

Disciplinary Procedure for Employees

N.B. This procedure will be reviewed periodically to ensure compliance with changes in employment law and other relevant legislation.

1. Application and Scope

1.1 Carfax expects satisfactory standards of behaviour, conduct, and attendance from all its employees. The disciplinary procedure provides a framework for dealing with instances where employees are alleged not to have met the required standards of conduct. The aim is to ensure prompt, consistent, and fair treatment for all employees and to assist in enabling both the employee and Carfax to be clear about the expectations of both parties.

1.2 The procedure applies to all persons employed by Carfax under a contract of employment.

1.3 Criminal Offences

1.3.1 If an employee is charged with, or convicted of, a criminal offence (outside of employment) this will not normally in itself be considered a reason for disciplinary action. Consideration will be given to the relevance and effect the charge or conviction has to or on the employee's suitability to do their job and their relationship with Carfax, work colleagues, and clients.

1.3.2 Criminal offences, whether committed within or outside of the course of employment, with potential implications for an individual's employment include, but are not limited to:

- dishonesty, including theft, fraud or falsification of records;
- corruption;
- assault;
- harassment;
- serious traffic offences;
- offences for which Carfax may be held vicariously liable, e.g.:
 - an act of serious negligence committed by an employee whilst unfit through drink or drugs.

1.3.3 Where as a result of a criminal offence, an employee is in fundamental breach of his contract of employment, either expressly or implicitly, the appointment may be immediately terminated.

2. General Principles

2.1 Employment by Carfax is not a right and will not at any time be treated as such. The following principles will apply to the application of this procedure:

2.2 Informal Resolution

2.2.1 Members of Carfax's senior management team are responsible for addressing conduct and behaviour issues as early as possible and for taking appropriate action. Where appropriate, steps will be taken to resolve issues on an informal basis without recourse to the formal procedure

2.3 Investigation

2.3.1 Before disciplinary action is taken, an investigation shall be undertaken. Where the member of the senior management team with authority to hear the case considers it appropriate, the contents of an investigation undertaken under another procedure may be used as part of this process.

2.4 Nature of allegations

2.4.1 The employee against whom an allegation has been made shall be advised in writing of the nature of the allegations made against him and will be given the opportunity to state his case before any decision is made to take disciplinary action.

2.5 First breach of discipline

2.5.1 Dismissal will not be a sanction for a first breach of discipline except in the case of gross misconduct.

2.6 Suspension

2.6.1 At any stage in the procedure, if appropriate, an employee may be suspended. Suspension is not a penalty and is not an indication of culpability. The decision to suspend will be taken by the Director after consultation with the Principal.

2.7 Right to be accompanied

2.7.1 All employees who are the subject of this procedure have the right to be accompanied at any formal meeting or disciplinary hearing held under the procedure by any person of their choosing, except a person who: may gain a competitive advantage; or has been previously dismissed from Carfax for gross misconduct or following a disciplinary procedure.

2.8 Equality and Diversity

2.8.1 To ensure fair treatment and, where appropriate, provision of support by Carfax in the application of this procedure, employees are invited to provide information about any equality or diversity issues which may be relevant.

2.9 Confidentiality

2.9.1 All parties involved in these procedures must ensure that they maintain, as appropriate, the confidentiality of the process within and outside Carfax.

2.10 Appeals against Sanctions including dismissal

2.10.1 Sanctions or warnings issued as a result of procedures will remain in force pending the outcome of any appeal.

2.11 Timescales

2.11.1 Whilst every endeavour will be made to comply with timescales, due to the complexity and or specific circumstances of cases, timescales may be extended. In such circumstances the employee will be advised of the reasons for any delay.

3. Informal Procedure

3.1 It is part of the normal supervisory process that senior managers bring to the attention of the employees the standards required and any failure to meet those standards.

3.2 Cases of minor misconduct, e.g. occasional lateness, should be dealt with by the Principal informally and without delay. The Principal must speak to the employee, in private, and should encourage them to conduct themselves in accordance with the required standards.

3.3 The purpose of these discussions is to ensure that the employee understands the nature of the concerns, expectations of improvements in conduct, and, where appropriate, timescales and the nature of any support available.

3.4 It is advisable to confirm the outcomes of any discussions in writing to the employee. The Principal should retain any note of these informal discussions or meetings.

3.5 Following a satisfactory outcome to the use of the informal procedure, the matter will be considered resolved.

3.6 However, where an issue has been discussed with an employee informally and if:

- the issue has not been resolved and the problem persists;
- the required improvements in conduct are not achieved; and/or
- further information becomes available during discussions which make the matter sufficiently serious

the formal procedure should be invoked.

4. Formal Procedure

- 4.1 Where the informal process has not led to improved conduct, or where the alleged misconduct is of such seriousness that the Principal considers informal action to be inappropriate, formal action will be initiated. Examples of misconduct are shown in Appendix A.
- 4.2 An investigation of the facts will be conducted as outlined in section 5 to determine whether there is a disciplinary case to answer.
- 4.3 Where an investigation indicates that there may have been an act of misconduct, the employee may be required to attend a formal disciplinary hearing at which he shall be given the opportunity to respond and state his case.

