



Disciplinary Policy

Document Owner: Human Resources

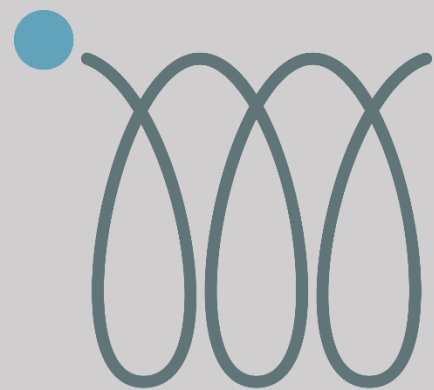
Approved by: HR Manager

Date Approved: May 2024

Next Review Date: May 2026

Version: 9

Security Classification: Internal use only.



Version	Revision Date	Revised by	Section Revised
<u>3</u>	<u>04/16</u>	<u>HR Manager</u>	<u>Reviewed policy</u>
<u>6</u>	<u>07/18</u>	<u>HR Manager</u>	<u>Section 4, 7 & 10 re-written</u>
<u>7</u>	<u>03/21</u>	<u>HR Manager</u>	<u>Reformatted</u>
<u>8</u>	<u>03/23</u>	<u>HR Advisor</u>	<u>Section 7.1 added and 'Verbal Warning' changed to 'Informal Warning'</u>
<u>9</u>	<u>03/24</u>	<u>HR Advisor</u>	<u>Section 2, 4, 7, 8, 9 & 11 amended</u>

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1. Introduction

This document sets out I.M. Group Limited’s policy and procedure for dealing with disciplinary and misconduct issues.

This procedure is entirely non-contractual and does not form part of an employee’s contract of employment.

Throughout this policy, references to “the Company” mean I.M. Group Limited and/or your employer within the group of companies headed by I.M. Group Limited as appropriate. The Funding Corporation have a separate Disciplinary policy applicable to them.

2. Purpose and Scope

This policy seeks to ensure that lawful, fair, and effective arrangements exist to make sure employees are made aware of unacceptable conduct and for developing ways of correcting any such issues whenever possible.

This policy and procedure are designed to:

- communicate the required levels of conduct and professional behaviour across the Company
- help and encourage all staff to achieve and maintain standards of conduct, attendance and job performance
- ensure consistent and fair treatment across the Company.

Its purpose is to give you guidelines about how disciplinary problems are typically handled by the Company.

This policy and procedure apply to all staff who are directly employed by I.M. Group Limited and the group of companies headed by I.M. Group Limited (excluding The Funding Corporation).

Formal disciplinary action can result from any aspect of the employee's employment which falls below the standards expected by the Company, for example (but not limited to):

- Poor performance – where there is evidence of negligent or inadequate attention to duty or where performance has fallen below an acceptable standard. Where there is no evidence of negligent or inadequate attention or effort, underperformance is dealt with under the Capability policy.
- Misconduct – where a member of staff fails to observe the standards of conduct expected, including poor attendance.
- Senior management/Conduct Rule Breaches – where a conduct/senior management rule is breached in our regulated financial activities.

Disciplinary action is designed to encourage members of staff to improve either their performance or conduct. Dismissal will only apply as a last resort. Only in instances of gross misconduct will disciplinary action lead to immediate dismissal and this only after a thorough investigation and disciplinary hearing have taken place.

The Company reserves the right to engage an independent third party to assist at any stage of the disciplinary procedure.

3. Principles

In respect of minor performance and minor misconduct issues, these will normally be resolved informally and without the need for disciplinary action. Line Managers are required to quickly address such problems by providing counselling, additional training, help and guidance. Only when these options have been exhausted and there is no alternative will Managers enter a more formal disciplinary procedure.

The main principles of the disciplinary procedure are as follows:

- a) No disciplinary action will be taken against you until the case has been fully investigated.
- b) At every stage in the procedure, you will be advised of the nature of the complaint against you, and that the hearing is a formal disciplinary matter held under the Company's formal disciplinary process.
- c) Wherever practicable, you will be given at least 48 hours' notice of any disciplinary hearing.
- d) If a disciplinary penalty (e.g. Warning) is imposed, you will be advised of the penalty and the corrective action required from you, together with a specified date by which an acceptable improvement should be made.

