PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

THE NAMAKWA DISTRICT MUNICIPALITY

AS REPRESENTED BY THE EXECUTIVE MAYOR

MERVIN CLOETE

(FULL NAMES)

AND

SYDNEY CHARLES ADAMS

THE EMPLOYEE OF THE MUNICIPALITY

FOR THE
FINANCIAL YEAR: 1 JULY 2025 - 30 JUNE 2026

MUNICIPAL MANAGER

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Namakwa District Municipality of herein represented by Mervin Cloete (full name) in his capacity as Executive Mayor (hereinafter referred to as the Employer)

And

Sydney C. Adams (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 to 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 July 2025 and will remain in force until 30 June 2026 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 of 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, in addition, 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 establishing agreed intervals for evaluation, the Employer may review the Employee's performance at any stage while the employment contract remains in force.

8.3 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 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 – 8.13 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 KPI's 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:

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 performance criteria and indicators as 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 standard expected appraisal indicates that the Employee has in the job. The 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 achieved effective results against all significant performance criteria and indicators 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 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.	

8.10 For purposes of evaluating the annual performance of the Employee, an evaluation panel constituted by the following persons will be established –

8.10.1 Executive Mayor;

8.10.2 Chairperson of the Performance Audit Committee or in his/her absence thereof; the Chairperson of the Audit Committee;

8.10.3 Member of the Mayoral Committee;

8.10.4 Mayor / Municipal Manager from another Municipality.

8.11 The Executive Mayor will evaluate the performance of the Employee as at the end of the 3rd quarter and document a summary of the discussions; and

8.12 The Executive Mayor will give performance feedback to the Employee within five (5) working days after each quarterly and annual assessment meeting.

9. SCHEDULE FOR PERFORMANCE REVIEWS

9.1 The performance of the 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:

QUARTER	MONTH	EVALUATION
1	July – September 2025	October – November 2025
2	October – December 2025	January – February 2026
3	January – March 2026	April – May 2026
4	April – June 2026	April – May 2027

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

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

9.4 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.

9.5 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.

10. DEVELOPMENTAL REQUIREMENTS

The Personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any such change or plan is made.

11. OBLIGATIONS OF THE EMPLOYER

11.1 The Employer shall –

11.1.1 Create an enabling environment to facilitate effective performance by the employee;

11.1.2 Provide access to skills development and capacity building opportunities;

11.1.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee;

11.1.4 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

11.1.5 Make available to the Employee such resources as the Employee may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement.

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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 4th 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 the full Council for purposes of recommending the bonus allocation.

14. MANAGEMENT OF EVALUATION OUTCOMES

14.1 Where the Employer is, at 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 program, 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 providing the necessary guidance and/or support as well as a 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 Employer 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 MEC for local government in the province within 30 (thirty) business days of receipt of a formal dispute from the Employee or any other person appointed by the MEC; 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.

CIB JHP

Thus done and signed at Springbok on this the 01 day of July 2025.

AS WITNESSES:

1. _____

2. _____

_____

EMPLOYEE

AS WITNESSES:

1. _____

2. _____

_____

EXECUTIVE MAYOR