

Company Policy on Loss, Damage, or Misuse of Company Property Due to Negligence

Purpose

This policy establishes clear guidelines for the use, care, and accountability of company property issued to employees. It also outlines the procedures and consequences in cases of loss, damage, or misuse caused by employee negligence, in alignment with the UAE Labour Law (Federal Decree-Law No. 33 of 2021) and other applicable regulations.

Scope

This policy applies to all employees who are entrusted with company property, including but not limited to:

- Equipment (e.g., laptops, phones, tools, machinery).
- Vehicles and transportation resources.
- Office furniture and supplies.
- Documents, records, and confidential information.

Legal Framework

This policy is consistent with the UAE Labour Law, specifically Articles 24, 40, and 53, which govern employee responsibilities, employer rights, and property misuse. Any deductions or financial recoveries will strictly adhere to the law, ensuring fairness and transparency.

Employee Responsibilities

1. **Proper Use:** Employees must use company property solely for work-related purposes and in accordance with company instructions and applicable safety standards.
2. **Care and Security:** Employees are required to:
 - Maintain the property in good condition.
 - Secure the property against theft, loss, or unauthorised use.
 - Report any malfunctions, damage, or risks immediately to their supervisor.
3. **Return of Property:** Upon resignation, termination, or transfer, employees must return all company property in their possession in its original condition, subject to reasonable wear and tear.



Negligence Defined

Negligence refers to any avoidable act or omission by an employee that results in loss, damage, or misuse of company property.

Examples include but are not limited to:

- Leaving property unsecured or unattended in public areas.
- Using company property for personal or unauthorised purposes.
- Failing to follow operational, maintenance, or safety guidelines.
- Intentional misconduct or wilful damage.

Consequences of Loss, Damage, or Misuse

1. Investigation Process

- Incidents of loss, damage, or misuse will be formally investigated by the relevant department or assigned personnel.
- The investigation will consider the circumstances, employee statements, and any available evidence.

2. Financial Accountability

- If negligence is confirmed, the employee may be held financially liable for the cost of repair, replacement, or associated losses.
- Any deductions from the employee's salary will comply with Article 24 of the UAE Labour Law, which limits deductions to no more than 50% of the employee's monthly remuneration.

3. Disciplinary Actions

Depending on the severity of the incident, disciplinary measures may include:

- Verbal or written warnings.
- Suspension from work without pay (in accordance with legal limits).
- Termination of employment for severe or repeated negligence as per Article 40(2) of the UAE Labour Law.

4. Insurance and Liability

- If the property is covered by insurance, the company will evaluate whether to claim under the insurance policy before pursuing financial recovery from the employee.

Reporting Procedures

1. **Employee Reporting:** Employees must report any incidents of loss, damage, or misuse of property to their supervisor within 24 hours of occurrence.
2. **Management Review:** Supervisors will document the incident and escalate it to the HR or legal department for investigation.
3. **Final Decision:** The outcome of the investigation will be communicated to the employee in writing, including any financial deductions or disciplinary actions.

Appeal Process

Employees have the right to appeal any decision related to negligence or deductions by submitting a written appeal to the Human Resources Department within 5 working days of receiving the decision. Appeals will be reviewed by an impartial committee to ensure fairness.

Exceptions

The company recognises that not all incidents result from negligence. Loss, damage, or misuse caused by unavoidable circumstances, such as natural disasters, theft despite reasonable precautions, or third-party actions, will be reviewed on a case-by-case basis.

Policy Review and Compliance

This policy will be reviewed annually to ensure compliance with UAE Labour Law and evolving organisational needs. Any amendments will be communicated to employees.

Acknowledgement

Employees are required to sign an acknowledgment form confirming their understanding and acceptance of this policy.

Approved by:

Name: _____

Title: _____

Date: _____