

DISCIPLINARY POLICY AND PROCEDURES

INTERNAL ONLY

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PREAMBLE

Sanlam in conformance to the Financial Services Board's (FSB) obligation and mandate on Treating Customers Fairly (TCF), has reviewed and aligned its Disciplinary Policy to ensure that it adheres thereto.

Therefore, Sanlam in ensuring that discipline within its workplace is appropriately maintained and applied must take care to ensure that such application of discipline is not instituted in a manner that is capricious, arbitrary, and unfair to the employees.

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DISCIPLINARY POLICY

1. EXECUTIVE SUMMARY

The Policy as set out in this document is legally compliant as per the requirements of South African Labour Legislation. In any organisation, disciplined behaviour is essential for the well-being of the individual and the achievement of the organisation's objective and goals. In order to ensure that all employees are familiar with the norms of behaviour and standards of the Company, this document has been drafted to indicate some of the actions and behaviour that are considered to be unacceptable and accordingly transgressions [offences]. This document further promotes best practice, transparency, and fairness.

2. POLICY AIM AND SCOPE

2.1.1 The objective of this policy is to ensure that there is a clear understanding within the Company and its staff in the context of discipline and that the appropriate steps [processes] are taken when the instances or circumstances that require the management of discipline arise.

2.1.2 The policy is designed to deal fairly, effectively, and as speedily as possible with those breaches of discipline and/or failure in performance that arise and to ensure that members of staff are aware of their rights.

2.1.3 Disciplinary action will be instituted without prejudice and with due consideration of all relevant facts.

2.1.4 Employees accept that it is management's responsibility and prerogative to take disciplinary action in terms of this policy.

2.1.5 On the same token it is the employee's responsibility to comply with the provisions of this policy and code. Employees are encouraged to report offences to the management.

2.1.6 In drafting this policy, the Company gives credence to the core values of:

- Acting with Integrity*;
- Growing shareholder value through innovation and superior performance;
- Leading with courage; and
- Serving* with pride; and
- Caring* because there is respect for one another
- *Values with a direct bearing on the fair treatment of customers

This policy applies to all employees of Sanlam within South Africa.

2.2 SCOPE

This document contains the following:

- Types of discipline
- Suspensions
- Right to Representation
- Different Disciplinary Procedures ☐ Disciplinary Action

This document does not include any procedures or neither processes nor does the Disciplinary Code contain an exhaustive list of offences per category but is intended to give an indication of the seriousness associated with particular types of offences and as such acts as guideline.

The people affected by this policy include every employee within each and every business unit, line managers and HR personnel. This Policy is effective as of 01st October 2012.

2.3 APPROACH

The policy as set out in this document is legally compliant as per the requirements of the South African Labour Legislation. This document further promotes best practice, transparency and fairness and is in keeping with Sanlam's aspiration to become the place where the best people want to work. Whenever management becomes aware of an apparent transgression or irregularity, it is imperative that a preliminary investigation be carried out or conducted in order to establish the facts. Such investigation must be conducted swiftly and would entail the following:

- Establish what happened and who was involved.
- Identify the real problem (s) and cause(s).
- Evaluate the situation and decide if there is evidence that an offence may have been committed, that is, whether a behavioural rule or standard has been breached.
- Gather information upon which charges will be based.
- Establish the appropriate disciplinary process to be followed.
- Consider whether or not suspension of service is appropriate.

2.4 AVAILABILITY

This policy is available on the Sanlam- My Zone (Intranet) Site.

3. POLICY GOVERNANCE

3.1 POLICY GOVERNANCE STRUCTURE

To ensure compliance with requirements of this Policy, Labour Relations will systematically and periodically review the Policy.

3.2 OWNERSHIP

This policy has numerous role players that have a vested ownership

- This policy's owned by the HR Director, Sanlam.

- The Responsibility for document management and change control resides with Labour Relations.
- The policy was approved by the Human Resources Exco.

