

**PERFORMANCE AGREEMENT**

MADE AND ENTERED INTO BY AND BETWEEN:

**THE NAMAKWA DISTRICT MUNICIPALITY**

AS REPRESENTED BY THE MUNICIPAL MANAGER

**SYDNEY CHARLES ADAMS**

(FULL NAMES)

AND

**QUINTON CLOETE**

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE  
FINANCIAL YEAR: 1 OCTOBER 2024 - 30 JUNE 2025

**CHIEF FINANCIAL OFFICER**

## PERFORMANCE AGREEMENT

### ENTERED INTO BY AND BETWEEN:

The Namakwa District Municipality herein represented by Sydney Charles Adams (full name) in his capacity as Municipal Manager (hereinafter referred to as the Employer)

And

Quinton Cloete (full name) Employee of the Namakwa 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: Municipal Systems Act 32 of 2000 ("the Systems Act"), as amended. The Employer and the Employee are hereinafter referred to as "the Parties".
- 1.2 Section 57(1)(b) of the Systems Act, as amended, 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 goals.
- 1.4 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B), and 57(5) of the Systems Act.

#### 2. INTERPRETATION

- 2.1 In this Agreement the following terms will have the meaning ascribed thereto:
  - 2.1.1 "This Agreement" – means the performance agreement between the Employer and the employee and the Annexures thereto;
  - 2.1.2 "The Executive Authority" – means the Mayoral Committee of the Municipality constituted in terms of Section 60 of the Local Government: Municipal Structures Act 117 of 1998 ("the Structures Act") as represented by its chairperson, the Executive Mayor;
  - 2.1.3 "The Employee" means the Municipal Manager appointed in terms of Section 54A of the Systems Act;
  - 2.1.4 "The Employer" means the Municipality; and
  - 2.1.5 "The Parties" means the Employer and Employee.

#### 3. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to:

- 3.1 comply with the provisions of Section 57(1)(b),(4A),(4B), and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 3.2 specify objectives and targets established for the Employee and communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities;
- 3.3 specify accountabilities as set out in the Performance Plan (Annexure A);
- 3.4 monitor and measure performance against set targeted outputs;
- 3.5 establish a transparent and accountable working relationship;
- 3.6 appropriately reward the Employee in accordance with Section 11 of this agreement; and
- 3.7 give effect to the Employer's commitment to a performance-orientated relationship with the Employee in attaining improved service delivery.

#### **4. COMMENCEMENT AND DURATION**

- 4.1 This Agreement will commence on 1 October 2024 and will remain in force until 30 June 2024 where after 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.
- 4.2 The Parties will conclude a new Performance Agreement that replaces this Agreement at least once a year by not later than 31 July of the succeeding financial year.
- 4.3 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 4.4 If at any time during the validity of this Agreement, the work environment alters to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised; and
- 4.5 Any significant amendments or deviations must take cognizance of the requirements of Sections 34 and 42 of the Municipal Systems Act and Regulation 4(5) of the Regulations.

#### **5. PERFORMANCE OBJECTIVES**

- 5.1 The Performance Plan (Annexure A) sets out –
  - 5.1.1 the performance objectives and targets that must be met by the Employee;
  - 5.1.2 the time frames within which those performance objectives and targets must be met; and
  - 5.1.3 the competencies (Annexure B – definitions in terms of Regulation 21 of 17 January 2014) required to operate effectively as senior managers in the local government environment.
- 5.2 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:
  - 5.2.1 Key Objectives;
  - 5.2.2 Key performance indicators that provide the details of the evidence that must be provided to show that an indicator has been achieved by the employee;

5.2.3 Target dates that describe the timeframe in which the targets must be achieved; and

5.2.4 Weightings showing the relative importance of the key objective to each other.

5.3 The Personal Development Plan (Annexure C) sets out the Employee's personal development requirements in line with the objectives and targets of the Employer; and

5.4 The Employee's performance will also be measured in terms of contributions to the goals and strategies set out in the Employer's Integrated Development Plan.

## **6. PERFORMANCE MANAGEMENT SYSTEM**

6.1 The Employee agrees to participate in the performance management system that the Employer adopted for the employees of the Employer.

6.2 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 employees and service providers to perform to the standards required.

6.3 The Employer must consult the Employee about the specific performance standards and targets that will be included in the performance management system as applicable to the Employee.

## **7. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM THAT THE EMPLOYER ADOPTS.**

7.1 The Employee undertakes to actively focus on the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.

7.2 The criteria upon which the performance of the Employee shall be assessed shall consist of two components, Operational Performance and Competencies both of which shall be contained in the Performance Agreement;

7.3 The Employee's assessment will be based on his/her performance in terms of the outputs/outcomes (performance indicators) identified as per the 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 agreed to between the Employer and Employee:

7.4 The Competencies will make up the other 20% of the Employee's assessment score. The Competencies are split into two groups, leading competencies which drive strategic intent and direction, and core competencies, which drive the execution of the leading competencies.

