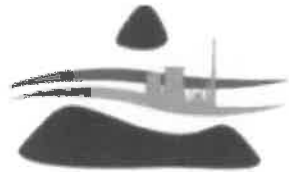


PERFORMANCE AGREEMENT



Fezile Dabi
District Municipality

Made and entered into by and between:

Cllr. D Khasudi (the Executive Mayor)

AND

Mr. Abram Mcgina (Acting Municipal Manager)

For the period – 01 July 2026 to 31 June 2027

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PERFORMANCE AGREEMENT ENTERED INTO BY AND BETWEEN:

Fezile Dabi District Municipality herein represented by **Councillor D Khasudi** in his capacity as the Executive Mayor (hereinafter referred to as the Employer or Supervisor), and

Mr Abram Mgcina, the Acting Municipal Manager of the Fezile Dabi District Municipality (hereinafter referred to as the Employee).

Whereby it is agreed as follows:

1. Introduction

- 1.1 The Employer has entered into a contract of employment with the Employee in terms of section 57(1)(a) of the Local Government Systems Act 32 of 2000 ("the systems Act"). The Employer and the Employee are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Employee to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), and 57(5) of the Systems Act.

2. Purpose of this agreement

The purpose of this agreement is to;

- Comply with the provisions of Section 57(1)(b), (4A), and (5) of the Systems Act as the Contract of Employment entered into between the parties;
- Specify objectives and targets established for the Employee and to communicate to the Employer's expectations of the Employee's performance expectations and accountabilities;
- Specify accountabilities as set out in the Performance Plan (Annexure A);

- Give effect to the Employee's commitment to a performance-orientated relationship with the Employee in attaining equitable and improved service delivery.

3. Commencement and duration

- 3.1. This Agreement will commence on the 1st July 2026 and will remain in force until 30th June 2027 where after a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next quarter or any portion thereof, if applicable.

- 3.2. The parties will review the provisions of this Agreement at the end of each quarter. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least every quarter (if applicable) by not later than the beginning of each successive quarter.

- 3.3. This Agreement will terminate on the termination of the Employee's contract of employment for any reason.

- 3.4. The content of this Agreement may be revised at any time during the above-mentioned period to determine the applicability of the matters agreed upon.

- 3.5. If at any time during the validity of this Agreement the work environment alters (whether as a result of government or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. Performance objectives

- 4.1 The Performance Plan (Annexure A) sets out-

- 4.1.1 the performance objectives and targets that must be met by the Employee; and
- 4.2.2 the time frames within which those performance objectives and targets must be met.

- 4.2 The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Integrated Development Plan and the Budget of

5. Performance management system

- 5.1 The Employee agrees to participate in the performance management system that the Employer adopts or introduces for the Employer, management and municipal staff of the Employer.
- 5.2 The Employee accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the Employer, management and municipal staff to perform to the standards required.
- 5.3 The Employer will consult the Employee about the specific performance standards that will be included in the performance management system as applicable to the Employee.
- 5.4 The Employee agrees to participate in the performance management and development system that the Employer adopts.
- 5.5 The Employee undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.
- 5.6 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
- a) The employee must be assessed against both components with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Managerial Competencies (CMCs) respectively.
 - b) Each area of assessment will be weighted and will contribute a specific part to the total score.
 - c) KPAs covering the main areas of work will account for 80% and CMCs will account for 20% of the final assessment.
- 5.7 The Employee's assessment will be based on his/her performance in terms of the outputs / outcomes (performance indicators) identified as per attached performance plan (Annexure A), which are linked to the KPA's, and will constitute 80% of the overall assessment result as per the weights agreed to between the Employer and the Employee:

Key Performance Areas (80% of Total)	Weighting
Municipal Transformation and Organizational Development	30

5.8 The CMCs will make up the other 20% of the Employee's assessment score. CMCs that are deemed to be most critical for the Employee's specific job should be selected from the list below as agreed to between the Employer and Employee:

