



The home of harmony, prosperity and growth

## PERFORMANCE AGREEMENT

Made and entered into by and between:

**Dr. F P MOTHAMAHA (The Municipal Manager)**

**AND**

**Mr. S D PHETOANE (Chief Financial Officer)**

**FOR THE FINANCIAL YEAR: 1 JULY 2026 - 30 JUNE 2027**

Two handwritten signatures are present at the bottom right of the page. The first signature is on the left, and the second signature is on the right, with an arrow pointing from the second signature to the first.

## **PERFORMANCE AGREEMENT ENTERED INTO BY AND BETWEEN:**

Ngwathe Local Municipality herein represented by **Dr. F P MOTHAMAHA** in his capacity as the Municipal Manager (hereinafter referred to as the Employer or Supervisor), and

**Mr. S D PHETOANE** the Chief Financial Officer of Ngwathe Local 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 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), 57(4B) 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),(4A),(4B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties;
- 2.2 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;
- 2.3 Specify accountabilities as set out in the Performance Plan (Annexure A);
- 2.4 Monitor and measure performance against set targeted outputs;



- 2.5 Use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the Employee for permanent employment and/or to assess whether the Employee has met the performance expectations applicable to his/her job;
- 2.6 Appropriately reward the Employee in accordance with the Employer's performance management policy in the event of outstanding performance; and
- 2.7 Give effect to the Employer'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
  - 4.1.2 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 and the Budget of the Employer, and shall include key objectives; key performance indicators; target dates and weightings.
- 4.3 The key objectives describe the main tasks that need to be done. The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved. The target dates describe the timeframe in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.
- 4.4 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.

## **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 | 5           |
| Infrastructure Development and Basic Service Delivery   | 5           |
| Local Economic Development (LED)                        | 5           |
| Municipal Financial Viability and Management            | 80          |
| Good Governance and Public Participation                | 5           |
| <b>Total</b>                                            | <b>100%</b> |

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:

| Nr. | LEADING COMPETENCIES               |                                                                                                                                                                                                           |           |
|-----|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
|     | Competency Description             | Driving Competencies                                                                                                                                                                                      | Weighting |
| 1   | Strategic Direction and Leadership | <ul style="list-style-type: none"> <li>Impact and influence</li> <li>Institutional Performance Management</li> <li>Strategic Planning and Management</li> <li>Organisational Awareness</li> </ul>         | 5         |
| 2   | People Management                  | <ul style="list-style-type: none"> <li>Human Capital Planning and Development</li> <li>Diversity Management</li> <li>Employee Relations Management</li> <li>Negotiation and Dispute Management</li> </ul> | 5         |
| 3   | Program and Project Management     | <ul style="list-style-type: none"> <li>Program and Project Planning and Implementation</li> <li>Service Delivery Management</li> <li>Program and Project Monitoring and Evaluation</li> </ul>             | 5         |
| 4   | Financial Management               | <ul style="list-style-type: none"> <li>Budget Planning and Execution</li> </ul>                                                                                                                           | 35        |

| Nr.                                                                                        | LEADING COMPETENCIES                 |                                                                                                                                                                       |           |
|--------------------------------------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
|                                                                                            | Competency Description               | Driving Competencies                                                                                                                                                  | Weighting |
|                                                                                            |                                      | <ul style="list-style-type: none"><li>Financial Strategy and Delivery</li><li>Financial Reporting and Monitoring</li></ul>                                            |           |
| 5                                                                                          | Change Leadership                    | <ul style="list-style-type: none"><li>Change and Vision and Strategy</li><li>Process Design and Improvement</li><li>Change Impact Monitoring and Evaluation</li></ul> | 5         |
| 6                                                                                          | Governance Leadership                | <ul style="list-style-type: none"><li>Policy Formulation</li><li>Risk and Compliance Management</li><li>Cooperative Governance</li></ul>                              | 5         |
| Nr                                                                                         | CORE COMPETENCIES                    |                                                                                                                                                                       |           |
|                                                                                            | Competency Description               |                                                                                                                                                                       |           |
| 1                                                                                          | Moral Competence                     |                                                                                                                                                                       | 10        |
| 2                                                                                          | Planning and Organising              |                                                                                                                                                                       | 10        |
| 3                                                                                          | Analysis and Innovation              |                                                                                                                                                                       | 5         |
| 4                                                                                          | Knowledge and Information Management |                                                                                                                                                                       | 5         |
| 5                                                                                          | Communication                        |                                                                                                                                                                       | 5         |
| 6                                                                                          | Resulting and Quality Focus          |                                                                                                                                                                       | 5         |
| 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:-