3.3 APPROVAL

The policy contents are supplied by HR and Labour Relations and approved by the Human Resources Exco.

3.4 IMPLEMENTATION

The policy is implemented via a general circular and enforcement by line managers.

3.5 ROLES AND RESPONSIBILITIES

ROLE	RESPONSIBILITY
Executive Director	Owns the policy
Labour Relations	Supply content to policy and initiate any future updates through discussions with the HR community
HR Consultant/HR Manager	An HR representative who performs a supportive role in respect line management and provide guidance to the DM.
Decision Maker	A line manager at the appropriate seniority level presiding over the disciplinary meeting.
Employee	The person against whom a charge has been brought against and which is being investigated, assessed, and decided upon during the disciplinary proceedings.
Management Representative	A line manager (or a person from a support function having an interest in the matter) who presents the case of management against the employee.
Witnesses	Persons who have intimate and/or relevant knowledge of the subject matter of the charge brought against the employee and who are called upon to testify at the disciplinary proceedings.

3.6 POLICY REVIEW

The policy will be reviewed annually. Any changes in legislation that needs to be incorporated outside of the annual review will be authorised by the Policy Owner and the content be supplied by Labour Relations.

3.7 MANAGEMENT PROCESS

- Labour Relations will draft the policy and any amendments to the policy.
- Policy Owners authorises any changes to the policy.
- HRM's, HRC and Line managers ensure implementation of the new policy within their respective business units.
- Employee declares adherence to new policy.

3.8 ACTION FOR NON-COMPLIANCE

Should circumstances necessitate a deviation from a policy provision, such deviation would require prior written notification to the following stakeholders: Line management, Labour Relations, and the employee, explaining the nature and the reasons thereto.

Unilateral and unjustified deviations from the policy provisions shall be deemed to be transgressions in terms of the Disciplinary Policy and be treated as such.

3.9 MISCONDUCT COMMITTED OUTSIDE THE COMPANY' PREMISES / OUTSIDE WORKING HOURS

Under certain circumstances, it is within the employer's jurisdiction to discipline an employee, although he/she was not on the premises or officially on duty when the incident took place. If the particular incident (1) threatens the good name of the company and/or (2) the reputation of the employee and/or (3) results in a serious breach of confidence between employer and employee and/or (4) affects the employee's ability to perform his/her work, it will constitute a disciplinary matter within the company's jurisdiction.

4. PROVISIONS OF THE POLICY

4.1 WHY THE NEED FOR A DISCIPLINARY POLICY?

The objective of this policy is to ensure that there is a clear understanding within Sanlam of the relationship between Sanlam and its staff in the context of discipline and that the appropriate steps are taken when issues that require the management of discipline arise.

The policy is designed to deal fairly, effectively, and as speedily as possible with those breaches of discipline and/or failure in performance that arise and to ensure that members of staff are aware of their rights.

4.2 WHAT TYPES OF DISCIPLINE SITUATIONS ARE RECOGNISED?

The Disciplinary Code contained in sub-paragraph 4.9 of this policy categorises offences into three (3) categories, namely “*Very Serious Offences*”; “*Serious Offences*” and “*Less Serious Offences*.”

The Code also recommends the appropriate sanction in instances where there are circumstances that could provide justification or explanation (a reason) for the transgression on the one hand and those circumstances that make committing the offence serious and inexcusable on the other hand carry equal weight when being weighed up against each other.

Should the former set of circumstances outweigh the latter set of circumstances, the recommended sanction may be adapted, and a lesser sanction may be imposed. Likewise, if the latter set of circumstances outweighs the former set of facts circumstances, a harsher sanction than recommended may be imposed. The Disciplinary Code does not contain an exhaustive list of offences per category but is intended to give an indication of the seriousness associated with particular types of offences and as such acts as guideline.

