

MOSES KOTANE
LOCAL MUNICIPALITY

2026/2027
PERFORMANCE AGREEMENT

In terms of the Municipal Systems Act, 2000 (Act 32 of 2000)
and the Municipal Performance Regulations for Municipal Managers
and Managers Directly Accountable to Municipal Managers, 2006

ENTERED INTO BY AND BETWEEN:

Moses Kotane Local Municipality herein represented by, Mr. Mokopane Vaaltyn Letsoalo in his capacity as the Accounting Officer (hereinafter referred to as the employer and supervisor)

AND

Mr NOAH DIALE MOENG in his capacity as the HOD COMMUNITY SERVICES of Moses Kotane Local Municipality (hereinafter referred to as the employee).

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1. NTRODUCTION

1) The municipality has entered into a contract of employment with the Employee commencing 01 December 2026 employed on a permanent basis.

2) Section 57(1) (b) of the Municipal Systems Act 32 of 2000 read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual Performance Agreement in terms of section 57(2) (a) of the same act.

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.

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 PERFORMANCE AGREEMENT

The purpose of the agreement is to—

(1) 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) specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountability in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality;

(3) specify accountability as set out in a performance plan, which forms an annexure to the performance agreement;

(4) monitor and measure performance against set targeted outputs;

(5) use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;

(6) in the event of outstanding performance, to appropriately reward the employee; and

(7) 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

(1) This agreement and the date of signature shall commence and shall in all respect be deemed to have commenced, with effect from 1st July 2026 and will remain in force until 30 June 2027 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.

(2) The parties will review the provisions of this Agreement during June each year. The parties will conclude a new Performance Agreement and Performance Plan that replaces this Agreement at least once a year by not later than the beginning of each successive financial year.

(3) The payment of performance bonus is determined by the performance score obtained during the annual performance evaluation and subject to approval of the annual performance evaluation report by council.

(4) Upon the termination of the Employee's contract of employment for any reason before the end of the financial year in question, the Employee shall be assessed on all the quarters completed whilst the agreement was in force, and shall be entitled to a pro-rata bonus accordingly. The pro-rata payment shall be affected only after the performance evaluation has been completed and contemplated in section 8 (4B) of the Municipal System Amendment 44 of 2003 and the Performance Management System Policy adopted by Council.

(5) 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.

(6) If at any time during the validity of this Agreement the work environment alters to (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

(1) The performance plan sets out—

(a) The performance objectives and targets that must be met by the employee; and

(b) the time frames within which those performance objectives and targets must be met.

(2) The performance objectives and targets reflected in the performance plan 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 municipality, and shall include key objectives; key performance indicators; target dates and weightings.

(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) 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

(1) The employee agrees to participate in the performance management system that the employer adopts or introduces for the municipality.

(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.

(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.

(4) The employee undertakes to actively focus towards the promotion and implementation of the Key Performance Areas (KPAs) (including special projects relevant to the employee's responsibilities) within the local government framework.

(5) The criteria upon which the performance of the employee must be assessed consist of two components, both of which must be contained in the performance agreement. The employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs), respectively. Each area of assessment will be weighted and will contribute a specific part to the total score. KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.

(6) The employee's assessment will be based on his or her performance in terms of the outputs / outcomes (performance indicators) identified as per the performance plan which are linked to the KPA's, which constitute 80% of the overall assessment result as per the weightings agreed to between the employer and employee.

Key Performance Areas (KPA's) for Municipal Managers	**Weighting**
Basic Service Delivery	80%
Municipal Institutional Development and Transformation	10%
Local Economic Development (LED)	
Municipal Financial Viability and Management	
Good Governance and Public Participation	10%
Spatial Rationale	
Total	**100%**

(7) In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the municipal manager and the relevant manager.

CORE COMPETENCY REQUIREMENTS FOR EMPLOYEES (CCR)		
Core Managerial and Occupational Competencies	**(Indicate choice)**	**Weight**
Core Managerial Competencies:		
Strategic Capability and Leadership		5
Programme and Project Management		5
Financial Management	compulsory	5
Change Management		4
Knowledge Management		5
Service Delivery Innovation		5
Problem Solving and Analysis		4
People Management and Empowerment	compulsory	5
Client Orientation and Customer Focus	compulsory	5
Communication		4
Honesty and Integrity		5
Core Occupational Competencies:		
Competence in Self Management		5
Interpretation of and implementation within the legislative and national policy frameworks		5
Knowledge of developmental local government		5
Knowledge of Performance Management and Reporting		5
Knowledge of global and South African specific political, social and economic contexts		2
Competence in policy conceptualisation, analysis and implementation		5
Knowledge of more than one functional municipal field / discipline		5
Core Managerial Competencies		
/discipline		
Skills in Mediation		4
Skills in Governance		4
Competence as required by other national line sector departments		5
Exceptional and dynamic creativity to improve the functioning of the municipality		4
Total percentage	-	**100%**

6. EVALUATING PERFORMANCE

(1) The performance plan sets out—

(a) the standards and procedures for evaluating the employee's performance; and

(b) the intervals for the evaluation of the employee's performance.