- the standards and procedures for evaluating the Employee's performance; and
- 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 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 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.
- (b) An indicative rating on the five-point scale should 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.

6.5.2 Assessment of the CMCs:

- (a) Each CMC should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CMC.
- (c) 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 by 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 rating scale for KPA's and CMCs:



| 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 key 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 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 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:–

- 6.6.1 The Municipal Manager
- 6.6.2 Chairperson of the Audit Committee
- 6.6.3 Member of the Mayoral Committee
- 6.6.4 Municipal Manager or Senior Manager from another municipality

## 7. SCHEDULE FOR PERFORMANCE REVIEWS

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

- (a) **First Quarter:** July to September 2025 – not later than 15 October 2025
- (b) **Second Quarter:** October to December 2025 – not later than 15 January 2026
- (c) **Third Quarter:** January to March 2026 – not later than 15 April 2026
- (d) **Fourth Quarter:** April to June 2026 – not later than 15 July 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 any such change is made.

## 8. DEVELOPMENTAL REQUIREMENTS

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

## **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;
- 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/ her 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 reasonably require from time to time to assist him/ her 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; 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 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:**



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**11.2.1 The performance bonus payment shall be categorised in two bands with some ranges per band. The first performance bonus (cash rewards) payment band ranges between 5% and 9% 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;
- (iii) A score of above 160% to qualify for 14% bonus.

**11.3** The performance achievement ranging between 100% and 129% shall be regarded as performance that 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. This will imply that 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. **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. 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:

12.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Employee; or



12.1.2 any other person appointed by the MEC.

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

### **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/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and signed at PARYS this 01 day of 07/2026

**EMPLOYEE:**

Signature: [Signature] Name Print: Serame Phetane

**WITNESSES**

1. Signature: [Signature] Name Print: Masa Msh

2. Signature: [Signature] Name Print: THAWI MASHOITHA

**FOR AND ON BEHALF OF NGWATHE LOCAL MUNICIPALITY**

Signature: [Signature] Name Print: Jubani Mshola

**WITNESSES**

1. Signature: [Signature] Name Print: THOKO MTAMBO

2. Signature: [Signature] Name Print: THABISO GAWAFANA

## **ANNEXURE A:**

### **PERFORMANCE PLAN OF THE CHIEF FINANCIAL OFFICER OF NGWATHE LOCAL 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 (KPAs) 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.
- 3.3 Local Economic Development (LED).
- 3.4 Municipal Financial Viability and Management.

### 3.5 Good Governance and Public Participation.

This plan consists of the following 4 parts:

- 1) Key Performance Areas (KPAs) schedule, detailing key objectives and their related performance indicators, weightings and target dates
- 2) A Competency Requirements (CR) schedule, setting out selected leading and core competencies
- 3) Personal Development Plan (PDP), for addressing developmental gaps
- 4) Record of assessment meetings (Control Sheet)

