

PERFORMANCE MANAGEMENT PROCEDURE

Preamble

The Company operates a performance management procedure which works in parallel with the disciplinary procedure. Clearly it is not always appropriate to label incapability and poor performance as misconduct warranting disciplinary action, though it may be so sometimes. However, the Company does need to be able to address performance inadequacy within their capability and deal with it effectively.

Performance Management procedure

The Company will seek to address instances of poor performance informally wherever possible and through providing appropriate support and guidance.

Should informal measures not be successful then the employee will be notified in writing of the Company's concerns and/or complaints. The employee will then be invited to attend an initial meeting with their manager to try to establish the reasons for their underperformance and to provide the opportunity to respond to the complaints or concerns about their performance.

The employee's manager will investigate the cause of the employee's poor performance. Causes could include, for example, lack of skills, inadequate training, lack of support, tools or other resources, lack of communication or problematic working relationships. The manager carrying out this initial counselling will provide the employee factual examples of their unsatisfactory performance and the employee will be asked for their explanation, which will subsequently be followed up and checked where appropriate.

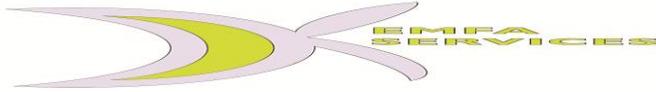
Where the reason for unsatisfactory performance is lack of the required skills, the employee will, where practicable, be assisted through training and be given reasonable time to reach the required standard of performance. If it is a question of lack of support employees, tools or other resources or facilities, attention will be paid to this and assistance provided where appropriate.

Formal Performance Management procedure

The Company will take steps to address continued underperformance by way of formal performance or disciplinary warnings where:

- it is clear that the employee's performance does not arise from any of the reasons stated above; or
- the Company has taken appropriate steps to assist the employee to improve his or her poor performance and he or she has not improved to the required standard within the specified timescale.

The employee will be informed in writing of the ongoing concerns about their performance and will be invited to attend a formal performance review meeting to discuss this with the manager



responsible. The manager will seek to identify above. The final written warning will include a statement that a failure to improve to the required standard is likely to result in dismissal.

Employees have a right to appeal against any performance or disciplinary measures applied, as detailed in the Company's Disciplinary Procedure.

At the formal review meeting the employee will be given the opportunity to respond to the concerns and/or complaints.

The employee must make all reasonable efforts to attend the review meeting. Where an employee is persistently unable or unwilling to attend without good cause the Company may hold the meeting in their absence, and make a decision based upon the evidence available.

If, at the conclusion of the performance review meeting, the manager believes that there is a shortfall in the employee's performance which requires further attention from them, then the employee will be issued with a formal warning.

Formal performance warnings will usually set out:

- the nature of the poor performance;
- the level of improvement required;
- actions required on the employee's part to remedy their performance;
- support to be provided by the company to assist in meeting the required standards;
- the time limit for achieving the required improvement;
- any interim review meeting to be held during the period of the performance warning;
- what will happen if the employee fails to achieve or maintain the required standard of improvement; and
- how long the warning will remain active. This will normally be dependent on the circumstances and will be specified in the disciplinary warning letter.

Where an employee continues to underperform then the review period may be extended, or a further formal review meeting may be held with the employee. If it is apparent that, despite the Company's support, the employee cannot meet the required standards on grounds of their capability, then they will be dismissed with full notice (either worked or paid in lieu at their net basic rate of pay as determined by the Company). At all stages of the procedure the employee will be advised in writing of the performance improvement required and whether further opportunities to improve will be provided (ie through written and final written cautions).

Where it is apparent that the employee has the inherent capability to meet the required performance standard but has not applied themselves to achieving this then the Company will progress disciplinary action inline with the Disciplinary Procedure. If there is no improvement or insufficient improvement after a written warning, or if improvement is not maintained for the period stated in the written warning, the employee will be given a final written warning setting out the details as outlined above. The final written warning will include a statement that a failure to improve to the required standard is likely to result in dismissal.

Employees have a right to appeal against any performance or disciplinary measures applied, as details in the company's disciplinary Procedure.