



PERFORMANCE AGREEMENT

2026/2027

Makhado Municipality herein represented by

KENT MBAVHALELO NEMANAME

in his capacity as the Municipal Manager (hereinafter referred to as
the Employer or Supervisor)

and

LIVHUWANI AUDREY THULARE

employee 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 the parties to conclude an annual performance agreement.
- 1.3 This agreement does not at all replace the Employment Contract signed between the parties.
- 1.4 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.
- 1.5 The Parties wish to ensure that there is compliance with Sections 57 (4A), 57 (4B) and 57 (5) of the Systems Act.

2. Purpose of this Agreement.

The purpose of this Agreement is to:

- 2.2 Comply with the provisions of Section 57(1)(b),(4A),(4B) and (5) of the Act as well as the employment contract entered into between the parties.
- 2.3 Specify objectives in terms of the key performance indicators 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.
- 2.4 Specify accountabilities as set out in a Performance Plan, which forms an Annexure to the Performance Agreement.
- 2.5 Monitor and measure performance against set targeted outputs.
- 2.6 Use the Performance Agreement as the basis for assessing whether the employee has met the performance expectations applicable to his job.
- 2.7 In the event of outstanding performance, to appropriately reward the employee.
- 2.8 Give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

3. Commencement and duration.

- 3.1. This Agreement will commence on **1st July 2026** and will remain in force until **30 JUNE 2027** **(provided the employment contract signed with the employer is still in force)** 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 during June each year.

- 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 KPA's (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 consist of two components, Key Performance Areas and core Competency Requirements, both of which shall be contained in the Performance Agreement.
- 5.5.1. The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPA's) and the Core Competency Requirements (CCRs) respectively.
- 5.5.2. KPA's covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.
- 5.5.3. Each area of assessment will be weighted and will contribute a specific part to the total score.
- 5.5.4. The Employee's assessment will be based on his performance in terms of the key performance indicator outputs / outcomes 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 agreed to between the Employer and Employee:

Key Performance Areas	Weighting
Municipal Transformation and Organisational Development	10
Basic Service Delivery	80
Local Economic Development (LED)	0
Municipal Financial Viability and Management	5
Good Governance and Public Participation	5

- 5.6. **Director Technical Services** responsibilities are directed in terms of the abovementioned key performance areas..
- 5.7. 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 should be selected (✓) from the list below as agreed to between the Employer and Employee. The following CCRs are compulsory for the CFO:

COMPETENCES	
Leading Competencies	Weights
Strategic Capability and Leadership	10
Programme and Project Management	10
Financial Management	30
Change Leadership	10
Governance Leadership	10
People Management	5
Core Competencies:	Weights
Moral competence	5
Planning and organising	5
Analysis and Innovation	5
Knowledge and Information Management	5
Results and Quality Focus	5

6. Evaluating Performance

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

6.1.1. The standards and procedures for evaluating the Employee's performance

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 must be documented in a Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames

6.4. The Employee's performance will be measured in terms of contributions to the strategic objectives 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 should 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 the KPA

6.7. For purposes of evaluating the annual performance of the **Director Technical Services** , an evaluation panel constituted of the following persons must be established –

- 6.7.1. Municipal Manager
- 6.7.2. Chairperson of the Performance Audit Committee or a member of the Performance Audit Committee in the absence of the Chairperson of the Performance Audit Committee;
- 6.7.3. Member of the Executive Committee
- 6.7.4. Municipal manager from another municipality; and
- 6.7.5. The manager responsible for human resources of the municipality must 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 within the month following the quarters as indicated with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

- First quarter : July – September 2026
- Second quarter : October – December 2026
- Third quarter : January – March 2027
- Fourth quarter : April – June 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

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

9. Obligations of the Employer

The Employer shall:

- 9.1. Create an enabling environment to facilitate effective performance by the employee
- 9.2. Provide access to skills development and capacity building opportunities
- 9.3. Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee

- 9.4. 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
- 9.5. 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

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. Commit the Employee to implement or to give effect to a decision made by the Employer
- 10.1.3. A substantial financial effect on the Employer
- 10.1.4. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 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 5% 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:

% Rating Over Performance %	% Rating Over Performance % Bonus
130 - 133.8	5%
133.9 – 137.6	6%
137.7 – 141.4	7%
141.5 - 145.2	8%
145.3 – 149	9%
150 – 153.4	10%
153.5 – 156.8	11%
156.9 – 160.2	12%
160.2 – 163.6	13%
163.7 – 167	14%

- 11.3. In the case of unacceptable performance, the Employer shall:
- 11.4. Provide systematic remedial or developmental support to assist the Employee to improve his performance
- 11.5. 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

12. Dispute Resolution

- 12.1. Any disputes about the nature of the Employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006, 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
- 13.3. The performance assessment results of the Director Technical Services must be submitted to the MEC responsible for local government in the relevant province as well as the National Minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at Makhado on this the 30 day of June 2026

AS WITNESSES:

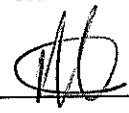
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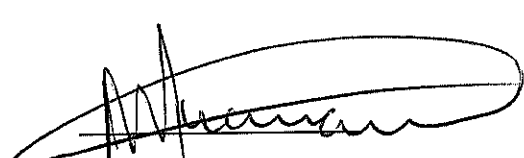


LIVHUWANI THULARE
EMPLOYEE

AS WITNESSES:

1. 

2. _____



KENT MBAVHALELO NEMANAME
MUNICIPAL MANAGER