**1. Key Performance Areas (KPA) schedule, detail key objective and their related performance indicators, weightings and target dates**

| Key Performance Area               | Weighting | SO ID | Strategic Objective                                                            | KPI ID | Key Performance Indicator                                                                                                                                 | Baseline Information                                                                           | Target                     |                                                                                                                          |          | Progress on date of review |
|------------------------------------|-----------|-------|--------------------------------------------------------------------------------|--------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------|----------|----------------------------|
|                                    |           |       |                                                                                |        |                                                                                                                                                           |                                                                                                | Time frames                | Quality                                                                                                                  | Quantity |                            |
| Financial Viability and Management |           | 12    | To ensure effective financial reporting compliant with applicable legislation. | KPI 61 | 2024/25 Fixed Asset Register (FAR) compiled and updated in line with GRAP requirements and submitted to the A-G on or before 31 August 2026               | 2023/24 Fixed Asset Register (FAR) submitted to the A-G by 31 August 2025                      | 1 July 2025 – 30 June 2027 | Compute system generated 2024/25 Fixed Asset Register (FAR) compiled and updated in line with GRAP requirements          | 1        |                            |
|                                    |           | 12    | To ensure effective financial reporting compliant with applicable legislation. | KPI 62 | 12 Monthly budget statements (s71 of MFMA) compiled and submitted to the Mayor not later than 10 working days after the end of each month by 30 June 2027 | 12 Monthly budget statements (s71 of MFMA) compiled and submitted to the Mayor by 30 June 2026 | 1 July 2026 – 30 June 2027 | Computer system generated and signed-off 12 Monthly budget statements (s71 of MFMA) compiled and submitted to the Mayor. | 12       |                            |
|                                    |           | 12    | To ensure effective financial reporting compliant with applicable legislation. | KPI 63 | 4 Quarterly National Treasury returns submitted by 30 June 2027                                                                                           | 4 Quarterly National Treasury returns submitted as at 30 June 2026                             | 1 July 2026– 30 June 2027  | Computer typed and signed-off 4 Quarterly National Treasury returns submitted.                                           | 4        |                            |
|                                    |           | 12    | To ensure effective financial reporting compliant with applicable legislation. | KPI 64 | 2026/27 Mid-year budget and performance assessment (s72 of                                                                                                | 2025/26 Mid-year budget and performance assessment (s72 of                                     | 1 July 2026 – 30 June 2027 | Computer typed and signed-off and MFMA s.72 compliant 2026/27 Mid-year budget and performance                            | 1        |                            |

| Key Performance Area | Weighting | SO ID | Strategic Objective                                                                     | KPI ID | Key Performance Indicator                                                                        | Baseline Information                                                                                                                                     | Target                     |                                                                                                                |          | Progress on date of review |
|----------------------|-----------|-------|-----------------------------------------------------------------------------------------|--------|--------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------|----------|----------------------------|
|                      |           |       |                                                                                         |        |                                                                                                  |                                                                                                                                                          | Time frames                | Quality                                                                                                        | Quantity |                            |
|                      |           |       |                                                                                         |        | MFMA) report submitted to the Municipal Manager on or before 20 January 2027                     | MFMA) report submitted to the Municipal Manager on or before 20 January 2025MFMA) report submitted to the Municipal Manager on or before 20 January 2026 |                            | assessment (s72 of MFMA) report submitted to the Municipal Manager                                             |          |                            |
|                      |           | 12    | To ensure effective financial reporting compliant with applicable legislation.          | KPI 65 | 2026/27 Mid-year adjustment budget submitted to Council by 28 February 2027                      | 2025/26 Mid-year adjustment budget submitted to Council by 28 February 2026                                                                              | 1 July 2026 – 30 June 2027 | Computer typed and signed-off and MFMA s. 72 compliant 2026/27 Mid-year adjustment budget submitted to Council | 1        |                            |
|                      |           | 9     | To ensure sound budgeting and accounting systems compliant with applicable legislation. | KPI 66 | Prepare 2027/28 annual budget (MTREF) compliant with MFMA and approved by Council by 31 May 2027 | 2025/26 annual budget (MTREF) compliant with MFMA and approved by Council by 31 May 2025                                                                 | 1 July 2026 – 30 June 2027 | Computer typed and signed-off and MFMA s.16 compliant 2027/28 annual budget (MTREF)                            | 1        |                            |
|                      |           | 12    | To ensure effective financial reporting compliant with applicable legislation.          | KPI 67 | Compiled 2025/26 Annual Financial Statement submitted to                                         | 2024/25 Annual Financial Statement submitted to the                                                                                                      | 1 July 2026 – 30 June 2027 | Computer system generated and signed-off and MFMA s. 122 compliant 2025/26 Annual                              | 1        |                            |