(2) Despite the establishment of agreed intervals for evaluation, the employer may in addition review the employee's performance at any stage while the employment contract remains in force.

(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.

(4) The annual performance appraisal must involve—

(a) Assessment of the achievement of results as outlined in the performance plan—

(i) 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.

(ii) An indicative rating on the five-point scale should be provided for each KPA.

(iii) The applicable assessment rating calculator must then be used to add the scores and calculate a final KPA score.

(b) Assessment of the CCRs

(i) Each CCR should be assessed according to the extent to which the specified standards have been met.

(ii) An indicative rating on the five-point scale should be provided for each CCR.

(iii) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.

(iv) The applicable assessment-rating calculator must then be used to add the scores and calculate a final CCR score.

(c) Overall rating

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

(ii) The assessment of the performance of the employee will be based on the following rating scale for KPA's and CCR's:

Level	Terminology	Description	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 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.					

(d) For purposes of evaluating the annual performance of managers directly accountable to the municipal managers, an evaluation panel constituted of the following persons must be established—

(i) Municipal Manager;

(ii) Chairperson of the performance audit committee or the audit committee in the absence of a performance audit committee;

(iii) Member of the mayoral or executive committee or in respect of a plenary type municipality, another member of council; and

(iv) Municipal manager from another municipality.

(e) 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

(1) The performance of the employee in relation to his or her performance agreement must be reviewed on the following dates with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory—

- First quarter : July - September.....
- Second quarter : October - December.....
- Third quarter : January - March.....
- Fourth quarter : April - June.....

(2) The employer must keep a record of the mid-year review and annual assessment meetings.

(3) Performance feedback must be based on the employer's assessment of the employee's performance.

(4) The employer will be entitled to review and make reasonable changes to the provisions of the performance plan from time to time for operational reasons on agreement between both parties.

(5) The employer may amend the provisions of the performance plan whenever the performance management system is adopted, implemented and / or amended as the Case may be on agreement between both parties.

8. DEVELOPMENTAL REQUIREMENTS

A personal development plan (PDP) for addressing developmental gaps must form part of the performance agreement.

9. OBLIGATIONS OF THE EMPLOYER

The Employer must—

1) create an enabling environment to facilitate effective performance by the employee;
2) provide access to skills development and capacity building opportunities;
3) work collaboratively with the employee to solve problems and generate solutions to common problems that may impact on the performance of the employee;
4) on the request of the employee delegate such powers reasonably required by the employee to enable him or her to meet the performance objectives and targets established in terms of the agreement; and
5) make available to the employee such resources as the employee may reasonably require from time to time to assist him or her to meet the performance objectives and targets established in terms of the agreement.

10. CONSULTATION

The employer agrees to consult the employee timeously where the exercising of the powers will have, amongst others—

(a) a direct effect on the performance of any of the employee's functions;

(b) commit the employee to implement or to give effect to a decision made by the employer; and

(c) a substantial financial effect on the employer.

The employer agrees to inform the employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in subregulation (1) as soon as is practicable to enable the employee to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

(1) The evaluation of the employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

(2) A performance bonus ranging from 5% to 14% of the all-inclusive remuneration package may be paid to an employee in recognition of outstanding performance. In determining the performance bonus the relevant percentage is based on the overall rating, calculated by using the applicable assessment rating calculator; provided that—

(a) a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and

(b) a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

The above-mentioned performance bonus will be awarded based on the following scheme;

Level of Performance	Description	Allocated Total Score	Bonus % of the total package
5	Outstanding performance	Above 150%	10-14%
4	Performance significantly above expectations	130-149%	5-9%
3	Fully effective (meets the standard)	100-129%	
2	Performance not fully effective	50-99%	
1	Unacceptable performance	1-49%	0%

(3) In the case of unacceptable performance, the employer shall—

(a) provide systematic remedial or developmental support to assist the employee to improve his or her performance; and

(b) after appropriate performance counselling and having provided the necessary guidance and / or support and reasonable time for improvement in performance, and performance does not improve, 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

(1) Any disputes about the nature of the employee's performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and / or salary increment in the agreement, must be mediated by—

(a) In the case of the municipal manager, the MEC for local government in the province within 30 days of receipt of a formal dispute from the employee, or any other person designated by the MEC; and

(b) In the case of managers directly accountable to the municipal manager, the executive mayor or mayor within 30 days of receipt of a formal dispute from the employee, whose decision shall be final and binding on both parties.

