

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

NGQUSHWA LOCAL MUNICIPALITY
AS REPRESENTED BY
MR.NDODA MGENGO
MUNICIPAL MANAGER

AND

MS.KHULULWA NOTSHULWANA
DIRECTOR CORPORATE SERVICES
THE EMPLOYEE OF THE MUNICIPALITY
FOR THE

FINANCIAL YEAR: 1 JULY 2025 – 30 JUNE 2026

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ENTERED INTO BY AND BETWEEN:

The Ngqushwa Municipality herein represented by MR.NDODA MGENGO in her capacity as the Municipal Manager (hereinafter referred to as the Employer)

and

MS.KHULULWA NOTSHULWANA; the Corporate Services Director of the 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: Municipal 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 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(4) and 57(5) of the Systems Act.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to -

- 2.1 comply with the provisions of Section 57(1)(b), (4B) and (5) of the Act as well as the employment contract entered into by between the parties;
- 2.2 specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;
- 2.3 specify accountability as set out in a performance plan, which forms an annexure to the Performance Agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery

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3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the 01 July 2025 and will remain in force until 30 June 2026 thereafter a new Performance Agreement; Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 The parties will review the provisions of this Agreement in each quarter. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by no later than beginning of each successive financial year.
- 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
 - 4.1.2 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, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the Employer, and shall include; key performance indicators; target dates and weightings.
 - 4.2.1 The key objectives describe the main tasks that need to be done.
 - 4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.
 - 4.2.3 The target dates describe the timeframe in which the work must be achieved.
 - 4.2.4 The weightings show the relative importance of the key objectives to each other.
- 4.3 The Employee's performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

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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 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.
- 5.5 The criteria upon which the performance of the Employee shall be assessed shall consists of two components, both of which shall be contained in the Performance Agreement.
 - 5.5.1The Employee will be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.
 - 5.5.2 Each area of assessment will be weighted and will contribute a specific part to the total score.
 - 5.5.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.6 The Employee's assessment will be based on his 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 weightings below agreed to between the Employer and the Employee:

Key Performance Areas (KPA's)	Weighting			
Quality Basic Services and Infrastructure Development	10%			
Institutional Development and Design	50%			
Local Economic Development and Spatial Planning	10%			
Financial Viability and Management	15%			
Good Governance and Public Participation	15%			
Total	100%			

- 5.7 Key performance areas related to the functional area of the Employee will be subject to negotiation between the Employer and the Employee.
- 5.8 The CCRs will make up the other 20% of the Employee's assessment score. CCRs that are deemed to be most critical for the Employee's specific job will be selected (√) from the list below as agreed to between Employer and Employee. Three of the CCRs are compulsory for Managers directly accountable to Municipal Managers:

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Core Co	mpetency Requirements for Managers (CCR)	Indicate Choice:	Weight
		Select	
		Yes/No	
	Core Managerial Competencies		
CCR1	Strategic Capability and Leadership	Yes	15%
CCR2	Programme and Project Management	Yes	5%
CCR3	Financial Management	Compulsory	10%
CCR4	Service Delivery Innovation	Yes	5%
CCR5	People Management and Empowerment	Compulsory	10%
CCR6	Client Orientation and Customer Focus	Compulsory	10%
CCR7	Communication	Yes	10%
CCR8	Risk Management	Yes	10%
CCR 9	Audit Action Plan	Yes	10%
	Core Occupational Competencies		
CCR10	Interpretation of and implementation within the legislative	Yes	5%
	and national policy framework		1
CCR11	Knowledge of developmental local government	Yes	5%
CCR12	Knowledge of Performance Management and Reporting	Yes	5%
Total CC	R Score		100

6. EVALUATING PERFORMANCE

- 6.1 The Municipality's Performance Management Framework sets out-
 - 6.1.1 the standards and procedures for evaluating the Employee's performance; and
 - 6.1.2 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 will be documented in a Personal Development Plan as well as the actions agreed to and implementation will take place within set time frames.
- 6.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP
- 6.5 The annual performance appraisal will involve:
 - 6.5.1 Assessment of the achievement of results as outlined in the performance plan:
 - a) Each KPA will 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 have had to be performed under the KPA.
 - b) An indicative rating on the five-point scale will be provided for each KPA.
 - c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) will be used to add the scores and calculate a final KPA score.

