

Annexure 4.1

Introduction:

- To assist the employees, understand when a behavioral issue, performance problem, or opportunity for improvement exists during the course of employment.
- To highlight and categorize that the determinants of Corrective or Disciplinary Action to be taken are just and equitable.

Scope:

This policy is applicable to all regular and contractual employees at PSDF.

Policy Description:

Disciplinary Action

For the purpose of this policy, Disciplinary Action may be referred to as a formal action taken to address workplace performance and/or conduct deficiencies that are negatively affecting an employee's productivity and overall contribution to the organization. Disciplinary Action in case of general misconduct can involve one, any of these or all of the following progressive stages explained in detail in the "Procedure" section of the policy:

- Verbal Warning/Counselling
- Written Warning Letter
- Suspension
- Termination

Performance Deficiency

Every employee is expected to maintain certain standard of performance. An employee's Job Description (JD) and annual Performance Appraisal Form set out the objectives and deliverables in every job. Furthermore, the Performance Appraisal Policy outlines the mechanism for a formal review and assessment of an employee's work performance in quantifiable and measurable terms. If an employee either has a deficiency in performance or fails to sustain acceptable level of performance during the course of employment, then formal corrective actions may be considered through Performance Improvement Plan (PIP) of performance management system.

General Misconduct

Every employee is also expected to maintain certain standard of professional behavior and conduct, examples of which are detailed in the company's "Code of Conduct" and Employee Service Rules.

Furthermore, following areas can be categorized as general misconduct and are subject to formal disciplinary action.

- Failure to compliance with Company Policies.
- Non-compliance or violation of applicable laws and regulations.
- Official Dress Code Violation.
- Uninformed and unauthorized Absences.
- Punctuality Issues.
- Misuse of Company Property.
- Violation of I.T. Policy.

- Violation of General Employee Conduct as per “Company Code of Conduct”.
- Chronic negligence.
- Engaging directly or indirectly, without PSDF’s permission in any other business or paid occupation, whilst in the services of PSDF.
- Refusing to receive any official memorandum or communication addressed to her/him by management/superiors.
- Any other contractual violation
- Making commitments on behalf of PSDF beyond the scope of the delegated authority.
- Improper or unprofessional behavior with a customer or other employees.
- Keeping or posting inappropriate material in work area, or accessing inappropriate material on official computers.
- Insubordination: Deliberately disobeying instructions from line management without a valid rationale or justification.
- Incapacitation of alcohol or any other addictive drugs (unless prescribed by a medical practitioner) during official business either inside or outside company premises.

Procedure Description:

The procedure to be followed for implementation of Disciplinary Action involves the following progressive stages:

Verbal Warning/Counselling

Verbal Warning/Counselling is the first phase in the Disciplinary Action process. Once an Employee demonstrates unsatisfactory levels of performance or conduct that may be classified as breach of conduct, the Line Manager in consultation with HR shall have the authority to issue a verbal warning. This may involve a private discussion during which the Manager shall describe the problem, state the necessary corrective action and highlight the time period for the rectification of the problem. The verbal warning discussion must be documented in the form of an email to be sent to the employee and this communication shall describe the problem, reason(s) behind it as per the employee’s justification, and a timeline for correction.

Written Warning Letter

Written Warning Letter is the second phase of Disciplinary Action and shall only be undertaken under circumstances in which an Employee has already been issued a verbal warning and necessary steps have not been taken by him/her to rectify the problem within the time span set by the Line Management (Line Manager and/or Department Head) and the problem still persists. Depending on the scenario, prior to the issuance of a formal warning letter, a show cause notice may be issued to the employee, giving him/her a chance to justify his/her stance. If the employee either fails to respond within the timeline specified in the show cause notice or provides an unsatisfactory answer, then the written warning letter shall be issued. Written warning letter shall be issued by HR in consultation with the Line Management and a copy of written warning letter is to be placed in the employee’s personnel file for a period of at least 12 months from the date when the warning letter was issued. HR may appoint a disciplinary committee or enquiry officer to evaluate the disciplinary case depending upon the nature of complaint and/or show cause response who can recommend further actions to proceed with.

Suspension

Suspension of employment without pay may be attempted by disciplinary committee or enquiry officer in a situation where it is required that an employee cannot return to the workplace until the investigation is completed and the final decision has been made. Suspension is appropriate when the previous two efforts to correct unsatisfactory work performance or conduct have failed and the conduct may be now classified as gross misconduct. It is also appropriate as a corrective and disciplinary action since the immediate supervisor and HR consider the unsatisfactory work performance or conduct to be serious enough to warrant a severe penalty. Suspension may eventually lead towards termination of employment. During the period of suspension, the employee concerned shall be paid a subsistence allowance of not more than 50% of his salary plus allowances. If he is found not guilty, he shall be deemed to be on duty during the period of suspension and entitled to the same salary, as he would have received had he not been suspended. In case the guilt is proven, there will be no remission in the deductions made in the salary.

Termination of Employment

The termination of employment is the final disciplinary action and will only take place if:

- 1) The employee performance does not improve despite verbal and written warnings or as a result of PIP.
- 2) The employee conduct does not improve despite verbal and written warnings.
- 3) The employee's performance or conduct reverts back to unsatisfactory level within 6 months after the expiration of written notice.

