changes approved by the BOD on December 12, 2022

## POLICY ON CONSUMER LOANS PRODUCTS

### 1. Introduction

In addition to the Staff Personal Finance, Staff transport Finance and Staff house building finance the employees shall be allowed to avail different products of Consumer banking Division.

### 2. Scope

The policy shall be applicable to all regular and contractual employees.

### 3. Eligibility

All regular confirmed & contractual employees having more than six months of service with the Bank shall be eligible to avail consumer loans products of the bank at concessional rates.

Islamic Banking Staff can also avail this facility under Islamic banking.

### 4. Consumer Products & Markup Rates

Following consumer products shall be available to the employees at concessional rates:

<b><u>Product Name</u></b>	<b><u>Floor Markup Rate</u></b>
Credit Cards	15% per annum (1.25% per month)
Mortgage Finance	1% less than SBP discount rate
Personal Loans	SBP discount rate
Smart Cash	SBP discount rate
ASKCAR(CARFINANCING)	SBP discount rate

The above rates are subject to change anytime at the discretion of the Board of Directors while the ceiling rates shall be defined, as per market norms, by the President & CEO.

### 5. Terms & Conditions

- i. The terms and condition and other criteria for availing any of the above product shall be approved by the Board of Directors.
- ii. In order to control expansion of loans the management may suspend the policy for all products or any of the products for certain period.
- iii. In case of separation from the service due to any reason, all outstanding balance should be cleared, adjusted from terminal benefits or same shall be converted into the normal commercial rates.

## **6. Repayment Capacity**

Debt Burden Ratio (DBR) including all other staff/consumer finances should not exceed 50% of total monthly salary less Provident Fund, Income Tax. In order to work out DBR and repayment capacity of an employee total liability shall be checked through e-CIB and 5% of the outstanding consumer finances of other banks appearing in e-CIB shall be considered as minimum installment for such loans for this purpose. Employee income from any source other than the Bank shall not be taken into account for working out Debt Burden Ratio (DBR).

## ASKARI UJALA FINANCE<sup>1</sup>

### 2. Introduction

The Green Banking initiative of State Bank of Pakistan is designed to inculcate environmental considerations in banking products, services and operations. As part of this initiative, State Bank has issued SBP Financing Scheme for Renewable Energy to promote renewable energy projects in the country.

Under this scheme, the financing will be provided (through our energy partners i.e. suppliers / vendors) to SMEs and individuals (employees) on subsidized markup rates for small scale renewable energy solutions and onwards selling to National Grid.

### 3. Scope

The policy shall be applicable to all regular employees.

### 4. Eligibility

All regular employees having minimum one (01) year of service with the Bank shall be eligible to avail Askari Ujala Finance. **DBR: 50%.**

### 5. Finance Limit

The finance can be sanctioned maximum up to PKR 3.00 M with 0% equity.

### 6. Markup

Mark up @ 6.0% per annum shall be recovered from borrower's account along with the monthly installment.

SBP discount rate" is applicable till claim of refinance received from SBP.

### 7. Repayment

Repayment of Finance is 10 years or remaining service, whichever is less (3 months Grace Period).

### 8. General

All remaining terms & conditions shall be the same as the Askari Ujala Finance for all borrowers.

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<sup>1</sup> Changes approved by the BOD on February 15, 2023

## STAFF HEALTHCARE POLICY

### 1. Introduction:

In addition to medical reimbursements allowed to Askari Bank employees for outdoor consultation fee, laboratory tests and medicines, as per entitlement defined in the pay scales, the employees (Regular Staff, their dependents and Contractual Staff) shall be covered under Healthcare Insurance as per entitlement limits approved by the Management and the limits shall be reviewed by the Management annually.

### 2. Purpose:

The purpose of this policy is to describe the administration and extent of healthcare / medical benefits extended by the Bank to its employees and their dependents.

### 3. Scope:<sup>1</sup>

All regular staff of the Bank and their dependents, which include spouse(s), dependent children and parents shall be covered under this facility. All contractual employees who are on Bank's payroll will also be eligible for healthcare Insurance (for self only).

- i. Daughters up to their marriage, living with parents will be allowed insurance facility.
- ii. Male children up to 23 years of age are covered under Bank's Staff Healthcare Policy.
- iii. Those dependents of the employee concerned that are entitled to free medical treatment by virtue of their previous/present employment shall not be covered under this facility.
- iv. In-laws of married female shall not be eligible for Healthcare facility.
- v. Staff with a differently abled child who lives with their parents and is financially dependent on them shall be covered (no age restriction) under the Bank's Staff Healthcare Policy.

All employees shall be required to furnish an undertaking to the above affect as specified by the Bank.

All employees joining on or after April 01,2022 shall not have entitlement of parental insurance/coverage.

### 4. Entitlement of Hospital:<sup>2</sup>

Employees/their dependents shall be entitled to avail treatment from any hospital of their choice or on the panel of the insurance company.

<sup>1</sup> Changes approved by the BOD on March 17,2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

**5. Entitlement for Illness:**

- a. Employees/their dependents will be entitled to hospitalization for surgery and serious illness requiring indoor hospitalized treatment.
- b. Regular Employees will be entitled for maternity related expenses twice in the entire service. In this respect, expenses such as normal / C-section delivery of child, abortion and/or DNC will be included and considered as maternity related expenses. Contractual female employees shall be entitled to maternity related hospitalization expenses two times in the entire service. Maximum female age for maternity will be 45 years.

All expenses in hospital including room rent, laboratory tests, surgeon fee, medicines, any other relevant charges, shall be covered in IPD Health Care policy.

**6. Entitlement Amount:**

- a. Regular Employees/their dependents and Contractual Employees (Self Only) will be entitled to grade wise insurance entitlements.
- b. In case, hospitalization expense exceeds entitlement limit, all expenses over and above the limit shall borne by the employee concerned.

**7. Non-Cashable / Non-Accumulation:**

Healthcare Insurance entitlement shall be a facility, and not a benefit. Hence, it shall neither be cashable nor be accumulated and shall lapse at the year-end.

**8. Sanctioning Authority:**

The Bank shall arrange medical/healthcare insurance facility for its employees. President & CEO or any other authorized executive shall be the competent authority to approve the related terms w.r.t. engagement of insurance firm, entitlement of diseases, medical coverage for self/dependents etc.

The President or any other authorized executive shall be the Competent Authority to approve the cases of fatal diseases / above entitlement cases / special requests.

**9. Punishment on Misuse of Facility:**

In case an employee is found to have misused the hospitalization facility by way of submitting any claim for non-entitled dependents, OR through forged bills, concerned employee will be subject to disciplinary action, which may result in termination from service with the Bank



## STAFF LEAVE POLICY

### 1. Purpose:

The purpose of this policy is to describe leave entitlements, eligibility criteria and guidelines for AKBL employees; enabling an environment in which employees can fulfil their personal needs, perform family/religious obligations, attaining work life balance and deal with exigencies.

### 2. Scope:

Leave shall be applicable to all employees at the rate and scale laid down within this policy

### 3. Leave Entitlements:

Subject to fulfilling the necessary conditions, following types of leave, may be available to all employees:

S.#	Leave Type	Entitlement (Working Days)	Applicability
1	Earned Leave	24	Regular/Contractual
2	Emergency Leave	06	Regular/Contractual
3	Sick Leave	10	Regular/Contractual
4	Maternity Leave	66	Regular
5	Paternity Leave	10	Regular
6	Pilgrimage Leave	15	Regular
7	Bereavement Leave	Varying subject to reason of leave.	Regular
8	Festive Leave	03	Regular/Contractual
9	Half Day Leave <sup>2</sup>	10	Regular/Contractual
10	Leave Preparatory to Retirement (LPR)	45	Regular

### 4. Leave Entitlements Description:

#### 4.1. Earned Leave (EL)<sup>1</sup>

- i. An employee will be entitled to 24 working days (excluding public holidays, Saturdays and Sundays) of earned leave, during a calendar year.
- ii. Two (02) working days of earned leave shall be credited to leave record every month. For calculation of pro-rata leave a duty period of 15 days or less in a calendar month shall be treated as one (1) day and of 16 days or later shall be treated as two (2) days. Earned leave may be transferred / accumulated up to a maximum of 90 calendar days, of which 45 calendar days ' leave will be encashed at the time of separation. In case of rehiring

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on December 20, 2023

with continuity of service, the available balance will be carried forward without encashment.

- iii. From the year 2019, leaves accumulated over & above 90 calendar days will be adjusted during a term of maximum three years whereby a balance of 10 leaves per year can either be availed or the same will be lapsed at every year end.
- iv. All the employees are required to go for 11 consecutive working day's mandatory leave during a calendar year provided that they have earned leave balance.<sup>1</sup>
- v. If an employee unable to proceed on annual mandatory leave during a calendar year due to exigencies of service, the mandatory leave balance shall be allowed to be carried forward to next year with the prior approval of the President. However, the employee must avail such leave during next year otherwise the same shall not be carried forward for another year.
- vi. The requirement to proceed on annual mandatory leave shall not be applicable in the first year of service.<sup>2</sup>

#### **4.2. Emergency Leave:**

- i. An employee is entitled to Emergency Leave for not more 06 in a calendar year, to be credited to each employee's leave account on first day of each calendar year.
- ii. Emergency Leave balance of those joining during the year will be calculated on a pro- rata basis.
- iii. Emergency Leave being emergent and incidental in nature can be availed up to three days (03) in one instance.<sup>3</sup>
- iv. Outstanding balance of Emergency leave as at December 31st of each year, shall lapse as un-availed leaves. It cannot be carried forward to next year and no encashment shall be permissible.
- v. In case of emergency, the concerned employee must inform the Line Manager through appropriate means on day one of the intended leave. In such cases, the concerned employee must apply leave in the system giving due explanation upon return. Disciplinary action may be taken against staff who, on the pretext of Emergency leave, are often absent from duty without informing the Line Manager.

#### **4.3. Sick Leave (SL)**

- i. Sick Leave for not more than ten (10) working days with full pay in a calendar year, to be credited to each employee's leave account on first day of each calendar year. Sick Leave balance for any employee shall not exceed

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

10 working days in a calendar year at any point of time and the entitlement shall lapse at the end of each calendar year.

- ii. Sick leave may be granted for two (02) working days, without submission of Medical Certificate. In case, leaves are required for more than two (02) working days, the request must be accompanied by a Medical Certificate, issued by the treating physician, confirming the employee's inability to attend office must be submitted. Where a medical certificate is not submitted with the leave application, adjustments will be made from the earned leave balance.<sup>1,2</sup>
- iii. Any leave requested in continuity beyond ten (10) days for prolonged/serious illness, including conditions arising from an accident and supported by a Medical Certificate by a registered medical practitioner; the leave will be deducted from the Earned Leave balance.
- iv. Additional sick leave beyond this will be granted with / without pay as per President & CEO's discretionary powers.

#### **4.4. Maternity Leave**

- i. Maternity leave to female employees may be granted for a period not exceeding 66 working days with full pay. Normal delivery of child and C-section, abortion and DNC cases shall be covered under maternity leave.
- ii. Maternity leave shall be granted stating Expected Date of Delivery by a certified practitioner and submitted at the time of applying for the leave.
- iii. Maternity leave may be granted at the discretion of the Country Head HRD, in continuation of or in combination with earned leave and/or leave without pay, as may be due and admissible to the female employee.
- iv. Notice of leave must be submitted at least one month prior to the employee departure.
- v. Maternity Leave shall only be granted twice in the entire service of a female employee. For confinements beyond the second one, the employee shall take leave from her earned leave balance or unpaid leave.
- vi. Copy of "Birth Certificate" is to be submitted to HRD after resumption of duties.<sup>3</sup>
- vii. Maternity leave shall not impact the position, posting and performance rating of the employee if an employee has worked for 180 or more working days during a year.

#### **4.5. Paternity Leave**

- i. Regular/confirmed male employees are entitled to ten (10) working days of paternity leave and three (03) working days for employees on probation with full pay.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 21, 2023

<sup>3</sup> Changes approved by the BOD on February 21, 2024

- ii. Letter of confirmation stating Expected Date of Delivery (EDD) by a certified practitioner is to be submitted at the time of applying for the leave.
- iii. Paternity Leave shall be granted twice in five years of service with the Bank.
- iv. Copy of "Birth Certificate" is to be submitted to HRD after resumption of duties.<sup>3</sup>

#### **4.6. Pilgrimage Leave<sup>1</sup>**

- i. A maximum of fifteen (15) working days on account of performing Hajj for Muslims and respective "holy places" for staff practicing other religions shall be granted to employees who has completed one (01) years' service with the Bank.
- ii. The leave should be availed in one go. Hajj leave shall be admissible once during 05 years services with AKBL.
- iii. Hajj leave may be granted, in continuation of or in combination with earned leave duly approved by the Line manager.

#### **4.7. Bereavement Leave**

- i. A maximum of twenty (22) working days paid bereavement leave will be granted in cases of death of spouse of the Employee and three (03) working days paid leave will be granted to employees in the event of death of any close relative including child(ren), parent(s) / brother(s)/sister(s), parents-in-law.
- ii. In case of extension of leave, all such leave days shall be deducted from Earned Leave's available balance.

#### **4.8. Festive Leave<sup>4</sup>**

- i. Non-Muslims employees are entitled to avail 03 working days' leave for specific religious festive holidays in a calendar year.
- ii. The leave will be allowed only for the religious festive days.

#### **4.9. Half Day Leave<sup>2</sup>**

Half day leave is designed to provide both regular / bank contract employees with a structured and efficient way to manage brief, unplanned absences.

- i. Employees have the option to avail 10 half day leaves from the available Emergency / Earned leave balance during a calendar year.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on December 20, 2023

<sup>3</sup> Changes approved by the BOD on February 21, 2024

<sup>4</sup> Changes approved by the BOD on February 21, 2024

- ii. The nature of half day leave is specifically tailored for emergent and incidental situations. This means that it is intended to address unforeseen circumstances or urgent personal matters that require immediate attention.
- iii. To request and obtain half day leave, employees must follow a formal process. This involves seeking approval from their respective line manager by applying it in the system.

#### **4.10. Leave Preparatory to Retirement (LPR)<sup>1</sup>**

- i. It is an option available to an employee, nearing the age of superannuation, whereby he/she/they may be allowed to avail a long leave at one time up to his/her/their available earned leave balance only prior to retirement. Similarly, an option will be available with the Bank to ask an employee to proceed on Leave Preparatory to Retirement up to available earned leave balance.
- ii. The bank in its discretion may send an employee on early retirement with benefits as they would be confirmed in individual cases, through agreement between the employee and the Bank.
- iii. The employee shall avail LPR within the last six month of superannuation age.

### **5. Guidelines:**

- i. For the purpose of Leave Management, the year will be from 1st January to 31st December of each year.
- ii. Sick Leaves (as described in para 1.5.3), Paternity Leave (as described in para 1.5.5), Ex-Pakistan Leave (as described in para 1.5.9) and LPR (as described in para 1.5.10) are at discretion of the Bank considering the Bank's requirement.
- iii. An employee shall not absent himself/herself from duty or leave his / her / their place of posting on any grounds whatsoever without obtaining prior approval by the Line Managers, in the system-based application.
- iv. Earned Leave is earned by duty only. A leave shall not be earned during the period of absence (particularly during Leave without pay) from duty except in cases where leave is availed according to the normal entitlement.
- v. Leave cannot be claimed as a matter of right. When exigencies of service so require, the Line Managers may at his / her discretion decline leave of any kind and may also require an employee to resume duties before expiry of the leave already sanctioned to him/her.
- vi. When an employee's leave contains weekends or public holidays within the sanctioned leave period, (i.e., spread on both sides of weekend or holiday) the weekends or public holidays will not be counted as part of the sanctioned

<sup>1</sup> Changes approved by the BOD on August 17, 2022

leave. Employees and/or the Line Manager will ensure leave applied in not Emergency leaves.

- vii. An employee shall not extend any leave sanctioned to him/her, without obtaining approval thereof from the Line managers. If an employee over-stays any leave without obtaining prior extension thereof from the Line Managers, she/he/they shall not be entitled for salary for period of such over-stay and shall further be liable to disciplinary action according to the approved HR Policies and Service Rules. The period of such over-stay, apart from any penalty that may be imposed by the President & CEO shall not also be counted towards his/her/their service unless it is condoned by the President & CEO.
- viii. An employee proceeding on any extended leave such as Earned leave, Hajj Leave and Maternity leave shall hand over the charge of his/her/their assignments to the employee whom he/she/they has been directed to do so by the Line Manager.
- ix. An employee on leave shall, unless otherwise instructed, return to the place, at which he/she/they was stationed, before proceeding on leave.
- x. An employee during the period of his / her/their leave shall not accept any employment or office of profit. In case, it is discovered at any stage that the employee joined another organization during leave period, disciplinary action shall be initiated against him/her, which may eventually lead to his/her/their dismissal from service.
- xi. Employees will not be allowed to proceed on leaves other than Emergency leave and Sick leave, upon submission of resignation with notice period. Encashable earned leave standing to the credit of such employees shall be encashed according to the Rules. However, in case of termination, dismissal or removal of an employee from service on disciplinary grounds, all leaves shall lapse. In case of resignation, the Country Head HRD may consider to appropriate the available leave balance against notice period or may advise the employee to deposit notice pay. In case an employee expires during service, lump sum payment equivalent to his / her earned leave balance will be made to his/her/their nominees / legal heirs.
- xii. Leave without pay (LWP) shall be granted to an employee when no other leave is available to him/her subject to approval by the competent authority. No pay, allowances and other benefits shall be admissible during the period of unpaid leave and the period spent on unpaid leave shall not count towards service and increments.
- xiii. Before recommending the leave, the concerned Authority will ensure that the liabilities (if any), outstanding against the name of the applicant are fully secured and all loan formalities furnished by him/her/their against his/her/their liabilities are in order and the applicant is not involved in any disciplinary case.<sup>1</sup>

<sup>1</sup> Changes approved by the BOD on August 17, 20

- xiv. Designated staff at HRD shall be responsible for oversight of approved leave (according to the policy) in the system.

## **6. Leave Sanctioning Authorities:**

Leave sanctioning authorities can be changed/delegated by the President & CEO from time to time.

## INCENTIVES & AWARDS

### 1. Incentives on Passing JAIBP Examination

The State Bank of Pakistan decided to make it mandatory for all banks and financial institutions to give cash award up to three attempts and due weightage in promotion to their employees who pass Stage-I, Stage-II and Stage-III/Part-II of the Banking Diploma Examination.

- i. Cash awards shall be made to the employees on passing Stage-I, Stage-II and Stage- III/Part- II of the Banking Diploma Examination on the following staggering scales:

	JAIBP			Associateship (IBP)
1st attempt	Rs. 50,000/-	Rs. 75,000/-	Rs. 100,000/-	Rs. 150,000/-
2nd attempt	Rs. 30,000/-	Rs. 50,000/-	Rs. 75,000/-	Rs. 100,000/-
3rd attempt	Rs. 10,000/-	Rs. 15,000/-	Rs. 25,000/-	Rs. 50,000/-

- ii. Employees passing all stages in one attempt shall be entitled for a combined award amount of all stages.
- iii. Proper weight age in matters of staff promotion shall be given to employees who qualify Banking Diploma Examination. Employees preparing for IBP examination shall be allowed to attend evening classes arranged by the Institute of Bankers, Pakistan, wherever available.
- iv. 50% course fee (once only) Shall be reimbursed to staff attending the evening classes arranged by IBP and in case they pass the examination the remaining 50% of fee will also be reimbursed. Furthermore, the Life time registration fee and examination fee shall also be reimbursed upon successful completion of relevant stages of JAIBP.<sup>2</sup>
- v. Following cash award shall be given to employees passing IBP Special Certificate Examination.

1st attempt:	Rs. 50,000/-
2nd attempt:	Rs. 30,000/-
3rd attempt:	Rs. 20,000/-

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022



- vi. Staff availing IBP incentives shall be required to serve the Bank for a minimum period prescribed below, from the date of availing above incentives.

<u>Stage</u>	<u>Mandatory Period to be served</u>
In case of Stage I :	1 year
In case of Stage II :	2 years
In case of Stage III :	3 years
In case of Associateship:	1 year

In case an employee fails to continue service with Askari Bank and decides to resign/leave the Bank, he/she will be required to pay back the amount of incentive IN FULL. (For the remaining period of above specified service on pro-rata basis.)

The examination fee of the employees passing CFA, FRM & CISA (for every module) in first attempt will be reimbursed.

- vii. In event the employee clears all stages of JAIBP in one attempt, he/she shall have to serve the bank for a period of 3 years.<sup>2</sup>

## 2. Incentives on Acquiring other Qualification

Following awards or Promotion as per criteria defined in Promotion Policy shall be given to employees of categories 'C' and 'D' on acquiring the academic qualification mentioned below:

- An increment of Rs. 2000 in basic salary shall be given to employees for obtaining Master's Degree. (Or Double Graduation)
- An increment of Rs. 1000 in basic salary shall be given to the employees for obtaining Bachelor's Degree.

## 3. Honoraria / Ex-gratia Payment<sup>4</sup>

The Competent Authority may grant honoraria / ex-gratia payment to an employee for special work performance or for any other consideration e.g. CEO Club, Extra Mile Awards, Long Service Awards & Annual Awards etc.

## 4. Annual Membership Fee for Professional Body<sup>3</sup>

Bank will reimburse the annual membership fee for CA, ACCA, ICMA or any other reputed professional body as approved by the President & CEO.

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on December 20, 2023

- Para 4 'Loyalty Awards' to be deleted

## CONTRACTUAL EMPLOYMENT POLICY

### 1. Introduction

This policy document lays down core terms of employment for employees falling in the category of contractual employment. In Askari Bank, “Contractual” shall mean a person, who is an employee of the Bank, hired on contract basis duly signed for the purpose to render his / her specialized services to assist or expedite the functional activities of the Bank for fixed and/ predetermined financial terms for a specified period and shall mean to exclude casual/daily wagers.

### 2. Scope

This policy shall be called “Askari Bank Contractual Employment Policy” and will be applicable to all staff hired on contract.

### 3. General Contract Employment Terms<sup>1</sup>

- 3.1 To adequately provide for the following identified positions under contractual terms of employment in the HR Budget on annual basis.
  - i. Clerical / Non-Clerical Staff
  - ii. Staff under Consumer Banking Services Group
  - iii. Business Development Officers
- 3.2 A person may be appointed on contract against an available vacant position, vacancy being temporary or permanent in nature. A person seeking regularization of services shall be considered against available vacant regular positions and shall not be absorbed permanently against a contractual position.
- 3.3 Bank may consider outsourcing of the contractual employees. All future hiring in Clerical/ Non-Clerical Cadres shall be on contract basis for a specified period of time to be determined by the Management. However, on renewal of contract, the services of clerical staff may be regularized keeping in view their performance and qualification at the discretion of the Management. Contract Renewal shall be done by Human Resource Division. Services of an employee can also be hired after superannuation on bank contract. The contract period shall vary from six months to three years at the sole discretion of the President & CEO or BoD.
- 3.4 The ratio of Regular to Contractual Employees of the Bank shall be determined by the management from time to time.
- 3.5 The compensation package of all the contractual employees shall be decided on the basis of Qualification, Experience and previous salaries drawn in case of experienced employees by the appointing authority at the time of interview. A contractual employee shall be eligible for monthly emoluments as defined in his/her terms of employment including all or some of the following:

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

- Basic Salary
- House Rent Allowance (45% of basic salary)
- Utility Allowance (10% of basic salary)
- Medical (10% of basic salary)
- Other allowances (Fuel/Transportation, Telephone etc. on case-to-case basis and/or as per Bank's Compensation Policy from time to time)
- In addition to above, grade wise entitlements (**for SVP and above only**) such as Relocation Allowance, Driver Allowance, Security guards for Residence, Mobile Phone facility, bank maintained second car for executives shall be allowed as per Bank's Remuneration Policy.<sup>1</sup>

3.6 The remuneration package of contractual assignments may be fixed / variable or both as deemed appropriate by the appointing authority at the time of employment coupled with the nature of job. Business development related positions like Consumer Banking Sales Staff / Business Development Officers / Agriculture Credit Officers shall be hired on fixed basis. The contractual employee cannot claim any other benefit such as staff finances, gratuity / provident fund, club membership, furniture & fixture allowance etc. unless otherwise specified by the approving authority.<sup>2</sup>

3.7 The contractual employee shall be eligible to leaves as per Staff Leave Policy. Any requirement to avail additional leave shall be allowed without pay and not exceed the expiry term of the contract. If so necessitated, the contract shall be renewed upon expiry allowing extension of leave without pay<sup>3</sup>.