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6.5.2 Assessment of the CCRs

- Each CCR will be assessed according to the extent to which the specified standards have been met.
- b) An indicative rating on the five-point scale will be provided for each CCR.
- c) This rating will be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- d) The applicable assessment rating calculator (refer to paragraph 6.5.1) will be used to add the scores and calculate a final CCR score.

6.5.3 Overall rating

An overall rating is calculated using the applicable assessment-rating calculator. Such overall rating represents the outcome of the performance appraisal.

6.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	Rating
			1 2 3 4 5
5	Outstanding performance	Performance far exceeds the standard expected of an employee at this level. The appraisal indicates that the Employee has achieved above fully effective results against all specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.	
4	Performance significantly above expectations	Performance is significantly higher than the standards expected in the job. The appraisal indicates that the Employee has achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.	
3	Fully Effective	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the Employee has fully achieved results against all significant performance criteria and indicators as specified in the PA and Performance Plan.	
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected of 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	

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- 6.7 For purposes of evaluating the annual performance of the **Employee**, an evaluation panel constituted of the following persons shall be established -
 - 6.7.1 Municipal Manager;
 - 6.7.2 Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee
 - 6.7.3 Member of the Mayoral Committee or in respect of a plenary type municipality, another member of the Council; and
 - 6.7.4 Municipal Manager from another municipality.
- 6.8 The manager responsible for Performance Management System of the municipality shall provide secretariat services to the evaluation panels referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each Employee in relation to his Performance Agreement shall be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter Second quarter Third quarter Fourth quarter

July – September 2025 October – December 2025 January – March 2026

April – June 2026

- 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 such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure B.

9. OBLIGATIONS OF THE EMPLOYER

- 9.1 The Employer shall -
 - 9.1.1 create an enabling environment to facilitate effective performance by the Employee;
 - 9.1.2 provide access to skills development and capacity building opportunities;

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- 9.1.3 work collaboratively with the **Employee** to solve problems and generate solutions to common problems that may impact on the performance of the **Employee**;
- 9.1.4 on the request of the Employee delegate such powers reasonably required by the Employee to enable him to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the Employee such resources as the Employee may reasonable require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Employer agrees 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 commitment of 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.
- 10.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

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 of between 1% to 14% of the all-inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance to be constituted as follows:
 - 11.2.1 a score of 101% 129% is awarded a performance bonus ranging from 1% to 5%; and
 - 11.2.2 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - 11.2.3 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 11.3 In the case of unacceptable performance, the Employer shall
 - 11.3.1 provide systematic remedial or developmental support to assist the **Employee** to improve his performance; and
 - 11.3.2 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 duties.

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12. DISPUTE RESOLUTION

- 12.1 Any dispute about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/or salary increment in the Agreement, must be mediated by the Mayor within thirty (30) days of receipt of a formal dispute from the Employee, whose decision shall be final and binding on both parties.
- 12.2 Any dispute about the outcome of the Employee's performance evaluation, must be mediated by a member of the Municipal Council, provided that such member was not part of the evaluation panel provided for in 6.8, within thirty (30) days of receipt of a formal dispute from the Employee, whose decision shall be final and binding on both parties.