| Key Performance Area | Weighting | SO ID | Strategic Objective                                      | KPI ID | Key Performance Indicator                                                                                                        | Baseline Information                                                                                                          | Target                     |                                                                                                                                                                                  |          | Progress on date of review |
|----------------------|-----------|-------|----------------------------------------------------------|--------|----------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------|
|                      |           |       |                                                          |        |                                                                                                                                  |                                                                                                                               | Time frames                | Quality                                                                                                                                                                          | Quantity |                            |
|                      |           |       |                                                          |        | the Auditor-General by 31 August 2026                                                                                            | Auditor-General by 31 August 2025                                                                                             |                            | Financial Statement submitted to the Auditor-General.                                                                                                                            |          |                            |
|                      |           | 11    | To ensure effective management of municipal expenditure. | KPI 68 | Undisputed and valid creditors' invoices paid with 30 days of receipt of invoice as per Sec 65(2)(e) of the MFMA by 30 June 2027 | Undisputed and valid creditors' invoices paid with 321 days of receipt of invoice as at 30 June 2026                          | 1 July 2026 – 30 June 2027 | Computer system generated and signed-off, system generated monthly creditors' analysis reports Undisputed and valid creditors' invoices paid with 30 days of receipt of invoice. | 12       |                            |
|                      |           | 10    | To ensure a financially viable municipality.             | KPI 69 | 70% of consumer debtors revenue collected (actual total collections as a percentage of total levies/billings) by 30 June 2027    | 86% of consumer debtors revenue collected (actual total collections as a percentage of total levies/billings) by 30 June 2025 | 1 July 2026 – 30 June 2027 | Compute system generated and signed-off, system generated monthly debtors' analysis reports indicating 86% of consumer debtors revenue collected                                 | 86%      |                            |
|                      |           | 10    | To ensure a financially viable municipality.             | KPI 70 | Reduce debt cost ratio (i.e interest paid on Eskom, Rand Water and DWS) to 7% of total operating expenditure by 30 June 2027     | Reduce debt cost ratio (i.e interest paid on Eskom, Rand Water and DWS) to 7% of total operating expenditure by 30 June 2026  | 1 July 2026 – 30 June 2027 | Computer system generated and signed-off, monthly debt cost ratio to 7% of total operating expenditure report                                                                    | 7%       |                            |

| Key Performance Area | Weighting | SO ID | Strategic Objective                          | KPI ID | Key Performance Indicator                                                                                                                                         | Baseline Information                                                                                                                                              | Target                     |                                                                                                                                                        |           | Progress on date of review |
|----------------------|-----------|-------|----------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------------|
|                      |           |       |                                              |        |                                                                                                                                                                   |                                                                                                                                                                   | Time frames                | Quality                                                                                                                                                | Quantity  |                            |
|                      |           | 10    | To ensure a financially viable municipality. | KPI 71 | Increase Cash/ Cost Ratio (Excluding Unspent Conditional Grants) to 1 – 2 weeks by 30 June 2027                                                                   | Increase Cash/ Cost Ratio (Excluding Unspent Conditional Grants) to 1 – 2 weeks by 30 June 2026                                                                   | 1 July 2026 – 30 June 2027 | Computer system generated and signed-off, cash/cost ratio to 1-2 weeks report                                                                          | 1-2 weeks |                            |
|                      |           | 10    |                                              | KPI 72 | Reduce the average number of days required to receive payment from consumers to 120 days for outstanding debtors and 30 days for current accounts by 30 June 2027 | Reduce the average number of days required to receive payment from consumers to 120 days for outstanding debtors and 30 days for current accounts by 30 June 2026 | 1 July 2026 – 30 June 2027 | Computer typed and signed-off bid evaluation, adjudication and appointment letters indicating 95% of tenders awarded within 90 days of tender closing. | 120 days  |                            |
|                      |           | 10    | To ensure a financially viable municipality. | KPI 73 | 100% Capital expenditure on approved total budget by 30 June 2027.                                                                                                | 100% Capital expenditure on approved total budget by 30 June 2026                                                                                                 | 1 July 2026 – 30 June 2027 | Compute system generated and signed-off, system capital expenditure on approved total budget indicating 100% of total budget.                          | 100%      |                            |
|                      |           | 10    | To ensure a financially viable municipality. | KPI 74 | Improve expenditure on repairs and maintenance of assets to 8% of the total PPE                                                                                   | Improve expenditure on repairs and maintenance of 8% of the total PPE and                                                                                         | 1 July 2026 – 30 June 2027 | Compute system generated and signed-off, expenditure on repairs and maintenance of assets report indicating                                            | 8%        |                            |



