

RBH NON-EXECUTIVE DIRECTOR, COMMITTEE MEMBER AND SUBSIDIARY BOARD MEMBER GRIEVANCE, DISPUTE AND DISCIPLINARY PROCEDURE

A. Introduction and Background

This Procedure addresses the requirements of the RBH Board's adopted Code of Governance (NHF 2020) which requires a document that sets out how grievances and disputes involving members of the Board or a Committee can be raised, and how they are responded to.

This procedure deals with breaches of good governance including failure to adhere to the Non-Executive Director and Committee Member Code of Conduct.

B. Governing Principles

RBH is committed to the highest standards of governance and conduct as well as conducting its business in an open, proper and accountable manner with a clear decision making and delegation process consistent with the requirements of statute and of best practice.

Non-Executive Directors, Committee Members and Subsidiary Board Members bring a variety of skills and opinions to the Society. Challenge is a positive thing and part of the role of Board and Committee Members is to hold the Executive Leadership Team and the Chair of the Board to account. Individuals may have differing views on issues and this is recognised as a positive and healthy contribution to the decision-making process. Disagreement and challenge when issues are being discussed are not grounds for action when conducted in an appropriate manner.

This procedure sets out the process for dealing with allegations of member misconduct or unsatisfactory behaviour and specifically:

- Where a member makes a complaint against another member
- Where a member wishes to raise a grievance around the way they have been treated
- Where an employee or stakeholder wishes to raise a complaint against a member
- Where the organisation identifies behavioural issues with members and failure to adhere to the Non-Executive Director and Committee Member Code of Conduct

This procedure does not cover instances where a member wishes to make a complaint against an employee of the Group. In such instances, members are expected to raise issues through the RBH Board Chair, or alternatively directly with the Chief Executive.

C. Definitions

For the purposes of this Procedure, the term ‘member’ or ‘NED’ includes Non-Executive Directors, Committee Members, Co-optees and Subsidiary Board Members of the RBH Group.

The term ‘Chief Executive’ also means the Deputy Chief Executive who can act in their absence.

It is not intended to cover Executive Directors who are members of the Board or subsidiary Boards as their employee status separates them from their position on the Board.

A ‘grievance’ may be defined as any action or behaviour by a member that causes another member to feel aggrieved, upset or unfairly treated. It is not applicable to a member who disagrees with a collectively agreed decision.

‘Mediation’ is a process that can be used to resolve disputes and as such can be effective in some grievance situations (see appendix 1).

Issues of poor performance or capability will be dealt with through the Non-Executive Director and Committee Member Appraisal Framework.

D. RBH Values

The Values of RBH are inherent in this procedure:

Open and honest: All parties will give full disclosure of information, documentation and witness statements; engage in truthful interaction in interviews and adopt a non-confrontational, problem-solving approach.

Responsible: All parties will take responsibility for and answer for their actions in a helpful, co-operative and constructive way ensuring the best possible outcome for both RBH and the member. Every effort will be made to resolve the situation at the earliest opportunity, without the need for further meetings.

Equity: The process will be even handed, non-discriminatory and impartial. Fairness is not treating every situation the same as there are different reasons and underlying actions which will need to be explored. Accordingly, each case will be taken on its merits.

Caring: All parties will listen and be responsive. All parties will be sensitive recognising that these situations are stressful for all involved.

Democracy: We will learn from each situation discussing how situations occurred and what could be improved for everyone concerned.

Pioneering: We will look for alternative solutions where applicable to meet the needs of RBH and the individuals associated with it.

Championing: We will work collectively to create a harmonious place where people can succeed together as there is clarity, high standards of behaviour, flexibility, team commitment and a focus on continual improvement.

E. Member Grievance

In most circumstances, members are expected and encouraged to resolve conflict in an informal manner outside of Board or Committee Meetings. If however, the issue cannot be resolved satisfactorily at this level, the member may instigate either the grievance procedure outlined below or alternatively, if it is more appropriate, mediation may be offered if both parties are in agreement (see appendix 1).