3.8 Maximum age for service in Contractual Grade shall be 65 years while minimum age shall be 18 years.

3.9 The written test requirement shall not be applied to entry-level contractual employees unless otherwise deemed necessary by the approving authority.

3.10 Pre- & Post-Recruitment procedure including verification of antecedents shall be carried out as per Bank's Recruitment & Selection Policy. The employee be required to produce certified true copies of the following documents to the Bank within one week from the date of joining of the Bank:

- i. Certificates in respect of academic and professional qualifications.
- ii. Last employers' letter of acceptance of resignation or release certificate.
- iii. Three copies of recent photographs.
- iv. Computerized National Identity Card.

<sup>1</sup> Change approved by BOD on December 07, 2021

<sup>2</sup> Change approved by BOD on December 07, 2021

<sup>3</sup> Change approved by BOD on December 07, 2021

Any misinformation or furnishing of fake documents/references may lead to initiation of Disciplinary Action against the employee leading to Termination of Services as per Bank's policy.

- 3.11 The Bank reserves the right to terminate the contract without assigning any reason by giving one month notice or payment of basic salary for one month except in case of disciplinary action where the termination/dismissal/discharge will be with immediate effect without compensation. In case an employee desires to terminate the contract he/she will be bound to give one month's prior notice in writing or surrender one month's basic salary in lieu thereof. Any of the party (Employer/Employee) may terminate the contract against one month's notice period or salary in lieu thereof.
- 3.12 Equal training opportunities shall be provided to contractual employees related to their jobs subject to TNA exercise and Training Policy of the Bank.
- 3.13 All such employees will be obliged to observe and comply with Disciplinary Rules as set out in Askari Bank Service Rules and all relevant rules, regulations and practices in force in Bank from time to time including Askari Bank Code of Ethics & Conduct, Statement of confidentiality etc.
- 3.14 In case of any employee incapacitated or prevented by illness, injury, accident or any other circumstances, as the case may be, which renders it impossible for him/her to perform the assigned duties, the Bank may terminate their services by written notice upon payment of Salary set out herein for a period of up to one month only.
- 3.15 Exception to above policy shall be approved by the President & Chief Executive Officer.

#### **4. Conversion to Regular Service<sup>1</sup>**

- 4.1 Contractual employees may be considered for absorption in the available vacant regular position available in the organogram, at sole discretion of the President & CEO or BoD.
- 4.2 Criteria for regularization shall be based on the last year's rating with minimum of 'Meets Expectation', skill set, experience and business requirements. No DAC during the last three years with any serious misconduct that resulted in demotion/stoppage of bonus/promotion/ increments, or other benefits.<sup>2</sup>
- 4.3 Contractual employee once hired in regular grade, may be required to serve the probation period.
- 4.4 The period served while on contract will not be considered as continuation of service, for seniority or promotion. Hence conversion to regular service will be considered as fresh appointment.

All other terms and condition of appointment of regular grade will also be applicable.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on December 20, 2023

## 5. Hiring Authority for Contractual Employees<sup>1</sup>

5.1 Contractual appointment approving authority excluding Consumer Banking Service Group shall be as follows: -

- i. **SEVP(I&II)/Direct Reports\*/Key Executives\*\* Board of Directors on recommendation of BHR&RC**
- ii. **Equivalent to EVP I & Below President & CEO**

President may delegate his powers to any executive from time to time.

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<sup>1</sup> Changes approved by BOD on March 17, 2022

\*Excluding administrative and support staff

\*\*As per SBP's PRs or Corporate Governance Regulatory Framework as the case may be

## PERFORMANCE MANAGEMENT POLICY

### 1. Introduction<sup>1</sup>

Askari Bank believes in ‘Pay for Performance’ culture that is critical to the accomplishment of its short, medium and long-term objectives.

### 2. Scope<sup>2</sup>

This policy will be applicable to all AKBL regular employees who have joined on or before September 30. For Bank Contract employees, they will be evaluated on contract renewal or one year whichever is earlier.

Two important points regarding performance management that need to be kept in view at all times are:

- a. Performance management is a continuous process and the yearly exercise of completing the template is only a formal document and an agreement to this effect. In light of the same, Line Managers are required to continuously monitor performance and provide feedback and coaching throughout the year instead of waiting for the year end.
- b. Performance management is not a confidential or one-time personal assessment report of an Employee by a Line Manager. Rather, it is a two-way exercise in which the Employee must understand and also agree with his or her performance assessment ratings and performance improvement objectives.

### Guidelines<sup>3</sup>

The Performance Management System ensures effect and effective working dynamics and enhance job performance through the following steps:

1. Establishment of individual objectives at the beginning of the year. These will be fully aligned with the organizational objectives.
2. Performance Objectives shall be set at corporate, department and individual levels.
3. Defining and communicating individual employee performance expectations.
4. The performance will be based on a comparison of the actual performance with the KPIs and guided by objectives at the commencement of each year.
5. Periodical review of performance (mid-year) and provision of feedback to the individual.
6. A variety of performance parameters shall be used to measure business success. The measure for success must encompass the financial parameters like revenue and profitability, in addition to the key parameters used in the “The balanced scorecard” viz. strategic, financial/non-financial, operational, customer satisfaction and internal business processes.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

7. Human Resources Division shall review the results of the appraisals and ensure that such ratings are within the parameters and standards set.
8. Human Resources Division shall review the Competency analysis / TNA of the appraisals and ensure that such requirements are completed.
9. Human Resources Division shall maintain a record of all appraisal ratings in Human Resources Division database.

### **3. Eligibility Criteria**

#### **3.1 Performance Rating: <sup>1</sup>**

Employees must have received a performance rating of at least a 'Meets Expectation' on a five-point scale of performance. This means that employees with ratings of GEE, EE or ME will qualify for a Performance Bonus subject to the declaration of a Performance Bonus. Employees with a rating of Needs Improvement/Unacceptable will not qualify for a Performance Bonus.

Employees who have resigned, reached superannuation, contract expired or been terminated prior to the payment of Performance Bonus will not be eligible for any Performance Bonus payment.

#### **3.2 Employment Status: <sup>2</sup>**

Regular and Contractual employees shall be included for consideration of a Performance Bonus.

### **4. Policy Guidelines for Managing Inadequate Performance <sup>3</sup>**

- i. Under performer identified during the annual appraisal cycle are placed on the performance watch list.
- ii. The employees with 'Needs Improvement/Unsatisfactory ratings shall be issued Performance improvement Plan (PIP) by their line managers. Their performance is to be reviewed within next three (03) months
- iii. The Line manager shall discuss the key performance indicators to be achieved within the next three months. Both the LM and employee shall agree and sign the PIP form.
- iv. At the end of each month, performance shall be reviewed and recorded duly signed by the employee and Line Manager.
- v. Incase if they fail to improve their performance during three months they may be discharged from the services from the bank. HRBP shall maintain impartiality.

### **5. Recordkeeping & Maintenance <sup>4</sup>**

Once completed, the performance evaluations are dispatched to the Human Resource

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on August 17, 2022

Department for compilation, record and for facilitating decisions related to compensation and incentive pay. A copy of the evaluations is filed in the personal file of the Employee. Another copy of the final evaluation remains with Employee and also the immediate Supervisor / Line Manager so that a continuous dialogue is ensured between them in making plans for improvement in areas that need so. This is also in line with the original spirit of performance management as an 'on-going' exercise. This process may be changed from time to time in order to improve its effectiveness & efficiency by HRD.

## **6. Disputes & Resolution <sup>1</sup>**

In case an Employee feels that the assessment of his / her performance is not fair and such disagreement remains unresolved despite the intervention of the Supervisor's Line Manager, the matter may be referred to HRD.

Upon receiving the grievance pertaining to performance from employee, Human Resources Division shall review the case and will take the final decision which will be notified to the respective staff in writing.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022



## BONUS

### 1. Introduction

In addition to regular compensation/benefits to employees, Askari bank may provide for a fixed or variable Performance Bonus or both. This policy is designed to fairly reward top performers with variable bonuses and cash rewards that are based on both their performance as determined through Performance Management System. As with other types of compensation at Askari bank, this policy is used to attract, retain, and appropriately reward talent making Askari bank the employer of choice in the marketplace.

### 2. Scope

This policy is applicable to both regular and contractual employees. However, award of Fixed or variable bonuses are subject to approval of the board of directors.

### 3. Type of Bonuses

Two types of bonuses shall be awarded to the employees of the Bank, at the sole discretion of the Board of Directors on the recommendation of the management;

#### a. Festival Allowance<sup>1</sup>

Festival allowance shall be rewarded equal to half basic salary on each Eid festival to all the active regular and contractual employees of the bank with a minimum of Rs 7,500.

The staff who joins the bank during the year will receive bonus on prorated basis.

The festival allowance will not be paid to those staff who have resigned, terminated and serving notice period at the date of announcement.

In addition, an amount of Rs.10,000/- shall be paid to all non-Muslim employees on their religious festival pertaining to but not limited to the following:

- Christians - Christmas
- Hindus – Diwali
- Others (if any)

#### b. Variable Performance Bonus<sup>2</sup>

In addition to regular compensation benefits to employees, Askari bank provides for a Performance based Bonus. This policy is designed to fairly reward top performers

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

with variable bonuses to attract, retain, and appropriately reward talent making Askari bank the employer of first choice in the marketplace.

This bonus is awarded to regular employees only and is determined on the basis of individual performance during a year as determined through his/her performance evaluation. Star performers shall also be identified during the performance appraisal exercise.

Each year BoD will approve a Bonus Pool which will be available for distribution among the employees under this policy. The overall bonus pool available for distribution is linked with the Banks pre-tax pre-provision profit. The amount of bonus pool will therefore depend on the Banks performance from the budgeted profit target. Thus, quantum of bonus will increase if actual profit exceeds the budgeted figure and vice versa. The percentage of post provision & pre- tax profit for determination of Bonus pool will vary each year subject to the approval of the BoD.

The performance bonus shall be linked to individual's performance rating. The grid for award of performance bonus shall be approved by the BoD each year and shall be awarded after the finalization of performance evaluation exercise. Staff members who are rated "Needs Improvement" & "Unsatisfactory" shall not be considered for bonus while staff members rated "Meets Expectations" may be considered depending upon the size of the bonus pool available for distribution. The President & CEO shall be authorized to give additional bonus to staff achieving stretch objectives subject to the availability of bonus pool.

Awarding a bonus to any employee is the management prerogative and cannot be claimed as a right by an employee.

## PROMOTION POLICY

### 1. Introduction

Askari Bank recognizes human resources as its most significant asset. In fact, the Bank considers its employees as its spiritual capital. One of the most important tools of incentives in this regard is the objective criteria for promotions to higher pedestals. The re-assignment of personnel to a job of higher rank and responsibility entails more demands on the individual. Usually, with a raise in his perks and other benefits and enhancement of job responsibilities one is motivated to present a better quantitative and qualitative performance. The management gets an experienced and well trusted/tested individual from within the Bank to fit in a higher position and to shoulder higher responsibilities. In our banking culture, promotions are much coveted and employees wish to move ahead for better status and standard of living. Majority of individuals have a high level of aspiration and set goals for them to reach certain position in the Bank at certain age. If they do not achieve their objective, they may become severely frustrated. Frequent promotions of employees through a laid down objective criterion minimize such frustrations.

The selection of individual for promotion is closely related to performance appraisal, recommendation of line manager (s), potential, assessment by a committee. A complete service record is maintained at HRD having information about education, experience, abilities and achievements of an individual, with special mention of previous training courses/seminars attended and formal appraisal by senior's along with their confidential remarks.

### 2. Scope

This policy is applicable to all regular staff whose service in the bank is confirmed.

### 3. Right of Promotion

All promotions shall be made on merit and at the sole discretion of the management. No employee can claim promotion to any particular designation/grade by virtue of seniority or qualification as a right.

### 4. Criteria for Promotions

The criterion for promotion in the Bank is based, inter alia, on the following factors:

#### 4.1 Performance Appraisal

The performance of each employee is established, based on the Annual Performance Review. These reports contain a comprehensive list of character traits and the performance evaluation against already set objectives business development and training targets.

Besides awarding Performance Rating to each employee, the Reporting Officer shall record his opinion with regard to general profile, present performance as well as give specific recommendations on suitability for future promotion or employment in a particular vacancy/assignment besides ascertaining the ultimate potential of the Appraisee.

While awarding marks for the Performance Rating, the Appraisee shall be compared with other employees of the same category at the entire bank level and not the branch level. This is essential from the point of view of maintaining uniformity of efficiency at the bank level.

Similarly, the recommendations should also be in conformity with the marks awarded e.g. cases of promotion should be rated ‘Meets Expectation’ and above.<sup>1</sup>

#### **4.2 Educational Qualifications**

Academic qualifications, diplomas, courses, seminars etc. and the grading attained in these shall be taken into consideration for the award of promotion.

#### **4.3 Professional Qualifications**

Professionally qualified candidates i.e. those who have passed Stage-I/II/Part-I and Stage- III/Part-II Exams of the Institute of Bankers in Pakistan/a recognized institute from abroad shall have a weightage over others in matters of promotions.

#### **4.4 Experience**

Experience possessed on account of service rendered in the profession is given due consideration. However, emphasis is more on the quality rather than the quantity of experience. Thus, while assessing suitability for promotion; the experience shall be weighed both in terms of time span as well as essence.

#### **4.5 Minimum Qualifying Service for Promotion**

The employee’s promotion in Askari Bank shall normally be considered after a period of three years. A relaxation in this regard is, however, left to the discretion of the President & CEO or BoD for cases of extraordinary performance or adjustment of grade according to the job position/level. The minimum qualifying service criteria shall not be applicable for first promotion after joining the bank for staff hired with previous banking/related experience.

#### **4.6 Marketing Achievements**

While internal working through desk work is essential for the efficient functioning of a bank, the importance of marketing efforts hardly need any emphasis. At the time of assessment of the present utility and future growth of an individual and for determining his future career path, his attainments in marketing and his capability to procure business for Bank is an important criterion for promotion to next cadre.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

#### 4.7 Availability of positions

Availability of a position in higher grade shall be one of the considerations for a promotion. Promotion can be considered where existing position is upgraded due to increase in responsibilities and volume of work. In case an employee meets all the criteria for promotion to next higher grade but there is no vacancy in that particular Division or in accordance with his skills and experience, his case for promotion will not be considered till such time that position is upgraded for a higher cadre or the employee is transferred to another division/zone where a vacancy exists in a higher cadre that meets the employee's profile.

#### 4.8 Special Provisions

Cases of promotions not covered under the normal annual appraisal system shall be dealt with as under:

##### 4.8.1 Accelerated Promotions

Cases of employees deserving accelerated promotions on account of extra ordinary achievements will not be relegated till end of the year i.e. 31 December. Management has the discretion to initiate such cases at any time during the year on the recommendations of concerned Line Managers.

##### 4.8.2 Qualification Improvement<sup>2</sup>

Cases of employees who have improved their qualification to either Graduation (bachelors/associate degree) or above (for Clerical/Non-Clerical Staff) may be considered for promotion / grade adjustment by the President & CEO during the year on the recommendations of the line managers.

Cases of employees who have attained professional qualifications like (ACCA, ACA, ACMA, CMA, CPA, CFA, CAMS, CIA, CISA, FRM etc.) locally or internationally or any other accredited specialized certification may be considered for promotion/grade adjustment before minimum criteria of three years. However, this shall not be claimed as a matter of right and will be evaluated on case to case basis along with other qualifying criteria for promotion.

### 5. Promotion Approving Authorities <sup>1</sup>

The promotions in Askari Bank shall be approved by the following authorities:

<b>SEVP(I&amp;II)/Direct Reports*</b>	<b>/Key Executives**</b>	<b>Board of Directors on recommendation of BHR&amp;RC</b>
<b>EVP I &amp; Below</b>	<b>President &amp; CEO</b>	
(In consensus with the assessment by a management committee formed for this purpose)		

<sup>1</sup> Changes approved by BOD on March 17,2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

\*Excluding administrative and support staff

\*\*As per SBP's PRs or Corporate Governance Regulatory Framework as the case may be

## END OF SERVICE BENEFITS

### 1. Group Life Insurance<sup>1</sup>

All regular and contractual employees shall be insured for life as follows:

Natural Death	48 times running basic pay
Accidental Death	96 times running basic pay

### 2. Group Staff Liabilities Insurance

The outstanding balance of various loans such as House Building Finance, Car Finance, Executive Car Finance & Personal loans shall also be insured. In case of death of an employee, the staff liabilities shall be adjusted from the proceeds of insurance claim of staff liabilities group insurance.

### 3. Provident Fund<sup>2</sup>

- i. A full time, regular employee with confirmed service of the bank shall be eligible for membership of the Provident Fund.
- ii. Each Member shall on each pay day contribute to the fund eight and one third percent (8.33%) of the basic salary.
- iii. The bank shall also contribute equal amount to the fund every month.
- iv. All members shall be provided with a statement of account made up as at the last day of December in each year showing the balance to the credit of member's account.
- v. The Trustees may allow a Member to make withdrawals from the Fund as per permitted withdrawals clause in the approved Provident Fund Trust Rules. But they shall not be obliged or bound to allow such withdrawals, and may refuse a request for a withdrawal or may allow a withdrawal of a lesser amount.
- vi. The trustees shall utilize the trust funds in securities and other investments to gain reasonable return.
- vii. A Member may opt that his account shall not be credited with any share of the Investment Income that would otherwise be credited under Rule. Such option must be total, i.e. it must apply to both the 'Member's Part' and the 'Employer's Part' of his account, and must apply to the whole of the Investment Income that would otherwise be credited. Partial options shall not be permitted.
- viii. In case of dismissal from service, the accumulated PF bank's contribution will not be paid to the employee.
- ix. The Provident Fund rules are attached as annexure.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

#### 4. Gratuity Fund

- i. The bank shall maintain a fully funded gratuity fund.
- ii. All regular employees will be entitled to receive gratuity payment at the time of separation from the service of the Bank.
- iii. The minimum qualifying service for gratuity shall be 3 years. However, in the event of death of an employee during the service or his/her becoming medically unfit (of which the Employer shall be the sole judge) or termination of service/compulsory retirement resulting from abolition of his/her post/ retrenchment, there shall be no minimum qualifying service requirement. For new joiners (effective November 1, 2018) the minimum qualifying service for gratuity shall be 5years.
- iv. The employees will be entitled to the gratuity equal to one last drawn basic salary for each completed/ eligible year of service.
- v. Provided that regardless of length of service, no gratuity shall be payable to a Member/employee who on account of his/her misconduct, negligence or incompetence (of which the Employer shall be the sole judge) is dismissed by the Employer.
- vi. The Gratuity fund rules are attached as annexure

## TA/DA RULES

### **Traveling within Country**

An employee traveling inside the country on official duty or on transfer from one station to another shall be entitled to allowance to meet his expenses for traveling and stay, and for transportation of household effects on permanent transfer, as defined in the under mentioned TA/DA Rules.

### **Definitions**

In these rules, unless there is anything repugnant in the subject to the context: -

- i. "Branch" of the Bank includes sub-branch and booth.
- ii. "Competent Authority" means the President or any other person authorized by him on his behalf.
- iii. "Family" means an employee's wife/husband including son(s) up to the age of 25 years, daughters and parent wholly dependent upon him/her.
- iv. "Joining time" means the time allowed to an employee within which to join a new post or to travel to a station where he is posted or transferred.
- v. "Duty" includes Assignment of official work during service as a Probationer; temporary or regular including period during which an employee is on joining time.
- vi. "Officiate" means performance of duties on a post by one person on which another person holds alien.
- vii. Employees of bank will be categorized asunder:
 

• Executives	-	AVPs & above
• Officers	-	OG-III to Manager grade
• Others	-	Clerical and Non-clerical staff
- viii. "Pay" means the monthly basic salary drawn by an employee for the substantive post held by him.
- ix. "Day" means journey/stay for at least six hours at station other than the place of posting.
- x. "Daily Allowance" means amount payable to an employee for any day during which he is away from the place of posting.
- xi. "Traveling Allowance" means the traveling expenses actually incurred by an employee for traveling by rail, air or public transport.
- xii. "Personal Effects" means household articles, including furniture, electrical items and other luggage, which may include car/motor-cycle etc.
- xiii. "Transfer" means positioning of the employee from one location to another.



## General Regulations

- i. Travel, on official duty must be undertaken with the approval of the competent authority who will be the President or a person authorized by him for the purpose. The President Office will keep the Chairman Board of Directors Office informed about the location of President & CEO.
- ii. Families accompanying officers traveling on official duty will not be paid for by the Bank, unless accompanying on transfer.
- iii. Duration of stay at a station should be limited to the authorized period. Any stay beyond the authorized period must be approved by the competent authority; else it will be at the expense of the individual.
- iv. Only such expenses as are incidental to the official stay would be permitted. Personal or unjustified expenses e.g. personal entertainment etc. shall not be included in the bill.
- v. Official entertainment during the tour should be paid for and claimed separately and would require the approval of the competent authority.

## Entitlement on Transfer

Following are the rates of Transfer Grant, Travel Allowance and Daily Allowance etc. admissible to the Executives/Officers/Employees of the Banks:

-

### 5.1 Shipment of Personal Effects (Transfer Grant)<sup>1</sup>

#### Executives

40 ft container

#### Officers/Others

20 ft container

Reimbursement will be made provided the claim is supported by Truck Receipt/Rail Receipt/Airway Bill as applicable provided, it does not exceed his grade entitlement.

### 5.2 Travel Grant<sup>2</sup>

On transfer, the employee will be entitled to one-way air tickets on bank account for self, spouse and up to three (3) children as per their grade entitlement.

If the transfer is affected at the request of the employee, no air tickets or relocation allowance will be payable. In case of overseas posting, one month's gross salary fixed in local currency of the place of posting will be paid. Similarly, on transfer back to Pakistan, one month's gross salary based on salary fixed in Pakistan will be paid.

### 5.3 Transportation of Personal Motor-Car/ Motor-Cycle

Transportation of one personal motor car/ motor cycle shall be allowed for actual expenses.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

#### 5.4 Joining Time

On transfer, an employee will be allowed joining time, not exceeding 7 days or as per the instruction of the competent authority, excluding Sundays and gazetted holidays.

#### 5.5 Entitlement at the time of joining<sup>4</sup>

Tickets & other transportation expenses for self/family to be provided to newly appointed employee who is joining the Bank at a location different from his/her last working location at his previous organization.

### Entitlements on Local Travel

#### 6.1 Class of the mode of Travel

- i. Executives shall be allowed to travel by Air or A.C. by train while on official duty/transfer asunder:
  - President & CEO : Business / Economy Plus Class
  - SEVP (I & II) : Economy Plus Class
  - EVP/SVP/VP/AVP : Economy Class
- ii. Officers in Manager grade & below will be entitled to travel by train in A.C. and Air, if exigencies of service so necessitate and in case where the traveling distance is more than 200 kms, the officers shall be allowed to travel by air, with the prior approval of the Competent Authority.

#### 6.2 Mileage Allowance<sup>1, 2</sup>

Mileage Allowance for Executives/Officers on official duty, if he/she uses his own transport shall be paid following allowance:

By Car: Rs. 32.00 per k.m.

By Motor-Cycle/Scooter: Rs. 19.00 per k.m.