LEADING COMPETENCIES			
No.	Competency Description	Driving Competencies	Weighting
1	Strategic Direction and Leadership	• Impact and influence • Institutional Performance Management • Strategic Planning and Management (inclusive of Annual Procurement Plan • <i>Identification and management of strategic risks</i> • Organisational Awareness	20
2	People Management	• Human Capital Planning and Development • Diversity Management • Employee Relations Management • Negotiation and Dispute Management	5
3	Program and Project Management	• Program and Project Planning and Implementation • Service Delivery Management • Program and Project Monitoring and Evaluation • 100% implementation of SDBIP for the District and Department	5
4	Financial Management	• Budget Planning and Execution (IDP and risk management inputs within stipulated time frames and in line with quality requirements) • Financial Strategy and Delivery • Financial Reporting and Monitoring	10
5	Change Leadership	• Change and Vision and Strategy • Process Design and Improvement	10

No.	LEADING COMPETENCIES		
	Competency Description	Driving Competencies	Weighting
		Supply Chain Management Policy, Supply Chain Management Regulations, 2005 and the MFMA by 30 June 2027	

No	LEADING COMPETENCIES	Weighting
	Competency Description	
1	Moral Competence	5
2	Planning and Organising	5
3	Analysis and Innovation	10
4	Knowledge and Information Management	5
5	Communication	5
6	Resulting and Quality Focus	10
TOTAL		100
(NB: the sum total of weighted Leading and Core Competencies must always be equals to 100)		

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure A) to this Agreement sets out;

- a) The standards and procedures for evaluating the Employee's performance; and
- b) The intervals for the evaluation of the Employee's performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Employer may in addition review the Employee's performance at any stage while the contract of employment remains in force.

6.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set timeframes.

6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies

- 6.5.2 Assessment of CMCS:
- a) Each KPA shall be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to *ad hoc* tasks that had to be performed under KPA
- b) An indicative rating on the five-point scale shall be provided for each KPA.
- c) The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

- Each CMC should be assessed according to the extent which the specified standards have been met.
- An indicative rating on the five-point scale should be provided for each CMC.
- The applicable assessment rating calculator must then be used to add the scores and calculate a final CMC score.

6.5.3 Overall rating

- a) An overall rating is calculated using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.
- b) The assessment of the performance of the employee will be based on the following five-point rating scale for both KPAs and Leading and CMCs:

Level	Terminology	Description	1	2	3	4	5
5	Outstanding Performance	Performance far exceeds the standard expected of an employee at this level. The key appraisal indicates that the employee has achieved above fully effective results against all performance criteria and indicators as specified in the PA					

Level	Terminology	Description	Rating				
			1	2	3	4	5
3	Fully effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
1	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the employee has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The employee has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvement.					

6.6 For purposes of evaluating the performance of the Employee, an evaluation panel constituted by the following persons will be established:—

6.1.1 The Mayor

6.1.2 Chairperson of the Performance Audit Committee and in the absence of the Performance Audit Committee, the Chairperson of the Audit and Performance Committee

6.1.3 Member of the Mayoral Committee

6.1.4 Mayor and/or municipal manager or his/her representative

Period	Time Frames		Performance Review time lines
1 st Quarter	1 July to 30 September 2026	Not later than 30 October 2026	
2 nd Quarter	1 October to 31 December 2026	Not later than 28 February 2027	
3 rd Quarter	1 January 2027 to 31 March 2027	Not later than 30 April 2027	
4 th Quarter	1 April 2027 to 30 June 2027	Not later than 30 September 2027	

7.2 The Employer shall keep a record of the mid-year review and annual assessment meetings.

7.3 Performance feedback shall be based on the Employer's assessment of the Employee's performance.

7.4 The Employer will be entitled to review and make reasonable changes to the provisions of Annexure "A" from time to time for operational reasons. The Employee will be fully consulted before any such change is made.

7.5 The Employer may amend the provisions of Annexure A whenever the performance management system is adopted, implemented and/or amended as the case may be. In that case the Employee will be fully consulted before any such change is made.

8. **Developmental requirements**

Annexure A.

The Personal Development Plan (PDP) for addressing developmental gaps is part of the attached

9. **Obligations of the employer**

9.1 The Employer shall;

10. Consultation

10.1 The Employer agree to consult the Employee timeously where the exercising of the powers will have amongst others:

10.1.1 A direct effect on the performance of any of the Employee's functions;

10.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and

10.1.3 A substantial financial effect on the Employer.

11. Management of evaluation outcomes

11.1 The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

11.2 A performance bonus between 5% and 14% of all-inclusive annual remuneration package may be paid to the employee in recognition of outstanding performance to be constituted as follows:

11.2.1 The second performance bonus (cash rewards) payment band ranges between 10% and 14% of the all-inclusive remuneration package, as follows:

- (i) A score of 130% -138% to qualify for 5% bonus;
- (ii) A score of above 138%-148% to qualify for 7% bonus;
- (iii) A score of above 148%-149% to qualify for 9%.

