

TIPS & GRATUITY POLICY

Purpose

It is _____ Limited's policy to outline our tips and gratuity practices for all employees of the Company. In addition, this policy sets out the procedures that will be followed when distributing tips.

Eligibility

All employees of the Company regardless of their length of service will be eligible for tips and gratuities under this policy.

Definitions

A **tip or gratuity** is a voluntary payment made by a customer to or left for an employee or group of employees or to the employer which they intended or assumed that the payment would be kept by the employee or shared with other employees.

A **mandatory service charge** is a contractually imposed and receipted payment that a customer must pay, in addition to the cost of certain goods or services.

Tips & Gratuities

The Company allows customers to tip or offer gratuities by way of cash and electronic tips. These tips are paid to all employees in addition to their wages.

Employees will be paid wages in accordance with their terms and conditions of employment. Tips will not be used to make up employee wages.

Distribution of Tips

Electronic tips

Electronic tips received will be distributed fairly and in a transparent manner.

The following factors will be considered when distributing tips to employees:

1. The employee's seniority and/or experience
2. The value of our service and products
3. The number of hours worked by the employee
4. If the employee works full time or part time
5. The employee's role in service delivery

It is _____ Limited's policy that electronic tips are distributed based on _____ **[insert specific details of how electronic tips are distributed in Company]**.

Management will keep track of electronic tips received on a daily and weekly basis. Electronic tips will be distributed fairly amongst staff on a weekly basis. Employees

will receive a statement each week confirming the total amount of electronic tips received in that period and the total tip amount give to the employee.

Cash tips

Cash tips which are provided by the customer directly to the employee are kept by the individual employee in full.

Confidentiality

The Company considers the statement to be confidential information that should not be made public or disclosed to other colleagues. Employees must comply with the Company's Confidentiality policy.

Grievance Procedures

Employees are reminded of the Company's grievance procedures as outlined in their terms and conditions of employment and Employee Handbook.

Should any employee feel unhappy with how tips have been distributed or have any issues regarding this policy, they are welcome to address their concerns informally with a manager or formally through the grievance procedures.

Disciplinary Procedures

Where it is established that employees have failed to comply with this policy, the Company reserves the right to instigate disciplinary action against the employee.

Amendments

The Company will notify employees in advance of any changes to this policy.

Yours sincerely,

NAME
POSITION
_____ **Limited**