Note that the disciplinary sanctions as set out in the Disciplinary Code only relate to first offences and that Sanlam operates on a progressive discipline [sanction] system. This means that an employee may be issued with a verbal warning and subsequently issued with either a warning or final warning letter and ultimately be dismissed. However, it may occur that the employee's first misconduct may lead to their employment being terminated without any prior warnings.

4.3 PRELIMINARY INVESTIGATION

Whenever management becomes aware of apparent transgression or irregularity, it is imperative that a preliminary investigation be carried out in order to establish the facts. Such an investigation must be conducted expeditiously alternatively as soon as reasonably possible for the employer and entails the following:

- Establish what happened and who was involved.
- Identify the real problem (s) and cause(s).
- Evaluate the situation and decide if there is evidence that an offence may have been committed, that is, whether a behavioural rule or standard has been breached.
- Gather information upon which charges will be based.
- Establish the appropriate disciplinary process to be followed.
- Consider whether or not suspension of service is appropriate.

4.4 SUSPENSION

4.4.1 Reason for suspension

Suspension on full pay with benefits pending the disciplinary investigation and finalisation of the disciplinary proceedings will be considered in the following instances:

- When it is considered that the employee may interfere with or hinder the investigation; or

- When the employee failed to provide an acceptable explanation for the serious misconduct, he/she is suspected of having committed and the trust relationship necessary to the employment relationship is adversely affected thereby; or
- To prevent a re-occurrence of the conduct in question and/or limit the Sanlam's potential losses or damages; or
- When the allegations against the employee are considered so serious that, if proven, it may lead to summary dismissal; or
- When, in the discretion of Sanlam, it is considered that suspension is appropriate in the circumstances.

Other reasonable measures short of suspension, for instance temporary revoking of mandates and/or signing powers, may be considered in lieu of suspension.

Such suspension is always on full pay and benefits.

4.5 WHAT ARE THE RULES IN REGARD TO REPRESENTATIONS?

4.5.1 Right to Representation

During formal disciplinary proceedings, the employee is entitled to be represented by a fellow employee or colleague whose role is to:

- 1) Observe the meeting;
- 2) Make representations on the employee's behalf if required, including mitigation (but not to answer questions on their behalf);
- 3) Give support throughout the whole process; and
- 4) Help the employee prepare for the meeting.

The employee may request a colleague of his /her choice to act as a representative, but no employee is obliged to act as a representative. If

the employee's colleague of choice is unwilling or unavailable to act as a representative, it is the employee's responsibility to find another representative who is willing and available.

The representative will have access to the same relevant documentation made available to the employee, provided the employee gives written consent to the representative.

4.6 POSTPONEMENTS OF DISCIPLINARY MEETINGS BY THE EMPLOYEE

- Request for postponement of a disciplinary meeting must be to the Management Representative (MR) at least 1 (one) working day prior to the commencement of the scheduled meeting.
- An extension of time is only granted in exceptional circumstances, jointly decided by the HR Consultant and the MR.

4.7 WHAT ARE DIFFERENT DISCIPLINARY PROCEDURES?

The Disciplinary Policy makes provision for an informal and a formal approach to the enforcement of discipline.

4.7.1 Informal Procedure

In case of the first occurrence of misconduct of a less serious nature with isolated impact, it is within management's discretion to apply disciplinary counselling resulting in a verbal warning. Disciplinary counselling involves discussing the conduct with the employee in a joint problem-solving manner, pointing out the actual and potential implications of such conduct on the employee, other employees and the organisation and urging the employee to refrain from that conduct.

Management will make a note of this counselling session and any verbal warning given will be taken into consideration for future reference. There is no requirement for official notification of the counselling session, nor would

representation be allowed. It is an exploratory discussion during which the employee will be given adequate information regarding the transgression and be allowed to give an explanation to management before any formal disciplinary action becomes necessary.