- e) You will be given the opportunity to state your case before any decision is made.
- f) At all stages you will have the right to be accompanied by a work colleague of your choice, or a trade union representative during the disciplinary interview. This person will be present primarily in the capacity of your witness and may put questions and confer privately with you, although may not answer questions on your behalf.
- g) The Company may elect to involve others in the disciplinary process as it feels appropriate (for example in the capacity of a witness or to take notes of the meeting).
- h) You will not be dismissed for a first breach of discipline except in the case of gross misconduct, when the penalty will be dismissal without notice or payment in lieu of notice.
- i) You will have the right to appeal against any disciplinary penalty imposed.
- j) Your manager has the responsibility and authority for implementing the procedure at any stage (excluding dismissal) if he or she believes your conduct warrants such action.
- k) While there is a current (i.e. unspent) sanction on your personnel file, you may not be entitled to any salary increases, any additional benefits, or be eligible for any bonuses or incentive schemes current at this time.
- l) You may be suspended on full pay whilst the matter is investigated prior to the hearing.

4. Types of unsatisfactory conduct / performance or gross misconduct

The following table gives examples of those types of behaviour, which the Company will treat as unsatisfactory conduct and gross misconduct. Please note that the examples given in the following table are by no means intended to be exhaustive. For our FCA regulated business we have a separate guidance titled "Conduct Sanction Guidance" which deals with senior management/Conduct Rule Breaches.

Examples of Misconduct	<ul style="list-style-type: none"> • Poor timekeeping • Poor attendance • Failure without good cause to follow the sickness absence reporting procedure as stated in Sickness Absence Policy • Failure to work to the required performance standards, where the person is known to be capable of doing the job to a satisfactory standard • Breach of policies and procedures or demonstrating behaviours that go against the Company values • Failure to follow reasonable instructions or requests from your line manager or senior managers • First breach of H & S advice/instruction or failure to wear required PPE when instructed
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Examples of Gross Misconduct	<ul style="list-style-type: none"> • Breach of confidentiality • Passing business to a competitor • Breach of General Data Protection Regulation, where training has been completed • Harassment, victimisation or bullying at work or at a work-related social event • Deliberately accessing internet sites containing pornographic, offensive or obscene material • Wilful damage to Company property • Serious negligence which causes unacceptable loss, damage or injury • Serious act of insubordination • Unauthorised absence (e.g. persistent and unexplained absence from work) • A serious infringement of health and safety rules and precautions • Continuous breaches of H & S advice/instruction or failure to wear required PPE when instructed • Giving false evidence of incapacity for work • Physical violence at work or at a work-related social event • Incapacity through alcohol or illegal drugs • Supplying drugs or controlled substances to colleagues or customers • Wilful or malicious poor work performance, where the person is known to be capable of doing the job • Theft, fraud, money laundering, or any other illegal financial undertakings, or deliberate falsification of records • Falsification of expense claims • Misappropriation of the Company's funds or assisting others to do this • Knowingly introducing computer viruses to the Company's system or knowingly breaching the Company's communication and IT policies • Serious breach or disregard of any of the Company's policies and procedures <ul style="list-style-type: none"> • Breach of trust and confidence of any kind • Discrimination of any kind against colleagues within the Company, or against customers or suppliers • Objectionable or insulting behaviour towards other employees, or towards customers, potential customers or suppliers of the Company • Conviction of a criminal offence where there are employment implications • Conduct or behaviour outside of normal working hours which may bring the Company into disrepute or is harmful to the reputation of the Company, its staff or customers
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The above list is not exhaustive, and we will look at each case individually.

5. Employees involved in criminal conduct

If the Company becomes aware that an employee has been involved in criminal conduct, consideration will be given to the effect the conduct will have on the employee's suitability to do their job and their relationship with the Company, work colleagues and customers before a decision is made, as to whether disciplinary action will be taken.