#### For Clerical & Non-Clerical staff:

##### Public Transport:

By Taxi : Rs. 32.00 per km or actual of Careem etc.  
whichever is lower

By Wagon : Rs. 13.00 per k.m. or actual (single seat basis)  
whichever is lower.

#### 6.3 Accommodation While on Tour<sup>3</sup>

The Executives, Officers and other employees of the Bank will be entitled to the

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on December 20, 2023

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on February 21, 2024

following accommodation/charges in major cities within Pakistan:

Grade	Entitlement
President / SEVP(I & II ) / EVP (I, II & III)	Five Star Hotel (Executive/Business Floor)
SVP (I & II)	Five Star Hotel (Standard Floor)
VP (I & II) /AVP	Four (4) Star Hotel
Officers	Three (3) Star Hotel
Clerical	Rs.3,000/- per night stay or actual hotel bill whichever is lower.
Non-Clerical	Rs. 1,500/- per night stay or actual hotel bill whichever is lower.

If any Executive/Officer/Employee does not use Hotel/Accommodation, he will be paid four D.As (one normal plus three extra) in lieu of hotel expenses while in travel.

The Hotel expenses shall be admissible on production of Hotel bills and receipts submitted along with T.A. bills on prescribed proforma of the Bank. The Hotel Expenses will include Room Rent/Taxes/Reasonable Food and Laundry.

### Entitlement for Audit Staff

- By Air, irrespective of grade in case distance involved is 200 Kilometers or more on Production of Air Ticket.
- By Road/Taxi provided the auditors are traveling within a radius of 200KM.

### Reimbursement of Expenses

An employee of the Bank may claim reimbursement of the following expenses per day, (a day means calendar day beginning at midnight and ending at the next midnight)

**i. Fare**

Fare includes the cost actually incurred for reserving accommodation by air, rail or bus as per entitlement.

**ii. Traveling Expenses**

Traveling expenses means an expense given to meet the cost of a particular journey calculated according to the distance traveled.

**iii. Hotel Expenses**

Means an expense given to meet the hotel expenses for stay at out station, which includes Room Rent, Government Taxes, reasonable Food and Laundry, if any.

**iv. Conveyance Expenses**

Conveyance expenses cover the expenses of transport from residence up

to the place from where the journey will commence i.e. bus stand, railway station, or airport and back, at permanent location and from railway station or bus stand and airport whatever the case may be up to the place of duty and back at the station of temporary duty.

### Daily Allowance

- i. Daily allowance means a payment to an employee as per rules in force for any day during which he is absent from permanent station on duty undertaken with the approval of the Competent Authority, to cover the ordinary expenses incurred by him in consequence of such absence.
- ii. The daily allowance in the case of temporary duty to station other than where permanently posted, should be regulated by exigencies of services but at least six hours continuous absence from regular place or one day will be necessary to become entitled to daily allowance.
- iii. Daily Allowance for each calendar day will be admissible for the period of absence from Head Office/branch (including time spent in transit). Not more than one daily allowance will be admissible on any calendar day. A fraction of a calendar day will be considered as a full calendar day for all purposes.
- iv. The period of forced delay in transit will be treated as a part of the total transit period. Daily Allowance shall be admissible on Sunday and other public holidays falling during the period of an employee's temporary duty at an outstation.
- v. If an employee takes Emergency Leave at any stage of the tour he shall not be entitled to any Daily Allowance including the hotel room rent for the period of such leave.
- vi. Following Daily Allowance to the employees of the Bank will be admissible to cover conveyance, and out of pocket, (out station) expenses, while on official duty: <sup>-1</sup>

Grade	Entitlement
SEVP (I & II)	Rs. 4,000/- per day
EVP (I, II & III)	Rs. 3,000/- per day
SVP (I & II)	Rs. 2,500/- per day
VP (I & II) /AVP	Rs. 2,000/- per day
Manager & below	Rs. 1,500/- per day

- vii. Employee working in overseas offices shall be entitled for Daily allowance as above while on travel to Pakistan for official duty.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

## FOREIGN TRAVEL POLICY

### Traveling outside Country

An employee traveling abroad on official duty shall be entitled to allowance to meet his expenses for traveling and stay, and for transportation, as defined in the TA/DA Rules.

### Purpose of Foreign Traveling

An employee may travel abroad on official duty for the purpose of:

- i. Board of Directors meetings as per applicable regulations
- ii. Advance level foreign trainings/conferences
- iii. Meetings with foreign officials
- iv. Technology acquisition
- v. Managing overseas networks or other legitimate strategic and business purposes only.

The employees shall not be sent abroad for expedition or celebration of achievements of business targets either out of bank's own expense or financed by third parties like insurance companies etc. (till further revision in SBP guidelines)

### Entitlement during Travel

- i. The entitlement for stay during overseas visit will be as under:
  - President/SEVP(I & II)/EVP(I, II & III) Five Star
  - SVP (I & II)/VP (I & II) Four Star
  - AVP Four Star
  - Officers (OG-III & above) Three Star
- ii. Daily allowance while on travel abroad to cover all expenses including boarding, lodging, food, incidental etc. shall be paid in advance as under:

Grade	Entitlement
<b>President</b>	US \$ 1000/- per day
<b>SEVP(I &amp; II) /EVP (I, II &amp; III)</b>	US \$ 800/- per day
<b>SVP (I &amp; II)</b>	US \$ 600/- per day
<b>VP (I &amp; II) /AVP</b>	US \$ 400/- per day
<b>Officers (OG-III &amp; above)</b>	US \$ 300/ per day

Incase the foreign travel is fully/partially sponsored, the daily allowance shall be equal

to 25% of the grade entitlement.<sup>1</sup>

However, foreign travels sponsored by bank's suppliers and vendors shall be discouraged.

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<sup>1</sup> Changes approved by BOD on August 21, 2023

## MANDATORY ROTATIONS & INTERNAL TRANSFERS<sup>2</sup>

### 1. Introduction<sup>3</sup>

The Bank may transfer an employee to a similar or within the same job category. However, in certain cases, the transfer may involve a change in the nature of job. Transfers may take place within the department (Intra-department) or outside the department (Inter-department) and can only be made into approved budgeted Headcount. Head of respective Functions/Business Units are authorized to recommend employee transfers, subject to the approval from Competent Authority.

Transfers in the Bank may take place in following three categories:

1. As Mandatory Rotations (for specified roles)
2. As Internal Transfers
3. As part of Career Management Framework

### 2. Objective

The purpose of Career Planning / Job Rotation is to:

- To create an ongoing supply of well trained, broadly experienced, well-motivated employees who are ready to step into key positions as needed.
- To enable a flow of staff members through various departments with the view of developing them into the culture and processes of the Bank.
- To align the future staffing needs of the Bank with the availability of appropriate resources.
- To define employee career path, which will help the Bank to train and retain a pool of suitably qualified employees.
- To accelerate the career development of employees with outstanding performances
- To sustain productivity, enhance internal control and minimize chances of internal frauds.
- To minimize the effects of job poaching and job hopping by creating a work environment in which employees are aware that there are prospects for advancement;

### 3. Scope<sup>1</sup>

This policy shall be called Askari Bank Employee Mandatory rotation & internal Transfer Policy and applicable to all employees in Regular/ Contractual grades.

Since Head Office Staff deals with specialized task, therefore, all staff working in Head Office / Single City / Remote branches shall be exempted from the General Rotation /

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on December 20, 2023

<sup>3</sup> Changes approved by the BOD on December 20, 2023

Transfer Policy. Positions such as BDO, Consumer Sales and Non-Clerical staff be exempted from mandatory rotation.

All Senior Managers (staff in SVP Grades and above) and staff working in the Operational & Professional Support Services Job Families like IT, Audit, Finance, HR, Treasury, Risk Management etc. shall be exempt from application of this policy except key executives. However, Senior Management of these functions (Group / Country Head) shall ensure that such staff is rotated within the department / division / unit / location or even cross- functionally to build their skill profile. Such transfers shall therefore be handled on case-to- case basis.

## **4. General**

The Career Planning / Job Rotation Policy for Askari Bank staff aims to provide staff with developmental opportunities, consistent with the staff performance management goals of the Bank. Career planning / business exigencies may necessitate rotation / transfer of the employee from one location to another or from one position to another.

### **4.1 Duration of Posting**

As a principle, all staff members including Branch Managers, Manager Operations, Departmental / Unit In charges must not stay on a specific area of assignment for more than three years (or a time as determined by the President & CEO) unless due to exigencies of service rotation is not possible, for which the Line Manager must have a justification. An approval to this effect must be obtained for a definite period of time, after which the approval shall again be sought from President & CEO.

This period shall be determined from the date of joining of an incumbent in any grade in that position but must not include a period of leave without pay.

### **4.2 Types of Rotation / Transfer**

Transfer / rotation may take any of the following two forms:

#### **4.2.1 Intradepartmental Rotation**

The first Line Manager of the employee may rotate an employee within his/her department with / without the employee's consent, but must intimate the employee in advance. Such job rotation shall be effected in line with the general career plan of the employee in each category. Job rotation may also involve more than one employee where interchange of assignments is to be made.

#### **4.2.2 Interdepartmental / Branch / Unit / Office/Region Transfers**

Any transfer of an employee entirely into a new set up shall be executed strictly in accordance to the guidelines mentioned herein. All such transfers shall be against pre- approved positions that are unoccupied due to any reason (new position, resignation/transfer/dismissal/death of the previous incumbent etc.). The transfers may be voluntary and involuntary.



#### **4.2.2.1 Voluntary Transfer**

All those employees who wish to be rotated in future may submit their requests to HRD through proper channel against internally advertised jobs (refer to internal job Advertisement Policy). Employees completing certain number of years in a particular department / position (three years or as announced by the management from time to time) may also opt for voluntary transfers into other relevant areas of Banking through proper channel subject to the available budget / requirement at the new location.

Mutual transfer between two staff members of any branch where employees (Manager Grade & Below) at both locations agree to switch on genuine need basis in similar functions / related experience, is also possible and allowed subject to the condition that consent of all concerned Line Managers at both locations is held on record.

No TA/DA, travel grant or relocation allowance shall be admissible in case of transfer upon employee(s) own request(s).

#### **4.2.2.2 Need-based Transfer<sup>1</sup>**

The Management may make arrangements for initiating transfer(s) as deemed necessary keeping in view the nature of assignment and preferred management decision to fill that vacancy i.e. Hire vs. Internal Transfer. In later case, the consent of the concerned Line Managers of both locations shall be obtained and held on record.

TA/DA, Relocation Allowance and Travel Grant shall be admissible as per Bank Policy for cases where change of residence is to be undertaken and as stated by the President & CEO or BoD other than cases in the approval note where the transfer is punitive / effected under the decision of Disciplinary Action Committee (DAC) or such transfer does not justify award of such allowance / grant due to insignificant costs. The change of residence shall mean change of city or involve a distance of 40 km or more between the employee current residence and the proposed location where same day travel to / from is not possible.

#### **4.2.3 Deputation/Secondment<sup>2</sup>**

The bank may on the request of the other organizations such as SBP, NAB, Fauji Foundation owned organization etc. may send its employees on deputation/secondment, terms of which shall be approved by the President & CEO.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

## 5. Responsibility<sup>2</sup>

The line managers of the staff shall be responsible for implementation of this policy within their office / unit / branch.

Any transfer affected more than once during a year shall be fully justified by the recommending / approving authorities.

Once the transfer has been approved, the immediate Line Manager of the transferee shall ensure that the incumbent must be transferred out immediately but not later than 15 days from the date of approval / issuance of the letter, unless specified otherwise in the transfer letter. The handing/ taking over formalities shall be completed as per procedure.

An employee who is to be rotated under terms of this policy will be expected to attend training programs as may be required for effective performance of the duties.

## 6. Rotation of Key Executives<sup>1</sup>

- 6.1. Any executive shall not be designated on key positions on acting/additional charge basis for more than six (06) months. Extension in acting/additional charge may be approved by the Board of Directors with proper rationale.
- 6.2. The Key Executives shall be rotated appropriately after having served on a particular position for a period of maximum six to seven years.
- 6.3. The positions of COO, CFO, GTR, CIO, CIA, CH-HR, CH-IBSD, Company Secretary, and Legal will be exempted from mandatory rotation. In addition, any positions exempted by SBP from time to time shall not be considered for rotation.
- 6.4. Exemption of rotation for any other position if required under special circumstances shall be obtained from SBP with the approval of BoD.

## 7. Competent Authority

All cases of transfers / intradepartmental rotations shall be approved by the President /CE or an executive authorized by the President & CEO. All job rotations / transfers within the same department / unit / office shall be authorized by the respective Branch Manager/ Unit / Senior most Executive at the respective office under intimation to all concerned and HRD.

Any interpretation to and the deviations / relaxations / waivers in the above policy matters shall be granted by the President / CEO except for key executives.

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<sup>1</sup> Changes approved by BOD on March 17,2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

## LEARNING AND DEVELOPMENT POLICY<sup>1</sup>

### 1. Introduction<sup>2</sup>

This policy shall be called “Training Learning and Development Policy” with the primary objective of enhancing technical and soft skills of employees and to impart updated knowledge on various developments in the field of Banking.

The “Training Learning and Development Policy” shall provide equal opportunities to all employees to get trainings on banking courses from primary to advance level both through in-house academies, digital channels, external resources, and on-the-job training at branches and various other offices of the Bank.

### 2. Policy Statement:<sup>3</sup>

Askari Bank is committed to transform as a learning organization by developing future-ready workforce aligned with business strategy and values exhibiting learning agility with a continuous learning culture, in which everyone has the access to learning, and pave the ways that fit with the Bank’s overall progress to meet its strategic objectives.

### 3. Scope:<sup>4</sup>

This “**Learning & Development Policy**” applies to all regular and contractual employees of the Bank. However, L&D may also offer relevant trainings to third party contract staff, freelancers and independent contractors working with AKBL, as per the business requirements.

### 4. Responsibility:<sup>5</sup>

HRD shall be the owner of this policy, and will be responsible for its dissemination across network. All Group Heads and Functional Heads shall be responsible for implementing this policy and ensuring that all staff in their respective groups/ domains adhere and comply with this policy.

### 5. Exception to the Policy:<sup>6</sup>

Any exception to this policy shall be approved by the President & CEO

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on August 17, 2022

<sup>5</sup> Changes approved by the BOD on August 17, 2022

<sup>6</sup> Changes approved by the BOD on August 17, 2022

## 6. Objectives of the Training Policy<sup>1</sup>

- To enhance the functional and managerial skills and capabilities of the employees for sustainable growth in various fields of the Bank.
- To provide career growth opportunities to all cadres (and job families) of employees through Training & Development by building an enabling environment, which lead to consistent employee motivation objectives.
- To develop team spirit, healthy competitive environment and realization of corporate objectives as desired by the management from time to time.
- To develop the soft skills amongst employees, attaining “The Satisfied Customer Status” across the branches.
- To develop “Ask Culture” amongst employees with specific emphasis on maintaining the core ethical values of Askari bank.
- Nurture talent-focused learning strategies and build strong and more effective teams

## 7. Learning and Development Governance<sup>2</sup>

The learning approach is inspired by the classic ADDIE Model i.e. assessment of need-identification, developing and designing learning interventions, implementation, and finally evaluation of entire learning activity.

### 7.1 Training Need Analysis (TNA)

Training Need Analysis, as a systematic approach for training need identification, must adhere to contemporary Learning Need Analysis (LNA) approach i.e. identifying the knowledge, skills, and attitudes which people require to meet their own and Bank’s organization’s development needs.

TNA shall be an integral part of the entire learning activities and shall be conducted at least on yearly basis. Learning needs of staff will be assessed through business plan, annual performance evaluation (APE), job rotations, periodic business performance reviews/updates, succession planning, etc., and will focus on both functional as well as soft skills.

### 7.2 Learning Design and Interventions<sup>3</sup>

Learning and development includes all activities which aim to assist staff to upskill and enhance their knowledge, skills and abilities. This includes but not limited to formal, informal and on-the-job approaches, as well as a range of other learning and development activities ranging from classroom learning, virtual learning, e-learning, blended learning, mentoring and coaching etc.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

### **7.3 New Hire/Batch Hiring/Trainee Development Programs<sup>1</sup>**

L&D shall arrange specialized training programs as and when the bank inducts a batch of Management Trainee Officers (MTOs), Trainee Officers (TOs), General Banking Officers (GBOs), or others. The training design ranging from two days to multiple weeks will be approved by CH HRD.

### **7.4 Professional Development Programs (Professional Qualifications and Certifications):<sup>2</sup>**

- Askari Bank recognizes and supports full-time employees to attain professional qualification where the qualification/certification adds value in carrying out the specific job roles.
- The list of possible certifications includes but are not limited to CISA, FRM, CFA, CIA, CSA, ACAMS, CISM, OSCP, CHRP, SHRM, CCP, CIPD, CRCM, CTP etc. L&D will maintain an updated list of maximum possible and available certifications for offering to its staff from time to time.
- The nomination for such programs may initiate by the employee as self-learning need, by functional head as per business requirements, or by L&D as part of the staff development program.

### **7.5 External Training (Local / International)<sup>3</sup>**

Employees in various cadres may be nominated for external local/international trainings, seminars and conferences based on job requirement and business needs, subject to budgetary allocations.

The approving authority for external training and PDP shall be President & CEO under the recommendation of CH-HR.

### **7.6 Commitment for High Cost Training Programs<sup>4</sup>**

Incase an employee is enrolled for a high cost training program (training cost exceeding PKR 50,000 or as determined by L&D) e.g. external training, professional qualification and certification, or foreign training either online or in-person;

- He/she will provide undertaking to serve the Bank for at least one year after the completion of program.
- he/she will sign an undertaking to authorize AKBL to recover the program cost if he/she fails to attend the program, resigns during the program, or leave before the completion of the commitment period of one year.
- He/she will refund total cost of the program including fee and travel (if any) if decides to leave before completion of the program, or refund on prorated basis if leave the bank before completion of one-year commitment period.
- He/she will conduct in-house training sessions on the subject, as and when desired by the Learning and Development Department.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on August 17, 2022

### **7.7 Learning Implementation (Delivery and Methodology):<sup>1</sup>**

- Learning sessions shall be delivered by the subject specialists (identified from the pool of master trainers) who are either AKBL staff, or occasionally, accredited external trainers or subject specialists.

### **8. Minimum Training Requirements<sup>2</sup>**

- The L&D shall define training days and recommend mandatory training courses for the staff on need basis and/or in line with the regulatory requirements and guidelines.
- The line managers shall be responsible to ensure compliance of the minimum training requirements of their line staff.

### **9. Cancellation / Withdrawal from Learning Program:<sup>3</sup>**

- Any employee nominated for a course/ program (internal or external) desiring to withdraw from the course/ program must inform L&D prior to commencement of training.
- The withdrawal must be endorsed by the Line Manager and CH/GH with adequate justification.
- Where the nominated staff will be absent from the training session without approval of the relevant CH, he shall be issued an explanation letter by the HRD, on the recommendations of Head L&D.
- Reprimand shall be issued and placed in their files for improper justification to the explanation.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

## TALENT MANAGEMENT POLICY<sup>1</sup>

The Bank's Talent Management Policy incorporates all talent management programs. It provides integrated means of identifying, selecting, developing and retaining top talent within the organization. The policy will cover the following areas:

1. Talent Assessment
2. High Potential (Hi-po) Management
3. Succession Planning
4. Career Management Framework

### 1. Talent Assessment:

Talent at AKBL will be identified as per the established talent classification categories given below. The activity will provide guidelines for tagging the talent in respective categories. Top talent in the Bank may be used for placements as potential successors on critical positions and to overcome the manpower requirements emanating from on-going replacement hiring and expansion plans.

#### Categories of Talent Classification:

AKBL talent classification will be done in following categories:

<b>Hi-Potential</b>	The candidate is <u>immediately</u> ready for either higher level position or horizontal move with greater responsibility and/or more complex situations and also have a potential to do 2 roles up in next 3-5 years.
<b>Key Contributor</b>	The candidate is ready for new challenges <u>within 1-2 years</u> either in a higher level position or horizontal move with greater responsibility and /or experience from more complex situations.
<b>Critical Resource</b>	The candidate is well aligned with current role and has the right level of challenges and responsibility
<b>Concern</b>	The candidate needs development to solve challenges in current role
<b>Change</b>	Current role and the candidate do not match. He/she is not believed to perform in current role and will benefit from transfers

**Talent Identification Tools:** Following Tools can be used:

#### 1. 9 Box Talent Review Grid:

This simple but effective tool provides a neat framework to rate colleagues based on their performance and potential. This creates a common language for your leaders to leverage when calibrating their teams.

#### 2. Excel Sheets

#### 3. PowerPoint

<sup>1</sup> Changes approved by the BOD on December 20, 2023



**Talent Review – 9 Box Grid**



## 2. High Potential (Hi-po) Management:

The Bank is committed to ensure that key talent is recognized, nurtured and developed through an effective High Potential Management Program. This program will identify employees, across critical organizational levels, who display potential to grow beyond their current role. The Program is designed to provide a mechanism where AKBL can clearly and objectively differentiate, develop and monitor “high potential talent” and provide them with accelerated growth and career opportunities.

### Defining High Potential:

Potential is the ability of an individual to perform the role of the next higher level. It is the person’s ability to grow and to handle responsibilities of greater scale and scope. At AKBL, high potentials are assessed to be having the ability, organizational commitment, and motivation to move at a relatively faster pace in availing the growth opportunities that exist in the organization. In specific, these employees must demonstrate the following attributes:

- **Attitude & Values:** The incumbent should demonstrate organizational commitment to AKBL values and culture by role modelling and being passionate about the business. Moreover, the incumbent should exude confidence, well respected and having followership within the organization.
- **Skills & Behaviors:** The incumbent should have the capacity to grow and master new skills required. This includes being flexible in changing conditions, effectively managing ambiguity and prioritizing & optimizing situations to achieve results. He/she should also be a rapid learner.
- **Performance:** The incumbent should perform consistently within their role. They should also be able to anticipate organizational demands and customer needs; demonstrate results-orientation and be creative with solutions.
- **Ambition & Motivation:** The incumbent should have the ambition and motivation to grow, work hard and excel. This includes aspiring to higher levels of responsibility and embracing challenges, being persistent in seeking opportunities to grow as a leader and working beyond the scope of his/her job responsibility.

**Service Criteria:** Maximum age of an employee for talent assessment will be 58 years. New employee that has not gone through the PMS cycle will not be assessed and tagged as “too soon to classify”.



**Performance Rating Criteria:** Consistently demonstrates high performance with “Greatly Exceeds Expectations (GEE)” or “Exceeds Expectations (EE)” rating. For those in the role less than 12 months, “Meets Expectations (ME)” rating is also acceptable

**Nomination:** The line manager in consultation with the Group/Country Head primarily nominates staff based on a pre-defined criterion. HR acts as a support partner and also has the mandate to nominate.

**Screening & Calibration:** Human Resources is responsible to carry out a screening process of nominated employees to arrive at the final list of nominations based on the above defined criteria.

**Assessment:** Individual assessment may also be conducted individually by HR or jointly with business for the nominated staff to identify their potential. Potential ratings along with performance ratings will help in arriving at the talent pool.

### 3. Succession Planning:

Succession Planning System will guard the Bank against various business risks associated with the exit of holders of critical positions within the organization, as well as to build a healthy leadership pipeline for the future. It is important to identify critical positions in order to focus efforts, manage talent risks and ensure that capability is continuously available to achieve AKBL’s strategic goals. Succession management is a top-down business-driven process, which starts with the role for which succession is required and then seeks to identify potential successors. It is therefore a role-specific exercise, rather than an incumbent-specific exercise. Succession Management should ensure high-quality supply of leadership talent and must address four fundamental succession risks:

- **Vacancy Risk:** Risk of critical leadership positions being vacant.
- **Readiness Risk:** Risk of underdeveloped successors.
- **Portfolio Risk:** Risk of poor deployment of talent against business goals.
- **Transition Risk:** Risk of poor assimilation of executive talent into the organization Succession.