4.7.2 Formal disciplinary procedure

Where the conduct of an employee is considered to be unacceptable beyond the point where a verbal warning will suffice, or in cases of more serious and/or more complicated cases, two progressive procedures are available, depending on the circumstances of a particular case. *Disciplinary Consultation* is aimed at formally dealing with transgressions, but with less procedural requirements processes, while a *Disciplinary Meeting* (Enquiry) is reserved for formally dealing with serious and very serious transgressions in a “hearing-like” fashion, where the eventual outcome could be a final written warning or dismissal. Types of Sanctions

- First written warning;
- Final written warning; or
- Dismissal (summarily or with notice, or payment in lieu of notice).

4.7.2.1 Disciplinary Consultation

The objective of disciplinary consultation is to address the problem more formally in a joint problem-solving manner with the employee. The employee will be notified in writing by the line manager/supervisor in advance of the consultation and the matter for discussion, for preparatory purposes. Such notification will be done by utilising a form and the HRM /HRC concerned may fulfil the role of facilitator of this process.

Disciplinary consultation involves a conversation during which facts and circumstances are established, problems are discussed, and the employee is given an opportunity to state his/her version of

events. In broad terms, management will follow a process whereby management will firstly define the problem, whereafter the problem is evaluated and eventually an action plan is decided upon.

A final written warning may only be issued where:

- The offence committed by the employee followed previous disciplinary offences committed in the past or;
- A final written warning is the appropriate warning to issue given the seriousness of the case after a written process ("*on the papers*"); or
- The employee acknowledges having committed the offence; or
- All facts relevant to the case are in not in dispute; and
- The HRM/ HRC has not advised against the issuing of final written warning.

The written warning, properly signed by all parties concerned, will be the official record.

4.7.2.1.1 Preparation Period

The employee is entitled to be afforded fair and sufficient preparation time of at least two (2) working days after having been formally notified of the disciplinary enquiry charge against him/her.

The aforementioned preparatory time may only be varied by mutual consent of both management and the employee concerned.

4.7.2.1.2 The Disciplinary Meeting

The Management Representative will confirm to the employee in writing the:

- Date, time and location of the meeting;
- Nature of complaint;
- Right to representation and will request the employee to furnish the name of representative.

Disciplinary meetings will be arranged within ten (10) working of the completion of a full investigation.

4.7.2.1.3 The following persons would attend the disciplinary meeting

- The Decision Maker (DM) who usually be a full-time employee of Sanlam and be on a managerial level.
- The MR who is likely to be the employee's line manager will lead Sanlam's case by presenting evidence and/or leading witnesses in support of the allegation (s) against the employee.
- Any witnesses who are called to give evidence.
- An interpreter, if required and requested at least 24 hours before the meeting.
- The employee against whom the allegations (s) have been made.
- The employee's representative.
- Where the employee is in a Financial Advisory and Intermediary Services Act, 37 of 2002 (FAIS) registered role, the Compliance Officer concerned may also attend.

4.7.2.1.4 Conduct of the Disciplinary Meeting

- The MR will present evidence and/or lead witnesses to substantiate the allegation(s) against the employee.

- The employee and/or his/her representative may question the MR and Sanlam's witnesses.
- The employee and/or his /her representative will be given an opportunity to respond to the allegation (s), present his/her case and lead their witnesses.
- The MR may also question the employee and their witnesses.
- The DM may also ask questions [clarity] to the MR, employee, or their witness.
- The DM shall consult with the Labour Relations prior to pronouncing on his/her decision on guilt/innocence in respect of the charge(s) and on his /her decision in respect of the sanction to be imposed (if applicable).
- If necessary, the DM may adjourn the meeting to review and consider all the evidence. Once the decision is made the meeting should be reconvened and the employee should be informed in person, where reasonably practical, of the decision of the DM. The DM has five (5) working days to dispatch his/her findings from the date of the disciplinary meeting.

4.7.3 Disciplinary Sanction

The following sanctions may be applied as a result of disciplinary action being necessary:

- a) Verbal or written warnings;
- b) Dismissal- employee leaves the employ of Sanlam with notice, or pay in lieu of notice and debarment in terms of FAISA if applicable;
- c) Summary dismissal from Sanlam without notice or pay in lieu of notice and debarment in terms of the FAISA if applicable.