If a member has a dispute with another that they cannot resolve informally or would like to raise a grievance about the way they have been treated, they may do so by contacting the RBH Board Chair. If the grievance is regarding the RBH Board Chair, the RBH Board Deputy Chair or Chief Executive can be contacted directly.

Where the grievance affects more than one member, it may be dealt with as a collective grievance with a maximum of three members representing the views of all involved.

The RBH Board Chair will contact the member to arrange a formal meeting with a date to meet within 7 working days (dependent on the availability of both parties) of the grievance being submitted.

The RBH Board Chair will be supported by the RBH Deputy Chair or the Audit Committee Chair if the grievance relates to either the RBH Board Chair or Deputy Chair. The Secretary and/or the Chief Executive may provide governance advice, as appropriate.

The member has the right to be accompanied/represented however this person may address the meeting and confer with the member but cannot answer questions on the member's behalf.

If the matter is not successfully resolved, the RBH Board Chair will refer the matter to the People and Remuneration Committee. For the purpose of this matter, if the grievance is regarding a member of the People and Remuneration Committee, they will be replaced by the Audit Committee Chair or another Non-Executive Director who is not part of the grievance.

The People and Remuneration Committee will be convened at a mutually agreeable time and place and will hear from both the RBH Board Chair, and the member concerned. The People and Remuneration Committee may at its absolute discretion appoint an independent person or company to undertake an investigation and to report its findings direct to the Committee.

The RBH Board Chair will send a letter to the member raising the grievance outlining the concerns and the actions agreed in consultation with the People and Remuneration Committee.

Should the recommendation of the People and Remuneration Committee be the removal of members concerned, the procedure for the Removal of Directors outlined in the Mutual Rules will be followed.

A member has the right to appeal a decision of the People and Remuneration Committee to be heard by the Internal Auditors (appointed at that time).

Any appeal will be in writing indicating the initial grounds for the appeal and lodged with the Secretary within ten working days of the decision of the People and Remuneration Committee. The appeal will not be able to bring new areas of concern to the grievance and will deal with the manner in which the process has been followed. The Secretary will fix a date for the appeal and convene a meeting with the Society's Internal Auditors for the purpose of the appeal.

There is no further right of appeal.

F. Employee or Stakeholder Complaint against a Member

Complaints from an RBH employee or other stakeholder may be raised through a variety of sources including to the RBH Board Chair, Representative Body Chair, Chief Executive or the RBH Secretary. These matters will be referred to the People and Remuneration Committee.

If the complaint is concerning a member of the People and Remuneration Committee, they will be replaced by the RBH Board Chair or RBH Audit Committee Chair. The member who is the subject of the grievance, may not:

- Attend meetings of the People and Remuneration Committee, unless invited to do so
- Make representations to the People and Remuneration Committee or any of its members unless invited to do so

The People and Remuneration Committee may at its absolute discretion appoint an independent person or company to undertake an investigation and to report its findings direct to the Committee.

The People and Remuneration Committee will be formed as soon as possible to consider the grievance and, in any case, within two weeks of receipt of the complaint (dependent on the availability of both parties).

Following the People and Remuneration Committee meeting, the Committee Chair will send a letter to the complainant outlining the actions agreed.

Should the recommendation of the People and Remuneration Committee be the removal of the member(s) concerned, the Removal of Directors procedure will be followed as outlined in the RBH Mutual Rules.

A member has the right to appeal a decision of the People and Remuneration Committee to be heard by the Internal Auditors (appointed at that time).

Any appeal will be in writing indicating the initial grounds for the appeal and lodged with the Secretary within ten working days of the decision of the People and Remuneration Committee. The appeal will not be able to bring new areas of concern to the grievance and will deal with the manner in which the process has been followed. The Secretary will fix a date for the appeal and convene a meeting with the Society's Internal Auditors for the purpose of the appeal.

There is no further right of appeal.