#### Key Positions for Succession Planning / Scope:

This policy covers succession planning for key position in the Bank. Senior management along with Human resources identify critical roles in their respective departments for succession planning. Critical roles may comprise leadership or business critical roles. At AKBL, critical roles have been defined in three tiers for positions across all units of the bank. Key positions in these tiers shall be as follows;

##### **Tier A:**

Senior Level Key positions in this tier include:

- N -1: CEO Direct Reports (DRs)
- N -2: Other Country Heads in Direct Reports of N -1 (CEO DRs)

##### **Tier B:**

Positions in this tier include:

- Departmental Heads in HO divisions (VP II and above)
- Regional General Managers
- Regional Heads Corporate & SMEC
- Regional Operation Managers
- Regional Heads of RCAD, CFTU etc.

**Tier C:**

Positions in this tier include:

- Area Managers (Branches)
- Area Operation Managers
- Unit / Section in-charge in HO divisions (AVP / MG)
- Branch Managers in large and medium branches
- Branch Operations Managers in large and medium branches

Successors for CEO DRs will be reviewed and proposed by President & CEO for further review by BHR & RC and final approval by Board of Directors.

Successors for other positions in Tier A, B and C shall be identified by the position holders themselves, senior management of the bank and HR. Consensus would be developed on these potential successors among all the selectors in line with the talent management process.

As a matter of prioritization, succession planning for P&CEO DRs will be refreshed and approved by the Board every year. For other roles in Tier A/B/C, management may formulate, review and refresh the succession planning as per needs basis.

**Identification of Successors / Talent Review Process:**

Group / Country Heads along with Human resource will identify potential successors for leadership or business critical roles. Potential successors may also be identified from high potential pool.

The issues and challenges of any position are best known to the person who is performing the job so it is recommended that the potential successor is identified by the current position holder in concurrence with the Human Resource and senior management. Successor must be identified in view of the required skill and competencies of the job and the Group/Country Head/RGM have to submit a proper justification for nominating someone as a successor of a key position. For a single position more than one successor can be identified as first and second option. It is the discretion of the management that the potential successor can be identified from the same Group/Division / Region or from any other Group/Division / Region of the bank depending upon the skills and competencies of the successor and the required skills and competencies of the job.

**Skills Gap Analysis:**

After identifying the potentials successors, Human Resource Division shall initiate the skills gap analysis exercise. This would include the details of skills required to perform the target job and its comparison with the existing skills of identified successors. This exercise identifies the gaps / deficiencies in terms of skills of the potential successor which needs to be overcome while assigning them higher responsibilities.

**Training & Development Plan for Successor:**

In line with the identified development areas / skill gaps, a Training Needs Assessment (TNA) will be performed by Learning & Development (L&D) team with all concerned stakeholders. Training & Development plans for the nominated successors will be prepared in order to prepare them for key management positions in consultation with Senior Management of the Bank. This will be tracked and executed in joint ownership of line management and L&D.

**4. Career Management Framework:**

The bank is committed to supporting the growth and development of its employees through an effective career moves framework. It is designed to provide employees and their Line Managers with a mechanism

for developing careers and ensuring that the framework is applied in a consistent manner, while ultimately maintaining a culture that is performance-driven and equipped to realize the organization's strategic vision.

### Career Management Philosophy:

The career moves philosophy has six main components that form the basics for career moves:

1. **Career Aspirations:** Should reflect the aspirations of employees, and provide career opportunities that are in line with their goals and needs.
2. **Responsibility:** Must establish clear ownership and responsibility guidelines for all stakeholders.
3. **Performance & Potential:** Should drive high performance through a merit-based system to ensure high performance culture at AKBL. The system should also encourage recognition of potential for future development.
4. **Transparency:** Should be fair and transparent ensuring that career opportunities are known to employees to the best possible extent.
5. **Strategy, Culture & Value Linkage:** Should be in harmony with and reflect the organizational strategy, values and culture.
6. **Integration:** Should ensure integration with all related HR systems for consistent implementation.

### Career Moves:

The Bank provides employees with a variety of options for movement within and outside their Departments / Units. However, employee movements through career moves do not qualify for any off-cycle grade promotion / salary adjustments. As per Bank's policy there is only one performance appraisal cycle i.e. Annual Performance Evaluation exercise (APE)

There can be 3 types of possible moves, as summarized below:

- **Vertical:** Upward move to the next level within or outside the Career Stage. These involve increase in skill and competency proficiency level.

For example: **Move within the career stage within the same unit:** - An employee moves from Officer level to a Senior Officer level within Branches / Operations i.e. (Movement within Individual contributor stage).

**Upward move to the next level within the same unit:** - An employee moves from Individual contributor to Manager level.

- **Horizontal:** Role change and skill development related moves to the same level in a different Department or Unit. Typically, these moves are possible when the two roles share similar nature/purpose (and therefore require similar job competencies). Horizontal moves will qualify employees for additional training and development opportunities in order for them to be equipped with the new role. For example: Within the same Department: - An employee moves from Branches to National Sales within Branch Banking Group.  
From one Department to another Department: An employee moves from Human Resources Division to Operations.

- **Diagonal:** Role change related moves which are typically possible when the roles have similar skill and competency requirement i.e. department Manager in Treasury moves as AVP in Finance.

### Movement Criteria:

For each unique role and their career stages, there are a set of requirement details which provide clarity to

the employees in terms of what the role holder would need to possess in order to be qualified and eligible for the move. Meeting the qualifiers would make an individual eligible for the movement while meeting the facilitators would increase the chances of an employee's selection for the Target Role as they are important for successful performance in the Target Role. Qualifiers and facilitators are defined as follows:

- **Qualifiers:** Minimum qualifications, number of years of experience required for the job, current performance rating and clearance from any Disciplinary Actions (DAC).
- **Facilitators:** Technical and Behavioral Competencies required for the Target Role.

**Application:**

The application for the career moves may be through Internal Job Posting (IJP) or through identification of line management / HR. However, in case of identification through line management, emphasis would be given to identifying more than one qualifying aspirants for subject position. Employees will participate in assessment process to determine one's eligibility for movement into the aspired role.

**Transition into a new role:**

The selected employee should effectively complete the handover to the concerned staff, appointed by the line manager, within the specified period of time as per the internal vacancy policy.

## GRIEVANCE HANDLING POLICY

### 1. Introduction

Askari Bank fully understands its responsibility to ensure that employees are not subjected to discrimination, harassment, vilification or victimization. It is anticipated that employees may sometimes feel they have experienced disadvantage or distress, and management will ensure that grievances are responded promptly with minimum stress and maximum protection for all concerned in the best interest of the organization.

The primary purpose of a grievance policy is to: (1) Develop an institutionalized mechanism for amicable resolution of a grievance; (2) enable employees to complain with dignity knowing that there is a system of appeals leading to an impartial decision-making; and (3) enforce compliance with the terms and conditions negotiated by the parties.

### 2. Scope

This policy shall be called Askari Bank Employee Grievance Handling Policy and applicable to all employees in any grade / status of employment.

### 3. Grievance Handling System

A “Grievance” is a problem, concern or complaint related to work or the working environment that is directly causing distress to an employee. It will cover any act, behavior, omission, situation or decision which an employee believes to be unfair, discriminate or contrary to Askari Bank’s code of conduct, values and relevant policies and procedures.

A “Complainant / Grievant” shall be an employee reporting a written grievance.

A “Respondent” shall be an employee or a group of employees against whom a grievance has been recorded.

Instances where grievance has been recorded against a policy, practice or procedure, the Bank shall be the respondent. All such grievances (where the Bank is respondent) must be reported to Country Head – HRD and shall be handled by the Grievance Handling Committee.

“Grievance Handler” shall be the First Second or Third Level Manager as designated below handling the reported grievance. The Complainant / Grievant are required to report his/her grievance / complaint through proper channel of communication. For the purpose of this policy, following shall be the Grievance Handlers for handling employee<sup>1</sup>

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

Level	Branch Staff	Head Office Staff
First Level	Branch Manager	Department / Unit Head
Second Level	Area Manager	Country Head
Third Level	Regional General Manager	Group Head (where applicable)
Fourth Level	Head HR Business Partnering <sup>1</sup>	

In case of non-resolution of grievance from any of the aforementioned forums, the employee can approach the “Grievance Resolution Committee” (GRC) which is a special purpose committee constituted for handling Grievances.

The President & CEO shall be authorized to constitute Grievance Resolution Committee along with its TOR.

The complaint/grievance falling under the definition of “harassment”, shall be dealt with in accordance with parameters defined in “Prevention from Harassment Policy”

#### 4. Grievance Reporting

All Grievances/complaints must be lodged in writing to the first level Grievance Handler by the Complainant/Grievant through a letter / IOM / e-mail. The Complainant/Grievant may also seek personal appointment / use telephone to discuss the grievance, if not stated in writing. In such cases, the First Level Manager shall note down the important points and ask the complainant / grievant to submit his/her statement in writing.

In case if the complainant / grievant is not satisfied with the decision/resolution at the respective<sup>2</sup> level or if grievance remains unattended for 7 days or more, the Complainant/Grievant may report the same to the Next Level.

If the aggrieved employee is not satisfied with the resolution / decision or the grievance remains un-responded at the defined level, s/he may report the grievance in writing to the Grievance Resolution Committee through online portal “[grc.askaribank.com.pk](http://grc.askaribank.com.pk)”. The decision of the Grievance Resolution Committee shall be final and binding upon all parties.<sup>3</sup>

In case, the grievance is to be recorded against an employee who falls in the hierarchy of communication channel, then the Complainant/Grievant may submit his/her complaint in writing to Next Level for effective resolution of the grievance in the light of this policy.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

## **5. Role & Responsibility**

### **Complainant/Grievant**

Staff raising a grievance i.e. “Complainant/Grievant” is responsible for:

- Initiating the grievance in writing in clear and precise manner and full identification of the person(s) against whom the grievance is being raised.
- Participating in the grievance resolution process in good faith.
- Cooperating fully in the investigative process.
- Avoiding making vexatious complaints or raising grievances with malicious intent.
- Avoiding reporting a grievance to several different units or individuals at the sometime.
- Observing the reporting hierarchy by initiating the grievance through proper channel, except for such grievances that are recorded against executives in SVP Grade & above where the Complainant/Grievant can refer the matter directly to the Country Head –HRD.

### **Respondents(s):**

The respondent(s) are responsible for:

- Participating in the process in good faith.
- Abstain from manipulation/concealment of facts, figures, etc.
- Abstain from sabotaging the grievance process by threatening the Complainant/Grievant about any physical or moral abuse through use of power / authority or exercising pressure tactics.
- Act upon the advice of the President & CEO and abide by the decision of the President & CEO.

### **Grievance Handlers:**

#### **First Level – Branch Manager / Department / Unit Head**

The First Level Grievance Handler should:

- Contact the Complainant/Grievant as early as possible maximum within 7 days and try to soothe the aggrieved employee to avoid causing of any damage/loss to the Bank reputation.
- Listen and respond sensitively to any distress exhibited by the staff member.
- Advise the staff member that any allegations in writing will be made available to all parties against whom the allegations are made and that in the interest of fairness they will have to be willing to be identified, as and where deemed necessary.
- Encourage the staff member to raise the issue directly with the person concerned if the grievance involves another staff member or work area.



- Collect details of the incident and try to investigate causes of grievance. If other staff members are involved, Grievance Handler may call them individually for obtaining the facts and may ask for written statements.
- In case if the grievance is justified on the basis of facts and witnesses, the Grievance Handler shall call upon the Complainant / Grievant, counsel him/her and provide appropriate resolution. If suggested resolution requires approval of the President & CEO, refer the grievance to the next Level Manager / President & CEO for necessary action / approval as appropriate.
- If the grievance is unjustified, the Grievance Handler must counsel the complainant / grievant amicably through counseling.
- Be aware of the staff member's potential concern as to the possible repercussions of raising a grievance; take all possible steps to ensure that no victimization occurs as a result of the grievance being raised.
- Ensure effective, sensitive and confidential communication between all involved.

**Second & Third Level – Area / Regional General Manager / Country / Group Head:**

- The Senior Level Grievance Handler(s) (2nd or 3rd as applicable) must respond to the grievance reported to them within 7 days of receiving the written grievance.
- The Senior Level Grievance Handler(s) shall investigate the level and severity of the grievance through:
- Meeting the Complainant/Grievant in person and further probe in the matter.
- Identifying the root cause of the problem and not try to cure the symptoms. For example, “I am no happy with my boss” is a symptom not a material issue.
- Gathering other data / facts related to a reported grievance by contacting First / Second Level Grievance Handlers and / or immediate Line Managers of the Complainant / Grievant / Respondent where so necessitated.
- Meet the respondent(s) by amicably informing him/her of the situation that has arisen. Ensure to avoid any prejudice and being judgmental. Not make him/her feel like guilty.
- Ensuring that parties are not victimized at any stage or after the grievance process.
- In case if the grievance is justified on the basis of facts and witnesses, he shall call upon the Complainant / Grievant, counsel him/her and provide appropriate resolution. If suggested resolution requires approval of the President & CEO, refer the grievance to the next Level Manager / President & CEO for necessary action /approval.
- If the grievance is unjustified, the Senior Level Grievance Handler(s) must counsel the complainant / grievant amicably through counseling and close the matter.



### **Human Resource Division:**

The role of Human Resource Division shall be:

- Upon receiving a written notice of a grievance, the Country Head – HR shall inform the members of the Grievance Handling Committee about the grievance.
- Facilitate and monitor the process on reported grievance and ensure that committee submits its recommendations within 15 days of receipt of written grievance but never later than 30days.
- Intimate the decision of the committee to all parties.
- Upon occurrence of any of the following as reported, HR may initiate Disciplinary action against:
  - A Complainant/Grievant if they have been found to have lied or fabricated the grievance;
  - Any person who victimizes another person because of their involvement in grievance;
  - Any person involved in the resolution of the grievance who unnecessarily discloses confidential information.

### **Grievance Resolution Committee:<sup>1</sup>**

- The Grievance Resolution Committee shall review the facts in the light of all documentary evidences submitted to them.
- Consult the other senior executives in the hierarchy to investigate the level and severity of the grievance.
- The committee may also investigate the grievance independently and conduct meeting with the Complainant / Grievant and / or respondent(s).
- Present the case before President & CEO along with recommendations, if the grievance is recorded against an executive in SVP Grade & above and act upon the advice.
- Record final decision on the grievance and inform all parties on resolution through the Country Head – HR in not more than 15 days of grievance reporting to the committee and never later than 30days.

## **6. Right to Appeal<sup>2</sup>**

In case if the complainant / grievant is not satisfied with the decision of the Grievance Resolution Committee s/he shall have the right to appeal to President & CEO. The decision of the President & CEO shall be final and binding upon all parties.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

**7. GENERAL:**

In all cases, the Complainant/Grievant must disclose his/her full identity. The Complainant/Grievant shall also ensure to contact only one authority at a time to discuss the grievance. Multiple channels must not be used.

All concerned shall ensure strict confidentiality of all data / facts and information received in this respect. Only relevant information must be disclosed to the respondent(s) and Complainant/ Grievant(s). Extra caution must be taken to avoid threat / victimization by the respondent(s).

In the event of any doubt or ambiguity as to the meaning of this policy, the decision of Grievance Resolution Committee shall be final and binding upon all parties.

## DISCIPLINARY ACTION POLICY

### 1. Introduction

Discipline and workplace ethics play a vital role in success of any organization. Banks are custodian of public money and require maintaining highest standards of honesty, integrity and morality. Thus, all employees are expected to display conduct required under service rules as well as Code of Ethics & Conduct. The employees who commit violations are subject to disciplinary actions. The purpose of Disciplinary Action Policy is to define the rules & regulations to deal with the unacceptable employment behavior in a fair & equitable manner.

### 2. Scope

Disciplinary Action Policy shall be applicable to all regular & contractual employees, at all levels and locations of the Bank. The employees shall remain liable for any of their actions performed during their service with the Bank, which results into any financial / reputational loss.

### 3. Objective

The objective of Policy is to foster;

- 3.1 Administering compliance culture amongst the employees in accordance with the Bank' Policies, Procedures, Service Rules, Code of Conduct, Regulatory Directives & Laws of Land.
- 3.2 Creating an enabling environment for setting high standards of honesty & integrity amongst employees.
- 3.3 Strong accountability mechanism inculcating sense of responsibility amongst employees.
- 3.4 Fair & Equitable handling of disciplinary action cases.
- 3.5 Zero tolerance for Fraud & Forgery Cases.

### 4. Standards & Guidelines

This policy shall be the part of AKBL Staff Service Rules and shall follow SBP regulations issued from time to time & applicable laws of land.

### 5. Dissemination

Human Resource Division shall be responsible to disseminate the policy to all employees.

### 6. Exceptions

Any exceptions/deviations to the Policy shall be approved by Disciplinary Action Committee and reported to the Board of Directors on periodic basis. Whereas any revision in TORs of DAC shall be approved by MANCOM.

## **7. Roles & Responsibilities**

### **7.1. Role of Board of Directors (BOD)**

BoD shall be responsible to approve the Policy and amend/alter/interpret the policy as required from time to time. The BoD shall also act as the appellate authority for Key executives & SEVPs (I & II).

### **7.2. Role of Board Audit Committee (BAC)**

BAC shall be responsible to review the decisions taken by the bank to ensure fairness in accordance with the defined policy.

### **7.3. Role of Board HR & RC (BHR & RC)**

BHR & RC shall be responsible to review the policy from time to time & recommend changes to BoD. The committee shall also be responsible to decide disciplinary action cases of Key executives & SEVPs (I & II).

### **7.4. Role of Audit Division**

Audit Division shall be responsible to act in accordance with the Audit Policy of the Bank and/ or investigate the cases, submit findings, along with fixation of responsibilities and update the BAC on the decision taken against the delinquent staff.

### **7.5. Role of Human Resource Division (HRD)**

HRD shall be responsible to address all disciplinary matters in accordance with policy and timely initiate all steps to complete disciplinary action proceedings.

### **7.6. Role of Disciplinary Action Committee (DAC)**

DAC shall be responsible to decide disciplinary cases in a fair & equitable manner in accordance with the responsibilities assigned in TORs.

### **7.7. Role of Line Manager / Controlling Offices**

Line Managers shall be responsible to monitor the performance of their staff and provide necessary guidance/support to ensure their productivity in accordance with the defined Policies/Rules. Any action subversive of discipline on part of staff as defined in the policy which requires initiation of formal disciplinary action proceedings shall be reported to HRD along with relevant evidences through respective Controlling Offices.

### **7.8. Role of Employee**

All employees shall be required to adhere to Bank's Rules, Regulation & Procedures and avoid any act of misconduct defined in the policy. S/he shall also be responsible to explain his position within the given time frame in case s/he is convicted / alleged for any act of misconduct/violation.

## 8. Grounds for Discipline Action

Without any prejudice, where an employee, in the opinion of the Management has breached Askari Bank's Policies/Rules, Code of Ethics & Conduct, or is guilty of misconduct shall be liable for disciplinary action.

The term 'misconduct' includes, for the purpose of these Rules, the following acts, omissions and commissions:

- 8.1 Breach of Rules, Regulations, Policies/Procedures, standing orders or instructions of the Bank;
- 8.2 Insubordination or disobedience to any lawful or reasonable order of the superior;
- 8.3 Lingered, slowdown of work, undue delay in execution of work, refusal or negligence to carry out reasonable order of the superior;
- 8.4 Embezzlement of Money, Misappropriation, Theft, fraud or dishonesty in connection with the Bank's business or property;
- 8.5 Parallel Banking (Any activity by an individual that s/he carries out in his personal capacity, which s/he actually should have performed on behalf of the Bank);
- 8.6 Unauthorized use of Bank's property, assets and goods, Willful Damage to or loss of Bank's assets, property and reputation;
- 8.7 Sharing of Passwords & security aspects of Systems;
- 8.8 Failure in Whistle blowing of any unusual activity or maliciously raising a concern through Whistle blowing/Complaint that is untrue, baseless and / or false;
- 8.9 Misreporting of information or submission of false rectification/compliance of audit observation to higher offices;
- 8.10 Window Dressing;
- 8.11 Undue customer accommodations for Tax evasion;
- 8.12 Habitual late attendance, habitual leaving early or returning late from lunch break, leaving duty without permission, absence from the seat or place of work without permission during the working hours Habitual negligence of duty, or neglect of work;
- 8.13 Absence from duty without permission;
- 8.14 Sleeping while on duty;
- 8.15 Improper or non-use of uniforms by Non-Clerical Staff while on duty;

- 8.16 Writing to anyone letters or criticism of the superiors and misbehaving with the superiors or colleagues or subordinates or the clients of the Bank;
- 8.17 Indecent or unethical behavior including use of profane or abusive language; Drunkenness, gambling, rioting, disorderly or indecent behavior while on duty;
- 8.18 Threatening or intimidating and physically assaulting an employee of the Bank within or outside the office;
- 8.19 Workplace harassment;
- 8.20 Use of political or other outside pressure/influence, with intent to induce the authorities/superior officers in respect of any matter relating to the appointment, promotion, transfer, punishment, or any terms/orders associated with employment;
- 8.21 Personal representation to the Directors of the Bank without addressing the matter to the President through proper channel;
- 8.22 Accept or seek any outside employment or office, whether stipendiary or honorary, or engage in any business or trade directly / being ultimate beneficiary, or publish any article in any newspaper, or journal for magazine without prior permission of HRD;
- 8.23 Collection or canvassing for collection of money/donation in personal capacity within office premises;
- 8.24 Distribution or exhibition within office premises of any paper, hand bills, pamphlets or posters;
- 8.25 Striking, picketing, inciting others to abstain from work or agitation in any form and manner within or outside office premises or at places where it is lawfully prohibited;
- 8.26 Participation in political activities including sectarian acts/provincialism/parochialism/patriarchalism or contesting elections of Local body, Provincial or National Assemblies.
- 8.27 Surfing social media during working hours;
- 8.28 Uploading/sharing any contents on Social media group causing reputational loss to the Bank;
- 8.29 Unauthorized interaction with Media and maligning the Bank for personal grievances against Management/Bank;
- 8.30 Concealment of material personal information / facts / litigation / NAB or FIA inquiries having significant impact on employee's discharge of service;
- 8.31 Borrowing money from associates or sub-ordinates or customers of the Bank or from persons likely to have dealings with the Bank;

- 8.32 Non-disclosure of raising any loan from the Bank by employee or his immediate family and dependent;
- 8.33 Involvement in Virtual Trading;
- 8.34 Involvement in Counterfeiting/Card Skimming/Spoofing/Money laundering or Terrorist Financing / transactions either through his own a/c or on behalf of any Bank customer, where due diligence was not exercised as required by AML / CFT Policy;
- 8.35 Insider Trading by Employees of the Bank (illegal transactions made on basis of privileged information, particularly trading in stock, shares & financial assets, whose value is likely to be affected by the release of news, of which only a few people are aware of);
- 8.36 Submission of fake, fabricated & false documents / testimonials such as Medical Bills, Birth Certificate, Degrees and other such Documents / Certificates, misstatement both at the time of appointment and subsequently;
- 8.37 Negative verifications from previous employer highlighting fraud/forgery/serious offence;
- 8.38 Any other behavior or act, which in the opinion of the **management** constitutes misconduct.

## 9. Categories of Misconduct/Violations

The DAC on the basis of evidences/findings of investigation shall classify the misconduct/violations into any of the following categories:

- a. **Criminal Offences** include all actions of Fraud & Forgeries, Embezzlement, Misappropriation, Theft, Harassment, integrity issues requiring zero tolerance.
- b. **Gross Violations** include negligence leading to financial/reputational loss, lack of supervision and monitoring, Violation of Bank's laid down procedures/regulatory directives/ service rules, code of ethics.
- c. **General Violations** include such procedural mistakes/deviations which do not lead to financial/reputational loss.

## 10. Sources of Reporting Disciplinary Action Cases

Disciplinary Action Cases may be referred to Human Resource Division through following sources:

- Internal / External Complaint
- Whistle Blowing
- Regulatory /Law Enforcement Authority
- Audit & Investigation Reports.
- Previous employer/ educational institution.
- Any other source containing material evidences.