5. Investigation

- 5.1 Before disciplinary action is taken, or a hearing convened, there will normally be an investigation into the circumstances of the alleged misconduct. The purpose of the investigation is to:
- establish the nature of the allegations;
 - gather evidence to enable a decision to be taken on whether there is a disciplinary case to answer; and
 - consider if the matter should proceed to a formal hearing.
- 5.2 The employee will be informed promptly of any allegation and that an investigation to establish the facts will be undertaken. The investigation must be concluded as soon as reasonably possible whilst allowing sufficient time to interview relevant parties. Employees must be kept informed if there is any unexpected delay in the process.
- 5.3 The Principal may appoint an ‘investigatory manager’, usually a head of a different division of Carfax, not immediately involved in the case to investigate the facts of the situation. Carfax Education’s Head of Operations may be called upon to assist in ensuring that the matters are handled fairly, reasonably, and in compliance with current legislation and Carfax procedure.
- 5.4 If there is no disagreement concerning the facts of the case because the employee admits misconduct, an investigation may not be necessary before a disciplinary hearing is arranged.

However, in cases where misconduct is not admitted, or if there are conflicting views or evidence, further investigation will usually be appropriate before a decision is taken to proceed to a formal hearing.

5.5 Investigatory interviews are part of the process to establish whether disciplinary action is warranted. As part of the investigation the employee who is the subject of the allegation will be asked to attend an investigatory interview at which he may be accompanied. The employee must inform the investigating manager of any facts or witnesses that he feels are relevant to the case. Where appropriate, witnesses will also be interviewed. Interview statements which are signed and dated will be produced.

5.6 The outcomes of an investigation may be that:

- there is no case to answer and therefore no disciplinary action is taken;
- the matter is dealt with informally, if appropriate with support and or training to resolve the matter; or
- recommendation that there is a disciplinary case to answer and a disciplinary hearing should be arranged or disciplinary action taken.

6. Disciplinary Hearing

6.1 Preparation and conduct

6.1.1 If following an investigation there is a recommendation that there is a disciplinary case to answer, the employee will normally be given 10 days' notice and invited to attend a disciplinary hearing. The employee will be provided with details of the allegation(s) and an indication as to whether the alleged misconduct is considered as potentially a serious/gross misconduct case and therefore whether a sanction less than or up to dismissal may be considered. The employee will be invited to make any written submissions or bring forward witnesses. Prior to the hearing, any documentation that will be referred to in the hearing will be made available to the employee.

6.1.2 The employee will be given an opportunity to present his case, question witnesses and raise any issues he wishes to have considered. The senior manager conducting and hearing the case will be able to question those involved in the case.

6.1.3 The senior manager conducting and hearing the case will consider all representations then decide if, on the balance of probabilities, the allegation(s) are proven and, if so, what level of disciplinary sanction is appropriate.

6.1.4 The decision may be given verbally at the hearing and will in any event be conveyed or confirmed in writing within 5 working days of the hearing. The correspondence shall also notify the individual employee of his right to appeal against any sanction. In the

event that the decision is taken to dismiss the employee, the letter will include the reasons for dismissal and the date that his employment will terminate, together with details of any notice arrangements.

7. Formal Levels of Disciplinary Sanctions

7.1 There are three levels in the formal disciplinary procedure with various sanctions dependent upon the gravity of the case and/or the on-going nature of the misconduct.

7.2 Level One: Written Warning

7.2.1 This is usually given if there has been either a minor breach in conduct which remains unresolved by informal action, or a first more serious breach of discipline.

7.2.2 The disciplinary sanction of a written warning given under level one will be retained on the employee's personal file, subject to satisfactory conduct and/or improvements for 12 months from the date the decision is confirmed.

7.3 Level Two: Second Written Warning

7.3.1 If the employee does not meet the required standard of conduct set out in level one, or commits any other act of misconduct during the timescale of an existing warning, a further formal disciplinary hearing may be convened under level two of this procedure.

7.3.2 At this stage, the employee may, where the senior management team finds it appropriate, have his salary reduced for three (3) to six (6) months.

7.3.3 In some circumstances, where an alleged misconduct is sufficiently serious, it may be appropriate to progress straight to level three or four of this procedure.

7.3.4 The disciplinary hearing will be conducted following an investigation if appropriate and as described in section 6.1.

7.3.5 The disciplinary sanction of the second written warning given under level two will be retained on the employee's personal file, subject to satisfactory conduct and/or improvements for 12 months from the date the decision is confirmed.

7.4 Level Three: Final Written Warning

7.4.1 If the employee does not meet the required standard of conduct set out in level one or two, commits any other act of misconduct during the timescale of an existing warning, or commits an offence of gross misconduct for which dismissal is not applicable because of

special circumstances, a further formal disciplinary hearing may be convened under level three of this procedure.