General Guidelines

- Verbal and Written Warning must be issued for a specific time period for rectification of the misconduct or performance deficiency.
- Under no circumstances shall the line management directly issue an official warning letter on company letterhead to the concerned employee, all formal communications to the employee on company letterhead are to be made through HR Department.
- The final authority to terminate the employment as per the disciplinary process rests with the Head of HR in due consultation with the respective Department Head and after approval of CEO.
- In case of Termination as a result of Disciplinary Action, the affected employee shall be notified in writing of the reason and effective date for Termination.

Annexure 4.2

Introduction:

- To assist the employees to understand gross misconduct and its repercussions during the course of employment.
- To highlight and categorize that the determinants of Disciplinary Action to be taken are just and equitable.

Scope:

This policy is applicable to all regular and contractual employees at PSDF.

Policy Description:

Disciplinary Action

For the purpose of this policy, Disciplinary Action may be referred to as a formal action taken to address workplace gross misconduct. Disciplinary Action in case of gross misconduct does not involve the following:

- Verbal Warning
- Written Warning Letter

Gross Misconduct

Gross misconduct is a serious breach of Company Policies and Code of Conduct resulting in a breakdown of the relationship of trust and confidence between the employer and the employee. In case of Gross Misconduct, the services of an employee can be terminated without notice or any previous warnings. Gross Misconduct includes but is not limited to:

- 1) Unauthorized Disclosure of salary or any other confidential information.
- 2) Fraud, Theft, or Embezzlement of Company Funds
- 3) Submission of forged or fake academic certificates/transcripts, previous employment verification documents as per Company's Recruitment policy.
- 4) Submission of tempered or fake expense claims of any kind.
- 5) Submission of fake or forged medical certificate supporting Sick Leave Application.
- 6) Submission of fake or forged employment experience letter to another entity.
- 7) Committing an act of violence or assault (physical or verbal), whilst on the company premises or whilst engaged in official business.
- 8) Possession of unauthorized firearms or any other lethal weapons in company premises.
- 9) Sexual harassment.
- 10) Conflict of Interest.
- 11) Unauthorized access to Company's confidential information.
- 12) Tampering Company's documents.
- 13) Recurrence of behavior on which employee is still under observation after being issued a written warning letter.

Procedure Description:

The procedure to be followed for implementation of Disciplinary Action for gross misconduct involves the following:

- On the occurrence of an alleged act of gross misconduct, the employee will be informed, in writing, by the Manager Human Resources through show cause notice, and will be given an opportunity to explain, in writing, the circumstances of gross misconduct alleged against him, within the time specified in show cause. On the receipt of the explanation, the HR may either designate an officer or disciplinary action committee to inquire into the alleged misconduct or dispense with the inquiry & impose punishment, if in his/her opinion sufficient ground exists to impose penalty.
- Suspension of employment without pay may be attempted by the inquiry officer or disciplinary action committee in a situation where it is required that an employee cannot return to the workplace until the investigation is completed and the final decision has been made. Suspension is appropriate when the previous two efforts to correct unsatisfactory work performance or conduct have failed and the conduct may be now classified as gross misconduct. It is also appropriate as a corrective and disciplinary action since the immediate supervisor and HR consider the unsatisfactory work performance or conduct to be serious enough to warrant a severe penalty. Suspension will eventually lead towards termination of employment. During the period of suspension, the employee concerned shall be paid a subsistence allowance of not more than 50% of his salary plus allowances. If he is found not guilty, he shall be deemed to be on duty during the period of suspension and entitled to the same salary, as he would have received-had he has not been suspended. In case the guilt is proven, there will be no remission in the deductions made in the salary.
- The inquiry officer or disciplinary action committee is to carryout detailed inquiry and submits its report to HR Department for further proceedings within one week and proposed penalty to be imposed against the accused. With the approval of CEO, HR will issue the order letter.
- While recommending punishment, the Inquiry Officer or disciplinary action committee shall take into account the gravity of misconduct, previous record of the employee, and any other circumstances that may exist at the time of misconduct.
- A copy of the order shall be delivered to the employee concerned by hand or through registered mail
- HR in consultation with CEO is to award the penalty or otherwise to the employee
- An employee who is found guilty may be subjected to one or more of the following penalties depending on the gravity of the offence/misconduct:
 - I. Reprimand
 - II. Postponement or stoppage of increment
 - III. Forfeiture of pay for any period of unauthorized absence from duty
 - IV. Recovery from pay, gratuity or any other benefit, of the whole or part of any pecuniary loss caused to PSDF by employee.
 - V. Removal from service or call upon the employee to resign from service.

General Guidelines

- It is expressly prohibited for an employee to retaliate against employees who bring sexual harassment charges or assist in investigation charges. No employee will be discriminated against, or terminated, because of assisting in investigation of a complaint of sexual harassment.
- Under no circumstances shall the line management directly issue an official warning letter or show cause notice on company letterhead to the concerned employee, all formal communications to the employee on company letterhead are to be made through HR Department.
- The final authority to terminate the employment as per the disciplinary process rests with HR in due consultation with the respective Department Head and after approval of CEO.
- In case of Termination as a result of Disciplinary Action, the affected employee shall be notified in writing of the reason and effective date for Termination.
- Section 3 of The Punjab Employees Efficiency, Discipline and Accountability Act 2006/ Grounds for proceedings and penalty. – An employee shall be liable to be proceeded against under this Act, if he is–
 - (i) inefficient or has ceased to be efficient for any reason; or
 - (ii) guilty of misconduct; or
 - (iii) guilty of corruption or is reasonably considered to be corrupt; or
 - (iv) engaged or is reasonably believed to be engaged in subversive activities, and his retention in service is prejudicial to national security, or is guilty of disclosure of official secrets to any unauthorized person.