11.2.2 The second performance bonus (cash rewards) payment band ranges between 10% and 14% of the all-inclusive remuneration package, as follows:

- (i) A score of 150% - 155% to qualify for 10% bonus;
- (ii) A score of above 155% - 160% to qualify for 13% bonus;

the level expected in the job despite management efforts to encourage improvement. **This category of performance shall not be rewarded.**

11.4 In the case of unacceptable performance, the Employer shall;

11.4.1 provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

11.4.2 after appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Employer may consider steps to terminate the contract of employment of the Employee on grounds of unfitness or incapacity to carry out his or her duties.

12. Consequences of standard performance

12.1. A level of performance achievement of below 60% shall warrant the employer to execute corrective measures that may include disciplinary measures due to incapacity.

12.2 Should the employee score below 130%, the employer, together with the employee shall develop a Remedial and Developmental Support Plan within 30 days of the Mid-Year Performance Review to assist the employee to improve performance. The design of the plan will be such that there should be performance improvement within 6 months of its implementation.

12.3 The plan will clearly specify that there should be performance improvement within 6 months of its implementation, and will also outline the responsibilities of the employer as well as the responsibilities of the employee with regard to its implementation.

12.4 If after 6 months, during the end-year performance review, the employee concerned still achieves a score of less than 60% and the employer has evidence or proof that it met its responsibilities in terms of implementing the remedial and developmental support plan, the employer will consider steps to terminate the contract of the employee on the grounds of poor performance or operational incapacity.

13.2 In the event that the mediation process contemplated above fails, clause 19.3 of the Contract of Employment shall apply.

14. GENERAL

14.1. The contents of this agreement and the outcome of any review conducted in terms of Annexure A must be made available to the public by the Employer.

14.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the employee in terms of his/her contract of employment, or effects of existing or new regulations, circulars, policies, directives of other instruments.

(Signature Page)

Thus done and signed at Sagolbung this 13 day of July 2026

Employee:

Signature: [Signature] Name Print: G.A. Mgeile

Witnesses:

1. Signature: [Signature] Name Print: C.S. Le Hanie
2. Signature: [Signature] Name Print: KJ Maselwane

For and on behalf of Fezile Dabi District Municipality:

Employer: [Signature]

Annexure A:

Performance Plan of the Municipal Manager of Fezile Dabi District Municipality

1. Purpose

The performance plan defines the Council's expectations of the Employee's performance agreement to which this document is attached and Section 57 (5) of the Municipal Systems Act, which provides that performance objectives and targets must be based on the key performance indicators as set in the Municipality's Integrated Development Plan (IDP) and as reviewed annually.

2. Key responsibilities

The following objects of local government will inform Employee's performance against set performance indicators:

- 2.1 Provide democratic and accountable government for local communities.
- 2.2 Ensure the provision of services to communities in a sustainable manner.
- 2.3 Promote social and economic development.
- 2.4 Promote a safe and healthy environment.
- 2.5 Encourage the involvement of communities and community organisations in the matters of local government.

3. Key Performance Areas

The following Key Performance Areas (KPA's) as outlined in the Local Government: Municipal Planning and Performance Management Regulations (2001) inform the strategic objectives listed in the table below:

- 3.1 Municipal Transformation and Organisational Development.
- 3.2 Infrastructure Development and Service Delivery.

- This plan consists of the following 4 parts:
- 1) Key Performance Areas (KPA's) schedule, detailing key objectives and their related performance indicators, weightings and target dates
 - 2) A Competency Requirements (CR) schedule, setting out Leading and Core Competencies
 - 3) Personal Development Plan (PDP), for addressing developmental gaps
 - 4) Record of assessment meetings (Control Sheet)

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le, details key objective and their related performance indicators, weightings and target dates