(2) Any disputes about the outcome of the employee's performance evaluation, must be mediated by—

(a) In the case of the municipal manager, the MEC for local government in the province within 30 days of receipt of a formal dispute from the employee, or any other person designated by the MEC; and

(b) In the case of managers directly accountable to the municipal manager, 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), within 30 days of receipt of a formal dispute from the employee, whose decision shall be final and binding on both parties.

13. GENERAL

(1) The contents of the performance agreement must be made available to the public by the employer in accordance with the Municipal Finance Management Act, 2003 and Section 46 of the Act.

(2) Nothing in this agreement diminishes the obligations, duties or accountabilities of the employee in terms of his or her employment contract, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

THUS, SIGNED AT MOGWASE ON THIS.....19..... DAY OF..JUNE.....2026

HOD Community Services

Municipal Manager

(1) Witness

(1) Witness

(2) Witness

(2) Witness

IDP Development Priority	Relevant SDG(s)	KPI	2025/2026 Baseline	2026/2027 Annual Target	Q1	Q2	Q3	Q4	2026/2027 Approved Budget	Means of Verification
KPA 1: Basic Service Delivery and Infrastructure Development										
Strategic Objective: To develop and improve community infrastructure facilities, public safety, disaster emergencies and healthy environment.										
Sports and Recreation	SDG 11	Number of roadblocks conducted	4 Roadblocks conducted	12 Roadblocks conducted by June 2027	3 Roadblock conducted	3 Roadblock conducted	3 Roadblock conducted	Roadblock conducted	Operational	Reports and attendance Registers, operational plan
Sports and Recreation	SDG 11	Number of road safety campaigns conducted	12 Road and Safety campaigns conducted	4 Road safety campaigns conducted by 2027	1 Road safety campaigns conducted	1 Road safety campaigns conducted	1 Road safety campaigns conducted	1 Road safety campaigns conducted	Operational	Reports and attendance registers
Sports and Recreation	SDG 9 SDG 11	KPI- 42 Number of Municipal Buildings Renovated	4	2 Municipal buildings renovated by June 2027	N/A	N/A	N/A	2 Municipal buildings renovated	R4.2 million	Completion certificates

IDP Development Priority	Relevant SDG(s)	KPI	2025/2026 Baseline	2026/2027 Annual Target	Q1	Q2	Q3	Q4	2026/2027 Approved Budget	Means of Verification
KPA 1: Basic Service Delivery and Infrastructure Development										
Strategic Objective: To develop and improve community infrastructure facilities, public safety, disaster emergencies and healthy environment.										
disaster management Waste Collection Disaster Management Climate Change	SDG 3 SDG 11 SDG 12	KPI- 43 Percentage of households provided with access to solid waste removal (Madikwe and Mogwase	100% households provided with access to solid waste removal (Madikwe and Mogwase	100% households provided with access to solid waste removal (Madikwe and Mogwase 2 Municipal buildings renovated by June 2027	100% households provided with access to solid waste removal (Madikwe and Mogwase	100% households provided with access to solid waste removal (Madikwe and Mogwase	100% households provided with access to solid waste removal (Madikwe and Mogwase	100% households provided with access to solid waste removal (Madikwe and Mogwase	Operational	Billing report and valuation roll

IDP Development Priority	Relevant SDG(s)	KPI	2025/2026 Baseline	2026/2027 Annual Target	Q1	Q2	Q3	Q4	2026/2027 Approved Budget	Means of Verification
KPA 1: Basic Service Delivery and Infrastructure Development										
Strategic Objective: To develop and improve community infrastructure facilities, public safety, disaster emergencies and healthy environment.										
Solid Waste and Environment and disaster management Waste Collection Disaster Management Climate Change	SDG 11 SDG 12 SDG 13 SDG 15	KPI- 44 Number of villages provided with access to waste removal services	107 villages provided with access to waste removal services	107 villages provided with access to waste removal services2 Municipal buildings renovated by June 2027	107 villages provided with access to waste removal services	107 villages provided with access to waste removal services	107 villages provided with access to waste removal services	107 villages provided with access to waste removal services	Operational	Confirmation of services received by Ward Councillor/ Ward Committee. Service delivery report and the municipality's verification and acceptance report.