## 11. Authority for Disciplinary Action

### 11.1. Disciplinary Action Committee

The President & CEO shall be authorized to constitute Disciplinary Action Committee.

The committee shall consist of at least five (05) senior executives of the Bank having Chairman of SEVP (I & II) Grade with no conflict of interest.

Country Head - Human Resource shall be mandatory member of committee and shall not act as Chairman. In the absence of Chairman, next senior member shall act as Alternate Chairman. Chief Internal Auditor, Respective Regional/Country/Group Head or any other executive may be invited on case to case basis.

An executive from HRD (other than CH-HRD) shall perform duties as Secretary of the committee who shall ensure coordination with committee to arrange meeting, agenda circulation and preparation of minutes, follow ups & maintaining record of committee proceedings.

### 11.2. Disciplinary Action Proceedings/Approval<sup>1</sup>

S. No.	Grade	Authority to Suspend/Issue Charge  Sheet/Appoint Enquiry Officer	Decision Making Authority		Appellate Authority
			Investigations	Service Matters	
1	VP & Below	CH-HR	DAC	CH-HRD	-Appellate Committee constituted by President & CEO
2	SVP (I & II)/ EVP (I, II & III)	CH-HR with approval of President & CEO	DAC	President & CEO	Appellate Committee constituted by President & CEO
3	Key Executives / SEVP (I & II)	CH-HR with approval of President & CEO	BHR & RC with the recommendations of DAC & President & CEO	BHR & RC with the recommendations of CH-HRD & President & CEO	BoD
4	Country Head – HR	Chairman DAC with approval of President & CEO			

### 11.3. Terms of Reference

#### 11.3.1 Quorum

Minimum Quorum shall be Three (3) Members including Chairman / Alternate Chairman.

<sup>1</sup> Changes approved by BOD on August 21, 2023



### **11.3.2 Frequency of Meeting**

The committee shall meet on at least monthly basis subject to the availability of sufficient number of DAC cases. However, extra-ordinary meeting may be called any time if deemed appropriate. Approvals for routine nature of cases may also be arranged by circulation.

### **11.3.3 Responsibilities**

The Committee shall be responsible to;

- i. Review & approve procedural guidelines for disciplinary action proceedings & exception to the policy.
- ii. Take decisions regarding misconduct or any disciplinary action against the employee(s) in the light of this Policy by taking into consideration all aspects of the case & category of misconduct/violations.
- iii. Order De-Novo inquiries, where it feels that either the inquiry has not been conducted as per rules or the findings of the inquiry officer are biased.
- iv. Review the findings of audit investigations and seek clarifications from audit for not pointing out serious anomalies while conducting regular audit of the concerned setup for the same period.
- v. Take decisions by consensus. In case any member records a dissenting decision, majority's view would prevail. In case of equally split views, the decision of Chairman would prevail. If any member of the committee is a party in the complaint or as proceeding progresses, this becomes clear that s/he is likely to be an aggrieved party or if a case pertains to him / his own Department or have any conflict of interest, s/he should not attend disciplinary committee meeting and abstain himself from taking part in decision making process.
- vi. Maintain confidentiality of affairs.

### **11.3.4 Disposal Time<sup>1</sup>**

End of end TAT for disposal of Disciplinary Action cases shall be 50 working days upon referral to HR.

## **12. Penalties/Punishments**

Without prejudice to other provisions contained in these Rules, an employee who is guilty of misconduct shall be liable to one or more penalties described hereafter:

### **12.1. Level –I**

- Dismissal from Service.
- Termination from Service.

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<sup>1</sup> Changes approved by BOD on August 21, 2023

- Removal from Service, Compulsory retirement from service.

#### **12.2. Level –II**

- Demotion to a lower grade.
- Reversion to a lower post.
- Reduction of pay.

#### **12.3. Level -III**

- Stoppage of Bonus/Promotion/Increments for specified period of time.
- Recovery from salary of the whole or part of any, pecuniary loss caused to the Bank by the employee.
- Transfer of services/Change of assignment.
- Barring to hold key positions for some specified period or permanently.
- Letter of Stern Warning.

#### **12.4. Level –IV**

- Letter of Warning
- Letter of Caution

#### **12.5. Other Punishment/Actions**

- Dismissal/Termination shall permanently disqualify future employment. Gratuity & Leave Encashment shall not be paid in both cases. Moreover, Bank contribution of Provident Fund shall also not to be paid in case of Dismissal.
- Removal from service doesn't disqualify future employment and all end of service benefits admissible under policy shall be paid.
- Where Level I punishment is awarded to a staff on account of financial embezzlement, the End of Service Benefits shall be released after recovery of embezzled amount.
- Where an employee is found guilty for submission of fake credentials, shall be awarded Level I punishment.
- Where an employee is awarded Level IV punishment by DAC consecutively for the third time, within a time span of three years shall attract infliction of higher-level punishment.
- In case any staff is charged after separation from service, the DAC shall review the nature of charges to define the punishment level. In case an ex-staff is convicted of Criminal offences or a negative verification is received after his separation from service, the matter shall be reported to his next employer with reference to Verification of Antecedents.

### 13. Punishment Matrix

Category of Offence	Minimum	Maximum
Criminal Offences	Level I	
Gross Violations	Level IV	Level I
General Violations	Level IV	Level II

### 14. Guidelines for Disciplinary Action Proceedings

Following guidelines shall govern the proceedings of Disciplinary Action Cases:

#### 14.1. Incident Reporting

The cases of minor breach of discipline / unsatisfactory performance (not falling within purview of Annual Performance Evaluation) shall initially be addressed at Line Manager Level in an appropriate manner. Cases requiring formal disciplinary action shall be referred to HRD with the recommendations of respective Regional/Country/Group Head.

#### 14.2. Suspension

Suspension of an employee shall be met out only in cases of major and serious misconduct as ascertained in the formal investigation. The total period of suspension shall not exceed 90 days except with the approval of President & CEO in special circumstances. While under suspension, the employee shall be entitled to full amount of his salary.

#### 14.3. Investigation

Cases where occurrence of fraud or attempted fraud or gross violations is anticipated shall be referred to Audit Division for detailed investigation. In such cases, respective Regional/Country/Group Head or Audit Division shall intimate HRD for suspension/removal of prime suspect(s) from current assignments.

#### 14.4. Issuance of Charge Sheet

HRD shall issue Charge Sheet to the delinquent staff, preferably within 30 days of the cause of action brought to the knowledge of the Bank. Reply to the Charge Sheet shall be given by the accused to HRD within 07 days.

The Charge Sheets should be clear, comprehensive & specific having complete details of charge(s) leveled against the employee. It should not contain any reference to punishment or any indication that the management has already made up its mind to punish the accused.

#### 14.5. Holding of Independent Inquiry

Where, if the reply to the charge sheet submitted by the employee on account of responsibilities fixed against him is found to be unsatisfactory or the employee otherwise fails to reply to the charge sheet, the next step shall be holding of independent inquiry.

However, in case the accused submits his explanation admitting the charges and request for leniency, the discretion rests with the DAC whether to hold or not any such inquiry.

HRD shall appoint Inquiry Officer/Committee in consultation with Chairman – DAC and issue notification to Inquiry Officer, Management Representative & Accused Employee(s).

#### **14.5.1 Criteria for appointment of Inquiry Office/Committee**

The Inquiry Officer/Committee shall meet the following criteria:

- Must be at least one grade senior than the accused.
- Must not be having any prejudice against accused or be biased on account of some previous incident.
- Must not be party to the material dispute which is subject matter of the inquiry.
- Not previously involved as delinquent employee in any disciplinary proceedings.
- Not a witness to the occurrence of incident.
- Not the one who has framed charges and initiated proceedings against the accused.
- Not the person named as co-accused in a counter complaint.
- Not an official in immediate chain of command to the complainant or the accused employee.

#### **14.5.2 Responsibilities**

##### **a. Inquiry Officer/Committee (IO/IC)**

IO/IC shall be responsible to record statement of accused, Management Representative and their cross examination by exhibiting the documentary evidences. S/he shall submit his findings as to whether the charges leveled against the employee in the Charge Sheet, have been proved or not proved.

The IO/IC shall not be required to investigate the case and go beyond the scope of charges framed against accused. IO/IC shall not cross examine MR or accused; however, s/he may put a clarification question. S/he shall not make recommendations or suggestions as to the kind of punishment to be given to the employee or to exonerate the employee.

##### **b. Management Representative (MR)**

MR shall be responsible to plead the case as a prosecutor on behalf of Management and cross examine the accused employee based upon the facts/documentary evidences pertaining to the charges. It shall preferably be a team member of audit/dept. who investigated the matter or a staff nominated by department requesting HRD to initiate disciplinary action. S/he shall be fully conversant with the facts of case and produce documentary evidences and witnesses (if any) involved in the case before the IO/IC.

**c. Accused Employee:**

The accused employee shall be responsible to submit his response and cross examine the MR based upon documentary evidences & witnesses, if any.

**14.6. Presentation to Disciplinary Action Committee**

HRD shall be responsible to finalize the cases for presentation in DAC. All relevant documents shall be provided to members for review before discussion in the meeting.

**14.7. Communication of Decision**

HRD shall communicate all decisions of DAC. If an employee is awarded punishment under these Rules, it shall take effect from such date as may be determined by the DAC.

**15. Appeal**

An employee who has been awarded punishment shall have one time right to appeal before the appellate authority within 30 days of receipt of decision.

The appellate authority may review the case at its own or through an independent committee. The authority as considers fit shall have the powers to exonerate the accused (other than criminal offences), reduce/enhance or uphold the punishment.

**16. Legal Proceedings**

The concerned Business Unit shall be responsible to arrange all measures for ensuring complete recovery of financial loss upon unearthing of any incident without waiting for decision regarding award of punishment. Where a staff becomes absconder after any fraudulent activity, necessary measures shall also be ensured to trace his whereabouts. The Business Unit with the concurrence of respective Regional/Country/Group Head and approval of President & CEO shall coordinate with Fraud Risk Management Unit & Corporate & Legal Affairs Division (CLAD) to initiate criminal proceedings/FIR against those involved (internally/externally) in fraud, misappropriation or embezzlement of funds.

**17. Reporting**

The punishments awarded by the DAC shall be circulated amongst staff on quarterly basis in an appropriate manner to create deterrence. Moreover, training sessions based upon case studies shall be arranged to create awareness amongst the staff.

The details of disciplinary actions shall be provided to Audit/Compliance Division for onward reporting to Regulator or respective Board Committees as the case may be.

## HEALTH SAFETY & ENVIRONMENT

### 1. Introduction

In order to improve job satisfaction of the workforce, ensuring a safe and secure environment for employees is always considered important for any organization. To improve the safety and health conditions on an on-going basis, it is necessary to continuously monitor the health and safety issues in the environment and update the current procedures accordingly.

Commonsense and basic good housekeeping are the predominant factors influencing the maintenance of high standards of health and safety in offices and staff should always be conscious of dangers to themselves and their colleagues, presented by their working environment and activities.

Any unsafe conditions, e.g. faulty lifts, faulty fire doors, missing fire extinguishers, missing Fire Notices, defective equipment (particularly defective gas connections), poor lighting, damaged floor coverings, unsafe furniture and so on, should be reported at once to immediate supervisor, admin officer or safety officer so that necessary remedial action can be taken.

Recognizing the importance of employee health and safety, Askari Bank is committed to ensure that employees must know and follow all health and safety requirements of their specific job requirement.

The following items are considered for incorporation in the “policy statement”:

- Health and safety are to be given equal consideration with all other business functions.
- Health and safety are everyone’s responsibility. Employees shall actively participate in all elements of the Health & Safety program.
- The organization is committed to comply with all corporate policies, procedures and applicable legislation.
- Health and safety are among our highest values and a key indicator of organizational excellence.
- All work-related injuries and illness are preventable by identifying and controlling risks.
- Hazard identification, risk assessment and risk control represent the foundation of a successful Health & Safety management system.
- Our Health & Safety management system is based on continuous improvement.

#### 1.1. Potential Hazards in the Workplace

Following are the potential hazards in the Bank’s premises: -

- Portable and fixed electrical appliances
- Office equipment, computers etc.
- Trailing cables
- Stairs, stairways & lifts

- Congested walkways and corridors
- Access and egress
- Seating, workstations including furniture & fixtures
- Heating and ventilation
- Lighting levels (low/insufficient)
- Cleanliness and waste materials
- Sanitary conveniences
- Dusts, powders, chemicals/lubricants & fumigation
- Working alone
- Damaged building or substandard construction, false ceiling, and work under progress areas.
- Workplace violence (physical or verbal)

## **1.2. People Affected by Hazards**

People affected by above mentioned hazard could be any of the followings: -

- Bank Employees
- Visitors/customers
- Contractors & maintenance staff

This document covers following policy & procedures: -

1. Health, Safety & Environment Policy
2. Safety Precautions & Procedure
3. First Aid Procedure

## **2. Policy**

### **2.1. General**

1. It is the policy of Askari Bank to ensure that all activities carried out on its offices/branches or undertaken by its employees are managed in such a manner so as to avoid, reduce, or control, through proper implementation of all relevant safety procedure's all foreseeable risks to the health & safety of any person(s) who may be affected by such activities to a tolerable level.
2. It is also the policy of the Bank that these procedures are communicated to all employees, visitors, customers, and those who are impacted by their implementation.
3. It is the policy of Bank to ensure provision of:
  - A safe place in which to work with safe means of access;
  - Suitable and sufficient information, instruction, training and supervision to enable all employees to comply with the Bank's Health, Safety & Environment Policy;
  - Appropriate management procedures and consultative arrangements to monitor and audit compliance with Bank's Health, Safety & Environment Policy;

- Appropriate arrangements to access and control the risks associated with work activities undertaken at the Bank or by our employees.
- 4. All members of staff will receive a copy of this policy and will be required to acknowledge to state that they have read and understood it. New members of staff will be required to read and sign a copy of this policy before they start work and their manager will familiarize, explain and assist them to begin work in a safe manner.
- 5. All workplace incidents/accidents must be reported to the Operations Division through Area/Regional/Group Office with complete details and action taken as soon as possible on prescribed FormHRF-08-01.
- 6. All expenses on medical treatment, rehabilitation etc. of employees who were injured in a workplace incident, while on duty, shall be borne by Askari Bank.

## 2.2. Fire Safety

1. The Bank will provide the necessary firefighting equipment at all locations of its operation. It is the policy of the Bank to over rather than under provide such facilities.
2. All employees are required to familiarize themselves with the fire drill procedure as mentioned in this policy. Exercises will be arranged at regular intervals (at least twice in a year).
3. Existing firefighting equipment will be inspected and its health recorded by a safety officer or by the employee responsible for general administration of the office (e.g. branch/operation manager, administration officer etc. to be referred hereinafter as safety officer) on quarterly basis and by the head office representative (to be nominated by GH- Ops on an annual basis who will issue its fitness certificate.
4. Fire & smoke detection alarms will be installed at all locations and tested by safety officer on regular basis.
5. Fire extinguishers should only be removed from their wall brackets in an emergency. The removal of fire extinguishers in other cases without good reason will be considered as misconduct.
6. Fire exits will be provided at all locations/buildings, wherever required. Red color signs board indicating fire “exits” will be visibly placed. Fire exits must be kept clear at all times.
7. All premises of Bank will be no smoking areas. No smoking signs will be placed prominently. Smoking in all the premises will be considered as misconduct.
8. Emergency phone numbers of police, fire brigade, hospitals etc. shall be displayed at the notice board of each location.
9. A signboard with a map of all exits to the premises and necessary evacuation instructions will be prominently displayed at all premises.



### **2.3. Electrical/Mechanical Safety**

1. Changes to the electrical system (including new plugs) will only be undertaken by competent persons who have been hired for such work.
2. Work on 3 phase electrical systems will never be undertaken by unqualified personnel. Only trained personnel will handle the electrical and mechanical equipment.
3. Protective clothing/accessories will be provided to all staff working on electrical/mechanical equipment such as gloves, helmet etc. Protective clothing's must be worn before commencing any hazardous activity. Failure to do so will be considered as misconduct.

### **2.4. First Aid &First Aid Box**

1. The Bank will provide first aid facility at its all locations. The nominated first aiders (preferably nominated safety officers) will be published on the notice board of each premise.
2. First aid box containing necessary items shall be provided at each location.

### **2.5 General Safety**

1. Since good housekeeping in all areas is an essential feature of safety and the prevention of accidents, Bank will ensure proper maintenance of office premises to ensure clean and safe environment.
2. Bank will also ensure to control the use, disposal and transportation of all waste/hazardous materials including sanitary, garbage etc. This shall normally be done after regular working hours.
3. Fumigation of office premises shall be carried out regularly. Fumigation will only be carried out on weekends or after office hours when all the employees have left the premises.
4. Bank will ensure supply of clean and safe drinking water, free of any contamination at its all location either by installing water filters or purchasing mineral water.

### **2.6 Training**

1. Two branch employees, one of them preferably officer grade, will attend a training course on Health & Safety duties and responsibilities, including instructions on applying first aid and use of firefighting equipment, prior to their appointment as Safety Officer/staff for the branch/office.
2. Bank will arrange for the in house or external training, after certain interval, to all nominated safety officers/first aiders from professional body/person.
3. Whenever possible, all new employees will be given short briefing during basic level training course at the training academy.

### 3. Scope

This health, safety & environment policy is applicable to all employees, customers, as well as any external visitors including service/maintenance contractors.

### 4. Responsibilities

It will be responsibility of EVERY employee to ensure proper implementation of Health, Safety & Environment policy, however, prime responsibility rest with the followings.

#### 4.1. GH (Ops) & General Services Division<sup>1</sup>

It shall be the responsibility of the GH (Ops) & **General Services Division** to:

1. Device strategy and plan to implement this policy throughout the Bank on annual basis.
2. Ensure implementation and monitoring of this policy.
3. Audit the health, safety and environment performance of the Bank and prepare annual report for review of the management.
4. Investigate accident and take appropriate action on the findings.
5. Nominate and update, as and when required, the list of safety officers.

#### 4.2. Safety Officer

It shall be the responsibility of the Safety Officer to:

1. Participate in courses on fire safety, first aid etc. being organized by HRD from time to time.
2. Ensure proper implementation of this policy in their premises.
3. Ensure that new employee understands the content of this policy by giving them short briefing.
4. Carry out the risk assessment prior to any work activity to be undertaken.

#### 4.3. Employees

It shall be responsibility of all the employees of the Bank to:

1. Read, understand and adhere to all health, safety & environment related risks, procedures mentioned in this policy and keep them abreast with the latest information being issued from Head Office.
2. Participate in regular fire drill being held at their office.
3. Understand the location of fire alarm, fire extinguishers, first aid box, emergency exits and important emergency telephone number.
4. In case of emergency evacuation of the premises, ensure safety of important office documents, without endangering their life.
5. Switch off all the electrical, mechanical and electronic equipment under their use while leaving the office.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022

#### **4.4. Human Resources Division**

It shall be responsibility of Human Resources Division (HRD) to:

1. Review and update this policy, on regular basis, in line with the recommendations of GH (Ops) and with the Bank's overall strategy on Health, Safety & Environment.
2. Conduct regular courses for safety officers on fire fighting and first aid in coordination with GH (Ops).

#### **5. Environment**

AKBL main business operation is to provide quality banking services to its customers and hence does not undertake any activity that can damage the environment in which it is operating. However, the general environmental duty requires all the employees to take reasonable steps to prevent or minimize any environmental harm their actions may cause.

AKBL will continue to improve its image as socially responsible corporate citizen by sponsoring/financing projects (subject to other terms and conditions as per Bank policy) such as development of parks, roundabouts, tree plantations, tourism, festivals etc. Furthermore, Bank will continue to work with NGO's working for the improvement of environment of the society.

Every effort will be made by the AKBL to ensure that potential hazards to the environment, its consequences and remedial actions are considered while funding any project that can possibly have any environmental risk.

#### **6. AKBL Health & Safety Strategy**

Group Head (Ops) & Establishment Division shall have overall responsibility for implementation of this policy. GH (Ops) & Establishment Division will prepare the strategy/action plan for implementation of this policy for review and approval of ManCom. Strategy should also ensure that adequate resources are allocated to allow the implementation of this policy in the Bank. They will also prepare an annual report and would regularly advise the Bank on health, safety & environment matters. The report will review progress against the strategy, report on major accidents reported and action taken to prevent such accidents in future. This report will allow Bank to monitor and review other key health & safety performance indicators. The terms of reference for GH (Ops) & Establishment Division for smooth implementation of above strategy, are:

1. To advise the Bank & employees on the Health, Safety and Environment Policy;
2. To act as the consultative body of the Bank on health, safety and environmental issues;
3. To investigate accident & incident and take appropriate action on the findings;
4. To audit the health, safety and environmental performance of the Bank;
5. To provide assurance that the Bank is meeting its obligations in matters of health, safety and environment.
6. To co-ordinate and review the Bank's Health, Safety and Environment
7. Management systems;

8. To facilitate the implementation of the Bank's Health, Safety and Environment Plans;
9. To prepare annual report on Health, Safety and Environment;
10. To monitor and administer actions arising from the Health, Safety and Environment policy and strategy;
11. To liaise with external authorities on matters of Health, Safety and Environment.

## **7. Procedure**

### **7.1. Fire Safety**

Safety Officer for Head Office will be nominated by GH (Ops) while safety officers for each premise will be nominated by GH (Ops) in-consultation with RGM/AM. List of safety officers will be maintained at Head Office and updated on annual basis or as and when required.

#### **7.1.1. General Fire Prevention**

Fire is probably the most serious danger which most Bank personnel will ever have to face. It can break out almost anywhere and can affect everyone. Two types of fire can break out in the premises of the Bank 1) Electrical fire and 2) general fire due to wooden items, paper and other combustible material.

Regular fire prevention routines are one of the simplest and most efficient means of preventing fire. The value of the nightly routine of switching off and unplugging electrical equipment (unless the equipment concerned is designed to run continuously), checking that gas fires and gas taps are turned off, and closing the doors to all rooms and staircase enclosures, cannot be over-stressed.

#### **7.1.2. Fire Routine Procedure**

Safety Officer must ensure that all members of staff are instructed in the action to be taken should a fire break out. This is most conveniently done by giving each member of staff written instructions in the form of a Fire Routine Procedure which will be developed by safety officer under the guidance of GH (Ops)/ Establishment Division.

#### **7.1.3. On Discovering a Fire**

If you discover a fire:

- Operate the nearest fire alarm. If no fire alarm is provided, shout "Fire".
- On hearing the fire alarm, calmly leave the building immediately by the nearest available exit. If time permits without endangering your life, secure important documents, cash, shut down banking system etc.
- Lifts must **NOT** be used. Help any injured, aged, disabled person to evacuate the premises.
- Assemble at a safe place for headcount/attendance.
- Ensure that the emergency department such as fire brigade, police, hospitals etc. has been informed of the location of the fire. Also inform security officer about the incident.

#### **7.1.4. Means of Escape (Fire Exits)**

It is essential that the means of escape from a building should function efficiently. Exit doors should be fastened so that they can be easily and immediately opened from the inside without the use of keys. Exit routes must not be obstructed or used as storage areas.

#### **7.1.5. Fire Fighting Equipment**

Generally, two to four types of fire extinguishers are provided in Bank premises. Each has a specific range of use and each is located adjacent to the related fire risk. The extinguishing media used are: water, carbon dioxide, vaporizing liquid and dry powder. The external appearance of each type of extinguisher maybe different and each carries its own instructions for use. In certain buildings, hose reels are also provided. Fire blankets are provided in many locations and should be used for smothering fires involving flammable liquids or burning clothing.

Bank's personnel are well advised to know the location of the firefighting equipment in their area of work, to know on what type of fire each piece of equipment can be used and how each should be used. Instructions for the use of fire extinguishers can be obtained from the Bank Safety Officer.

Whenever firefighting equipment has been used, an immediate report must be made to the Safety Officer, so that the equipment may be recharged or replaced.