G. Serious Breaches

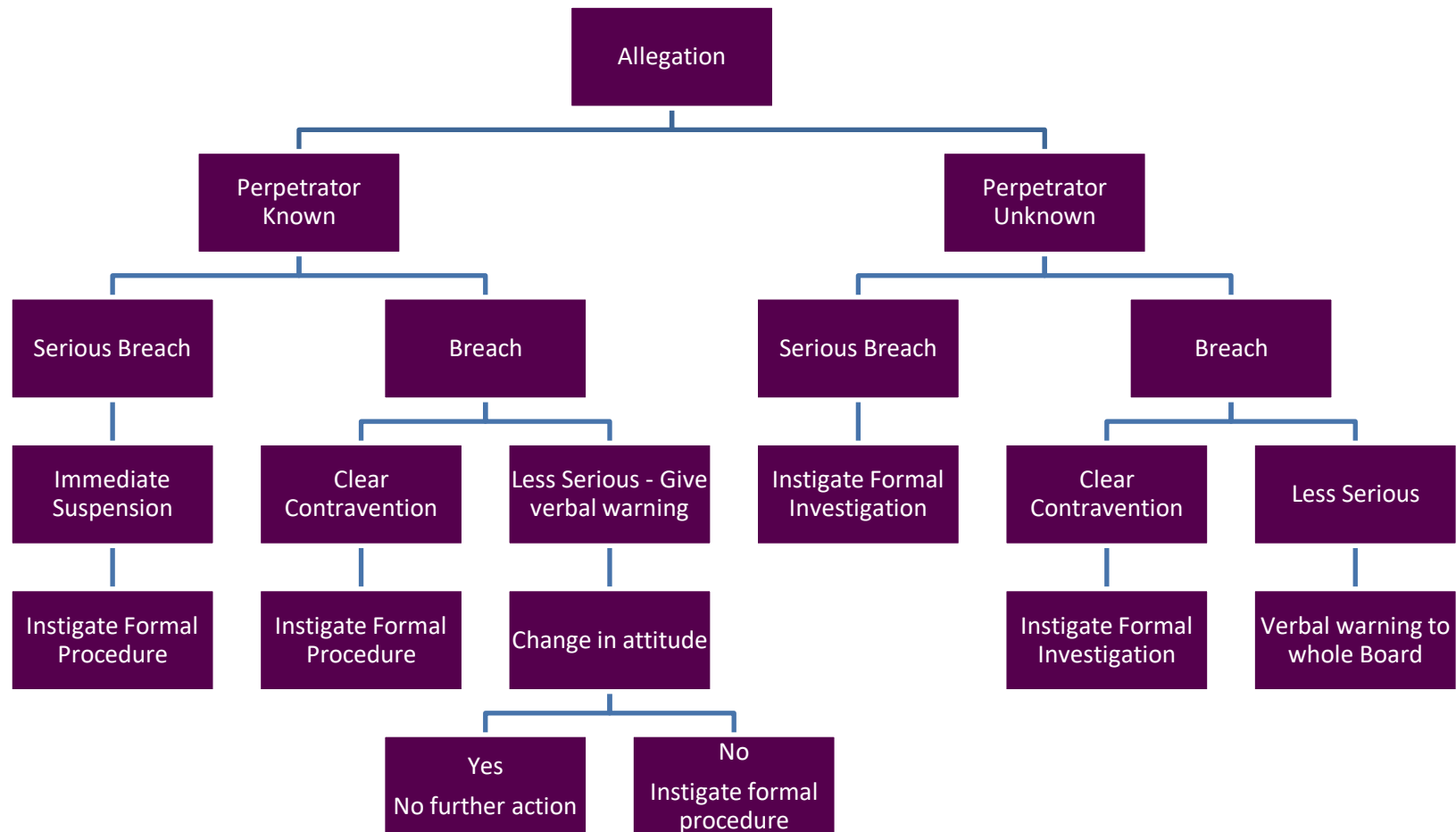
There are circumstances where immediate action is required to protect the integrity of the Board, its Committees and Subsidiaries and the reputation of the Society. Members carry special duties of accountability and, as a consequence, their conduct and personal integrity must be beyond reproach. For this reason, any Non-Executive Director or Committee Member who:

