## Learning and Development Policy

MCB-AH will support reasonable initiatives to improve the technical and professional know how of its employees. Every effort will be made to create a conductive environment in the Company to let employees learn from their superiors and also through formalized training courses and appearances in examination to increase their qualifications. The relevant Department Head and the CEO are jointly authorized to approve the reimbursement of reasonable expense on such Training, and Examination Fees, in case an employee requires training and examination from institutes approved by the Company for such purpose.

HR Department will also ensure relevant trainings are arranged as per the requirement of the law for respective employee(s) in the following respects: -

**AML/CFT Training Employees**

Human Resource Department in consultation with the Chief Operating Officer of the Company shall arrange comprehensive training for all relevant employees (other than senior management) at least annually or at such earlier frequencies as may be prescribed by the SECP to ensure that they understand their duties under the SECP (Anti Money Laundering and Countering Financing of Terrorism) Regulations, 2018 (the "**AML/CFT Regulations**") and AML/CFT & CDD/KYC Manual and are able to perform those duties satisfactorily. Proper record of training shall be maintained by the Human Resource Department. The training session on the same for MCBAH sales team (Retail and Corporate) will be conducted by Head of Training in consultation with Head of Compliance at least quarterly or as required by relevant SECP regulations and guidelines. The record for such training will be maintained by the Head of Training.

1. Human Resource Department in consultation with Chief Executive Officer shall also arrange higher level training for senior management covering all aspects of AML/CFT procedures, including the offences and penalties arising from the relevant primary legislation for non-reporting or for assisting money launders and for not implementing the requirements of identity and retention of records. Proper record of such training shall be maintained by the Human Resource Department.
2. Human Resource Department shall obtain an undertaking from the relevant employees (both new and existing) confirming that they have attended the training on AML/CFT matters and read the AML/CFT Regulations and AML/CFT & CDD/KYC Manual.
3. Sales staffs are the first point of contact with potential money launderers, and their efforts are vital to a Company's effectiveness in combating ML/TF. These Sales Staff shall be given training on the factors which may give rise to suspicions about a customer's activities, and actions to be taken when a transaction is considered to be suspicious.
4. Unit Holders Accounting (**UHA**) and Investor Services staff shall receive relevant training in the verification procedures. These Staff are expected to aware of the types of suspicious activities which may need reporting to the Financial Monitoring Unit regardless of whether the transaction was completed. These Staff shall be trained about the correct procedures to follow in such circumstances by their respective line managers / heads of the department. The HOD/ line manager will be responsible to maintain the record of such training.
5. Head of Compliance shall receive in-depth training on all aspects of the primary legislation, AML/CFT Regulations, regulatory guidance and relevant internal policies. He/she shall also receive appropriate initial and ongoing training on the investigation, determination and reporting of suspicious activities, on the feedback arrangements and on new trends of criminal activity.
* **Eligibility**

All permanent employees are eligible to avail this opportunity to polish their strengths further and develop their weak areas.

* **Entitlements**

**In-house training**

Where a number of employees share the same training need, In-house training sessions will be conducted where trainers from within the organization's talent pool or outside industry experts will be invited to polish the skills of staff members. Employees nominated to attend the training are provided prior information regarding the training / time / venue etc. and it will be mandatory for nominated employee to attend, unless a specific prior approval for exception is taken by HOD or CEO.

In order to promote Learning and Development culture in MCBAH, an organized effort should be adopted. To do so, the head of training will discuss the training needs of the employees with HODs/ line managers which they believe are significant in employees’ personal and professional growth process. Based on recommendations received, the Head of training will conduct at least 4 full-day sessions annually for all the MCBAH employees.

**External courses and trainings**

For external courses and training, approvals will be granted to employees on case to case basis after looking at their training needs and the relevance of the training course. The recommendation of immediate supervisor must be submitted to Head of Training for review. The Head of Training will review the recommendations and share his/her remarks with HR department. The HR department will submit the final application supported by relevant HOD/ line Manager’s recommendations and Head of Training’s remarks to the CEO approval.

* **Process**

An employee will be eligible for a maximum of two (of which not more than one could be out of country visit) training courses / seminars / conferences during an accounting year. This limit will not apply on short (not exceeding 1 day events), inter-city courses.

The Company will bear the expenses of the training exercise, including course fee, travel and boarding and lodging (see travel policy for more details). However, in cases where the cumulative training expense in a financial year is more than 50% of the employee's annual gross salary, the excess amount will initially be treated as notional advance to the employee and will be written off in equal installments over the next one year. If an employee leaves or asked to leave prior to the written off period, he/she will be required to pay the remaining amount back to the company.

**Reimbursement of Examination fees**

Employees who appear for any professional examination will be able to claim their fee back upon successfully passing the exam.

**Reimbursement of Annual subscription fees**

Annual Subscription fee for certain institutes will be reimbursed to the Employees at the discretion of the Chief Executive Officer (CEO)

* **Process**

Reimbursement of examination fee will be provided after submission of proof of appearing and passing the examination. This reimbursement will also be treated as notional advance and will be written off in one year.

If an employee leaves or asked to leave prior to the written off period, he/she will be required to pay the remaining advance amount back to the Company.

**Basic Sales Training for New Inductees in Sales Team**

It is important that every employee who is hired in MCBAH sales team go through basic sales training which covers MCBAH product features and processes. To achieve the objective, all new candidates will require to go through any one of the proposed training plans as per below mentioned criteria:

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| --- | --- | --- | --- | --- |
| **Plan** | **Criteria** | **Proposed Training Days** | **Assessment Time** | **Eligible to Sell** |
| Plan A | IFMP Qualified/ Exempted with Minimum 3 years of experience  | 10 | within 3 days post training | Immediately, subject to briefing and short quiz of Introductory Catalogue on Product Grid & Processes. |
| Plan B | Others with less than 3 years of experience | 15 | Subject to completion of training with required score in assessment. |

Training related to MCBAH product, services and process carry a significant weight in the overall development of the sales team. It is important to have a mechanism in place which not only highlights its importance but also reinforces its need.

The employees falling in Plan A and Plan B criteria will be required to complete 10 days & 15 Days of training and clear the assessment with at least 75% score respectively.

As per Plan A, in case the subject employee is unable to clear the assessment in first two attempts, his/her Facilitation Code (FC) will be made inactive till the time he clears the assessment. The employment confirmation (post probation confirmation) of the subject employee will not be processed either if he/she does not clear within in the probation period.

As per Plan B, the Facilitation Code of the subject employee will not be activated until he/she completes the required training and clears the assessment. The employment confirmation (post probation confirmation) of the subject employee will not be processed either if he/she does not clear within in the probation period.

The employees falling in Plan B criteria should also get required IFMP certification within the timelines defined by SECP regulations. The Human Resources department will maintain the record pertaining to qualification status of all sales employees and exam results. The Sales department will share the nominations of such candidates with Human Resources and Training department not later 3 months of joining of the subject employee. The Human Resources department will complete the candidate’s exam registration process and forward the exam preparation request to the training department well before exam date.