#### **7.1.6. Firefighting**

In all buildings protection of human life must take priority over fighting fires. The person discovering a fire must promptly initiate the emergency procedures listed above, unless they are entirely confident that they can extinguish the fire immediately, using an appropriate fire extinguisher, fire blanket, etc. Delay can be fatal as, once a fire is out of control, it can spread rapidly and cut off escape routes.

If possible, and without endangering personal safety, attempts can be made to contain and control a fire until the Fire Brigade arrives. Make sure that you use the correct type of fire extinguisher. The wrong choice can turn a minor incident into a major event. Always remember to take a position between the fire and the exit so that your escape route cannot be cut off. Be aware of what is happening in the surrounding area and take account of your own limitations. If possible, always make sure that someone else knows that you are tackling the fire.

#### **7.1.7. After a Fire**

Even if a fire appears to have been successfully extinguished it will still be necessary to ask the Fire Brigade to check that the fire has not unknowingly spread, and that materials or the building fabric cannot reignite.

Headcount of all the employees should be carried out by safety officer to ascertain any missing personnel. For this purpose, all employees should gather at a nearby location (already identified by safety officer) and attendance should be carried out to match with office attendance log.

Safety Officer must ensure that all fires within the building are recorded and reported to the Head Office through proper channel. Form No. HRF-08-01 should be used to report accident/injury.

## **7.2. Fire Drills**

It is essential that the fire alarm system and a pre-arranged plan specific for the evacuation of each building should be tested regularly. Safety Officer must ensure that fire drills are held at each location, at least on half yearly basis.

As soon as you hear the fire alarm, prepare to evacuate the premises and follow the procedure described in Para 7.1.3 above.

## **7.3. First Aid**

### **7.3.1 First Aid General**

The guidance given in this section is the simplest instruction in First Aid. If you have not learned basic First Aid measures, or have not been trained in First Aid, you must familiarize yourself with the name(s) and location(s) of your nearest qualified First Aider(s)/ Safety Officer. It will be too late to try to find this information once an accident has happened.

Notices giving the names, telephone numbers and locations of persons qualified in First Aid and the location of the nearest First Aid equipment must be prominently displayed in the building.

### **7.3.2. Principles of First Aid**

First Aid is the skilled provision of treatment for a casualty or any person suddenly taken ill, using the facilities and materials available at the time, to save life and to prevent any deterioration in the condition of that person while awaiting the arrival of qualified medical assistance (usually an ambulance). First Aid boxes are provided in each area or building and these boxes should be placed at a prominent place.

### **7.3.3. First Aid Immediate Action**

If an accident occurs, you should do the following: -

Check your own safety! You are of no use if you become a second casualty. Use protective clothing and equipment where necessary. Identify the cause, nature of injury and respond accordingly. Casualties should be seated or reclined when being treated, as appropriate.

- Keep calm - assess the situation - reassure the casualty

Speaking calmly to the casualty establishes consciousness and may provide useful information about the accident and assist in eliminating continuing danger. If immediate danger threatens, remove the casualty carefully to a safe place without endangering yourself. If the person's clothing is on fire, roll the casualty on the ground in a coat or fire blanket, etc.

Get help at once if the injuries appear serious by calling a qualified First Aider. Delegate a person nearby to call an ambulance, if one is required.

### 7.3.4. First Aid First Priorities

#### **Breathing & Heart Beating:**

- If the casualty is not breathing, start mouth-to-mouth respiration at once (see method below).
- If the casualty heart is not working, start CPR as per method below. Remember, the first minutes are vital.

#### **Bleeding:**

- If bleeding is severe, apply firm direct pressure on the wound to stop the bleeding, using hands, pads, dressings, etc. Maintain pressure until professional help is available.
- If the bleeding is from a limb, elevate it 10" to 12" to reduce the blood flow.
- Do **NOT** use tourniquet.

#### **Trauma or Fluid Loss:**

- Keep the casualty quiet, reassured and comfortable.
- Keep the casualty warm by a light covering but do not overheat.
- Do **NOT** give anything to eat or drink to the casualty as this may cause complications if medical attention is required.

#### **First Aid Electric Shock:**

- Do **NOT** touch the casualty until the current is switched off. If the current cannot be switched off, stand on some dry insulating material and use a wooden or plastic implement to free the casualty from the electrical source.
- If breathing has stopped, start mouth-to-mouth respiration and continue until the casualty starts to breathe or until medical help arrives.

### 7.3.5. Mouth-to-Mouth Respiration/CPR

CPR is most successful when administered as quickly as possible, but you must first determine if it's necessary. It should only be performed when a person isn't breathing or circulating blood adequately.

Quickly evaluate whether the person is responsive. Look for things like eye opening, sounds from the mouth, or other signs of life like movement of the arms and legs. In infants and younger children, rubbing the chest (over the breastbone) can help determine if there is any level of responsiveness. In older children and adults, this can also be done by gently shaking the shoulders and asking if they're all right. The next step is to check if the victim is breathing. You can determine this by watching the person's chest for the rise and fall of breaths and listening for the sound of air going in and out of the lungs. If you can't determine whether someone is breathing, you should begin CPR as mentioned below and continue until help arrives.



- Lay the casualty flat if possible.
- Ensure no obstructions are in the mouth (remove dentures, etc.).
- Ease constrictions at the neck, chest and waist.
- Place a rolled jacket or pad under the shoulders to arch the neck.
- Pinch the casualty's nostrils and draw the chin forward to open the mouth.
- Take a moderately deep breath and breathe steadily into the casualty's mouth (chest will rise).
- Lift your own head and allow the casualty to exhale (see chest deflate).
- Repeat this cycle at a rate of 6 to 8 per minute.
- Continue until the casualty resumes breathing unaided or until qualified medical services take over, however long this takes.
- In case casualty's heart beat is stopped, you should give two rescue breaths followed immediately by cycles of 30 chest compressions and 2 rescue breaths. This procedure involves pushing on the chest to help circulate blood and maintain blood flow to the major organs.

If breathing resumes, place the casualty in the Open Airway (Recovery) Position and treat as an unconscious casualty.

#### **Open Airway (Recovery) Position**

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### **7.3.6 Burns and Scalds**

Burns and scalds, however large or small and from whatever cause (including chemicals) should be cooled by flushing with copious amounts of cold water for at least 10 - 15 minutes (longer if necessary). The affected area should then be covered with a dry sterile dressing.

Never apply any lotions, ointments or anything similar to a burn or scald. **COLD WATER ONLY.**

Do **NOT** burst blisters or attempt to remove charred materials from a burn. Always obtain medical attention.

### **7.3.7 Eyes**

Foreign bodies (including chemicals) in the eye should be flushed out using clean cool water for at least 10 - 15 minutes. Sterile eye wash bottles of the sealed cap type may be used if tap water is not immediately available. Casualties with eye injuries should always be sent to the hospital with the eye covered by a pad.



#### **7.4. First Aid Box Requirement**

First aid box with following minimum requirement should be provided at each premise:

- Guidance Card: noting the most important emergency procedures.
- Wrapped Sterile Adhesive Dressings (Assorted sizes): for protecting small cuts or other breaks in the skin.
- Sterile Eye Pads: sterile pad with a bandage attached to it to use over the eye following eye injuries.
- Individually Wrapped Triangular Bandages (preferably sterile): can be used as a pad to stop bleeding, as a sterile covering for large injuries such as burns, as a bandage, or to make a sling.
- Safety Pins: may be necessary to secure bandages.
- Medium Wound Dressings: a sterile unmediated dressing pad with a bandage attached to it.
- Disposable Gloves: gloves to be worn at all times when dealing with blood or body fluids.
- Plastic Disposable Bags: to be used for disposal. This waste should be incinerated where possible, or sealed and disposed of in the normal way.

Tablets or other medication must **NOT** be kept in the First Aid box. It is advisable to have small boxes at various sites instead of one large one.

#### **7.5. Risk Assessment**

Risk assessment exercise will be carried out by Safety Officer prior to any work activity to be undertaken. The assessment must be carried out in consultation with those who will undertake the work. A written statement of the assessment identifying any significant hazards must be completed and provided to those undertaking the work. The assessment should describe the preventative and protective measures required to avoid, eliminate, reduce or control the risks identified to a tolerable level.

#### **8. Conclusion**

A safe and healthy environment in the Bank can only be possible if we understand the importance of it and act together to make Askari Bank a safer place to work. Good housekeeping can prevent most of the accident from happening. Prevention is always better than cure.

## PREVENTION FROM HARASSMENT POLICY

### 1. Purpose

The purpose of the policy is to provide and put in place mechanism to ensure a work place free of harassment, sexual harassment, abuse of authority, retaliation and discrimination. These five components together constitute ‘abusive conduct’. The policy provides details of the responsibilities of the Bank as an employer and of the Employees/Individuals/External Service providers for promoting professional, safe and harmonious work place environment.

This policy follows the theme and provisions identified in the national policies for equality of citizens by the Government of Pakistan.

### 2. Scope

This policy applies to all Employees/Individual/External Service Provider in any way affiliated with the bank (as per definitions specified at the start of the policy), who have experienced or witnessed any type of harassment including sexual harassment in the workplace.

All arising allegations shall be promptly investigated & resolved at the earliest according to the parameters defined within this policy document.

### 3. Definitions

For the purpose of this Policy, the following definitions will apply:

Acronym	Definitions
<b>Act 2010<sup>1</sup></b>	The Protection against Harassment of Women at the Workplace (Amendment) Act, 2022 (the “Amendment Act”)
<b>Harassment</b>	<p>Harassment is an act committed by a person that makes another feel uncomfortable, offended, intimidated or oppressed. Harassment may include, but is not limited towards gestures or actions which tend to annoy, alarm, abuse, demean, intimidate, belittle or cause personal humiliation or embarrassment to another; or that cause an intimidating, hostile or offensive work environment. It includes harassment based on any grounds such as race, religion, color, ethnic origin, physical attributes, gender or sexual orientation. Harassment may be deliberate, unsolicited and coercive. Harassment may also occur outside the workplace and/or beyond working hours. It can include a one-off incident or a series of incidents.</p> <p>The intent shall be established against the accused Employee/ Individual/External Service Provider, if the harassing act or combination of acts are taking place and are directed towards a specific Employee/Individual/External Service Provider.</p>

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<b>Sexual Harassment</b>	<p>Any unwelcome sexual advance, request for sexual favors or other Verbal or written communication or physical conduct of a sexual nature or sexually demeaning attitudes (intending to insult the modesty of an Employee/Individual/External Service Provider, by which a person's privacy is intruded upon) causing:</p> <ol style="list-style-type: none"> <li>1. Interference with work performance; or</li> <li>2. Creating an intimidating, hostile or offensive work environment; or</li> <li>3. The attempt to punish the complainant for refusal to comply with such a requestor is made a condition for employment.</li> </ol> <p>Sexual harassment may occur between persons of opposite sexes or of the same sex. While typically it involves a pattern of behavior, it can take the form of a single incident or a series of incidents; and it may be directed towards a group or towards a particular person. Sexual Harassment may include but is not limited to:</p> <ol style="list-style-type: none"> <li>a. Physical or verbal harassment or abuse; (flirtations including through the use of electronic media, unwelcome advances, and/or propositions).</li> <li>b. Behavior or words, including demand for unusual favors, accompanied by implied threats or preferential treatment concerning a person's employment status; (individual's employment, work assignments, or status, salary, academic standing, grades, receipt of financial aid, or letters of recommendation).</li> <li>c. Assaults, insults, jokes and reference to such literature, or anecdotes that belittle or demean a person or a group's standing/gender.</li> <li>d. Inappropriate display of suggestive objects or pictures.</li> <li>e. Unnecessary and inappropriate touching, such as holding hands, patting, pinching, hugging, or brushing against a person's body.</li> <li>f. Gestures, verbal expressions, or comments about a person's body, clothing, or sharing of bizarre experiences.</li> </ol>
<b>Abuse of Authority</b>	<p>Any individual who improperly uses the power and authority inherent in a position to endanger a person's job, undermine the performance of that job, threaten the person's economic livelihood, or in any way interfere with or influence a person's career. It is the exercise of authority in a manner which serves no legitimate work purpose and ought reasonably to be known to be inappropriate. Examples of abuse of authority include, but are not limited to, such acts or misuse of power as intimidation, threats, blackmail or coercion, misuse of position to gain personal advantage or prerogative.</p>
<b>Abusive Conduct</b>	<p>For the purpose of this policy: Harassment, Sexual Harassment, Abuse of Authority, Retaliation and Discrimination shall collectively be referred to as "Abusive Conduct".</p>
<b>Employee<sup>1</sup></b>	<p>Any person who is employed by AKBL under any type of Employment agreement that may include Employees on Probation, Regular/Confirmed, Contractual (Inclusive of Fixed Term), interns, trainees appointed on AKBL letter of Appointment under AKBL Policies and Service Rules</p>

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<b>Individual</b>	Means a person having an established working relationship with AKBL which may include but not limited to an intern or an apprentice, customer, vendor, consultant, or any other arrangement.
<b>External Service Providers</b>	Means and includes any employee of a third-party resourcing company, not included in the definition of the employee, providing services to the Bank as an external resource without any linkage in terms of service contract, employment and payroll with the Bank.
<b>Complainant/Reporting Person<sup>1</sup></b>	An Employee including former employee/Individual/External Service Provider who has made  A complaint on being aggrieved to alleged abusive conduct or a witness of such actor was informed of it by the victim.
<b>Alleged Accused / Respondent</b>	An Employee/Individual/External Service Provider (through their Respective employer) who's alleged conduct is subject of a complaint.
<b>Focal Person</b>	Staff assigned as HR Relationship Managers in the Regions across Pakistan shall be the focal person for reporting purposes.
<b>Workplace</b>	Means the place of work or the premises where Askari Bank operates, this may be a specific building, open area or a geographical area where the official duties of the Bank are carried out and including any situation that is linked to official work or official activity outside the Office.  It is the access that a perpetrator has to the person being harassed by virtue of a job- or job-related functions and activities.
<b>Competent Authority<sup>2</sup></b>	The competent authority shall be President & CEO/BoD for the purpose of this policy

#### 4. Guidelines:

- Under the Act, the Management has been made responsible to follow Code in letter & spirit for implementation of provisions and ensure that each complaint of abusive conduct is addressed responsibly through fair, impartial and just Inquiry process without any retaliation or victimization towards the complainant or the witness of the incident.
- All Employees/Individuals/External Service Providers are expected to take reasonable measures to prevent and discourage any type of abusive conduct from occurring in the workplace.
- Any Employee who violates this policy shall be subject to appropriate disciplinary action, as per defined punishment in the AKBL policies and Service Rules.
- The Bank shall ensure to protect the privacy of the entire affairs linked with the process and decide the case in a fair and equitable manner. Information about the complainant and their disposition is considered confidential and shall be shared only with the relevant and the concerned.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

- e. In case the complainant is in trauma, the Bank shall arrange access to medical and or psychological support by a staff counsel or at any point after the alleged incident.
- f. During the process of inquiry all requisite measures and necessary steps should be taken to ensure the safety and protection of complainant, and witnesses etc. on need basis.<sup>1</sup>
- g. The filing of counter complaint for defamation by alleged perpetrators shall be recognized by the Inquiry committee and potentially form a part of “Harassment”.<sup>2</sup>

## 5. INQUIRY COMMITTEE:

The Inquiry Committee will be responsible for resolution of abusive conduct cases in an equitable and fair manner.

## 6. Constitution of Inquiry Committee:

- a. The Grievance Resolution Committee shall also be the Inquiry Committee if the complaint/grievance falls under the purview of “Harassment/sexual harassment & abusive conduct” in the light of The Protection Against Harassment of Women at Workplace Act, 2022. The Committee shall consist of three members, of whom at least:
  - i. One member shall be a Senior Female Executive
  - ii. One member shall be from Senior Management
  - iii. One shall be a Senior Employee (AVP & above)
- b. The President & CEO of the Bank can appoint any Executive of the Bank as a member of the Committee and/or replace any member with another Executive.
- c. In the absence of Chairman, next senior member will act as alternate Chairman of the Inquiry Committee.
- d. In the absence of any Member, the Chairman of the committee shall appoint the Member for the committee.<sup>3</sup>
- e. In the absence of any Female Member, the Chairman shall appoint any Female Executive as Member for the Inquiry committee.<sup>4</sup>
- f. Respective Regional/Country/Group Head shall be invited on case to case basis.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

<sup>3</sup> Changes approved by the BOD on August 17, 2022

<sup>4</sup> Changes approved by the BOD on August 17, 2022

- g. In order to facilitate effective functioning of Inquiry Committee, “Any Senior Executive” shall act as “Investigation Officer” and as “Secretary” of the Inquiry Committee as appointed by the Chairman for the complaints coming under purview of this Policy. <sup>1</sup>In case a complaint of “abusive conduct” is received against any of the members of the Committee, replacement of member will be made for that particular case.
- h. In case a complaint of “abusive conduct” is received against the focal person, the complaint may be forwarded to the Secretary of the Committee for informal resolution. For formal process the complaint has to be filed on the portal.

## 7. ROLES AND RESPONSIBILITIES

The responsibilities of Inquiry Committee include:<sup>2</sup>

- a. Summon and enforce attendance of relevant employee.
- b. Communicate to the accused formal written charges after receipt of the complaint.
- c. Require the accused within seven days from the day the charge is communicated to him/her to submit a written defense.
- d. Require the discovery and production of relevant document.
- e. Review Case / Reply.
- f. Record evidence including audio and video evidence.
- g. Get the complainant or the accused medically examined by authorized doctor, if necessary.
- h. Communication of Invitation for personal hearing to all the concerned parties, if required.
- i. Take Statements of eye witnesses/witnesses or any other party involved/gather evidences, if available.
- j. Conduct Inquiry.
- k. Recommend minor or major penalties as defined in the HR Service Rules in case the guilt is proved.
- l. To conduct preliminary investigation in case of complaint against SEVP (I & II) /Key position holders and forward the findings to President and BHR&RC.
- m. The Inquiry Committee members are expected to make the environment of the inquiry process conducive and un-intimidating. The members cannot show any bias in their attitude or their questioning and are to remain neutral.

<sup>1</sup> Changes approved by the BOD on August 17, 2022

<sup>2</sup> Changes approved by the BOD on August 17, 2022

## 8. ROLE OF THE SECRETARY:

Role of the Secretary is defined below:

ROLE	RESPONSIBILITIES
Secretary	<ul style="list-style-type: none"> <li>Initial Screening of the Complaint to analyze if it's genuine or not.</li> <li>Get in touch with the Complainant.</li> <li>Fact finding and review of evidences, if any available.</li> <li>If Complaint is genuine and serious in nature same may be communicated to the Chairman of the Committee for review and further sharing with members.</li> <li>Finalizing agenda for the meetings in consultation with the Chairman.</li> <li>Ensure Coordination in all aspects i.e. Schedule, Meeting Deadlines, Reporting, Report Writing, Venue etc.</li> <li>Managing Minutes of Meetings</li> <li>Keeping follow up on the decisions taken in the meetings.</li> <li>Keeping complete record of all the cases and its proceedings.</li> <li>Liaison with various units/branches.</li> <li>Documenting proceedings of harassment complaint in accordance with "The protection against Harassment of Women at the Workplace Act 2010".</li> </ul>

## 9. RIGHT TO APPEAL <sup>1</sup>

Any party on whom minor or major penalty is imposed and is dissatisfied by the decision of the competent authority may, within seven days of written communication of the decision, file an appeal to the President & CEO for review of decision.

The President & CEO may, on considering the appeal and any other relevant material, confirm, set aside, vary or modify the decision.

Appeals against final decisions may be taken up according to the legal position applicable in each separate case as defined in the prevailing Law/Act of Pakistan.

<sup>1</sup> Changes approved by the BOD on August 17, 2022



## HR POLICY FRAMEWORK - OVERSEAS

### 1. Introduction:

HR Policy Framework -Overseas outlines the Service Rules for the staff at overseas locations. This policy document overrides all (and if any) Circulars, Memorandums, Addendums, Amendments, Instructions, Letters or any other correspondence issued earlier (if any).

### 2. Purpose:

The purpose of this Policy is to promote equitable and consistent human resource policies across all the overseas locations.

### 3. Scope:

This Policy shall be applicable to all the expatriate employees and local hires (regular and contractual) transferred/posted/hired at Branch/Office in overseas location of the Bank.

### 4. Definitions:

Acronyms	Definitions
<b>Cadre</b>	Strength of a service or part of service sanctioned as a separate unit.
<b>Grade</b>	A step within AKBL's compensation system that defines the pay and benefits an employee will receive.
<b>Expatriate</b>	An employee who is relocated from his/her Parent country to work at one of overseas location.
<b>Host country</b>	The receiving or destination country of the posting.
<b>Parent country</b>	Originating country of the staff (Pakistan).
<b>Service</b>	The period during which an employee is on duty as well as on leave duly authorized by the approving authority.

### 5. Manpower Planning:

- The overseas offices will be required to conduct a thorough review of the structure and required manpower of their Branches /Offices each year, and furnish recommendations for the following financial year in view of the staff turnover and expansions in volume/assignments, to the Human Resource Division.
- In order to optimize Human Resource utilization and to maintain cost effectiveness, stringent manpower control should be exercised. Recruitment & Selection should only be carried out in accordance with the basis of operational needs, workload assessment and approved HR annual budget.
- Whenever an employee leaves AKBL, overseas Branches/Offices should assess the manpower of his Branches/Offices to see if a replacement is necessary. Where a replacement is required, internal transfer or promotion should be considered before pursuing external recruitment or local hire.
- According to local Country law due weightage will be given to applicable Expatriate- Local ratio (governed by the local regulatory/governing body) to stay complaint.



## 6. Types of Employment

Selection for Overseas posting will be based on requirement, officer's relevant experience and performance. Employees will be categorized as follows:

- a. **Expats:** Regular AKBL employees transferred/posted from parent country (Pakistan)
- b. **Local Hires:**
  - i. Local (Regular): Local hire employees from the host country in regular cadre.
  - ii. Local (Contractual): Local hire employees from the host country hired either directly or through outsourcing arrangements.

## 7. Selection for Overseas Placement (Expats & Local Hires)

- i. All Recruitment & Selection shall be according to the annual HR budget for the host country. An active preference will be exercised to select employees on key positions from within AKBL, keeping local hiring ratio as applicable in the Parent country (Pakistan) as a benchmark.
- ii. Selection for overseas posting within the Bank' internal staff will be through Internal Job Posting process. Position requirement, previous performance, required knowledge, skills, experience and exposure of officer's relevant experience will be given due consideration.
- iii. Appointment for Key Executives shall be administered under SBP Prudential Regulations G-1 and instructions for Fit and Proper Test (FPT) issued from time to time. In this regard, Head of Overseas Office and Branch Manager are designated to be the Key Executives. Approval from local regulator as per the prevailing local laws in overseas location is to be acquired by the designated Human Resource staff in overseas location and/or designated resource by the bank accordingly.
- iv. Shortlisted staff from Parent Country (Pakistan) shall be initially interviewed by the respective Group / Country Head along with Country Head Human Resource Division and then by the President & CEO, if required.
- v. Approval for placement / transfer of the selected staff from Parent Country (Pakistan) shall be granted by the President & CEO.
- vi. All external recruitment within Pakistan for Overseas location shall be governed by Recruitment & Selection policy in the Human Resource Service Rules. If no suitable candidates are found from the available talent pool within the Bank, the Human Resource Division shall recruit through external sources / from the market as described in Recruitment & Selection Policy.
- vii. All Local (Overseas Nationals) Recruitment & Selection for positions based in overseas location shall be governed under applicable/regulatory labor laws of the overseas country/location.
- viii. For Overseas location, all the employment agreements shall be executed from the Human Resource Division and therefore framing in the policies dealing with these categories of employees are the responsibility of the Human Resource Division.
- ix. The appointment of Expat executives/officers shall be initially for a period of three years, which may be extended up to a maximum of five years at the discretion of

the President & CEO, subject to approval by regulatory entity of overseas location if required. However, in the event of misconduct or poor performance, the Management on the recommendations of Country Manager / Group Head / Country Head shall be entitled to repatriate the appointment of such executive/officer without any prior notice.