- Becomes subject to legal proceedings brought against him/her by the Society;
- Brings legal proceedings against the Society (excluding personal injury claims);
or
- Becomes subject to any criminal or civil proceedings, the nature of which could compromise his/her position as a Board or Committee Member

will immediately, without prejudice of any outcome, become suspended from membership of the Board, Committee or Subsidiary Board. This suspension will be carried out by the RBH Board Chair in consultation with the Chief Executive, unless the RBH Chair is the Non-Executive Director in question and in which instance, the suspension will be carried out by the RBH Deputy Chair in consultation with the Chief Executive.

H. Immediate Actions

Any allegation of Non-Executive Director or Committee Member misconduct will be reported in writing to the RBH Board Chair who will, in consultation with the Chief Executive, instigate an initial investigation into the allegation. If the complaint relates to the RBH Board Chair, the report will be made to the RBH Audit Committee Chair. The following decision process will be followed:



I. The Formal Procedure:

1. If the RBH Board Chair and Chief Executive are satisfied that the member has a case to answer, then the RBH Board Chair will request that the Secretary instigates the formal procedure and informs the member that an allegation has been made.
2. The investigation will usually require an interview of the member subject to the formal procedure and any other relevant witnesses. Who will be involved in the investigation will be determined on a case-by-case basis and is dependent on the circumstances of the alleged breach of the Code of Conduct.
3. The Secretary will then convene a meeting of the Disciplinary Panel and advise the member of the date and time of the meeting.
4. The Disciplinary Panel will consist of the RBH Deputy Chair, two other RBH Non-Executive Directors and the Secretary as advisor to the Panel. The RBH Board Chair shall not participate in the Disciplinary Panel.
5. No disciplinary action will be taken against a member until the case has been fully investigated and the member has had a chance to answer the case.
6. Prior to any hearing, the member will be advised that he/she has the right to be heard and, if he/she chooses, to be represented.
7. The Legal or Governance Manager will prepare the case for presentation to the Disciplinary Panel.
8. The meeting will be convened to hear and consider the allegations which will be presented by the Legal or Governance Manager.
9. All papers to be referred to at the hearing, together with the names of any witnesses, should be submitted to the Secretary by both the member and the Legal or Governance Manager 10 working days before the date of the hearing (unless a shorter period has been agreed).
10. Copies of all papers will be distributed by the Secretary to all parties involved 5 working days prior to the hearing taking place (unless a shorter period has been agreed).
11. The Disciplinary Panel will hear the full facts of the allegations made against the member and allow the member to state his/her case.
12. The Legal or Governance Manager and the member may call witnesses to give evidence. These witnesses can include the complainant.
13. The Secretary will act as Clerk to the Disciplinary Panel.

J. The Hearing

At the Hearing:

1. The allegations against the member will be presented by the Legal or Governance Manager (including the evidence of witnesses if appropriate);

2. The member, or their representative, will be allowed to question the Legal or Governance Manager or witnesses;
3. The Panel Members may question the Legal or Governance Manager or witnesses;
4. The member, or their representative, will present his/her case calling any witnesses;
5. The Legal or Governance Manager may question the member and/or witnesses;
6. The Panel Members may question the member and/or witnesses;
7. The Legal or Governance Manager and the member, or their representative, will make final submissions.
8. The Panel will then retire to consider the matter and will present its decision.

K. Findings

Where, in the opinion of the Disciplinary Panel, the allegation is proven and having regard to the seriousness of the misconduct and any previously proved misconduct, the following may apply:

1. Require a member to issue a formal and/or public apology;
2. Suspend a member for a fixed or indeterminate period;
3. Remove some or all of a member's special or additional responsibilities (above and beyond those of a normal member) such as Chair of Committee and/or Deputy Chair;
4. First written warning – for instances of serious misconduct or repetition of minor misconduct. A first written warning will remain on the member's record for the remainder of their current term of office but for not less than 12 months;
5. Final written warning – for instances of misconduct following a first written warning. A final written warning will remain on the member's record for their full term of office.

