



ENTERED INTO BY AND BETWEEN:

AS REPRESENTED BY THE

COUNCILLOR LUCKY SELE

MUNICIPAL MANAGER

MAKHOSANA MSEZANA

FOR THE

FINANCIAL YEAR: 01 JULY 2026 TO 30 JUNE 2027

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PERFORMANCE MANAGEMENT AGREEMENT

ENTERED INTO BY AND BETWEEN

MOGALE CITY LOCAL MUNICIPALITY herein represented by **Cllr Lucky Sele** as the **EXECUTIVE MAYOR** (hereinafter referred to as the Employer or Supervisor)

And

Makhosana Msezana as the **Municipal Manager**; (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 "the Parties".
- 1.2 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.
- 1.3 The parties wish to ensure that there is compliance with Sections 57(4A), 57(4B), and 57(5) of the Systems Act, Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Manager, 2006 & Local Government: Competency Framework for Senior Managers, 2014.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to –

- 2.1 Comply with 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);

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LAS (Lucky Sele)
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- 2.4 Monitor and measure performance against set targeted outputs.
- 2.5 Use the Performance Management Agreement and Performance Management Plan as the basis for assessing whether the employee has met the performance expectations applicable to his 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 **01st of JULY 2026** and will remain in force until **30th JUNE 2027**; where after a new Performance management Agreement, Performance Management Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof.
- 3.2 This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 3.3 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.
- 3.4 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 and weightings.

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- 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 within which the work must be achieved. The weightings show the relative importance of the key objectives to each other (section 26(6) of the Performance Regulation, 2006).
- 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.

6. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENTS SYSTEM THAT THE EMPLOYER ADOPTS

- 6.1 The Employee undertakes to actively focus on the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.
- 6.2 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.
- 6.2.1 The Employee must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Requirements (CRs) (Leading 7 Core Competencies) respectively.
- 6.2.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

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6.2.3 KPAs covering the main areas of work will account for 80 weighting and CCRs will account for 20 weighting of the final assessment.

- 6.3 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 weighting of the overall assessment result as per the weightings agreed to between the employer and Employee:

KEY PERFORMANCE AREAS (KPA'S)	WEIGHTING %
Good Governance & Public Participation	15%
Municipal Financial Viability and Management	15%
Service Delivery and Infrastructure Development	50%
Local Economic Development	20%
Total	100%

- 6.4 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% weighting of the overall assessment result as per the weightings agreed between the employer and Employee.

The six (6) core competencies that act as drivers to ensure that the leading competencies are executed at an optimal level.

LEADING COMPETENCY REQUIREMENTS		WEIGHTS %
Strategic Direction and Leadership	- Impact and influence - Institutional Performance Management - Strategic Planning and Management - Organizational Awareness	25%
Financial Management	- Budget Planning & Execution - Financial Strategy & Delivery - Financial Reporting & Monitoring	35%
Change Leadership	- Change Vision & Strategy - Process Design & Improvement - Change Impact Monitoring & Evaluation	20%
Governance	Policy Formulation	20%

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LEADING COMPETENCY REQUIREMENTS		WEIGHTS %
Leadership	- Risk and Compliance Management - Cooperative Governance	
CORE COMPETENCIES		-
Moral Competence		
Planning and organizing		
Analysis and Innovation		
Knowledge and Information Management		
Communication		
Result and Quality Focus		
TOTAL		100

7. EVALUATING PERFORMANCE

7.1 The Performance Plan (Annexure A) to this Agreement sets out-

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

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

7.2 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.

7.3 Personal growth and development needs identified during any performance review discussion must be documented in a Personal Development Plan (PDP) as well as the actions agreed to and implementation must take place within set time frames.

7.4 The Employee's performance will be measured in terms of contributions to the goals and strategies set out in the Employer's IDP.

7.5 The annual performance appraisal will involve:

7.5.1 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;

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- (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.