- x. The following positions are earmarked as key positions for Expats in Overseas location from parent country:

a. Head of Overseas Office

Branch Manager<sup>1</sup>

- xi. For Fresh Candidates, written test may be required to be conducted by Human Resource Division as described in Recruitment & Selection Policy of the Bank.
- xii. For Experienced Candidates, Panel Based Assessment shall be conducted in line with the Recruitment & Selection Policy of the Bank depending upon position requirement, candidate's profile and experience.
- xiii. Recruitment & Selection Policy of the Bank will be the base document of reference and will be applicable on all overseas location to the extent which is not in contradiction of local country labor laws and/or regulatory / governing body's regulation.

## 8. Appointment Approving Authority

- i. The schedule given below summarizes the approving authority:

CATEGORY	APPROVING AUTHORITY
<b>SEVP (I &amp; II) / Direct Reports*/Key Executives**</b>	Board of Directors on recommendation of BHR&RC
<b>EVP I &amp; Below/</b>	President & Chief Executive Officer

\*Excluding administrative and support staff

\*\*As per SBP's PRs or Corporate Governance Regulatory Framework as the case may be

- ii. President may delegate his authority to any executive of the Bank, as deemed necessary

## 9. Issuance of Offer/Appointment/Transfer Letters

- i. The Offer Letter will be issued by Recruitment & Selection team, Human Resource Division after taking necessary approvals from the competent authority and in accordance with the Human Resource Service rules. In case of acceptance of the Offer by the candidate; the same Offer Letter would be treated as "Appointment Letter".
- ii. All appointment letters will include, as applicable:
- Name, position and any personal particulars of identification (passport number).
  - The location of the posting, address of business premises, commercial registration number (if applicable).

<sup>1</sup> Changes approved by the BOD on August 17, 2022

- Salary Package with Benefits.
- Probation Period.
- Policy Reference.
- Timelines for joining.
- Type of employment and tenor of the contract (definite period if applicable).
- Reference of governing rules / laws & associated terms.

## **10. Joining Formalities for New Joiners**

- i. Human Resource Division shall ensure that all joining formalities must be completed before an employee joins the Bank. In addition, the expat staff and local hires must comply with the local regulations of labor laws and central bank's regulations pertaining to the appointment requirement of selected person.
- ii. All new hires will be part of a formal joining, orientation and onboarding plan.
- iii. The onboarding plan for new hires from Parent country will be jointly conducted by Human Resource Division and/or the concerned Group/Division/Office/Branch at overseas location locally (Pakistan), whereas the same for local hires will be conducted by concerned Office / Branch at overseas location.
- iv. During the Probation period, the new employee's standard of performance, in terms of the duties undertaken and their conduct shall be assessed by the immediate supervisor and concerned one step above employee of the Bank to determine whether the employee should have his or her appointment confirmed or terminated.

## **11. Salary Structure: For Expats & Local Hires**

Expats & Local Hires in Overseas location shall be provided compensation and benefits according to the Remuneration Policy of the Bank as specified in the HR Policies and Service Rules duly approved by Board of Directors and mechanism defined in this document.

- i. Gross salary of an employee (Expat & Local hires) shall comprise of three (3) components: Basic Salary, House Rent Allowance and Utility Allowance.
- ii. Upon transfer back to Pakistan, Basic Salaries payable in Pakistan will be re-fixed in PKR. For the purpose of re-fixation of salary in PKR, calculation will be done on the last paid salary in PKR by applying the annual increment rates for the years served abroad and the ratings assigned during that period. Factors such as nature of assignment / position shall also be considered while re-fixation of salary as per the discretion of the approving authority.
- iii. For foreign local hires, the salary and compensations shall be fixed in Local Currency of the Host Country comprising of three (3) components: Basic Salary, House Rent Allowance and Utility Allowance to be determined by President & CEO. Other allowances shall be as per the entitlement approved in the HR Policies and Service Rules.

**a. Allowances**

As per the entitlement approved in the HR Service Rules, to be disbursed with the monthly salary.

**b. International Compensation Package (ICP)**

In addition to the existing salary package and allowances, expat staff will be provided with a monthly International Compensation Package (ICP) allowance to cater for the cost of living abroad i.e. accommodation, transportation, Schooling, Food etc. The ICP Allowance shall be fixed by Human Resource Division considering the host country / place of posting and grade of the employee at the time of such assignment and will be revised / updated annually (if required). The pay package will be finalized upon the approval of the President & CEO.

**12.Mode & Currency of Payment of Compensation**

The Salary Package (inclusive of all allowances) admissible to expat staff member will be fixed in US Dollars at the time of posting/hiring w.r.t to the incremental effect taken into consideration (the conversion rate shall hold till the repatriation of the employee to Pakistan) and will either be directly debited or remitted to their respective accounts. For Local Hires the salary package (inclusive of all allowances) will be disbursed in the local currency of the host country.

**13.Contributions & Deductions:**

The employee Contribution & Deductions (if any) shall be implemented by the Bank, according to the Labor laws of the host country.

**14.Bonus for Expats & Local Hires:**

Bonus shall be admissible, as and when decided by the Competent Authority of the Bank. Basic Salary will be considered for the payment of bonus (excluding all allowances) at the discretion of the approving authority.

**15.Remuneration Policy for MRTs & MRCs:**

The remuneration policy for Material Risk Takers (MRTs) and Material Risk Controllers (MRCs) approved in the Human Resource Policies and Service Rules under the “Remuneration Policy for MRTs & MRCs” shall be applicable to all the employees of the Bank categorized as MRTs or MRCs under the criteria given within this policy, in both local and international operations.

**16.Other Facilities for Overseas Locations:**

**a. Travel Grant for Expats:**

- i. The Expat staff will be entitled for tickets of economy class (by air) for Self, Spouse and two Children every two years to parent Country, (up to a certain limit as determined by Human Resource Division from time to time) and will be mentioned in the appointment/transfer letter.
- ii. One (01) month gross salary fixed in local currency of host country will be paid upon transfer to Host country. Similarly, on transfer back one month's gross salary based on salary fixed in PKR shall be disbursed (Taxation rules will apply at Country of Posting).

#### **b. Health Insurance**

- i. Expat staff & their dependents will be medically insured with insurance company at overseas locations with the oversight of Human Resource Division. Insurance will be aligned with Healthcare policy of the Bank.
- ii. Dependents of the expat employees living in Pakistan are to be insured in Pakistan as per the prevailing local entitlements.
- iii. The local hires of the host country shall be insured aligned with the Healthcare Policy of the Bank and according to the applicable laws of the overseas location with the local insurance company with the oversight of Human Resource Division. In case, any deviation needed same may be approved by President & CEO with recommendation of Country Head Human Resource Division.

#### **c. Life Insurance**

- i. All Expat employees and local hires (regular) shall be covered under life insurance Policy, applicable to staff working in Pakistan.

#### **d. End of Services Benefits:**

- i. **Gratuity:** The expat staff will be entitled to gratuity equivalent to 15 days of gross salary (i.e. Basic Salary+ House Rent+ Utility) for each completed year during the first three years of his/her service with the Bank and thereafter One (01) month gross salary per year for the service period in Host Country.
- ii. **Provident Fund:** This facility is not available at overseas locations.
- iii. The local hire staff shall not be entitled to any allowance/perquisite admissible to the employees working in Pakistan.
- iv. Period served in overseas location will not be counted while calculating end service benefits if the expat has served in Pakistan.

### **17. Leave Rules:**

- i. The leave rules shall be applicable as defined in the Human Resource Service rules / Leave Policy of the Bank. In case of any leaves differing from AKBL Service rules / Leave Policy, the local labor law pertaining to the leaves of the host country shall be applicable.
- ii. The differing local labor laws pertaining to leave rules are to be submitted by the Head of the overseas Branch/offices to Country Head Human Resource Division for approval by the President & CEO.
- iii. An employee is entitled to Privilege Leave for not more than 24 working days in a calendar year, to be credited to each employee's leave account on first day of each calendar year. The Earned leave shall be encashed once in a calendar year provided that the quantum of leave to be encashed at year end in each case is not more than 50% of the Earned Leave.
- iv. The total earned leave shall not exceed 45 working days. The leave shall be availed of at such time as the Bank shall consider appropriate and as applicable to Bank's other staff, in its sole discretion subject to exigencies of service and having regard to the operational requirements of the Bank.

- v. Leave cannot be claimed as a matter of right. When exigencies of service so require, the Line Managers may at his / her discretion decline leave of any kind and may also require an employee to resume duties before expiry of the leave already sanctioned to him/her.
- vi. Designated staff at Human Resource Division shall be responsible for oversight of approved leave (according to the Leave Policy)

## **18. Performance Management:**

All appraisal and promotions shall be made on merit and at the sole discretion of the management. No employee can claim promotion to any particular designation/grade by virtue of seniority or qualification as a right. The promotions for expats and local hires shall be considered as per the approved HR Policies and Service Rules and the business requirement of the Bank.

## **19. Transfer & Rotations:**

While making transfer / rotation decisions, following guidelines shall be followed -

- a. Employees can be transferred to any branch or office within overseas location by the concerned Group Head's / Country Head's discretion considering the business requirement.
- b. Local staff posted in "overseas offices shall be exempted from rotation wherein expat shall be rotated within the branch / function in same office for a period of three (03) years. This period may be extendable by two years with the prior approval of the President & CEO. The maximum period shall not exceed five (05) years. The rotation of Key Executives shall be governed as per HR Service Rules.<sup>1</sup>
- c. On transfer to overseas location, an employee will be allowed joining time not exceeding 7 days or as per the instruction of the competent authority, excluding Sundays and gazetted holidays. He/She/they shall submit a joining report to the respective Line Manager.
- d. Transfer of an employee at his/her own request shall not be treated as transfer in the interest of the Bank and no TA/DA, transfer grant or any other allowance shall be paid to the employee unless the authority sanctioning the transfer for special reason directs otherwise.
- e. The Country Head Human Resource Division shall report implementation status of rotation policy to Board Human Resource & Remuneration Committee on annual basis.

## **20. Succession Planning**

- a. The succession planning policy shall be as per the approved HR Policies and Service Rules. This policy presently covers the key position within the Bank. Initially, the succession planning exercise for overseas operations shall be pursued for Top Management positions only in Tier I.

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<sup>1</sup> Changes approved by the BOD on August 17, 2022



- b. Approved Succession plans for key management positions shall be kept by Human Resource Division. These plans shall be reviewed on yearly basis. Fresh plans with updating for changes, if any, shall be prepared and approved for follow up of training and development requirements.
- c. Human Resource Division will ensure that the annual training plan is developed and implemented for the identified successors at overseas operations.
- d. All promotions/ replacements to and within positions in key management positions shall be managed primarily through Succession Plan by identifying, preparing and tracking high performing employees within Askari Bank Limited.

## **21. General Conduct:**

- a. All Expat Staff and Local Hires (Regular) will be governed by Human Resource Policies and Service Rules. In addition, during their posting in overseas location they shall be subjected to overseas visa policies, regulations under labor laws and Central bank's rules instructed from time to time in relation to expat/foreign employees working in overseas location.
- b. The Head of the overseas Branch/offices shall formulate the Rules in accordance with local labor laws and Central bank's regulations defined from time to time in relation to expat/foreign employees working in overseas location and arrange its vetting from local legal counsels for onward submission to the Country Head Human Resource Division.
- c. In case there is conflict between the AKBL Service rules and local labor laws/Central Bank's regulations, the local labor law shall take precedence. The local regulations are to be submitted by the Head of the overseas Branch/offices for approval by the President & CEO. The Country Head Human Resource Division shall review the Rules for each overseas location and recommend for the final approval by the President & CEO.
- d. All staff members must sign the "Code of Ethics" document which contains details of norms of office behavior, at the time of their appointment and subsequently review the same at regular intervals to ensure its adherence in true letter & spirit. Employees of the Bank will maintain utmost courtesy and exemplary manners when interacting with clients or with each other. Any violations of this code should be brought to the attention of supervising officials as well as the Human Resource Division for their information, record and remedial or disciplinary action.
- e. All employees posted at overseas locations are required to adhere the Bank's SOPs in true letter & spirit. Any violation will be reviewed in the light of parameters defined in Disciplinary Action Policy of Human Resource Service Rules.
- f. The cases of Fraud & forgery or serious violations shall be reported to Audit & Inspection Division through President's Secretariat for detailed investigation under intimation to Country Head Human Resource Division and Group /Country Head. Any employee suspected of fraud/ forgeries / major policy violations, shall be immediately suspended by the Head of Overseas in accordance with the local labor laws under intimation to Country Head Human Resource Division till satisfactory closure of enquiries against them. The Expats shall be transferred back to the Parent Country after completion of necessary requirements defined by the Central Bank's regulations for appropriate action in the light of Bank' Disciplinary Action Policy.

Disciplinary action proceedings for the Locals will be completed in accordance with HR Policies and Service Rules or local labor laws at the Host Country if required.

- g. The Country Head Human Resource Division shall arrange presentation of cases to Disciplinary Action Committee for appropriate decision in the light of Disciplinary Action policy.
- h. Human Resource Division shall communicate the decision of Disciplinary Action Committee to the delinquents and concerned offices.
- i. Askari Bank is committed to a “zero tolerance” approach for harassment, discrimination and abuse of authority in the workplace, and will not tolerate conduct that can be construed as harassment, sexual harassment, abuse of authority and discrimination. This means that any reports of abusive conduct will be dealt with promptly, justly and effectively in accordance with Human Resource Policies and Service Rules and/or the relevant local laws in overseas location if required. Prevention from Harassment policy will remain as document of reference.



## GENDER EQUALITY, DIVERSITY & INCLUSION POLICY<sup>1</sup>

### 1. Introduction:

AKBL is committed to promoting a diverse and inclusive culture by eliminating discrimination and minimizing bias in all its business processes. Diversity is seen as a strategic and sustainable long-term objective. Gender Equality, Diversity and Inclusion (GEDI) is an integral part of the overall business strategy and is reflected in our vision, core values, policies and practices.

Essentially, a diverse and inclusive culture will create equal opportunities for our employees and value for us as a workplace. It will unlock our employees' full potential, provide AKBL with a competitive advantage to become a better bank for all our stakeholders.

### 2. Purpose:

This policy articulates the Bank's vision relating to gender equality, diversity and inclusion as principal elements of our business philosophy. One of the pillars of our business strategy is to be an employer of choice by promoting equality in our services, operations, and work environment to value differences – of experiences, cultures, and ethnic backgrounds.

### 3. Equality, Diversity & Inclusion Pillars:

Gender Equality, Diversity and Inclusion Policy acknowledges the value of a diverse workforce and outlines our commitment to ensuring that all workplace policies, procedures and initiatives support and enable gender equality, diversity and inclusion throughout the career lifecycle of our employees.

This policy specifically aims to ensure that gender is not viewed as a barrier, and equality exists in all our employment policies and processes, including recruitment and retention, performance management, promotions and transfers, learning and development, career development, identification of high potentials, succession planning and equal pay. Askari Bank has set four key pillars for equality, diversity and inclusion objectives:

- I. **Leadership & Governance:** Sensitizing senior management on the gender, diversity and inclusion actionable areas through various interventions at various leadership levels and at different forums. To broaden bank's outreach towards under-represented gender e.g. women at all levels within the bank.
- II. **Service Delivery:** Ensuring that our workforce is diverse enabling business to provides better services through internal assets having diversified cultural backgrounds. This includes a review of existing and new product and services with gender sensitive focus.
- III. **Gender Mainstreaming:** Ensure non-discrimination and equality of opportunity for underrepresented genders at all levels of the organization; improve women representation as per bank's strategy and regulatory requirement. Adopt measures to improve gender diversity outreach and ensure policies and processes prioritize gender

<sup>1</sup> Changes approved by BOD on December 07, 2021

sensitive focus.

- IV. **Inclusivity:** Develop a broad and inclusive culture across all business processes that embraces differences by eliminating bias detrimental to diversity and inclusivity. These differences may include gender, age, disabilities, ethnicity, religious beliefs, socio-economic backgrounds, perspectives, experiences, and other areas of potential difference.

#### 4. Constitution of Gender Equality, Diversity & Inclusion Committee (GEDIC):

- i. The GEDI Committee is to be constituted as follows:

<u>S.#</u>	<u>FUNCTIONAL DESIGNATION</u>	<u>ROLE</u>
01	President & CEO	Chairman
02	Chief Operating Officer (COO)	Member
03	Chief Financial Officer (CFO)	Member
04	Chief Compliance Officer (CCO)	Member
05	Group Head Operations	Member
06	Country Head Human Resource	Member
07	Country Head - Credit Commercial & SME	Member
08	Any female executive with appropriate seniority	Member
09	PWD female Staff	Member
10	Designated HRD staff	Secretary

- ii. As per the bank's strategy and regulatory requirement, one female (PWD) employee shall be nominated as member of the GEDI committee to engage in agenda items pertaining to persons with disabilities.
- iii. In the absence of Chairman, the next senior member will act as Alternate Chairman.
- iv. President & CEO shall designate a staff member from Human Resource Division to act as Secretary for the GEDI committee.
- v. GEDI committee shall provide oversight and monitor progress on implementation of the bank's action plan/regulatory/statutory requirements. The committee shall identify actions for Gender equality, diversity, financial inclusion and other GEDI related facets where required.
- vi. The President and CEO will approve the formation of the Gender Equality, Diversity, and Inclusion Committee (GEDIC) and/or its terms of reference (TORS), as well as any subsequent changes/amendments to the committee or TORS.

#### 5. Constitution of Women's Financial Services Department (Unit/Group/Division):

A specialized department and its Organogram shall be established and approved by the President & CEO to tap in to the various segments of the female market. The department

shall be the single point of contact (SPOC) between AKBL and the stakeholders and shall mainly focus on the following:

- i. Collaborate with different departments to review the existing and new products and services including digital financial products with a gender perspective and recommend changes (if required).
- ii. Apply gender lens and simplify credit policies, loan processes and documentation for financing to women.
- iii. Conduct marketing campaigns through market analysis/consumer surveys to improve awareness of financial products and services for women.
- iv. Track female deployment for bank's touch points such as bank branches, call centres and alternate delivery channels as per regulatory requirement.
- v. Keep track of hiring trends with gender perspective on YOY basis as per regulatory requirements within the bank.
- vi. Ensure compliance of all bank-specific/geographical/provincial/business-specific data collection and reporting to all stakeholders.
- vii. Ensure to achieve the assigned targets for women centric products and services, their access and usage as per the bank's strategy and regulatory guidelines.
- viii. Collaborate with different stakeholders e.g. academia, Fintech, chambers of commerce, women associations/networks and civil society organizations in developing and marketing women centric products and services and provide awareness.
- ix. Explore partnerships with statutory bodies to create opportunity for raising awareness and facilitating women to access financial services.

## 6. Policy Framework for Persons with Disabilities (PWDs)

### 6.1. Introduction:

Askari AKBL Limited as a responsible employer recognizes the value of a diversified workforce. The policy for Persons with Disabilities (PWDs) shall be interlinked with AKBL's "***Gender Equality Diversity & Inclusion Policy (GEDIP)***". The policy reflects the AKBL's strategic objectives to be an employer of choice, cultivate an inclusive workplace culture and be an equal opportunity employer at all levels including persons with disabilities to foster innovation and collaboration.

"***Persons with Disabilities (PWD)***" include those who have long-term physical, mental, intellectual, developmental or sensory impairments, which in interaction with various barriers may hinder their full and effective participation with others on an equal basis. Persons with disabilities may have specific requirements that needs to be met in order for them to be included in the workforce.

AKBL commits to promoting a workplace culture that protects the rights of "Persons with Disabilities (PWD)" and treats them with dignity, respect and provides equal terms and conditions of employment. AKBL will continuously strive to ensure that all our facilities, technologies, information and privileges are accessible to people with disabilities.

## 6.2. Purpose:

This policy framework has been prepared as a part of the AKBL's initiative for implementing SBP's Guidelines with respect to Human Resource's role for Financial Inclusion of Persons with Disabilities (PWDs), issued from time to time including **BC&CPD Circular No. 5 of 2021** dated June 21, 2021 in letter and spirit. The main objectives of this policy are:

- i. To create equitable opportunities for persons with disabilities (PWDs) and mainstreaming employment lifecycle for them.
- ii. To eliminate discrimination bias against Persons with disabilities and ensure that they are only differently abled bringing their uniqueness and adding value through their contributions.
- iii. Promoting a healthy, safe, and accessible workplace.

## 6.3. Scope:

The scope of this document covers all potential candidates / employees across the AKBL who are only differently abled i.e., Persons with disabilities (PWDs), including those who may develop a disability during the course of employment.

## 6.4. Policy Framework:

- i. Persons with disabilities shall not be discriminated against at any point in the employment cycle. This concerns all matters related to recruitment, selection, appointment, career development, learning opportunities, performance evaluations, promotions, transfers, retention in employment, re-employment and separation.
- ii. The rights of persons with disabilities shall be protected on an equal basis with others, including the right to just and favourable conditions of service, and equal remuneration for work of equal value. This also encompasses safe and healthy working conditions, including protection from harassment and the redressal of grievances.
- iii. AKBL will ensure reasonable accommodation for PWD, whenever necessary. **“Reasonable accommodation”** means necessary and appropriate modification where needed in a particular case, to ensure that the persons with disabilities: enjoy or exercise on an equal basis with others of all human rights and fundamental freedoms at home, workplace and in social life.
- iv. Examples of reasonable accommodations may include (but not limited to) acquiring or modifying equipment or devices, modifying assessment and training materials, modifying work schedules, any **change to the application or hiring process**, to the job, to the way the job is done, or the work environment that allows a person with a disability who is qualified for the job to perform the essential functions of that job and enjoy equal employment opportunities etc.
- v. All accommodation requests by persons with disabilities shall be recorded at the time of recruitment and maintained in the employee's official personnel file. These can also be updated during the course of employment of PWD.
- vi. The **President & CEO** shall be the final authority to approve or decline the provision of reasonable accommodation.

## **6.5. Facilities and Amenities**

### **6.5.1 Physical Infrastructure and Amenities**

The AKBL shall ensure that the physical infrastructures (buildings, furniture, amenities, and services within the building) are in compliance with the regulatory requirements issued from time to time. Accessibility audits to be conducted periodically.

### **6.5.2 Digital Infrastructure**

Human Resource Division shall continuously endeavor to ensure that all Human Resource documentation, communication and information technology systems adhere to the regulator's accessibility guidelines/instructions.

## **6.6. Recruitment & Selection:**

- i. The principle of equal opportunity and non-discrimination shall be followed throughout the recruitment process as part of its "Gender Equality, Diversity & Inclusion Policy (GEDI) framework, to ensure equitable opportunities for persons with disabilities.
- ii. The AKBL shall ensure that the recruitment for persons with disabilities (including female PWDs) shall be aligned with the government/ regulatory body's prescribed job quota and AKBL's GEDI policy framework.
- iii. In addition to AKBL's existing recruitment sources; Human Resource Division may liaison from time to time with other national agencies or cross disability organizations to identify, source and expand the pool of available PWDs candidates.
- iv. Role mapping exercise shall be conducted by Recruitment and Selection team in collaboration with the cross-disability organization (as and when required) for evaluating the current job roles and redesigning the job descriptions so that persons with disabilities can easily perform them.
- v. All job vacancy advertisements shall include a brief statement on equal opportunities for people with disabilities if possible. The required job advertisement may also be shared with the cross-disability organizations to post on their respective platforms/portals for the respective positions. Relevant clause of equal opportunity employer shall be made part of all positions advertised by the AKBL.
- vi. During the hiring process for suitable positions, potential candidates with disabilities shall be offered reasonable accommodation if they require enabling them to compete for the position on an equal basis with other candidates. All efforts shall be made by the AKBL to comply with such requests including financial/non-financial budget approvals where required.
- vii. Human Resource Division in collaboration with cross disability organization (as and when required) shall ensure that all reasonable accommodation is in place before the incumbent's joining of the AKBL.
- viii. If a staff member acquires a disability or an existing disability becomes more severe, Human Resource Division will take steps in collaboration with the respective line management at enabling the staff member to remain in suitable employment, or to return to work following an absence resulting from an acquired or increased disability.