7.4.2 At this stage, the employee may, where the senior management team finds it appropriate, have his salary reduced for three (3) to twelve (12) months.

7.4.3 In some circumstances, where an alleged misconduct is sufficiently serious, it may be appropriate to progress straight to level four of this procedure.

7.4.4 The disciplinary hearing will be conducted following an investigation if appropriate and as described in section 6.1.

7.4.5 The disciplinary sanction of the final written warning given under level three will be retained on the employee's personal file, subject to satisfactory conduct and/or improvements for 18 months from the date the decision is confirmed

7.5 Level Four: Dismissal

7.5.1 If allegations are raised which are so serious as to constitute gross misconduct, such as those in Appendix A, it will be appropriate to consider taking formal action under level three of this procedure.

7.5.2 It may also be appropriate to move to level three if an employee does not meet the required standard of conduct set out in the final written warning given under level two of this procedure, or commits any other act of misconduct during the timescale of an existing warning.

7.5.3 If an investigation indicates that an act of further or gross misconduct may have occurred, the employee will be required to attend a formal disciplinary hearing.

7.5.4 The letter requiring attendance at the formal disciplinary hearing shall include a statement of the alleged misconduct and warn the employee that one consequence of the hearing may be the termination of his employment with or without notice.

7.5.5 The senior manager conducting and hearing case will consider all representations then decide if on the balance of probabilities the allegation(s) are proved and if so what level of disciplinary sanction, including and up to dismissal, is appropriate. On the basis of the information presented that senior manager may decide:

- to dismiss the employee (without notice in the case of gross misconduct);
- that there are insufficient grounds to dismiss the employee under this procedure;
- on the imposition, extension, or renewal of a warning or final written warning issued under this procedure;

- to withhold an increment of salary
- on the removal of any title or office held in addition to the substantive appointment;
- on the transfer of an employee to an alternative post within Carfax; and or/
- that matters should be considered under an alternative procedure or that the civil or criminal justice system should be used.

The above list is not exhaustive and the outcome may be varied according to the circumstances of the case.

8. Appeals

8.1 Appeals against warnings, sanctions, or action less than dismissal

8.1.1 The employee has the right to appeal against a decision to issue a warning or sanction, less than dismissal, under this procedure. Any appeal should be sent to the Company Director within 10 working days of the employee receiving the written decision. The appeal must state the grounds for appeal.

8.1.2 The appeal will be heard by the Company Director, who will have had no prior involvement in the case. Where the Company Director is unavailable, the Company Director may appoint someone, who has had no prior involvement in the case, to hear the appeal on his behalf. The appeal hearing will be a review of the decision to issue a sanction under the disciplinary procedure. The person conducting and hearing the appeal may substitute a different sanction from that appealed against, it is not intended that any substituted sanction would be more severe.

8.1.3 The decision may be given verbally at the appeal hearing and will in any event be conveyed or confirmed in writing within 10 working days of the hearing.

8.2 Appeals against Dismissal

8.2.1 The employee has the right of appeal against a decision to terminate his employment under this procedure. Any appeal should be sent to the Company Director within 10 working days of the employee receiving the written decision to dismiss. The appeal must state the grounds for appeal.

8.2.2 The appeal will be heard by an appeal panel consisting of the senior management team of Carfax. The Company Director, whenever possible, will have had no prior involvement with the case and the appeal hearing will be a review of the decision to dismiss.

8.2.3 The decision may be given verbally at the appeal hearing and will in any event be conveyed or confirmed in writing within 10 working days of the hearing.

8.2.4 The decision following the appeal shall be final and there will be no further internal right of appeal.

Appendix A: Examples of misconduct/gross misconduct

The following examples are not exhaustive but indicative of conduct that Carfax considers may warrant disciplinary action up to and including summary dismissal, i.e. dismissal for gross misconduct which takes immediate effect and for which there is no notice period or pay in lieu of notice given as a result of the dismissal.

Examples of misconduct may include:

- unsatisfactory attendance at work, e.g. unauthorised or unreported absence or persistent lateness;
- misuse of internet, e-mail, and other company facilities;
- refusing or failure to carry out a reasonable management instruction;
- failure to comply with agreed working practices;
- failure to take reasonable care of Carfax property or using it for personal use without necessary authorisation; and
- persistent offences of misconduct may lead to the termination of employment.

Any misconduct of a sufficiently serious nature may be deemed to be gross misconduct and dealt with accordingly. Gross misconduct is misconduct which, objectively considered, is capable of destroying the employer's trust and confidence in the employee.

Examples of behaviour that may constitute gross misconduct include:

- serious negligence which results in unacceptable loss, damage, or injury;
- assault on another employee, client, or member of the public;
- breach of confidence, including serious and/or persistent breaches of confidence;
- dishonesty, including theft, fraud or falsification of records;
- unlawful discrimination, including intentional unlawful discrimination or serious bullying and harassment of employee;
- incapacity to work due to alcohol or drug misuse;
- a serious act of insubordination; and
- other serious breaches of contract.

Further information can be found in the contract of employment.