7.5.2 Assessment of the CCRs

- (a) Each CCR 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 CR;
- (c) The applicable assessment rating calculator must then be used to add the

OVERALL PERFORMANCE	RATING	PERFORMANCE SCORE
Unacceptable Performance Performance does not meet the standard expected for the job. The employee has failed to demonstrate the commitment level expected in the job despite management efforts to encourage improvement.	1	59% and below
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.	2	60% – 69%
Performance Fully Effective Performance fully meets the standards expected in all areas of the job	3	70% – 79 %
Performance Significantly Above Expectations/ Exceptional Performance Performance is significantly higher than the standard expected in the job.	4	80% – 89 %
Outstanding Performance Performance far exceeds the standard expected of an employee at this level.	5	90% – 100 %

scores and calculate a final CCR score.

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7.5.3 Overall rating

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

7.6 The assessment of the performance of the Employee will be based on the following rating scale for KPA's and CRs:

7.7 For purposes of evaluating the annual performance of the employee, an evaluation panel constituted by the following persons must be established –

- i. Executive Mayor;
- ii. Chairperson of the Performance Audit Committee
- iii. Member of the Mayoral Committee; and
- iv. The Mayor from another municipality;

8. SCHEDULE FOR PERFORMANCE REVIEWS

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

Quarter	Timeline	Date of the Review
First Quarter	July – September 2026	October 2026: Verbal
Second Quarter	October – December 2026	January 2027: Bi-annual
Third Quarter	January – March 2027	April 2027: Verbal
Fourth Quarter	April – June 2027	July 2027: Annual

8.2 The Employer shall keep a record of all formal and informal reviews, including the mid-year review and annual assessment meetings.

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

8.4 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.

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- 8.5 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.

9. DEVELOPMENTAL REQUIREMENTS

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

10. OBLIGATIONS OF THE EMPLOYER

- 10.1 The Employer shall –

- 10.1.1 create an enabling environment to facilitate effective performance by the Employee;
- 10.1.2 provide access to skills development and capacity building opportunities;
- 10.1.3 work collaboratively with the Employee to solve problems and solutions to common problems that may impact on the performance of the Employee;
- 10.1.4 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
- 10.1.5 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.

11. CONSULTATION

- 11.1 The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others –
- 11.1.1 a direct effect on the performance of any of the Employee's functions;
 - 11.1.2 commit the Employee to implement or to give effect to a decision made by the Employer; and
 - 11.1.3 a substantial financial effect on the Employer.

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- 11.2 The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 11.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
- 12.2 A performance bonus of 5% to 14% of the inclusive annual remuneration package may be paid to the Employee in recognition of performance and the amount payable would be calculated on the following basis:

Performance Rating			Bonus Amount
1.	0% - 59%	Performance Unacceptable	0% of total package
2.	60% - 69%	Performance Not Fully Effective	
3.	70% - 79%	Performance Fully Effective	Remuneration Progression
4.	80% - 89%	Performance Significantly Above Expectations/ Exceptional Performance	• Remuneration Progression • 5% - 9% of Total Package
5.	90% - 100%	Outstanding Performance	• Remuneration Progression • 10% - 14% of total package

- 12.3 In the case of unacceptable performance, the Employer shall –

12.3.1 provide systematic remedial or developmental support to assist the Employee to improve his or her performance; and

12.3.2 after appropriate counseling 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.

13. DISPUTE RESOLUTION

- 13.1 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 provide for, shall be mediated by –

13.1.1 The executive mayor within thirty (30) days of receipt of a formal dispute from the Employee; or

13.1.2 Any other person appointed by the Executive Mayor.

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

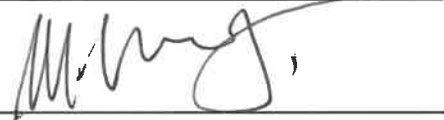
14. GENERAL

14.1 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.

14.2 Nothing in this agreement diminished 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 KRUGERSDORP on this the 31st day of July 2026

AS WITNESSES:

1. 
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Municipal Manager

Thus done and signed at KRUGERSDORP on this the 31st day of July 2026.

AS WITNESSES:

1. 
2. 


