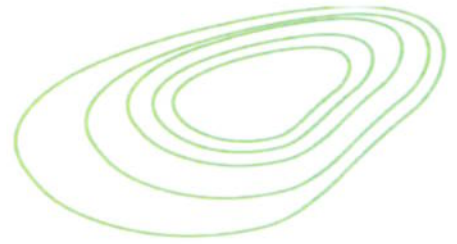


Triode Newhill

Management Services Limited

Low Pay Commission
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13th April 2015

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To whom it may concern,

I write on behalf of Triode Newhill Management Services Ltd (TNMS) in connection with the Low Pay Commission's (the "LPC") public consultation process and ask the commission to consider our views in relation to a review of the current National Minimum Wage ("the NMW").

TNMS is an indigenous Irish Company and the business model is to franchise premises primarily to trade as convenience stores under the SPAR and MACE brands. A small number of larger premises trade under the EUROSPAR supermarket brand. Although the impact of wage increases on our franchise stores has a direct impact on our continued business growth this letter does not represent the view of these retailers, who may submit their independent views to the LPC separately on this matter.

In recent years TNMS has had to adapt its business to take over and manage distressed franchise stores on the verge of closing and endeavour to keep these stores trading, safeguard existing employment and protect our brands. This has proved extremely challenging in a trading environment where sales are either flat or in decline and customers demand greater value.

Currently there are 16 of these company owned and company operated marginal retail stores in TNMS with a total of 261 employees. The survival of these stores is dependent on the careful management of business costs. Wages are our highest costs and the impact of a unilateral wage increase in these distressed stores which are already in a difficult financial position may make it impossible to keep them trading.

In any review to the national minimum wage the Company would ask the LPC to consider the following on behalf of TNMS;

Any proposed increase to the current NMW needs to be reasonable and take into consideration a number of factors including but not limited to the number of employees, margins, profitability, over all wage costs and the region within which the business operates. Ignoring the intricacies of a particular business and imposing a disproportionate catch all wage rate is a dangerous practice which would be detrimental to our business.

A significant portion of our employees are low paid workers. 49.22% of the workforce currently earn the NMW, a further 31.24% of the workforce currently earn between €8.66ph and €10.65ph. We are a labour intensive business with labour costs accounting for 59% of our overall

operating costs. Taking these factors into consideration coupled with modest margins and food deflation currently running at 2.8% a disproportionate increase in the NMW may result in a significant number of job losses throughout the Company and the likely closure of a number of these marginal stores.

Like many businesses operating within the retail industry we have battled through the tough trading conditions of the last number of years. We have responded to these exceptional times with the creation of the company owned company operated division which has successfully safeguarded the employment of many. Unfortunately we have also been forced to implement other measures including some redundancies, store closures and the review of terms and conditions in order to reduce our overall operating costs and remain viable as a business.

Our ongoing recovery is dependent on growing our business and disproportionate increases to the NMW will prevent us from doing this. Given our labour intensive business model an uncompetitive NMW will negatively impact on our ability to compete nationally with retailers who have taken measures to reduce human capital within their stores. In order for our business to achieve sustained growth and remain competitive the focus needs to be on job creation rather than increasing the NMW. At a time when the Government is making positive headway in creating employment it would be discouraging to see higher wage rates, which act as a barrier to the creation of sustained growth.

As a business we are constantly challenged with finding new ways to create efficiencies and increase productivity. A disproportionate NMW will force us to look for other ways and means to achieve these savings ultimately impacting on important budgets such as employee training & development.

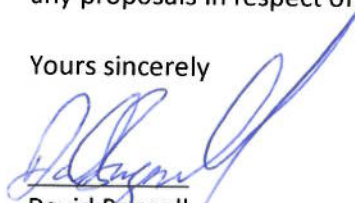
In conclusion although the Company are not opposed to a review of the NMW we strongly believe it would be much more favourable for businesses to focus on sustained growth and competitiveness. Unaffordable increases to the NMW will negatively impact on the efforts of our business to achieve recovery and growth in ongoing difficult and competitive trading conditions.

Any proposed increase to the current NMW needs to take into consideration the intricacies of the particular industry and business so as to avoid disproportionate increases which would place the business in a precarious position regarding the continued employment of its people.

In seeking to improve the standard of living for low paid workers we would encourage the Government to look outside of employers as the sole mechanism for achieving this. We would look for the Government to consider other possible avenues of income stream for low paid workers through reducing the current USC, PRSI and Tax charges.

We trust that you will take the above views and observations into consideration when making any proposals in respect of reviewing the current NMW.

Yours sincerely



David Bagnall
Chief Operating Officer
Triode Newhill Management Services Ltd