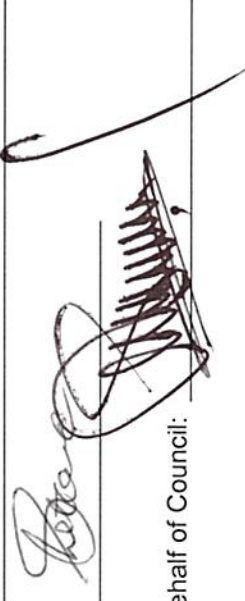
| Key Performance Area | Weighting | SO ID | Strategic Objective                       | KPI ID | Key Performance Indicator                                                                                                                                                           | Baseline Information                | Target                    |                                                                                                                                                                                        |          | Progress on date of review |
|----------------------|-----------|-------|-------------------------------------------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|---------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------|
|                      |           |       |                                           |        |                                                                                                                                                                                     |                                     | Time frames               | Quality                                                                                                                                                                                | Quantity |                            |
|                      |           |       |                                           |        | and Investment property by 30 June 2027                                                                                                                                             | Investment property by 30 June 2026 |                           | 8% of the total PPE and Investment property                                                                                                                                            |          |                            |
|                      |           | 10    | To ensure financially viable municipality | KPI 75 | Initiate implement and quarterly report on one (1) Departmental Revenue Generation/ Enhancement initiative/ project and one (1) cost containment initiative/project by 30 June 2026 | New KPI                             | 1 July 2025- 30 June 2026 | Computer typed and signed-off quarterly reports indicating on one (1) Departmental Revenue Generation/ Enhancement initiative/ project and one (1) cost containment initiative/project | 4        |                            |



## 2. Competency Requirements (CR) schedule

| Leading and Core Competencies         |  | Weighting | Description/Definition                                                                                                                                                                                                                                                                     | Comments/Observations |  | Rating |    |    |    |
|---------------------------------------|--|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--|--------|----|----|----|
| Leading Competencies (All compulsory) |  |           |                                                                                                                                                                                                                                                                                            |                       |  | 1Q     | 2Q | 3Q | 4Q |
| Strategic Direction and Leadership    |  | 5         | Provide and direct a vision for the institution, and inspire and deploy others to deliver on the strategic institutional mandate.                                                                                                                                                          |                       |  |        |    |    |    |
| People Management                     |  | 5         | Effectively manage, inspire and encourage people, respect and diversity, optimise talent and build and nurture relationships in order to achieve institutional objectives                                                                                                                  |                       |  |        |    |    |    |
| Program and Project Management        |  | 5         | Able to understand program and project management methodology; plan, manage, monitor and evaluate specific activities in order to deliver on set objectives                                                                                                                                |                       |  |        |    |    |    |
| Financial Management                  |  | 35        | Able to compile, plan and manage budgets, control cash flow, institute financial risk management and administer procurement processes in accordance with recognised financial practices. Further to ensure that all financial transactions are managed in an ethical manner                |                       |  |        |    |    |    |
| Change Leadership                     |  | 5         | Able to direct and initiate institutional transformation on all levels in order to successfully drive and implement new initiatives and deliver professional and quality services to the community                                                                                         |                       |  |        |    |    |    |
| Governance Leadership                 |  | 5         | Able to promote, direct and apply professionalism in managing risk and compliance requirements and apply a thorough understanding of governance practices and obligations. Further, able to direct the conceptualism of relevant policies and enhance cooperative governance relationships |                       |  |        |    |    |    |
| Core Competencies (All Compulsory)    |  |           |                                                                                                                                                                                                                                                                                            |                       |  | 1Q     | 2Q | 3Q | 4Q |
| Moral Competence                      |  | 10        | Able to identify moral triggers, apply reasoning that promotes honesty and integrity and consistently display behaviour that reflects moral competence                                                                                                                                     |                       |  |        |    |    |    |
| Planning and Organising               |  | 10        | Able to plan, prioritise and organise information and resources effectively to ensure the quality of service delivery and build efficient contingency to plans to manage risk                                                                                                              |                       |  |        |    |    |    |
| Analysis and Innovation               |  | 5         | Able to critically analyse information, challenges and trends to establish and implement fact-based solutions that are innovative to improve institutional processes in order to achieve key strategic objectives                                                                          |                       |  |        |    |    |    |