4.7.4 Duration of warnings

Disciplinary warning issued in terms of this policy will adhere to the following validity periods:

Verbal warning - Three (3) months as from date of issue

First written warning- Six (6) months as from date of issue

Final written warning- Twelve (12) months as from date of issue

At the expiry of 3, 6 or 12 months from date of issue (whichever is applicable), where the employee has committed no further related disciplinary offences, the warning will lapse. However, should the employee commit further related or other disciplinary offences such a lapsed warning will be taken into account for consideration of the appropriate sanction to be dispatched.

4.8 IMPLEMENTATION OF DISCIPLINARY ACTION

Implementation of the disciplinary action will take immediate effect in consequence of the finding of the decision maker in the disciplinary meeting. In cases of dismissal with notice, the employee will be required to immediately vacate Sanlam's premises. However, the employment relationship between the parties will terminate at the end of the notice period.

4.9 DISCIPLINARY CODE

This document indicates disciplinary action to be taken in typical situations. This is not an exhaustive list and does not cover every eventuality that may occur. While the penalties listed will generally be applied as maximum penalties, each case of misconduct will be viewed on its merits and where the circumstances of a particular case warrants a heavier penalty than that listed, Sanlam reserves the right to impose such heavier penalty.

Very Serious Offences

Examples of such offences include:

Nature of Misconduct	Sanction*
Dishonesty of any nature, for example theft, bribery, fraud, falsification, forgery, industrial espionage and/or receiving kick-backs (irrespective of value or personal gain to the employee)	Summary dismissal
Misrepresentation or false declaration of any kind (irrespective of value or personal gain to the employee)	Summary dismissal
Unauthorised removal or possession of Sanlam's property	Summary dismissal
Use or disclosure of confidential information with regard to Sanlam or its clients	Summary dismissal
Assault, intimidation, bullying**, unfair discrimination***, harassment of, or threats of any nature against fellow employees or clients	Summary dismissal
Conduct which brings or may bring the name of Sanlam into disrepute	Summary dismissal
Inciting and/or instructing other employees to participate in all illegal strike/ go slow and/or to participate in illegal unrest	Summary dismissal
Refusal without good reason to obey a lawful and reasonable instructions	Summary dismissal
Absence from work without permission and a valid reason and/or advising the respective line manager accordingly for a period of five (3) consecutive or more working days	Summary dismissal
Wilful or malicious damage to the property of Sanlam, fellow employees, and/or clients	Summary dismissal
Abusing, misusing, or misappropriating Sanlam's property or resources such as labour, equipment, etc.	Summary dismissal
Gross negligence	Summary dismissal
Abusing one's position for personal gain/ benefit, which includes an improper interest in a transaction	Summary dismissal

Nature of Misconduct	Sanction*
Failure to comply with any provision of any statutory regulatory requirement which places an obligation on Sanlam and where your position within Sanlam places a burden on you to ensure compliance e.g. Financial Intelligence Centre Act, No 38 of 2011 (FICA), Financial Advisory and Intermediary Services Act, No 27 of 2002	Summary dismissal

Note * Having regard to circumstances, Sanlam reserves the right to impose lesser penalties at its discretion.

**** Bullying**

Bullying is any behaviour, occasional or persistent, which can be subtle in nature, by work colleagues, management or third party, which intimidates or oppresses others, possibly through misuse of a power relationship. It usually has a negative effect on an individual. It can take place in public or in private, at work or socially, within work related context, direct or indirectly. Examples of bullying may include:

- Repeated shouting or swearing at an individual
- Persistent, excessive, unfair, or unfair criticism
- Public humiliation and/or insults
- Persistent undervaluing of a person's effort
- Constant ignoring of opinions
- Withholding information that would be beneficial to an individual, without justification
- Unjustified excessive monitoring and/or supervision
- Unreasonably declining requests for leave
- Unduly aggressive communications

***** Unfair Discrimination**

Unfair discrimination, directly or indirectly, against an employee in any employment policy or practice, on one or more grounds, including race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV status, conscience, belief, political opinion, culture, language, and birth.