13. GENERAL

- 13.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure A may be made available to the public by the Employer
- 13.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and signed at Ngqushwa Local Municipality on this 2025

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AS WITNESSES:

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MUNICIPAL MANAGER

ANNEXURE B: PERSONAL DEVELOPMENT PLAN - PDP

NGQUSHWA LOCAL MUNICIPALITY - PERFORMANCE AGREEMENT ANNEXURE B

PERSONAL DEVELOPMENT PLAN 2025/26

Full Names : Ms. Khululwa Notshulwana

Employee Number : 971372

Position : Director Corporate Services

KPA : Institutional Development and Design

Supervisor's Name: MR.NDODA MGENGO

: To ensure the provision of high level systems and services for all administrative functions of Corporate Service Job Purpose

Department

Table 1: Areas of Development and Formal Training

*	SKILLS PERFORMANCE GAP	OUTCOME EXPECTED	SUGGESTED TRAINING AND / OR DEVELOPMENT ACTIVITY	SUGGESTED	SUPPORT
	Project Management	To develop an advanced project management skills	Short course on Project Management	2025/26	MM
2	Performance Management System	Performance Management System To have profound understanding of PMS and its cascading	Short course on advanced Performance Management	2025/26	MM
	Advanced Labour Relations	Advanced knowledge of labour related matter	Course on advanced Labour Relations	205/26	MM

Table 2: Other

You may attend an awareness session, seminar, conference, understudying, on-the-job training within the year that will seek to address any of the areas of development or personal development needs.

#	NAMĘ OF SESSION, SEMINAR, CONFERENCE	OBJECTIVE OF DEVELOPMENT	QUARTER TARGETED / PERIOD / TIMEFRAME
-	National Record Management Seminar	Sound records keeping management Q1 of 2025/26 practise	Q1 of 2025/26
7	Annual Local Government PMS Seminar	To keep abreast on important developments in the area of performance management systems and other related Local Government matters	Q3 of 2025/26

engaged in to achieve objective/s for development. We also understand that due to the operational requirements and budget constraints of the We, (Employee) and (Supervisor) agree that the above-mentioned areas for development and the type of intervention suggested would be Municipality (Department/division/unit), it may not be possible to undertake the training and development stated with the type of intervention stated and/or within the quarter of the year as stated. There is also an understanding between us that areas of development could be identified throughout the year and that this may change the order of priority and type of intervention as stated in the plan.

Signature: (Employee) (Complete) Date: Date:

Supervisor's Signature:

Date:

ANNEXURE A : PERFORMANCE PLAN

trategy	Objective	Key Performance	Annual Target	Budget	Baseline	Qtr. 1Targets	Qtr.1 Evidence	Qtr.2 Targets	Qtr. 2 Evidence Required	Qtr.3 Targets	Qtr. 3 Evidence	Qtr.4 Targets	Qtr.4 Evidence	KPI NO
		Indicator					Required				Required		Required	
implementation of the municipal vision and mission through the Human Resource Management Plan, ensure an effective and efficient administration through systems that are aligned to the organization and by providing a secure ICT Infrastructure which delivers appropriate level of data confidentiality, integrity and availability and to strengthen communication with internal and external stakeholders by providing accurate; timeous and complete information about municipal policies and programmes.	To ensure efficient management and administration of Municipal objectives, effective implementation of policies, training of staff, maintenance of discipline and promotion of sound labour relations by 2026	Review of 2025/26 Institutional organogram for 2026/27 and submit for comments and approval by 30 June 2026	2025/26 final reviewed Institutional organogram submitted to COGTA for comments and Council for approval by 30 June 2026	R0	2024/25 Organogram	No planned target for this quarter	No planned target for this quarter	No planned target for this quarter	No planned target for this quarter	Review of 2025/26 Institutional Organogram for 2026/27 by 31 March 2026	Draft reviewed 2026/2027 Institutional Organogram	Submit final reviewed 2026/27 Institutional Organogram to COGTA for comments and Council for approval by 30 June 2026	Final reviewed 2026/27 Institutional Organogram COGTA comments Council resolution	IDD 1
		integrated Human Resource Management	Four quarterly reports on implementation of Integrated HR Management practices compiled by 30 June 2026	R0	2024/25 HR Report	One comprehensive report compiled on the implementation of Integrated HR Management practices by 30 September 2025	Signed comprehensive report on the implementation of Integrated HR Management practices.	One comprehensive report compiled or the implementation of Integrated HR Management practices 31 December 2025	Signed comprehensive report on the implementation of Integrated HR Management practices.	the	Signed comprehensive report on the implementation of Integrated HR Management practices.	One comprehensive report compiled on the implementation of Integrated HR Management practices by 30 June 2026		IDD 2
		Middle Managers and performance assessment reviews conducted by 30 June	Twenty Six (26) 2025/26 performance agreements signed by Middle Managers and four quarterly performance assessment reviews conducted by 30 June 2026	RO	3 Individual performance reviews in 2024/25	1.Signed 2025/26 performance agreements by Twenty Six(26)Middle Managers 2. Conduct quarter four 2024/25 performance assessment reviews to Twenty Six(26) Middle Managers by 30 September 2025	1.Twenty Six(26) signed 2025/26 performance agreements 2. Twenty Six(26) signed quarter four 2024/25 performance assessment review templates 3. Attendance registers	Conduct quarter one 2025/26 performance assessment reviews to Twenty Six Middle Managers by 31 December 2025	Twenty Six (26)signed quarter one 2025/26 performance assessment review templates Attendance registers	Conduct quarter two 2025/26 performance assessment reviews to Twenty Six (26) Middle Managers by 31 March 2026	Twenty Six (26) signed quarter two performance assessment review templates Attendance registers	Twenty Six (26) Middle Managers by 30 June 2026	Twenty Six (26) signed quarter three performance assessment review templates Attendance registers	IDD 3
	administration through	consolidated and updated Council resolutions register	Four (4) reports on consolidated and updated Council resolutions register compiled by 30 June 2026	RO	Four reports on Council resolutions submitted in 2024/25	Compile quarterly report on 2024/25 Quarter 4 consolidated and updated Council resolutions register by 30 September 2025	report on Consolidated and updated Council resolutions		Signed quarterly report on Consolidated and updated Council resolutions register	report on 2025/26 Quarter 2	on Consolidated and updated Council resolutions register	consolidated and updated	Signed quarterly report on Consolidated and updated Council resolutions register	IDD 4
	To ensure effective and efficient management of records by 2026	implementation of Records Management System compiled by 30	Implementation of Records Management	R0	Four records management reports submitted in 2024/25	Compile quarterly report on implementation of Records Management system by 30 September 2025	report on implementation of Records Management	report on		report on implementation of	on implementation of	implementation of Records Management system by 30	Signed quarterly report on implementation of Records Management System	IDD 5
	administration and utilization of Municipal	Implementation of fleet management plan compiled by 30 June		R0	2024/25	of fleet management	report on implementation of fleet management plan 2. Copy of signed fleet management	report on implementation of fleet management plan by 31	implementation of fleet management plan 2.Copy of signed fleet management plan	fleet management	report on implementation of fleet	implementation of fleet management plan by 30 June	Signed quarterly report on implementation of fleet management plan 2.Copy of signed fleet management plan	IDD 6



	communication with Internal and external stakeholders by providing accurate, timeous, and	Communication Action Plan programs compiled by 30 June	implementation of the		Communication n Action Plan	quarterly report on implementation of the Communication Action Plan programs by 30 September 2025	report on implementation of the communication action plan programs . 2. Signed proof of	report on implementation of the Communication Action Plan programs by 31	report on implementation of the Communication Action Plan programs by 31	report on implementation of the	implementation of the Communication Action Plan programs by 30 June 2026	1. Signed quarterly report on implementation of the communication action plan programs. 2. Signed proof of communication action plan	
Signed By: Mra K Notshulwana Director Corporate Services Signature	7	July 202	à	Approved by : Mr N N Municipal Manager Signature	lgengo	745	1/7 202=	<u> </u>					