- ix. The eligibility criteria as defined in the “Recruitment & Selection Policy” shall be relaxed for persons with disabilities focusing on the basic skills, knowledge, and abilities deemed necessary for the vacant position.
- x. The final appointment approving authority shall be as per HR Policy of the AKBL.
- xi. The Recruitment & Selection team shall ensure availability of all stationery/forms, documents/materials meant for induction to be in accessible formats.
- xii. All new hires will be part of a formal joining, orientation and onboarding plan conducted by Human Resource Division.
- xiii. Flexible working arrangements (including work from home if possible) for persons with disabilities (PWDs) may be agreed upon by the supervisor and staff member concerned with approval from the Country Head Human Resource Division, based on our existing flexible working policy along with reasonable accommodation requirements.

#### **6.6.1 Internships**

- i. Recruitment & Selection team shall arrange an annual internship program for differently abled staff and special budget shall be approved for the same to ensure that they can acclimatize to social and communal settings in a conducive workplace environment.
- ii. The Stipend offered to differently abled interns will be as per market practice.
- iii. Recruitment & Selection team shall arrange for reasonable accommodation where required to hire differently abled staff as interns.
- iv. The internship program for PWDs may or may not lead to job opportunities.

### **6.7. Performance Management & Rewards**

To promote AKBL’s pay for performance culture, reward performers and provide opportunities to employees for their development and career progression; the performance evaluation of person with disabilities (PWDs) staff members will be undertaken according to objective criteria related to the job’s essential tasks and the work plan objectives, without compromising the pay for performance approach of the AKBL.

### **6.8. Training Policy & Career Development**

Learning & Development Unit will ensure equal access to learning opportunities to all employees about the AKBL’s “*Gender Equality, Diversity & Inclusion Policy*” by conducting the:

- i. Human Resource Division shall ensure annual awareness sessions of all employees about the organization’s inclusion policy for differently abled staff as part of its diversity, equity, and inclusion annual training.
- ii. Awareness/sensitization program and practical training of branch staff
- iii. Customized training of Recruitment & Selection team/HR staff to be conducted to ensure that HR team is well versed in terms of differently abled hiring and are able to undertake special recruitment drives, accordingly.



- iv. Orientation sessions on disability for the all-AKBL staff especially, senior management, middle management and line staff to develop understanding of disability as a diversified way of living.
- v. Specific training plans, materials, and courses in collaboration with the respective line management to be developed specifically for differently abled employees.
- vi. In order to sensitize the right-based approach about disability, AKBL shall also arrange induction sessions for new staff with disabilities.
- vii. Basic Sign language training for the identified staff directly interacting with those with PWDs.
- viii. To support the line managers of differently abled employees, relevant resources and materials will be shared to enable them in providing on the job training to their **employees**.
- ix. **Specialized** training of the staff on the SBP's concessionary financing schemes for PWDs.

#### 6.8.1 Career Development

- a. Once recruited, differently abled staff members shall have the right to fully develop their career potential on an equal basis with other employees of the AKBL.
- b. Human Resource Division shall ensure development of career development for differently abled employees.
- c. Their career development plans will be monitored on a periodic basis to evaluate their progress with the AKBL.

### 6.9. Workplace Environment & Benefits

- a. Human Resource Division in collaboration with the respective Group/Division/Unit will take steps to ensure that the office environment is suited as well as conducive and inclusive to staff members with disabilities.
- b. Where appropriate, accessibility audit of the workplace will be carried out when:
  - a staff member becomes disabled during his/her employment with the Organization.
  - a disabled staff member's move to a different office entails a significant change in the office environment.

### 6.10. General Guidelines:

- i. Human Resource Policies and Service Rules will be the base document of reference and will be applicable to the extent which is not in contradiction of regulatory / governing body's regulation for persons with disabilities (PWDs).
- ii. A focal person shall be designated as Gender Champion from the Human Resource Division for the issues concerning Persons with Disabilities. By advocating, advising, and supporting initiatives, the focal person will coordinate to advance gender mainstreaming, diversity, and inclusion within the AKBL.
- iii. Grant shall be allowed to assist PWD employees to purchase assisted device as per their need. The President & CEO shall be the approving authority to approve this grant.

**Definitions:****a. GENDER EQUALITY**

Gender often defines the duties, responsibilities, constraints, opportunities and privileges of women, men and transgender in any context. Gender equality implies that the interests, needs and priorities of each gender are respected. To promote equality of opportunity by seeking to remove barriers, eliminating discrimination and ensuring equal opportunity and access for all groups of people.

**b. DIVERSITY**

Diversity refers to different values, attitudes, cultural perspectives, beliefs, ethnic background, nationality, sexual orientation, gender identity, ability, health, social status, skill and other specific personal characteristics.

**c. INCLUSION**

Inclusion refers to the complete acceptance and integration of all employees regardless of diversity background that proactively leads to a sense of belonging, engagement and full participation within and across the Bank.

**d. GENDER MAINSTREAMING**

The process of integration of a gender perspective into the preparation, design, implementation, monitoring and evaluation of policies, regulatory measures and programmes, with a view to promoting equality between women and men, and combating discrimination.



## CONFLICT OF INTEREST (COI) POLICY<sup>1</sup>

### 1. Introduction

Askari Bank Limited adheres to the corporate governance standards, which encompasses high levels of business integrity, honesty, accountability and transparency to ensure the independence of Parent Entity, Subsidiaries, Board of Directors, President & CEO and all employee's (hereinafter "Stakeholders") decision and avoiding any kind of personal or organizational conflict of interest with that of the Bank (AKBL) with a view to serve the best interest of the Bank.

### 2. Purpose

The purpose of this policy is to ensure that AKBL operates in compliance with applicable and regulatory requirements of SBP "Corporate Governance Regulatory Framework", and that the reputation, name, and integrity of the Bank are not compromised.

### 3. Scope

This policy applies to Holding company, Subsidiaries, Overseas Operations / representative offices (in case of any difference in regulations, Host Country's regulations supersedes), Board of Directors (both Executive and Non-Executive), President & CEO and all employees of the Bank.

### 4. Definitions

#### a. Conflict of Interest

A conflict of interest arises in any situation where a person shall be deemed to have an interest in a matter if he/she has any stake, pecuniary or otherwise, in such matter which could reasonably be regarded as giving rise to a conflict between his/her duty to objectively perform functions so that his/her ability to consider and decide any matter impartially or to give any advice without bias, may reasonably be regarded as impaired.

#### b. Director

Means any natural person occupying the position of a director on the board of a Bank and includes sponsor, non-executive independent/nominee), executive and alternate director or by whatever name called

#### c. Family Member/Close Personal Relationship (CPR)<sup>2</sup>

Family Members/relatives of employees covered under Close Personal Relationship (CPR) includes Lineal Ascendants [parents/grandparents/great-grandparents], Lineal Descendants [children, grandchildren and great-grandchildren], spouse siblings [brother/sister], parent-In-law, son/daughter/brother/sister-in-law, aunt / uncle [Maternal/Paternal], (first) cousin, niece/nephew and guardian/ward.

#### d. Holding Company

Shall have the same meaning as defined in Section 2(1) (37) of the Companies Act 2017: "Holding company" means a company which is another company's holding company if, but only if, that other company is its subsidiary;

<sup>1</sup> Changes approved by BOD on March 17, 2022

<sup>2</sup> Changes approved by BOD on August 21, 2023

**e. Substantial Interest**

Substantial Interest shall have the same meaning as defined in Section 5(o) of the Banking Companies Ordinance 1962: “Substantial interest” in an undertaking shall be deemed to be possessed by a person if he or any of his family members is the owner, director or officer of or has control over the undertaking or if he or any of his family members holds shares carrying not less than twenty per cent of the voting power in such undertaking;

**f. Subsidiary**

Shall have the same meaning as defined in Section 2(1) (68) of the Companies Act 2017: “subsidiary company” or “Subsidiary”, in relation to any other company (that is to say the holding company), means a company in which the holding company

**g. Stakeholder**

For the purpose of this policy, stakeholders are Parent Entity, Subsidiaries, Board of Directors, President & CEO and all employees.

## 5. Principles and Policy

The Stakeholders of the Bank are committed to the principles of good corporate governance in compliance with the best market practices, relevant rules, regulations and guidelines by the regulatory body.

Key obligations of Stakeholders of AKBL in connection with Conflicts of Interest are:

- 5.1. All appointments in the Board, President & CEO and of all employees in the Bank shall not create any conflict-of-interest situation.
- 5.2. The Stakeholders of the Bank, in respect of their responsibilities and obligations as Directors/President/Key-Executives/Employees, shall adhere to all applicable laws, regulations and directives of regulatory and tax authorities, including but not limited to the Companies Act, 2017, Banking Companies Ordinance, 1962, SBP’s Corporate Governance Regulatory Framework 2021, Listed Companies (Code of Corporate Governance) Regulations 2019, Prudential Regulations, AML/CFT/CPF Regulations, as issued and amended from time to time.
- 5.3. The Stakeholders shall avoid conflict of interest in their activities with the Bank and commitments to other organizations.
- 5.4. In addition, AKBL shall not have as a Director, President & CEO or employee who is holding any public office (by whatever designation) or office of any political party, or is a member of Senate, National Assembly, Provincial Assembly or Local bodies.
- 5.5. A Director cannot serve on the Board (including as a nominee director of the Government) of any other Bank. However, this clause will not be applicable in case of Managing Director and other employees of National Investment Trust (NIT) nominated on the board of Banks/DFIs, till privatization of NIT.
- 5.6. No person can serve as a Director and/or President & CEO AKBL, if he/she is holding substantial interest or is working as Chairman, Director, CEO, Chief Financial Officer, Chief Internal Auditor, Financial Advisor, Research Analyst, Trader or member (by whatever name/designation called) of a:
  - i. Exchange Company
  - ii. Stock Exchange

- iii. Corporate Brokerage firm/entity
- iv. Credit Information Bureau;
- v. Any company/entity owned and controlled by the persons mentioned above.

- 5.7. Stakeholders of the Bank are required to disclose any real or perceived conflicts of interest made in writing and by respective party prior to joining the Bank or the first Board meeting (whichever is applicable) immediately.
- 5.8. It is possible for relationships with clients, intermediaries and suppliers to give rise to situations where there might be a conflict of interests. Where such business interests arise, the Stakeholders shall, in respect of such interest, rescue himself/herself from the decision-making of the Bank or of the outside interest.
- 5.9. The stakeholders shall be required to provide disclosure if any relative, immediate family members / Blood relatives / in-laws / first cousin are existing employees/Directors or being newly appointed in the Bank to ensure due diligence.
- 5.10. The Bank's Stakeholders shall not divulge any confidential information or information to any third parties by virtue of his/her position as a Director /CEO/Key Executive/Employee. This includes information on how to package a proposal for any Bank related transactions and arrangements, manage work-related information on the basis of the Bank's need-to-know principle, respecting information barriers and duties of confidentiality at all times.
- 5.11. The Stakeholders shall not be in a supervisory, subordinate or control relationship (having influence over conditions of employment) to avoid influencing decisions that benefit their own company(s) or related persons, whether financially or otherwise. This may result in the stakeholders carrying out their duties for the Bank in a biased or detrimental manner to the Bank.
- 5.12. The Stakeholders shall not use their position at the Bank to receive a benefit which is inappropriate and may differ from, or damage, the interests of the Bank. An example is where an employee accepts any kind of favors / entertainment, which may influence inappropriately on his/her decisions in selecting a preferred bidder in a tendering process.
- 5.13. Each Stakeholder should ensure that he/she is independent and seen as being independent of any business or person with whom the Bank has a service/client relationship with.
- 5.14. AKBL shall not enter into leasing, renting and sale/purchase of any kind with their Sponsor Shareholders, Board of Directors, President & CEO, Key Executives and employees or such persons who either individually or in concert with family members beneficially own 5% or more of the equity of Bank. This restriction does not apply in case of purchase of vehicles, laptops, mobile phone devices and Tablets (iPads etc.) by the executive Directors, employees of the Bank which remained in their own use, provided such sale is covered under the Human Resources Policies and Service rules duly approved by the Board of Directors and is affected at least at book value on the date of such transaction.
- 5.15. AKBL shall not take unsecured exposure on, or take exposure against the guarantee of:
- i. any of the Directors;
  - ii. any of the family members of any of the Directors;
  - iii. any firm or private company in which AKBL or any of the persons referred to in (i) or

- (ii) are interested as Director, proprietor or partner; or
- iv. any public limited company in which the Bank or any of the persons as aforesaid are substantially interested; and
- v. President & CEO and shareholders holding 5% or more of the share capital of the Bank including their spouses, parents, and children or to firms and companies in which they are interested as partners, Directors or shareholders holding 5% or more of the share capital of that concern.

5.16. If a Stakeholder is interested party in any transaction or matter, to be approved by the Board of Directors, then the concerned stakeholder will disclose his or her interest and shall abstain/restrain from the discussions and decision-making process for the transaction.

5.17. If a Director wishes to become officially involved with any outside corporation or other organization as Director, trustee, officer or advisor, the Director must inform the Board of Directors through the Company Secretary, AKBL.

5.18. Without the approval of the majority of the Directors excluding the Director concerned, AKBL shall not take any exposure on:

- i. any of its Directors or individuals, firms or companies in which they or any of the Directors, either directly in the borrowing entity or in any of its group companies, hold key management positions, or are interested as partner, Director or guarantor, as the case may be, without the approval of the majority of the Directors excluding the Director concerned.
- ii. the President & CEO and shareholders holding 5% or more of the share capital, including their spouses, parents, and children or firms and companies in which they are interested as partners, Directors or shareholders holding 5% or more of the share capital of that concern.

The facilities to the persons mentioned above shall be extended at market terms and conditions and be dealt with on arm's length basis. Further, no preferential treatment shall be given on deposits to the related parties.

5.19. All the stakeholders will disclose and report all the information regarding related parties as well as related party transactions as per the applicable laws and regulations.

5.20. All stakeholders shall follow the Policy for Contributions and Donations in the matter of making any donation/charity/contribution in official capacity.

## **6. Trading in the Shares of AKBL:**

- 6.1. The Stakeholders having the knowledge of unpublished confidential price sensitive information shall not, directly or indirectly, deal in the shares of the Bank.
- 6.2. If any Stakeholder or his/her spouse sells or buys the shares of the Bank, he/she shall immediately notify the Company Secretary in writing about the details of the transactions.
- 6.3. Stakeholder having access to insider information shall not, directly or indirectly, deal in the shares of the Bank, in any manner, during the Closed Period.

## **7. Breach of Confidentiality**

- 7.1. Confidential information concerning a customer or a supplier shall never be disclosed by the Stakeholders to a third party except pursuant to applicable laws or regulations, or a court order or

other legal process.

- 7.2. The Stake holders shall not disclose to any customer or any other quarter that a suspicious transaction or related information is being or has been reported to any authority, except if required by law.
- 7.3. Likewise, proprietary AKBL information (confidential information about AKBL's business or business development plans, products and services, marketing methods, technology or systems) must never be disclosed to a third party except pursuant to a statute or regulation, or a valid court order.

For these purposes, "confidential information" is non-public information about AKBL or a customer or supplier that would be useful to a competitor or important to an investor in deciding whether to purchase, hold or sell any shares of a customer or supplier of AKBL, as applicable.

## **8. Inducements, Corporate Opportunities and Related Matters:**

The Stakeholders are prohibited from taking personal opportunities and benefits from the business of the Bank, using its property, information or position for personal gain or competing with the Bank for business opportunities. Further the stakeholders shall not:

- a. Solicit or accept any advantage as an inducement or reward for doing or intending to commit any act in relation to AKBL's affairs or business.
- b. Show or intend to show favor or disfavour to any person in relation to AKBL's affairs or business.
- c. Offer any advantage to anyone as an inducement or reward for or otherwise.
- d. Intend to deceive AKBL by using any receipt, account or other document which is false or erroneous or defective in any way, and which to his / her knowledge is intended to mislead AKBL.

## **9. Media and General Public Statements/Releases**

The Stakeholder(s) shall not make any public statements which may invite adverse criticism or expose the Bank to a reputational or regulatory risk or put the Bank in an embarrassing situation in public; except the official statements related to factual position to discharge the duties assigned to him/her by the Board of Directors/Bank.

## **10.Measures to Identify and Control Conflict of Interest (COI)**

- i. All stakeholders of the Bank are considered to be in a position of trust by virtue of their employment/contract with the Bank and therefore have a responsibility to identify and disclose known or potential personal, family, pecuniary or business interests which may interfere, or be perceived to interfere, with an individual's ability to properly discharge his or her duties to the Bank to ensure that such conflicts are seen to be properly managed or avoided.
- ii. It is the duty of every stakeholder to disclose any conflict of interest or any circumstances that might reasonably give rise to the perception of conflict of interest as the case may be. The disclosure should be made at the time the conflict first arises, or it is recognized that a conflict might be perceived, in writing to the respective line manager or competent authority. If the Line Manager has an interest in the matter to be discussed, the disclosure shall be made to the respective Group Head/Country

Head.

- iii. A Board Member having any interest in any matter to be discussed or decided by the Board or a Committee shall, prior to any discussion of the matter, disclose in writing (**Annexure C**), respectively, to the Board or a Committee, as the case may be, the fact of his/her interest and the nature thereof.
- iv. A disclosure of interest shall be recorded in the minutes of the Board of Director's or a Board Committee meeting for record or other appropriate recordkeeping documents and member concerned will not take part nor be present in any deliberation or decision-making process.
- v. Any employee who fails to comply may be subject to disciplinary action under the relevant Disciplinary Action Policy, depending upon the severity of noncompliance.
- vi. All the new joiner shall sign the self-declaration letter (**Annexure A**) and submit to their line managers for onward submission to HR.
- vii. If at any time during the service of Bank, a potential or actual conflict of interest exists when commitments and obligations are likely to be compromised by the employee (s)'other material interests, or relationships (especially economic), particularly if those interests or commitments are not disclosed. The employee shall immediately disclose the conflict of interest matter on the prescribed format (**Annexure B**)

#### **10.1. Violations of the Conflict of Interest (COI) Policy**

Where a conflict of interest was not disclosed by the employee before the transaction took place, the following steps are to be followed:

- i. The immediate line manager shall ensure that the disclosure has been signed by the employee (**Annexure B**) for onward submission to the next Line Manager.
- ii. The respective Line Manager shall forward the matter to the Internal Audit Division (IAD) under intimation to the respective Group Head/Country Head.
- iii. The Internal Audit Division shall conduct an initial investigation and shall provide the person with an opportunity to explain the alleged failure to disclose.
- iv. After hearing the response of the interested person and making further investigation as may be warranted in the circumstances, the IAD shall represent the matter before Senior Management.
- v. If the person is found guilty by the Senior Management, appropriate disciplinary and corrective action may be initiated by the Human Resources Division. This action may include, but is not limited to issuance of a warning, financial penalty or termination.



## Annexure - A

### CONFLICT OF INTEREST DISCLOSURE FOR EMPLOYEES

#### Self-Declaration Letter

I \_\_\_\_\_ hereby confirm and declare in connection with my application for the position of \_\_\_\_\_ at Askari Bank Limited (AKBL) that:

1. The information provided to AKBL in my CV and in any forms is true and accurate.
2. The statements and declarations have made in relation to my identity, address, employment history and qualifications are true and accurate.
3. I do not have any previous criminal convictions for fraud, any form of financial wrongdoing or misdemeanour or any other offence.
4. I am not subject to any current criminal proceedings.
5. I have not been adjudicated Bankrupt and do not have any financial judgments against me in the civil courts for unpaid debts.
6. I am not aware of any proceedings that have begun, or any body's intention to begin proceedings, against me for a judgment debt or which may result in a judgment debt.

Have you ever worked previously in AKBL?

Yes ☐  
No ☐

If yes, please provide your previous employee ID: \_\_\_\_\_

#### Declaration: Close Personal Relationships ("CPR")

AKBL considers "Close Personal Relationship" to include two or more members of Staff being "Immediate Family".

"Immediate family" includes the following relationships: spouse, parents, parents-In-law, grandparents, children or grandchildren, siblings, son-in-law daughter-in brother-in-law sister-in-law, (first) cousin, aunt/uncle, niece/nephew, guardian/ward.

Do have any Close Personal Relationship with any employee of AKBL based on the above?

Yes ☐  
No ☐

If yes, please provide below the relevant details and/or attach any relevant documents.

**Declaration: Close Financial Relationships ("CFRs")**

A financial relationship means

- A payment or receipt of cash or funds for the benefit of employee involved
- A credit or loan
- A joint interest in personal belongings or real estate
- An entitlement of future cash, funds, transfers, payments or interest.

Close Financial Relationships exist when both of the following are present:

- a. There is a financial relationship. *A financial relationship exists between two or more people when a financial benefit flow between them.*
- b. The financial relationship is close. *A financial relationship is close if the relationship exists between two or more employees of AKBL.*

Do you have Close Financial Relationship with any employee of AKBL based on the above?

Yes ☐  
No ☐

If yes, please provide below the relevant details and/or attach any relevant documents.

**Declaration: Outside Business Interests ("OBI")**

The purpose of requesting information in the Outside Business Interests disclosure is to identify any actual, potential or perceived conflicts of interest that may arise as a result of any Outside Business Interests with your role working within AKBL. Outside Business Interests (OBI) include activity, employment or other relationships including investments in private unlisted companies, outside of your intended employment with AKBL.

Do you have any Outside Business Interests locally or overseas?

Yes ☐  
No ☐

If yes, please provide below the relevant details and/or attach any relevant documents.

**Declaration: Politically Exposed Persons ("PEP")**

The purpose of requesting information in the Politically Exposed Persons disclosure is to ensure that the Bank complies with all applicable money laundering and anti-bribery and corruption legislation i.e. AML/CFT/CPF Regulations.



PEPs are individuals who are or have been entrusted with prominent public functions either domestically or by a foreign country, or in an international organization and includes but is not limited to;

**Foreign PEP:** Heads of State or of Government, senior politicians, senior government, judicial or military officials, Senior executives of state-owned corporations, important political party officials;

**Domestic PEP:** Heads of State or of Government, senior politicians, senior government, judicial or military officials, Senior executives of state-owned corporations, important political party officials;

**International Organization PEP:** Members of Senior Management or individuals who have been entrusted with equivalent function;

Moreover, business relationships with family members or close associates of PEPs involve reputation risks similar to those with PEPs themselves.

A close associate includes an individual who has joint control of a legal arrangement or any other close business relations, with a person who is a Politically Exposed Person.

An immediate family member is a spouse; a partner; a parent; a son or daughter and their spouse or partner and their parents.

Based on the definition above, are you a PEP?

Yes ☐  
No ☐

If yes, please provide below the relevant details and/or attach any relevant documents.

**Applicant's Signature:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Annexure - B

### CONFLICT OF INTEREST DISCLOSURE FOR EXISTING EMPLOYEES

**Name of Employee:**

**Employee Number:**

**Functional Title**

**Division/Group/Office:**

**Location:**

If at any time during the service of Bank, a potential or actual conflict of interest exists when commitments and obligations are likely to be compromised by the employee (s)' other material interests, or relationships (especially economic), particularly if those interests or commitments are not disclosed.

This Conflict of Interest Disclosure Form should be filled out indicating whether the employee(s) has an economic interest in, or acts as an officer or a Director of, any outside entity whose financial interests would reasonably appear to be affected. This disclosure is to be submitted to the Line Manager for review and necessary action.

The details recorded in this statement of disclosure of conflict of interest are accurate to the best of my knowledge and belief.

Item(s)	Disclosure of Conflict of Interest

**Employee's Signature:** \_\_\_\_\_

\_\_\_\_\_