Strategic Objective	Key Performance Indicator	Baseline Information	Target		Assessment Score Level 1-5	Motivation for exceptional performance	Corrective Actions for under performance
			Time frames	Quantity			
To ensure regular review of the performance of the Council and its employees.	Number of quarterly case management report developed and submitted to Council	New KPI	1 July 2026 – 30 June 2027	Four quarterly case management report developed and submitted to Council by 30 June 2027.	3= four quarterly case management reports		
	Percentage reduction of Auditor-General's findings relating to financial management, leadership, predetermined objectives and other matters addressed by 30 June 2027.	Audit Report for 2025/2026 FY	1 July 2026 – 30 June 2027	80% reduction of Auditor-General's findings relating to financial management, leadership, predetermined objectives and other matters addressed by 30 June 2027.	3 = 80% 4 = 90% 5 = 100%		
	Number of reviewed job descriptions and Job evaluated positions	New Indicator	1 July 2026 – 30 June 2027	141 reviewed Job descriptions and 141 job evaluated positions by June 2027.	3 = 141 reviewed Job descriptions 4 = 141 completed job evaluations by 31 December 2026		

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Performance or	Baseline Information	Target		Assessment Score Level 1-5	Motivation for exceptional performance	Corrective Actions for under performance
		Time frames	Quantity			
Implementation of Council resolutions by various offices and political office bearers by 30 June 2027 as per the Resolution Register	Twelve reports submitted during 2024/25 on implementation of council resolutions	1 July 2026 – 30 June 2027	100% implementation of Council resolutions by various officials and political office bearers by 30 June 2027 as per the Resolution Register	3 = 12 council reports 4= 14 council reports 5= 15 council reports		
12 monthly reports on the implementation of Council resolutions submitted to Council by 30 June 2027.						
80% improvement in annual assessment ratings of the municipality's IDP by CoGTA by 30 June 2027.	40% annual assessment rating for 2025/2026 IDP	1 July 2026 – 30 June 2027	80% improvement in annual assessment ratings of the municipality's IDP by CoGTA by 30 June 2027.	3 = 80% improvements 4= 90% improvements 5= 100% improvements		
3rd quarterly reports on the implementation of 3rd Generation DDM One Plan for Fezile Dabi by 30 June 2027	3rd Generation DDM One Plan developed and some catalytic projects implemented	1 July 2026 – 30 June 2027	3 Quarterly Reports on the implementation of 3rd Generation DDM One Plan for Fezile Dabi by 30 June 2027	3 = 3 Quarterly Reports 4= 4 Quarterly Reports		

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Strategic Objective	Key Performance Indicator	Baseline Information	Target		Assessment Score Level 1-5	Motivation for exceptional performance	Corrective Actions for under performance
			Time frames	Quantity			
and policy formulation; informed, relevant, up to date and timely sector plans.							
to assist local municipalities in the district in setting up a road asset management systems and to collect roads and traffic data in the district in the Road Infrastructure Strategic framework for South Africa (ISFSA).	A Length of road networks condition assessed in the district	2024/25 RRAMS road conditions assessment report..	1 July 2026 – 30 June 2027	1154 km road networks condition assessed in the district in line with Rural Roads Asset Management System (RRAMS) Grant conditions One final report prepared and submitted to the Provincial and National Departments of Transport by 30 June 2027.	3 = 1154 km road networks condition assessed 4= 1250 km road networks condition assessed 5= 1500 km road networks condition assessed		
to establish a water testing laboratory	Number of quarterly progress reports on the establishment of water testing laboratory	New KPI	1 July 2026 – 30 June 2027.	Four quarterly progress reports on the establishment of the water testing laboratory by 30 June 2027	3= Four quarterly progress reports		

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Performance or	Baseline Information	Target		Assessment Score Level 1-5	Motivation for exceptional performance	Corrective Actions for under performance
		Time frames	Quantity			
at of quarterly ss reports ped on sourcing of 3 for the shment of the er Management	New KPI	1 July 2026 – 30 June 2027.	Four quarterly progress reports developed on sourcing of funding for the establishment of the Disaster Management Centre	3= Four quarterly progress reports developed on sourcing of funding for the establishment of the Disaster Management Centre		
stage implementation of Implementation Plan on of Matube Local pality	New KI	1 July 2026 – 30 June 2027.	100% implementation of INEP Implementation Plan on behalf of Matube Local Municipality by 30 June 2027	3=100% implementation of INEP by 30 June 2027		
stage implementation of Implementation Plan on of Matube Local pality	73% implementation of WSIG on behalf of Matube Local Municipality	1 July 2026 – 30 June 2027.	100% implementation of WSIG Implementation Plan on behalf of Matube Local Municipality by 30 June 2027	3=100% implementation of WSIG by 30 June 2027		
ar of MSMEs supported n enterprise ment training and on of productive nent in the district	27 MSMEs supported	1 July 2026 – 30 June 2027.	Ten MSMEs supported through enterprise development training and provision of productive equipment in the district	3= 10 MSMEs supported 4= 13 MSMEs supported		