| Leading and Core Competencies        | Weighting | Description/Definition                                                                                                                                                                                                                                                               | Comments/Observations | Rating |
|--------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|--------|
| Knowledge and Information Management | 5         | Able to promote the generation and sharing of knowledge and information through various process and media, in order to enhance the collective knowledge base of local government                                                                                                     |                       |        |
| Communication                        | 5         | Able to share information, Knowledge and ideas in a clear, focused and concise manner appropriate for the audience in order to effectively                                                                                                                                           |                       |        |
| Resulting and Quality Focus          | 5         | Able to maintain high quality standards, focus on achieving results and objectives while consistently striving to exceed expectations and encourage others to meet quality standards.<br>Further, to actively monitor and measure results and quality against identified objectives. |                       |        |



Signed and accepted by (Chief Financial Officer):

Date:

01/07/2026

Signed and accepted by (Municipal Manager) on behalf of Council:

Date:

01/07/2024

### 3. Personal Development Plan

Employee's Name: Serame Pheleane Employee Number: 046065

Job Title: CFO Department: Finance

Manager: MM Date: 01/07/2026

| Development need | Activity | When | Learning Outcome | Impact |
|------------------|----------|------|------------------|--------|
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |
|                  |          |      |                  |        |

Signed and accepted by (Chief Financial Officer):  Date: 1/07/2026

Signed and accepted by (Municipal Manager) on behalf of Council:  Date: 1/07/2026

#### 4. Record of assessment meetings (Control Sheet)

Employee's Name: Serame Phetoane Employee Number: 046065  
Job Title: CFO Department: Finance  
Manager / Immediate Superior: MM Date: 01 July 2026

| Date of assessment meeting | Employee's views on differences of assessment | Comments of the Employer | Action to be taken if any (feedback to be given to employee) |
|----------------------------|-----------------------------------------------|--------------------------|--------------------------------------------------------------|
| Q1:                        |                                               |                          |                                                              |
| Q2:                        |                                               |                          |                                                              |
| Q3:                        |                                               |                          |                                                              |
| Q4:                        |                                               |                          |                                                              |
| Additional review:         |                                               |                          |                                                              |

Thus done and signed at Parys this 01 day of July 2026

EMPLOYEE: Serame  
Signature: Serame Phetoane Name Print: Serame Phetoane

WITNESSES  
1. Signature: [Signature] Name Print: Mona Mshibi

2. Signature: [Signature] Name Print: THABISO MOSHOIWA

FOR AND ON BEHALF OF NGWATHE LOCAL MUNICIPALITY

Signature: [Signature] Name Print: Thabiso Mphahlele

WITNESSES  
1. Signature: [Signature] Name Print: THOKO MTAMBO

2. Signature: [Signature] Name Print: THABISO SANHANA