## **8. EVALUATING PERFORMANCE**

8.1 The Performance Plan (Annexure A) to this Agreement sets out key performance indicators and competencies that need to be evaluated in terms of –

8.1.1 The standards and procedures for evaluating the Employee's performance; and

8.1.2 The intervals for the evaluation of the Employee's performance.

- 8.2 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.
- 8.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan, and the actions agreed to and implementation must occur within set time frames.
- 8.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP as described in 8.6 – 8.12 below.
- 8.5 The Employee will submit quarterly performance reports (SDBIP) and a comprehensive annual performance report at least one week prior to the performance assessment meetings to the Evaluation Panel Chairperson for distribution to the panel members for preparation purposes.
- 8.6 Assessment of the achievement of results as outlined in the performance plan:
- 8.6.1 Each KPI or group of KPIs shall be assessed according to the extent to which the specified standards or performance targets have been met (qualitative and quantitative) and with due regard to ad hoc tasks that had to be performed under the KPA;
- 8.6.2 An rating on the five-point scale described in 8.9 below shall be provided for each KPI or group of KPI's which will then be multiplied by the weighting to calculate the final score;
- 8.6.3 The Employee will submit his self-evaluation to the Employer prior to the formal assessment;
- 8.6.4 In the instance where the employee could not perform due to reasons outside the control of the Employer and Employee, the KPI will not be considered during the evaluation. The Employee should provide sufficient evidence in such instances; and
- 8.6.5 An overall score will be calculated based on the total of the individual scores calculated above.
- 8.7 Assessment of the Competencies:
- 8.7.1 Each Competency will be assessed in terms of the descriptions provided (Annexure B) during the mid-year and year-end reviews;
- 8.7.2 A rating on the five-point scale described in 8.10 below shall be provided for each Competency which will then be multiplied by the weighting to calculate the final score; and
- 8.7.3 An overall score will be calculated based on the total of the individual scores calculated above.
- 8.8 Overall rating
- 8.8.1 An overall rating is calculated by adding the overall scores as calculated in 8.6.5 and 8.7.3 above; and
- 8.8.2 Such overall rating represents the outcome of the performance appraisal.
- 8.9 The assessment of the performance of the Employee will be based on the following rating scale for KPI's:

## 12. CONSULTATION

- 12.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others –
- 12.1.1 A direct effect on the performance of any of the Employee's functions;
  - 12.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer; and
  - 12.1.3 A substantial financial effect on the Employer.
- 12.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 12.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

## 13. REWARD

- 13.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 13.2 The payment of the performance bonus is determined by the performance score obtained during the 4<sup>th</sup> quarter.
- 13.3 The performance bonus will be awarded pro-rata according to the period of this agreement based on the following scheme:
- | Performance Rating |                       | Bonus Calculation    |
|--------------------|-----------------------|----------------------|
| 0% - 64%           | Poor Performance      | 0% of total package  |
| 65% - 69%          | Average Performance   | 5% of total package  |
| 70% - 74%          | Fair Performance      | 9% of total package  |
| 75% - 79%          | Good Performance      | 11% of total package |
| 80% - 100%         | Excellent Performance | 14% of total package |
- 13.4 In the event of the Employee terminating his service during the validity period of this Agreement, but only after three months after the start of this agreement's inception date, the Employee's performance will be evaluated for the period during which he was employed and he will be entitled to a pro-rata performance bonus based on his evaluated performance for the period of actual service; and
- 13.5 The Employer will submit the total score of the annual assessment and of the Employee, to full Council for purposes of recommending the bonus allocation.

## 14. MANAGEMENT OF EVALUATION OUTCOMES

- 14.1 Where the Employer is, any time during the Employee's employment, not satisfied with the Employee's performance with respect to any matter dealt with in this Agreement, the Employer will give notice to the Employee to attend a meeting.

14.2 The Employee will have the opportunity at the meeting to satisfy the Employer of the measures being taken to ensure that his performance becomes satisfactory and any programme, including any dates, for implementing these matters.

14.3 Where there is a dispute of difference as to the performance of the Employee under this Agreement, the Parties will confer with a view to resolving the dispute or difference; and

14.4 In the case of unacceptable performance, the Employer shall –

14.4.1 Provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

14.4.2 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.

## 15. DISPUTE RESOLUTION

15.1 In the event that the Employee is dissatisfied with any decision or action of the Employer in terms of this Agreement, or where a dispute or difference arises as to the extent to which the Employee has achieved the performance objectives and targets established in terms of this Agreement, the Employer may within 3 (three) business days, meet with the Employee with a view to resolving the issue. The Employer will record the outcome of the meeting in writing.

15.2 If the Parties cannot resolve the issues within 10 (ten) business days, an independent arbitrator, acceptable to both parties, shall be appointed to resolve the matter within 30 (thirty) business days.

15.3 In the instance where the matters referred to in 15.2 were not successfully resolved, the matter shall be referred to the Executive Mayor to mediate the issues within 30 (thirty) business days of receipt of a formal dispute from the Employee.

15.4 The decision of the Executive Mayor shall be final and binding on both parties; and

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



## 16. GENERAL

16.1 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; and


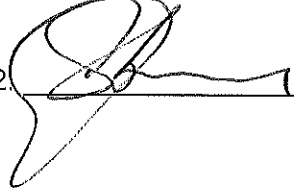
16.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the Employee in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

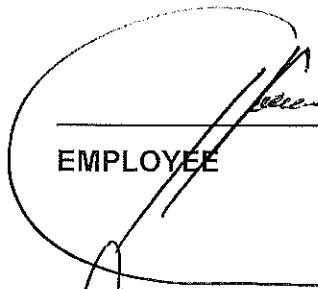
Thus done and signed at SPANBOR on this the 17<sup>th</sup> day of .....October 2024.

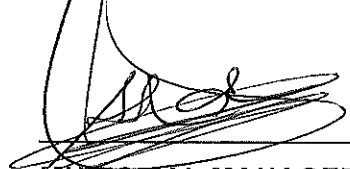
**AS WITNESSES:**

- 1. 
- 2. 

**AS WITNESSES:**

- 1. 
- 2. 

  
EMPLOYEE

  
MUNICIPAL MANAGER