Executive Mayor



National OutcomeOutcome 9 Responsive accountable effective and efficient local government system													
Building a professional capable, citizen- focused public service NDP Chapter 13													
Strategic Goal:To ensure accountable governance within the municipality													
OFFICE OF THE MUNICIPAL MANAGER													
KPA: GOOD GOVERNANCE AND PUBLIC PARTICIPATION: 15%													
SDBIP REF NO.	PLANNING LEVEL	MSCOA PROJECT	KEY PERFORMANCE INDICATOR	WEIGHTING	UNIT OF MEASURE	BASELINE	ANNUAL TARGET	TARGET			RESPONSIBLE PERSON	PERFORMANCE MEASUREMENT	EVIDENCE
								TIME FRAME	QUALITY	QUANTITY			
MM'S Output	Outcome	Audit Action Plan	Audit Opinion Obtained	5%	%	Unqualified audit with finding	Unqualified Audit	Q1	-	-	All Executive Directors, CAE & CFO	1= Disclaimer Opinion	AG report
								Q2	-	-		2= Qualified Opinion	
								Q3	UOWME	-		3= Unqualified Opinion with matters of emphasis(UQWME)	
								Q4	-	-		4= Unqualified Opinion with 50% reduction on matters of emphasis compared 2025/2026	
												5= Unqualified Opinion without matters of emphasis compared	
MM'S Output	Outcome	Good Governance	% implementation of the Strategic Risk Register	10%	%	50%	80%	Q1	-	80%	All Executive Directors, CFO and CAE	1= 59% and below implementation of departmental mitigation actions on Strategic Risk Register	Dashboard and Strategic Risk Report
								Q2	-	80%		2= 60-69% implementation of the departmental mitigation actions on Strategic Risk Register	
								Q3	-	80%		3= 70-80% implementation of departmental mitigation actions on Strategic Risk Register	
								Q4	-	80%		4= 81-90% implementation of departmental mitigation actions on Strategic Risk Register	
												5= 91-100% implementation of departmental mitigation actions on Strategic Risk Register	
KPA: MUNICIPAL FINANCIAL VIABILITY AND MANAGEMENT 15%													
MM's Output	Outcome	Finance Management	% of revenue collected rate	15%	%	85%	89%	Q1	-	89%	CFO	1=85% and below estimated revenue collection as per approved Budget 2026/2027	In year monitoring report 2026/2027
								Q2	-	89%		2= 87% estimated revenue collection as per approved Budget 2026/2027	
								Q3	-	89%		3= 89% estimated revenue collection as per approved Budget 2026/2027	
								Q4	-	89%		4= 91% estimated revenue collection as per approved Budget 2026/2027	
												5= 95% estimated revenue collection as per approved Budget 2026/2027	
KPA: SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT 50%													

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	PLANNING	MSCOA	KEY	UNIT OF	ANNUAL	TARGET		RESPONSIBLE		
MM's Output	Outcome	Service Delivery	% SDBIP implementation within set timeframe and budget	%	71%	50%	Q1	N/A	89%	1=59% and below SDBIP implemented within set timeframe and budget
							Q2	N/A	89%	2= 60-69% implemented within set timeframe and budget
							Q3	N/A	89%	3= 89% implemented within set timeframe and budget
							Q4	N/A		4=90% and above implemented within set timeframe and budget
								N/A	89%	5=100% implemented within set timeframe and budget
KPA: LOCAL ECONOMIC DEVELOPMENT 20%										
MM'S Output	MM's Output	Job Opportunities	% Total value of all procurement services allocated to local businesses (Mogale City Based service providers)	%	25%	10%	Q1		5%	1=10% and below of all procurement services allocated to local businesses
							Q2		10%	2=20 % of all procurement services allocated to local businesses
							Q3		20%	3= 30 % of all procurement services allocated to local businesses
									30%	4=35 % of all procurement services allocated to local businesses
							Q4			5=40% of all procurement services allocated to local businesses
MM'S Output	Outcome		Number of EPWPs employed	Number	52	10%	Q1		-	1= 50 EPWP employed
							Q2		90	2= 70 EPWP employed
							Q3		-	3= 90 EPWP employed
										4= 110 EPWP
							Q4		-	5= 120 EPWP employed
Quarterly SDBIP and Annual Performance Report										
Quarterly reports from SCM										
EPWP Statistics Report										

