

Who is eligible to join the incentive scheme?

You are eligible to join the scheme from the first day of the first complete month of your employment. The incentive scheme year begins on 1 April 2016 and ends on 31 March 2017, if you join within this time, you will be eligible to join the scheme. Any Incentive payment will be pro-rated for the amount of full months you are employed during the Incentive Scheme year. Realistically those joining after January may not have sufficient opportunity to deliver a full set of objectives.

CityWest Homes has initiatives in place to improve overall company performance, with the aim of achieving more for our key stakeholders – our customers, our Board and Westminster City Council. We already have a core set of values which underpin the CityWest culture – we are all about our customers, about building a great and safe place to work, being responsible with money, keeping our promises and finding better ways to achieve more and continually improve.

Part of maximising company performance is having a quality performance pay scheme in place. Since 2009, we have been operating an incentive scheme that enables people to earn up to 15% of their basic salary per annum (only exceptional performers will be awarded 15%). In 2014 / 15 there was a shift to assessing individual performance. The new incentive scheme aligns personal objectives to the organisation's aims so the individual can impact strategic performance resulting in tangible reward. This will ensure we develop and retain our key talent.

The incentive scheme is dependent on individual SMART objectives being achieved and the attainment of consistent behaviours representing our values. CityWest Homes believes that it is important to balance *what* is achieved with *how* it is achieved ensuring we are living our values.

Every employee on a permanent or fixed term CityWest Homes contract will be entitled to participate in the scheme, provided they are still in employment (and not serving notice) on the date of payment. This date will be after Company account sign-off, which is normally on or around 20 August of each year but this may vary depending on circumstances.

Requirements for qualification

The incentive scheme is discretionary based on the fulfilment of a **gateway requirement**, applying to CityWest Homes as a whole:

1. Incentive scheme payments will only be made if we meet our financial targets, as this is fundamental to our success; if we fail to meet all or some of these targets, payments may be at risk and / or pro-rated. The decision as to whether payments or part payments are made rests with the REDC and the Board. The Company's financial targets are outlined in our management agreement with Westminster City Council, agreed by the Board each year and we will ensure you are regularly updated about these.

How the incentive scheme works

This scheme is designed to assess an individual not only on *what* is achieved through performance but *how* it is achieved. With this in mind, the scheme is equally weighted between performance against individual objectives and an individual's behaviour as defined by the CityWest Homes core values.

An individual can earn up to 15% of their base salary for the year as a lump sum payment. This is dependent on:

- The gateway requirement outlined above
- Individual SMART objectives relating to overall work standard and task achievement
- Behaviours relating to CityWest Homes core values

Individual objectives must be SMART. If an objective is set earlier in the year and is later judged as no longer relevant, it should be updated / replaced to ensure it is supporting the wider company goals. This is both the responsibility of the employee and manager. If no SMART objectives have been set, it will not be possible to make an incentive payment.

The number of individual objectives you have will be based on your seniority within CityWest Homes. The quality of objective setting is fundamental to the success of this scheme.

Managers	Non managers
4 SMART individual objectives directly linking to the strategic vision.	2 SMART individual objectives showing a broad linkage to the strategic vision.
One personal SMART objective	One personal SMART objective
A behaviour score – this relates to living the values as demonstrated by behaviour at work	A behaviour score – this relates to living the values as demonstrated by behaviour at work

The assessment process

For 2016 / 17, objectives should be finalised in August 2016 using the performance objective form. At the end of the performance year, the electronic assessment form should be completed using the ratings below which will calculate overall scores.

Throughout the performance cycle, individuals will be assessed by managers using the tailored performance ratings below.

SMART objectives:

0. Unacceptable 1. Improvement required 2. Achieving 3. Exceeding 4. Outstanding

Behaviours: a different five point performance score will be applied, dependent on how the individual demonstrates CityWest Homes values consistently on a day by day basis.

0. Never 1. Rarely 2. Frequently 3. Often 4. Always