Any criminal conduct carried out by an employee during their employment that damages the Company's reputation or reasonably calls into question the trust and confidence of the member of staff, is likely to result in disciplinary action.

Disciplinary action may not be considered where the criminal conduct happens off duty and has no bearing on the employee's employment.

6. Employees involved in ongoing criminal investigations

If an employee is facing criminal investigation or pending charges, the Company will carry out a formal investigation into the charges before deciding whether disciplinary action will be taken, even if the employee is unwilling or unable to participate in the Company's disciplinary procedure. The Company will make use of any information made available through the police investigation but will also undertake its own investigation, to ensure it has all the facts to make an informed decision.

Employees will be informed that the Company is considering disciplinary action to give the employee the opportunity to present their case.

7. Stages of the Disciplinary Procedure

7.1 Disciplinary Investigation

Prior to taking the decision to invoke the disciplinary procedure, the Company will ensure that a thorough investigation is carried out. This is a fact-finding process and may necessitate the gathering of detailed information as well as the carrying out of formal interviews, taking of written statements, etc.

The employee under investigation will be notified of the investigation in writing, as will any employees who need to be spoken to during the investigation. The investigation will be completed by the company's designated investigator and detailed notes will be taken, usually by a HR representative, to record any discussions that take place. The investigator may deem it necessary to speak to any person involved, either directly or indirectly, and request to see any evidence relating to the misconduct. Ideally an investigation should take no longer than 3 working days to complete, however where this is not possible, the employee will be notified in writing of the delay and the reason for this. Employees do not have a statutory right to be accompanied at an investigation meeting.

A proper investigation is an integral part of the process and, where an allegation of gross misconduct is involved, may require employees to be suspended on contractual pay whilst this is carried out. Suspension on pay is not considered to be a sanction taken under the disciplinary procedure. It is there to ensure that issues are dealt with in a fair and reasonable manner, and adequate protection is given to all employees. Suspension will not normally last for more than 3 working days and the employee will be given a letter explaining the suspension arrangement, including the requirement to attend work but be available for meetings e.g. investigatory meetings.

7.2 Letter

The employee will receive a letter informing them of the disciplinary action and the reasons behind it, the time and date of the disciplinary meeting and the employee's right to be accompanied by a work colleague or trade union representative.

7.3 Hearing

The disciplinary hearing will be held as soon as reasonably possible following the investigation. The employee will have ample opportunity to reply to all allegations and highlight any mitigating circumstances which may have attributed to the misconduct. More information about the hearing can be found in Section 8.

7.4 Appeal

Once a decision has been made, the employee will have the right to appeal against that decision and will be fully informed of the appeal process. More information can be found in Section 11.

8. The Disciplinary Hearing

Prior to instigating any disciplinary action, the matter will be fully investigated, and a disciplinary hearing called. No decision regarding the outcome will be made until you have had the opportunity to put forward your side of the case.

At the disciplinary hearing:

- The parties present, and their role in the disciplinary process will be clarified
- A member of staff will be present to take notes, usually a HR representative
- The circumstances leading to the disciplinary hearing (including the nature of the complaint against the employee) will be re-confirmed
- The person leading the meeting will go through any evidence
- You will be given ample opportunity to reply to any allegations made against you and to highlight any mitigating circumstances you wish to be considered
- You will be able to ask any questions you may have relating to the case
- The interview may then be adjourned to enable all the facts and points raised to be considered
- The disciplinary hearing may then be reconvened where the decision and sanction (where applicable), will be confirmed to you. The reasons behind this decision will also be confirmed to you at this stage
- If the disciplinary decision is a formal warning, you will be advised of the improvement that is expected, over what timescale, and the possible consequences if there is no improvement. You will also be advised of how long the warning will last.
- You will also be advised of the right to appeal against any disciplinary action taken against you, and how such appeals should be made.