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Strategic Objective	Key Performance Indicator	Baseline Information	Target		Assessment Score Level 1-5	Motivation for exceptional performance	Corrective Actions for under performance
			Time frames	Quantity			
to provide support to SMEs, cooperatives and other entrepreneurs in the district as to stimulate economic development in the district.					5=15 MSMEs supported		
to provide support to SMEs, cooperatives and other entrepreneurs in the district as to stimulate economic development in the district.	Number of Koppies Green House Status Report produced in the district municipally	4 quarterly status report on Koppies Green House	1 July 2026 – 30 June 2027.	Four Koppies Green House Status Reports produced in the district municipally	3= Four Koppies Green House Status Reports produced in the district municipality		
to secure sound financial management practices that enhance financial stability & compliance with the requirements of MFMA or other relevant legislation.	Capital Expenditure as a percentage of Total Capital Budget by June 2027	New KPI	1 July 2026 – 30 June 2027.	100% Capital Expenditure as a percentage of Total Capital Budget by June 2027	3= 100% Capital Expenditure		

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Performance or	Baseline Information	Target		Assessment Score Level 1-5	Motivation for exceptional performance	Corrective Actions for under performance
		Time frames	Quantity			
ction of audit	New KPI	1 July 2026 – 30 June 2027.	80% reduction of audit findings by June 2027	3= 80% reduction 4=80% reduction 5= 100% reduction		
ers SDBIP for each al year submitted to ective Mayor within s of approval of the t and approved by ective Mayor within s after approval of nual budget.	TL SDBIP developed for 2025/226 FY	1 July 2026 – 30 June 2027.27	One Top-Layer SDBIP for 2027/26 financial year approved by the Executive Mayor within 28 days after approval of the annual budget.	3=TL SDBIP for 2026/2027 FY approved by 390 June 2028; 4=TL SDBIP for 2026/2027 FY approved by 14 June 2027		
ar of reviewed and l Performance ments & Plans for unicipal Manager ur (4) senior gers	5 PA signed for 2025/2027 FY	1 July 2026 – 30 June 2027	Five reviewed and signed Performance Agreements & Plans for Plans for the Municipal Manager and four (4) senior managers for 2023/27 financial year by 31 July 2026.	3= 31 July 2026 4= 14 July 2026 5=01 July 2026		

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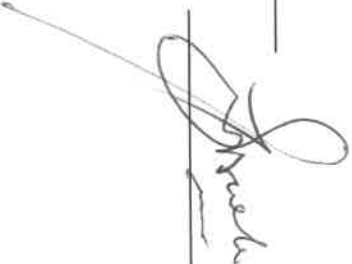
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Strategic Objective	Key Performance Indicator	Baseline Information	Target		Assessment Score Level 1-5	Motivation for exceptional performance	Corrective Actions for under performance
			Time frames	Quantity			
Fully comply with the provisions of the municipality's Performance Management System from planning to report.	Number of audited annual report for each financial year submitted to Provincial Treasury, CoGTA and National Treasury.	APR 2025/2026	1 July 2026 – 30 June 2027	One draft audited annual report submitted to Provincial Treasury, CoGTA and National Treasury by 31 January 2027.	3=One draft audited annual report submitted to Provincial Treasury, CoGTA and National Treasury by 31 January 2027.		

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in behalf of Council:


J. Smith

Date:

13 July 2026

Date:

13 July 2026

AN

Abram McGinnis

Employee Number:

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Department:

Office of the Municipal Manager

Date:

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loyee:

Date: 17/07/2026

cutive Mayor) on behalf of Council:

Date:

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Municipal Manager

Issues of	Comments of the Employer	Action to be taken any (feedback to be given to employee)
	Date:	
	Date:	

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Esobung this 13 day of July 2027

Name Print: G. H. Ngweni

Name Print: C. S. Le Hanie

Name Print: PASELA Mowoz

FEZILE DABI DISTRICT MUNICIPALITY

Name Print: Dennis Khanya

Name Print: _____

Name Print: _____

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