REDEEMERS HEALTH VILLAGE

Human Resources Department

INDIVIDUAL PERFORMANCE-BASED REWARDS POLICY

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Date Approved:	—		

Relevant Standards

- Labour Act of Nigeria (Cap L1 LFN 2004)
- RHV Compensation Policy (HR-POL-002)
- RHV Performance Management Policy (HR-POL-027)
- RHV Succession Planning Policy (HR-POL-028)

Amendment History

Issue	Status	Date	Reason for Change	Authorised
1	Draft	April 2024	New Policy Implementation	
2	Final	April 2025	Policy Review & Update	CHRO
3	Final	April 28, 2026	Board Submission Revision	CHRO/CEO

1. Policy Statement

Redeemers Health Village (RHV) believes in recognising and rewarding employees based on individual performance, demonstrable skills, and meaningful contribution to the organisation's mission. We are committed to a culture of meritocracy, where excellence is recognised, effort is incentivised, and the link between performance and reward is transparent and consistent.

RHV does not engage in collective bargaining for individual rewards. Compensation adjustments and performance awards are determined on an individual basis, in accordance with this policy and the RHV Compensation Policy (HR-POL-002). This approach ensures that every employee's reward reflects their own contribution, not the average of a group.

2. Purpose

- Recognise and reward individual achievement and contribution to RHV's clinical, operational, and institutional goals.
- Foster a performance culture where excellence is the expected standard and continuous improvement is actively supported.
- Attract and retain high-performing talent by ensuring that outstanding employees are meaningfully rewarded.
- Ensure that all reward decisions are fair, objective, transparent, and free from personal bias or favouritism.
- Align individual effort with RHV's strategic priorities and patient care objectives.

3. Scope

This policy applies to all confirmed employees of RHV — full-time, part-time, and eligible contract staff — who have completed their probationary period and have participated in at least one full performance appraisal cycle. Probationary staff are not eligible for performance rewards until their employment is formally confirmed.

4. Key Principles

4.1 Performance-Based Evaluation

All reward decisions are anchored to the employee's formal performance rating, assessed against pre-agreed Key Performance Indicators (KPIs) and objectives established at the beginning of each appraisal year. Reward eligibility is determined by the year-end rating generated through the RHV Performance Management process (HR-POL-027).

4.2 Meritocracy

Rewards are based on demonstrated performance, verified competencies, and measurable organisational contribution. Seniority, tenure, personal relationships, and non-job-related factors play no role in reward decisions. Two employees at the same grade, doing the same role, may receive different rewards if their performance ratings differ — and this is by design.

4.3 Objectivity and Consistency

Performance evaluations use objective, measurable criteria agreed in advance. Rating calibration sessions — conducted by HR across departments before ratings are finalised — ensure that the same standard is applied consistently across the institution. This prevents departmental bias from distorting reward outcomes.

4.4 Continuous Feedback

Rewards do not arrive as a surprise at the end of the year. Regular feedback sessions between employees and managers throughout the year ensure that every employee has an ongoing, clear understanding of their

performance standing, the actions required to improve their rating, and the reward implications of each rating level.

5. Types of Performance-Based Rewards

5.1 Merit Salary Increase

An above-standard annual salary increment for employees achieving a year-end performance rating of 4 (High Performer) or 5 (Exceptional). Merit increases are awarded in addition to the standard annual increment and are applied to base salary. The quantum of merit increases is determined by the CHRO, approved by the CEO, and budgeted annually by the Board.

5.2 Performance Bonus

A discretionary cash award for employees achieving an exceptional or high performer rating in a given year, subject to RHV's organisational affordability and the Board-approved bonus pool for that year. Bonus criteria, the pool quantum, and individual allocations are communicated to staff at the beginning of each performance year through HR. Bonuses are non-pensionable and non-contractual — they are an expression of recognition, not a guaranteed entitlement.

5.3 Non-Monetary Recognition

Recognition does not always take the form of money. RHV maintains a range of non-monetary recognition mechanisms including:

- Employee of the Month award — selected by departmental Heads of Department and announced publicly
- Annual Employee Recognition Ceremony — recognising the top performers across all departments
- Letters of commendation from the CEO or CHRO, retained on the employee's personnel file
- Public recognition at all-staff meetings or in institutional communications

5.4 Career Advancement and Promotion

High-performing employees — rated 4 or 5 over two or more consecutive appraisal cycles — are prioritised for internal promotion consideration, fast-track progression within their salary band, and inclusion in RHV's succession planning pipeline. Performance excellence is the primary gateway to career advancement at RHV. Refer to the RHV Succession Planning Policy (HR-POL-028) for the talent identification framework.

5.5 Priority Access to Training and Development

High-performing employees receive priority consideration for RHV-funded external training, conferences, specialist certifications, and postgraduate study support. Development opportunities at RHV are a reward, not just an entitlement, and are distributed in a manner that reflects performance.

6. Reward Determination Process

1. KPIs and annual objectives are agreed between the employee and their line manager in January of each performance year and submitted to HR by 31 January.
2. Mid-year reviews (July) provide an indicative performance rating and an opportunity to adjust objectives where circumstances have materially changed.
3. Year-end appraisals (November–December) produce a final, calibrated performance rating for each employee.
4. HR conducts a cross-departmental rating calibration session before year-end ratings are finalised, to ensure consistency and fairness.
5. Heads of Department submit reward recommendations to HR — including proposed merit increases, bonus nominations, and non-monetary recognition — by 15 January of the following year.

6. HR consolidates recommendations across the organisation and presents a reward proposal to the CHRO for review and to the CEO for approval, within the Board-approved budget.
7. All employees are informed in writing of their performance rating and any associated reward by 28 February of the following year, at the latest.

7. Transparency and Fairness Safeguards

- The performance rating scale, the reward eligibility criteria for each rating level, and the bonus pool (where applicable) are communicated to all employees at the start of each performance year — no employee should be uncertain about what a given rating means for their reward outcome.
- Employees may request a formal explanation of their performance rating from HR or their line manager at any time.
- Any employee who disagrees with their year-end performance rating may lodge a formal appeal with HR within ten (10) working days of receiving the rating notification. Appeals are assessed by a senior manager not involved in the original rating. The appeal outcome is final.
- All reward decisions are documented, retained in the HR information system, and available for audit. No verbal or informal reward commitments are binding on RHV.

8. Roles and Responsibilities

Employees

Actively engage in the performance management process; understand their KPIs and the reward implications of each rating level; submit self-assessments thoroughly and on time.

Line Managers

Set fair, challenging, and measurable KPIs; provide honest, specific, and timely feedback throughout the year; submit calibrated year-end ratings and reward recommendations on schedule.

Heads of Department

Ensure performance management compliance across their department; participate in rating calibration; endorse reward recommendations within approved budgets.

HR Department

Design and administer the reward framework; conduct calibration sessions; consolidate recommendations; ensure transparency, fairness, and policy compliance in all reward decisions.

CHRO

Reviews reward proposals; recommends to the CEO; reports on reward distribution and equity to the Board as part of the annual HR governance report.

9. Monitoring and Review

HR monitors and reports on reward distribution annually, including analysis of ratings and rewards by department, gender, and grade. This data is reviewed by the CHRO to identify and address any patterns of inequity or inconsistency. This policy is reviewed annually by the CHRO in conjunction with the Compensation Policy review cycle. Changes to reward criteria or eligibility require CEO and Board approval before implementation.