



# Consultant Bonus Programs

## 2015

### Overview

Catapult Systems Inc. provides six (6) different bonus programs for full-time, salaried consultants:

- 100% Club Bonus
- Accelerator Bonus
- Project Bonus
- Extend Bonus
- New Business Bonus
- Travel Bonus

Each bonus program is designed to encourage a specific desired behavior and rewards individual consultants for generating additional revenue for the company. The programs promote high utilization, delivering projects on-time and on-budget, extending our engagements with clients, and finding new business with existing and new clients.

The **100% Club Bonus** is awarded monthly to consultants who are 100% billable in a given month.

The **Accelerator Bonus** is a tiered bonus awarded to consultants who are *more than* 100% billable on an hourly (time and materials or T&M) engagement or project in a given month.

The **Project Bonus** is a discretionary bonus that may be awarded to consultants engaged in client projects for performance related to delivering a quality solution to the client within schedule and budget constraints.

The **Extend Bonus** is awarded to consultants who are engaged with the same client for more than six months.

The **New Business Bonus** is awarded to consultants who are instrumental in finding or creating new opportunities within existing clients, as well as referring Catapult into new clients.

The **Travel Bonus** is awarded to consultants who are asked to travel for a billable engagement.

## The 100% Club Bonus

The **100% Club Bonus** is awarded monthly to consultants who are 100% billable in a given month.

- The 100% Club Bonus pays **\$100** per month for each month that a consultant is 100% billable.
- To be considered *100% billable*, a consultant must work an average of eight (8) *eligible hours* per work day (40 hours per full work week) on an hourly engagement, project, or approved internal work. Only the following are considered *eligible hours* and will be referred to as such throughout the remainder of this document:
  - All billable client hours
  - All vacation hours and official Catapult holidays\*
  - Personal leave hours (maximum of 8 hours per calendar year)
  - Official Catapult meetings (maximum of 1 hour per month)
  - Approved Non-Billable Time (only a General Manager (GM) can approve non-billable time)
  - Approved Internal infrastructure or project support hours (must be approved by a GM) – not to exceed 40 hours per week.

*\*Official Catapult holidays are deducted from the total expected billable hours in a given month. For example, if there are 168 available billable hours in a given month and there is a holiday in that month, the hours required to be 100% would be 160 for that month.*

- If a consultant is 100% billable on a fixed bid project in a given month, he or she will receive the 100% Club Bonus. Fixed bid project hours that qualify for the 100% Club Bonus cannot exceed 40 hours per week.
- Hours billed on a T&M engagement in a particular month beyond the 40 hrs per week required to be eligible for the 100% Club cannot be credited towards previous or future months that may have fallen short on billable hours.
- This bonus program is calculated and paid out monthly. Bonuses are paid on the 15<sup>th</sup> day of the following month.

## The Accelerator Bonus

The **Accelerator Bonus** is awarded to consultants who are *more than* 100% billable on a T&M engagement or project during a given month. Consultants who are engaged exclusively on a fixed bid project are not eligible for the Accelerator Bonus.

- To be eligible for the Accelerator Bonus, a consultant must bill at least four (4) additional hours per month.
- The Accelerator Bonus awards a percentage of the revenue that Catapult generates as a result of a consultant's additional billable hours during a month. In other words, the more billable hours a consultant works during a month, the more his or her bonus accelerates, or increases.

- If a consultant is working both on a fixed bid project *and* a T&M engagement, it is possible for them to qualify for the Accelerator Bonus. They may receive up to eight (8) fixed bid project credit hours per day (up to 40 hours per week) towards the Accelerator Bonus; additional hours must be accrued through a T&M engagement.
- Only the following are considered *eligible hours* and will be used to calculate the total number of hours for the Accelerator Bonus:
  - All billable client hours on T&M engagements
  - Up to 8 hours a day (40 hours a week) on client fixed bid projects
  - All vacation hours and official Catapult holidays\*
  - Personal leave hours (maximum of 8 hours per calendar year)
  - Official Catapult meetings (maximum of 1 hour per month)
  - Approved Non-Billable Time (only a GM can grant approved non-billable time)

*\*Official Catapult holidays are deducted from the total expected billable hours in a given month. For example, if there are 168 available billable hours in a given month and there is a holiday in that month, the hours required to be 100% would be 160 for that month.*

- Once a consultant has billed the minimum 4 additional hours during a month required for the Accelerator Bonus, the bonus paid references the bonus chart below and is paid *in lieu* of the \$100 bonus the consultant receives if he or she only billed enough hours to qualify for the 100% Club.
- Bonuses are calculated and paid monthly on the 15<sup>th</sup> day of the following month.
- Catapult Management, at its sole discretion, may deny the Accelerator Bonus if it determines that a consultant is overloading a month with billable hours at the expense of another month (front-loading or back-loading), or if a consultant is violating in any way the “spirit” of this bonus program (which is to make more money personally by making more money for the company).
- The following chart outlines how bonus pay accelerates based on the number of additional billable hours worked during a month. No partial credit will be given for billable hours worked between any two pay increments. Bonus caps out at 120 additional hours per month.

