



PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

**THE MKHAMBATHINI MUNICIPALITY
AS REPRESENTED BY MAYOR**

COUNCILLOR N.W NTOMBELA

(Mayor)

AND

MR S MNGWENGWE


**MUNICIPAL MANAGER
(The Municipal Manager Mr S Mngwengwe)**

01 July 2026 - 30 June 2027

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Mkhambathini Municipality herein represented by
MR N.W Ntombela in his capacity as the Mayor
(hereinafter referred to as the **Mkhambathini Municipality or Supervisor**)

and

MR S MNGWENGWE
(Identity Number - 850303 6087 083)
Municipal Manager Mr S Mngwengwe of Mkhambathini Municipality
(hereinafter referred to as the **Municipal Manager**).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The **Employer** has entered into a contract of employment with the **Municipal Manager Mr S Mngwengwe** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act"). The **Municipal Manager Mr S Mngwengwe** and the **Employer** 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 to 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 Act as well as the employment contract entered into between the parties;
- 2.2 specify objectives and targets established for the **Municipal Manager Mr S Mngwengwe** and to communicate to the **Municipal Manager Mr S Mngwengwe** the Employers expectations of the **Municipal Manager Mr S Mngwengwe's** performance and accountabilities
- 2.3 specify accountabilities as set out in a 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 **Municipal Manager Mr S Mngwengwe** for permanent employment and/or to assess whether the Municipal Manager Mr S Mngwengwe has met the performance expectations applicable to his/her job;
- 2.6 appropriately reward the **Municipal Manager Mr S Mngwengwe**; in accordance with the Employers performance management policy in the event of outstanding performance; and

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- 2.7 give effect to the Employers commitment to a performance-orientated relationship with its **Municipal Manager Mr S Mngwengwe** in attaining equitable and improved service delivery.

3 COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **01 July 2026** and will remain in force until **30 June 2027** thereafter a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for the next financial year or any portion thereof, 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 **Municipal Manager Mr S Mngwengwe** 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-
- (a) the performance objectives and targets that must be met by the **Municipal Manager Mr S Mngwengwe**; and
 - (b) 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 **Municipal Manager Mr S Mngwengwe** and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) 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 **Municipal Manager Mr S Mngwengwe's** performance will, in addition, be measured in terms of contributions to the goals and strategies set out in the **Mkhambathini Municipality's** Integrated Development Plan.

5 PERFORMANCE MANAGEMENT SYSTEM

- 5.1 The **Municipal Manager Mr S Mngwengwe** agrees to participate in the performance management system that **Employer** the adopts or introduces management and municipal staff of the **Mkhambathini Municipality**.

- 5.2 The **Municipal Manager Mr S Mngwengwe** 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 **Municipal Manager Mr S Mngwengwe** about the specific performance standards that will be included in the performance management system as applicable to the **Municipal Manager Mr S Mngwengwe**.
- 5.4 The **Municipal Manager Mr S Mngwengwe** agrees to participate in the performance management and development system that the Employer adopts.
- 5.5 The **Municipal Manager Mr S Mngwengwe** undertakes to actively focus towards the promotion and implementation of the KPA's (including special projects relevant to the Municipal Manager Mr S Mngwengwe's responsibilities) within the local government framework.
- 5.6 The criteria upon which the performance of the **Municipal Manager Mr S Mngwengwe** shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.
- (a) The **Municipal Manager Mr S Mngwengwe** must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Managerial Requirements (CMC's) 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 **Municipal Manager Mr S Mngwengwe** 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 weightings agreed to between the **Employer** and the **Municipal Manager Mr S Mngwengwe**:

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	10 %
Municipal Institutional Development and Transformation	8 %
Local Economic Development (LED)	6 %
Municipal Financial Viability and Management	8 %
Good Governance and Public Participation	58 %
Cross Cutting Issues	10 %
Total	100%

- 5.7 The CMCs will make up the other 20% of the **Municipal Manager Mr S Mngwengwe's** assessment score. CMC's that are deemed to be most critical for **Municipal Manager Mr S Mngwengwe** specific job should be selected (✓) from the list below as agreed to between the **Employer** and **Municipal Manager Mr S Mngwengwe**.