9. Possible Outcomes of the Hearing

If following the disciplinary hearing, it is deemed that your performance/conduct merits disciplinary action, then the following stages may be applicable:

9.1 No Action

It may be decided that no action is necessary, and the issue can be resolved without the need for an official warning.

9.2 Stage 1 – Informal Warning

If your conduct or performance is unsatisfactory and does not meet acceptable standards, you will normally be given an Informal Warning. You will be verbally advised of the reason for the warning and a note of the Informal Warning will be kept on your personnel file, but it will be spent after 6 months from the date of the warning, subject to achievement and sustainment of satisfactory conduct and performance.

9.3 Stage 2 - First Written Warning

Where the matter is of a more serious nature, or if you have failed to meet the required standards during a prior warning for a similar offence, you may be given a first written warning. This will state the nature of the complaint, the improvement required and required standards that must be met, and where appropriate, a time limit for improvement. The warning will also state that failure to improve may lead to further disciplinary action (e.g. final written warning or dismissal) before the expiry of the time limit for improvement if it is clear that no attempt is being made to improve. You will also be informed of your right to appeal, and how and where this should be made. A copy of the written warning will be placed on your personnel file but will be disregarded for disciplinary purposes after 6 months from the date of the warning, subject to achievement and sustainment of satisfactory conduct.

9.4 Stage 3 - Final Written Warning

For more serious matters of misconduct or wilful under-performance, or if you have failed to meet the required standards during the currency of a prior formal warning for a similar offence, you may be given a final written warning. This will state the nature of the complaint, the improvement required and required standards that must be met, and where appropriate, a time limit for improvement. The warning will also state that failure to improve may lead to dismissal or some other sanction before the expiry of the time limit for improvement if it is clear that no attempt to improve is being made. You will also be informed of your right to appeal, and how and where this should be made. A copy of the written warning will be placed on your personnel file but will be disregarded for disciplinary purposes after 12 months from the date of the warning, subject to achievement and sustainment of satisfactory conduct and performance.

9.5 Stage 4 - Dismissal, or some other sanction

If, despite warnings, you have failed to meet the required standards, or if further substantiated misconduct occurs, you may be dismissed. The decision to dismiss an employee must be taken by a Director, or alternatively a Senior Manager specifically designated to have this authority. The decision will be confirmed to you in writing and this letter will also confirm details of the appeals procedure.

If some sanction short of dismissal is imposed (for example, a change of post, including demotion/loss of status or seniority, a reduction in salary or benefits or some other disciplinary action/sanction), you will receive written statement giving details of the complaint, and will be warned that dismissal could result if there is no satisfactory improvement. You will also be informed of your right to appeal, and how and where this should be made. A copy of the written warning will be placed on your personnel file but will be disregarded for disciplinary purposes after 12 months from the date of the warning, subject to achievement and sustainment of satisfactory conduct or performance.

10. Gross Misconduct

On completion of the relevant investigation, if the Company is satisfied that gross misconduct has occurred, the result will normally be summary dismissal without notice or payment in lieu of notice. The decision will be confirmed to the employee in writing and this letter will also confirm details of the appeal procedure.

Examples of gross misconduct can be found in Section 4 of this policy.

11. Appeals

If you are not satisfied with a disciplinary decision:

- a) You may appeal against any disciplinary action taken against you at any stage. Appeals must be notified in writing within five working days of the disciplinary decision. Please forward your appeal to the HR Team. You will be advised to whom the appeal should be made in the original written confirmation of the disciplinary decision.
- b) An appeal hearing will then be arranged which you will be invited to attend. A Director or Senior manager will attend the appeal hearing, who was not involved in the initial disciplinary meeting. Additionally, an alternative HR representative will attend the meeting where possible. You will be given the opportunity to give the reasons you believe the sanction should be overturned which could include that it was too severe, inappropriate or because new information has come to light.
- c) The outcome of the appeal hearing will be confirmed to you in writing. The Company will not hesitate to reverse the original decision if it feels that its original action was incorrect or unjustified. In exceptional circumstances, the sanction may also be increased. The decision of the appeal panel will be final.