Where, in the opinion of the Disciplinary Panel, the allegation is proven and the Disciplinary Panel decides that the appropriate action should be removal from the Board or Committee then the case, must be referred to the Representative Body in line with the Removal of Directors procedure outlined in the Mutual Rules.

L. Notification of Disciplinary Decisions

The Disciplinary Panel will instruct the Secretary to notify the member of its decision/recommendation within three days of the Panel meeting. The notification will include details of the right of appeal, which will be to the full RBH Board.

M. Appeals

A member has the right to appeal a decision of the Disciplinary Panel to be heard by the Internal Auditors (appointed at that time).

Any appeal will be in writing indicating the initial grounds for the appeal and lodged with the Secretary within ten working days of the decision of the Disciplinary Panel. The appeal will not be able to bring new areas of concern to the complaint and will deal with the manner in which the process has been followed. The Secretary will fix a date for the appeal and convene a meeting with the Society's Internal Auditors for the purpose of the appeal.

There is no further right of appeal.

Appendix 1

Mediation

Where a dispute occurs, which may be a grievance, mediation may be used to resolve the conflict. In mediation an impartial person, the mediator, assists individuals who have a disagreement to help find their own solutions and reach a mutually agreeable outcome. It is based on the principle of collaborative problem solving, with a focus on the future and rebuilding relationships, rather than apportioning blame. It gives the participants an opportunity to step back and look at how the situation can be remedied, looking at their own actions as well as those of the other party.

A request for mediation can be made by any member and a trained external mediator will be used to ensure impartiality.

To be effective, all parties must be able to approach mediation in an open-minded, constructive way. Mediation is voluntary and both parties must demonstrate commitment to achieving a mutually agreeable outcome and solution. Either party can however withdraw from the process at any time.

While there are no hard and fast rules regarding when mediation can be used, there are circumstances when it is more likely to be successful. These include:

- in the informal stages of a grievance issue;
- relationship break downs or where tensions are rising due to the use or misinterpretation of language and/or behaviours, issues over personal space etc; or
- where there are allegations of bullying and/or harassment or perceived discrimination issues

And equally there are circumstances where mediation is not appropriate:

- where the parties do not have the power to settle the issue; and/or
- where there are entrenched and intransigent views on one or both sides and
- using mediation will only raise unrealistic expectations of a positive outcome.

Notwithstanding the above, each situation will need to be judged on a case-by-case basis and clearly serious cases of bullying, harassment, discrimination or serious breaches of discipline will need to be dealt with within the formal processes.

Mediation will be strictly confidential between the two members and the mediator. The only exception to this rule of strict confidentiality is where there is a potential unlawful act or where there is evidence of a serious risk to health and safety. In these circumstances, the mediation process will be terminated.

Given that mediation is designed to take the matter out of the formal arena for resolving conflict, there will be no direct involvement from other members or RBH colleagues (e.g. the RBH Board Chair or Chief Executive) during the mediation process other than in very exceptional circumstances.

Once mediation has been agreed by all parties, the mediator will meet the parties separately to allow each member to tell their side of the story and define their objectives for the process. The mediator will then generally bring the two (or more) members together to define the main areas of agreement or dispute. The issues will then be discussed through joint problem-solving techniques and constructive solutions will be explored. If and when resolution has been achieved, an agreement will be drawn up, signed by each member. This will remain confidential between the members and the mediator but may, if appropriate, be shared with the RBH Board Chair.

All notes taken by the mediator during the process will be destroyed. Agreements reached in mediation are not binding, but it would be expected that the parties, having jointly agreed the resolution, will follow the agreement. If for any reason the mediation process does not lead to a resolution acceptable to both members, the mediator involved in the process may not be called upon as a witness or to assist in any way if formal procedures, internal or external, are invoked by any of the parties to the mediation on the issues covered by the mediation.