

QUADRANT PRODUCTIVITY BONUS SCHEME

1. Objectives

To provide a unit based self-financing method of rewarding Quadrant staff for achieving extra profit above the budgeted target and for delivering excellent customer service.

To provide additional motivation for staff to assist in the achievement of financial and customer service targets, plus recognition and reward for staff for improvements in Quadrants sales, profitability and customer service standards.

2. Grades Covered

The Quadrant Productivity Bonus Scheme applies to all Quadrant employees, except casual and agency staff, in C.W.U represented grades.

3. Payment

The scheme will run from the start of the financial year: 1 Oct to 30 Sept. However it will commence from 1 April 2006 for a 6-month period and then continue on an annual basis.

Payment from the scheme will be on an annual basis and payment will be made where applicable in early December following the conclusion of the scheme in the previous September.

4. Basis of Scheme

The scheme will replace the existing Attendance Bonus Scheme.

Entitlement for bonus payments will be based on the achievement of two criteria:

- a) Performance against budgeted profit
- b) Achievement of Customer Survey Targets

A 'Unit' will need to achieve its budgeted profit target before becoming eligible for payment of any element of its target. For the avoidance of doubt any bonus payable for the achievement of customer service targets will only be paid if performance against budgeted profit is achieved.

For the purpose of the bonus scheme, the 'Unit' targets will be defined as follows:

- Managed Units – own unit targets
- Breakfast Bars – area targets
- Relief Personnel – area targets
- Vending – area targets

For bonus payments to be made, the unit must have achieved its budgeted profit target for the bonus period.

When the budgeted performance target has been achieved at the close of each period, all extra money earned by the 'unit' will be classed as 'bonus monies'.

25% of bonus monies will be made available for payment to employees.

The employee share of the bonus monies will be split 60% relating to performance against profit budget and 40% relating to the achievement of customer survey targets. Customer survey results will be available in May of each year.

The bonus monies will be shared between employees based on contractual hours and attendance.

The bonus monies will be divided by the total contractual weekly hours worked in the unit to provide an 'hourly' bonus figure.

For each employee the hourly bonus figure will be multiplied by his or her weekly contracted hours to calculate an individual bonus payment.

Once an individual bonus payment has been calculated, the following deductions will be considered:

- Employees who are absent either through sickness or any type of unauthorised leave, for any part of a week, will lose bonus payment for the full week of that period. For example, the employee will lose $\frac{1}{52^{\text{nd}}}$ ($\frac{1}{26^{\text{th}}}$ for the initial 6 month period from April 2006) of their bonus entitlement for any part/full week of sickness/unpaid leave within each bonus period
- Employees joining during the bonus period will only be paid for completed weeks of service during the bonus period.

Payments will be to a maximum of £750 in any full year. (£375 for the initial 6 month period from April 2006).

Employees who leave before the payment date will forfeit any money due to them, except for employees who leave on normal or early retirement or early voluntary redundancy, when they will receive a pro-rata payment for all completed weeks worked.

Employees on paid maternity leave will receive payment in line with terms set above. Employees on unpaid maternity will receive payment on their return to work.

Employees on suspension will receive payment on return to paid duty.

The performance and customer service targets will be set each year by Quadrants Executive Team. The Quadrant Executive Team reserves the right to review 'unit' targets, should a significant business change occurs during the bonus period. Targets set will be both realistic and achievable.

Payments will not be consolidated into pay rates.

Payments will not be reckonable for pension purposes.

5. Communication

Regular updates will be provided by management to the staff and the CWU on the performance of their unit (or group of units). Final results will be published in mid November.

6. Appeals

Queries relating to the interpretation or operation of the scheme or specific unit results will be dealt with, in the first instance, by the Food Service Manager or equivalent line manager. There shall be a right of appeal either on a group or individual basis. This will be by referral to the Group Manager and CWU representative for resolution, and can if required be escalated to the Regional Business Manager and Area CWU Rep for resolution.

7. Review

This scheme will be reviewed annually, in line with company objectives by the signatories of this agreement.

.....
Steve Buesden
Quadrant Catering Ltd

Dated

.....
Terry Pullinger
Communication Workers Union

Dated