### Accelerator Bonus Schedule

Additional Hours	Percentage	Bonus
4	102.5%	\$150
8	105%	\$300
16	110%	\$600
24	115%	\$900
32	120%	\$1,350
40	125%	\$1,800
48	130%	\$2,160
56	135%	\$2,520
64	140%	\$2,880
72	145%	\$3,240
80	150%	\$3,600
88	155%	\$3,960
96	160%	\$4,320
104	165%	\$4,680
112	170%	\$5,040
120	175%	\$5,400

## The Project Bonus

The **Project Bonus** is a discretionary bonus that may be awarded to consultants engaged in client *projects* for performance related to delivering a quality solution to the client within schedule and budget constraints. This bonus is typically applied to large projects.

A Project Bonus may include measurable individual, team and project profitability success criteria, objectives, and scheduled deliverables determined by a Project Lead (PL) and/or the GM that is conveyed to the team prior to the project start. The PL or GM may also choose not to determine success criteria prior to the project start, but instead pay a performance bonus at the end of a successfully delivered project. Both options are at the discretion of the PL and/or Business Unit GM.

- A Project Bonus can be applied to both T&M and fixed bid projects.
- If a Project Bonus is determined, it is paid upon satisfactory completion of the project.
- If a consultant is 100% billable on a project (fixed bid or T&M) in a given month, he or she is eligible for the 100% Club Bonus.
- Consultants who are engaged exclusively on a fixed bid project are not eligible for the Accelerator Bonus during his or her time on the fixed bid project.
- The GM will consider the overall financial health of the Business Unit and/or Catapult Systems as a whole when determining any Project Bonus scenario.

## The Extend Bonus

The **Extend Bonus** is awarded to consultants who are engaged with the same client for more than six (6) months.

- The Extend Bonus is designed to reward consultants who are extended or can extend themselves and remain on engagements with the *same* client for long periods of time. To qualify for this bonus, a consultant must be at least 50 % engaged with a client over a 6-month period.
- The Extend Bonus kicks in after working with the same client for 6 months. After that, the consultant will earn \$1 for every hour that they bill with that client. If the consultant is extended after another 6 months, then he or she will receive an additional \$1 per hour. The chart below outlines the additional amount per hour that a consultant may receive.

Month	Bonus
6 – 12	\$1/hr
13-18	\$2/hr
19-24	\$3/hr
25-30	\$4/hr
>30	\$5/hr

- If a consultant completes or is removed from an assignment with a client, and returns to that same client within a month (30 calendar days), then that consultant will continue accruing time as if he or she had never left the assignment/client.
- This bonus program is calculated and paid out monthly. Bonuses are paid on the 15<sup>th</sup> day of the following month.

## The New Business Bonus

The **New Business Bonus** is awarded to consultants who are instrumental in finding or creating new opportunities within existing clients, as well as referring Catapult into new clients.

- If a consultant is working with a client on an hourly engagement or project and is instrumental in finding or creating *new business* within that client, he or she will receive \$1 for every hour worked by *anyone* (including contractors) on that new engagement for one year.
- The New Business Bonus does not apply in situations where an engagement is simply extended (e.g. Phase 2 of an engagement). For a consultant to qualify for this bonus, the new work must be *substantially* different from the existing engagement; or result in the addition of net new delivery resources to the consultant's current engagement which were not planned for on the engagement. The Business Unit GM will determine which engagements qualify for the New Business Bonus.
- If a consultant, through personal or professional connections, introduces Catapult into a new client, he or she will receive \$1 for every hour worked by *anyone* (including contractors) on that new engagement for one year.

## The Travel Bonus

The **Travel Bonus** is awarded to consultants who are asked to travel for a Catapult billable client engagement.

- If a consultant travels to another Business Unit and returns home that same day (*day trip*), he or she will receive **\$30/day**.
- If a consultant travels to another Business Unit and has to spend one or more nights away from home (*overnight travel*), he or she will receive **\$50/day**.
- The Travel Bonus is awarded for *billable* engagements only. To qualify, a consultant must bill at least 8 hours per day. For day trips, the GM may occasionally waive the 8 hour minimum requirement.
- Each consultant is responsible for reporting his or her own travel days in CatTime. He or she must disclose the city traveled to, the customer, and the business purpose for the trip. On a monthly basis, the General Managers and Human Resources will review and approve all travel bonuses.

## Bonus Program Eligibility

- The bonus programs are available only to full-time, salaried Catapult consultants. Independent contractors, subcontractors, or hourly employees billing on a Catapult engagement are not eligible for any of the bonus programs.
- **A consultant must be currently employed with Catapult Systems at time of payout (pay date) to receive bonuses.**
- All bonuses are taxable income and are paid out on the 15<sup>th</sup> of each month (except project bonuses, which are paid out at the successful completion of the project) during our regular payroll cycle.
- This bonus program is at the discretion of Catapult's Board of Directors and may change with 30 calendar days' notice.