IDP Development Priority	Relevant SDG(s)	KPI	2025/2026 Baseline	2026/2027 Annual Target	Q1	Q2	Q3	Q4	2026/2027 Approved Budget	Means of Verification
KPA 1: Basic Service Delivery and Infrastructure Development										
Strategic Objective: To develop and improve community infrastructure facilities, public safety, disaster emergencies and healthy environment.										
and disaster management Waste Collection Disaster Management Climate Change	SDG 3 SDG 11	KPI- 45 Percentage of compliance of Madikwe and Mogwase Landfill Sites	New	90% compliance of Madikwe and Mogwase Landfill Sites2 Municipal buildings renovated by June 2027	80% compliance of Madikwe and Mogwase Landfill Sites	80% compliance of Madikwe and Mogwase Landfill Sites	80% compliance of Madikwe and Mogwase Landfill Sites	90% compliance of Madikwe and Mogwase Landfill Sites	R12 million	Compliance reports

IDP Development Priority	Relevant SDG(s)	Key Performance Indicators	2025-2026 Baseline	2026-2027 Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2026-2027 Annual Budget	Portfolio of Evidence
KPA 2: Institutional Transformation and Organizational Development										
Strategic Objectives: Promote accountability, efficiency and professionalism within the organization										
Institutional Development	SDG 16	Number of Departmental meetings held	New	8 meetings to be held by June 2027	2 meetings held	2 meetings held	2 meetings held	2 meetings held	Operational	Schedule of departmental meetings, Attendance register and signed minutes
Institutional Development	SDG 16	Number of performance assessments conducted with all HOU's	New	4 performance assessments to be conducted by June 2027	N/A	1 performance assessment conducted	1 performance assessment conducted	1 performance assessment conducted	Operational	Assessment reports and attendance register
Institutional Development	SDG 16	Timeous submission of quarterly performance reports	New	100% of quarterly performance reports submitted by the 10th day of each new quarter	N/A	100% of quarterly performance reports submitted by the 10th day of each new quarter	100% of quarterly performance reports submitted by the 10th day of each new quarter	100% of quarterly performance reports submitted by the 10th day of each new quarter	Operational	Performance report, acknowledgment of receipt by PMS and proof of electronic submission by HOD
KPA 5: Good Governance and Public Participation										
Strategic Objectives: To ensure ethical and transparent governance that is responsive to community needs and encourage Public Participation										
Community Participation and Communication	SDG 16	Percentage of Risks Mitigated	New	100% of risks mitigated by June 2027	100% of risks mitigated	100% of risks mitigated	100% of risks mitigated	100% of risks mitigated	Operational	Quarterly risks reports signed off by HODs and certified by risk officer
Community Participation and Communication	SDG 16	Percentage of 2024-2025 Post Audit Action Plan (PAAP) implemented	NEW	100% of 2024-2025 Post Audit Action Plan (PAAP)	N/A	N/A	50% of 2024-2025 Post Audit Action Plan	100% of 2024-2025 Post Audit Action Plan (PAAP)	Operational	Quarterly progress reports and screenshot with summary of status of

IDP Development Priority	Relevant SDG(s)	Key Performance Indicators	2025-2026 Baseline	2026-2027 Annual Target	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	2026-2027 Annual Budget	Portfolio of Evidence
				implemented by June 2027			(PAAP) implemented	implemented		implementation

15. DEVELOPMENTAL REQUIREMENTS

The aim of the Personal Development Plan (PDP) is to ensure that Employees are skilled to meet objectives as set out in the Performance Management Agreement for employees by legislation. Such career-path planning ensures competent employees for current and possible future positions. It is there to identify, prioritise and implement training needs.

Legislative needs considered comes from the Municipal Systems Act Guidelines: Generic Senior Management Competency Framework and occupational competency profiles, Municipal Finance Management Competency Regulations, such as those developed by the National Treasury and other line sector departments legislated competency requirements needs to be taken into consideration during the PDP Process

2026-2027 Personal Development Plan Community Services						
Skills/Performance Gap	**Outcome Expected**	**Suggested Training/ Development Activities**	**Suggested Mode of delivery**	**Suggested Timeframes**	**Work opportunity created to practice skill/ Development Area**	**Support Person**
None	None	None	None	None	None	None