Signed and Accepted by the Municipal Manager

Mr Makhosana Msezana

Approved by the Executive Mayor

Cllr Lucky Sele

DATE:

DATE

21/07/2026

31/07/2026

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MAKHOSANA MSEZANA: CORE MANAGERIAL COMPETENCIES

CORE MANAGERIAL COMPETENCIES	WEIGHTING	KPI	PERFORMANCE MEASUREMENT	EVIDENCE
Strategic direction & leadership	25	No. of Individual Performance Management Agreements signed with Executive Directors/CFO/CAE by 31 July 2026 and with the Manager: Executive and Management Support by 31 August 2026	1= 9 x S56 Performance Management Agreements signed after 31 August 2026 and with the Manager: Executive and Management Support after 30 September 2026	2026/2027 Performance Management Agreements signed with S56 Managers and Manager: Executive and Management Support
			2= 9 x S56 Performance Management Agreements signed after 15 August 2026 and with the Manager: Executive and Management Support after 15 September 2026	
			3= 9 x S56 Performance Management Agreements signed by 31 July 2026 and with the Manager: Executive and Management Support by 31 August 2026	
			4= 9 x S56 Performance Management Agreements signed by 20 July 2026 and with the Manager: Executive and Management Support by 20 August 2026	
			5= 9 x S56 Performance Management Agreements signed by 10 July 2026 and with the Manager: Executive and Management Support by 15 August 2026	
Financial Management	15	% Reduction of Unauthorised Irregular Fruitless and Wasteful expenditure (UIWFE)	1= 0-54% reduction on the UIWFE	Quarterly UIWFE quarterly reports and MPAC reports on UIWFE
			2= 55 - 64% reduction on the UIWFE	
			3= 65 - 74% reduction on the UIWFE	
			4= 75-89% reduction on the UIWFE	
			5= 90 - 100% reduction / No UIWFE incurred	
Financial Management	20	% of funded capital budget spent at the end of the financial year	1= Less than 79%	Quarterly In Yearly Financial Monitoring Reports (1 July 2026 to 30 June 2027)
			2= 80% - 89% expenditure	
			3= 90% - 95% expenditure	
			4= 96% - 98% expenditure	
			5=99% - 100% expenditure	
			1=59% and below implementation of the resolutions	

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Change Leadership	20	% Implementation of Resolutions from SMT meetings	2=60-69% implementation of resolutions 3= 70-79% implementation of resolutions 4= 80-89% implementation of resolutions 5= 90-100% implementation of resolutions	Agenda, Attendance Registers and resolution meeting register
Governance Leadership	20	No. Policy/ Strategies / Standard Operating Procedure developed	1=3 Policy/ Strategies / Standard Operating Procedure developed 2=4 Policy/ Strategies / Standard Operating Procedure developed 3=5 Policy/ Strategies / Standard Operating Procedure developed 4=6 Policy/ Strategies / Standard Operating Procedure developed 5=7 Policy/ Strategies / Standard Operating Procedure developed	5 Policy/ Strategies / Standard Operating Procedure developed
Total=100%				

Signed and Accepted by the Municipal Manager:

Mr Makhosana Msezana

Approved by the Executive Mayor

Cllr Lucky Sele

Date:

31/7/2026

Date:

31/7/2026

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SURNAME	MSEZANA	NAME	MAKHOSANA ABEDNEGO		
POSITION	MUNICIPAL MANAGER	REPORT TO	EXECUTIVE MAYOR		
SALARY LEVEL	1	SALARY BAND	S57		
DEPARTMENT	MM	FINANCIAL YEAR	2026/2027		
Competency area to be developed	Specific development objectives (what to achieve)	Competency indicators (evidence of development)	Development activities (self-study, on-the-job, formal-dates and cost)	Support required (e.g. coaching)	Development review and assessment (Individual, Expert Trainer & Coach)
Change Management	- Change Vision & Strategy - Process Design & Improvement - Change Impact Monitoring & Evaluation	Portfolio of evidence as required by the Training institution.	Short course	Training through a service provider	Service provider to be appointed. Trainer
EMPLOYEE SIGNATURE	 31/7/2026		EXECUTIVE MAYOR'S SIGNATURE		DATE