Serious Offences

Examples of such offences include:

Nature of Misconduct	Sanction*
Sleeping on duty	Dismissal
Criminal offence which has a bearing on the employment relationship or being convicted of a serious offence	Dismissal
Being under the influence of drugs or intoxicating liquor (excluding drugs prescribed by a medical practitioner to treat a medical condition)**	Dismissal
Being rude, abusive, or unapproachable and exhibiting other disruptive behaviour that effects the relationship with superiors, colleagues, or clients of Sanlam	Dismissal
Negligence	Dismissal
Undisclosed employment or involvement in activities of any nature, such involvement in another organisation, operation, or venture.	Dismissal
Management's failure to adhere to policy provisions e.g. to invoke the disciplinary procedure appropriately	Dismissal
Causing loss or damage to Sanlam through disregard of its rules or procedures.	Dismissal
Using insulting, obscene language or signs, immoral, indecent conduct while on duty or on the Sanlam's premises	Dismissal
Wilfully or negligently failing to carry out security or safety instructions	Dismissal
Injury to other employees through negligence or horseplay	Dismissal
Dereliction of duties	Dismissal
Accessing client's information without business reason	Dismissal

Nature of Misconduct	Sanction*
Sending, forwarding, and/or distributing inappropriate, pornographic email or attachments	Dismissal
Making and or posting disparaging, degrading, insulting, inappropriate and/or obscene comments regarding work situation or Sanlam	Dismissal

NOTES: * The nature of the offence and effect on the organisation must be considered when deciding on the appropriate action. Sanlam reserves the right to impose a lesser or harsher sanctions than recommended. Depending on the degree of seriousness and the circumstances, dismissal or a final written warning may be considered.

** In all cases where it is suspected that the employee has a substance dependency problem the employee should be referred to the organisation's Wellness Department prior to considering dismissal.

Less Serious Offences

Examples of such offence include:

Nature of Misconduct	Sanction
Interference with or disruption of work of other employees	Verbal/ Written Warning
A pattern of extended breaks, late arrival /early departure	Verbal/ Written Warning
Engaging in disruptive behaviour by frustrating Sanlam's processes and procedures	Verbal / Written Warning
Absence from work in excess of two working days, but less than five consecutive working days, without permission or a good reason.	Verbal/ Written Warning
Poor quality of work or failure to maintain satisfactory output levels.	Verbal/ Written Warning

4.10 DISCIPLINARY CODE: FAIS REGISTERED EMPLOYEES

This part of the Disciplinary Code supplements the preceding provisions of this policy. The following provisions pertain specifically to advisers, and anyone employed by Sanlam in a role which is required to be registered in terms of the Financial Advisory and Intermediary Services Act, No 37 of 2002, i.e. advisers, representatives, and key individuals.

Furthermore, and as required by section 14 of FAIS, if Sanlam considers that a disciplinary offence committed by an employee is such that the employee concerned no longer satisfies the requirements of FAIS (e.g. as to competence, hones (e.g. as to competence, honesty and integrity) and/or any regulations, codes or rule made in terms of FAIS, Sanlam shall make an entry in the FAIS register debarring the employee and shall notify the Register of Financial Services Providers accordingly.

5. STAFF ACKNOWLEDGEMENT

Employees would sign a declaration of understanding on ESS.

6. RECORD OF UPDATES

Date	Source	Summary
June 2005	Revision from K. Moyane	
19 December 2011	Annual review version 2	Amendments to the Disciplinary Policy and Code
September 2013	Revision from T. Nong	Policy revised and Aligned to the Treating Customers Fairly Framework Guideline Document
28 January 2021	Revision from Herman Conradie	