LEADING COMPETENCIES		
CORE MANAGERIAL COMPETENCIES (CMC)		WEIGHT %
1. Strategic Direction and Leadership	- Impact and influence Institutional Performance Management - Strategic Planning and Management - Organisational Awareness	20 %
2. People Management	- Human Capital Planning and Development - Diversity Management - Relations Management - Negotiation and dispute Management	10 %
3. Programme and Project Management	- Program and project Planning and Implementation - Service Delivery Management - Program and Project Management and Evaluation	5 %
4. Financial Management	- Budget Planning and Execution - Financial Strategy and Delivery - Financial Reporting and Monitoring	15 %
5. Change Management	- Change Vision and Strategy - Process Design and Improvement - Change Impact Monitoring and Evaluation	5 %
6. Governance Leadership	- Policy Formulation - Risk and Compliance Management - Cooperative Governance	5 %
CORE COMPETENCIES		
7. Moral Competencies	Able to identify triggers, apply reasoning that promotes honesty and integrity and consistency display behavior that reflects moral competence.	5 %
8. Planning and Organizing	Able to plan, priorities and organize information and resources effectively to ensure the quality of service delivery and build efficient contingency Plans to manage risk	10 %
9. Analysis and Innovation	Able to critically analysis 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.	5 %
10. Knowledge and Information Management	Able to promote the generation and sharing of knowledge and information through various processes and media, in order to enhance the collective knowledge base of local government.	5 %
11. Communication	Able to share information, knowledge and ideas in a clear, focused and concise manner, appropriate for the audience in order to effectively convey, persuade and influence stakeholders to achieve the desired outcome.	10 %
12. Results and Quality Focus	Able to maintain high quality standards, focus on achieving results and objects while consistently striving to exceed expectations and encourage others to meet quality standards,. Further too actively monitor and measure results and quality against identified objectives.	5 %
TOTAL		100%

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6. EVALUATING PERFORMANCE

- 6.1 The Performance Plan (Annexure A) to this Agreement sets out -
- (a) the standards and procedures for evaluating the **Municipal Manager Mr S Mngwengwe** performance; and
 - (b) the intervals for the evaluation of the **Municipal Manager Mr S Mngwengwe** performance.
- 6.2 Despite the establishment of agreed intervals for evaluation, the **Employer** may in addition review the **Municipal Manager Mr S Mngwengwe'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 **Municipal Manager Mr S Mngwengwe** performance will be measured in terms of contributions to the goals and strategies set out in the **Employer's** IDP.

7. The quarterly performance appraisals will involve:

- 7.1 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 (refer to paragraph 7.3 below) must then be used to add the scores and calculate a final KPA score.
- 7.2 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 (refer to paragraph 7.1) must then be used to add the scores and calculate a final CMC score.
- 7.3 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 **Municipal Manager Mr S Mngwengwe** will be based on the following rating scale for KPA's and CMCs:

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Level	Description	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	Performance far exceeds the standard expected of a Municipal Manager Mr S Mngwengwe at this level. The appraisal indicates that the Municipal Manager Mr S Mngwengwe 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 Municipal Manager Mr S Mngwengwe 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 Municipal Manager Mr S Mngwengwe has fully achieved effective results against all significant performance criteria and indicators as specified in the PA and Performance Plan.					
2	Not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the Municipal Manager Mr S Mngwengwe has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the PA and Performance Plan.					
	Unacceptable performance	Performance does not meet the standard expected for the job. The review/assessment indicates that the Municipal Manager Mr S Mngwengwe has achieved below fully effective results against almost all of the performance criteria and indicators as specified in the PA and Performance Plan. The Municipal Manager Mr S Mngwengwe 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.					

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- 7.4 For purposes of evaluating the annual performance of the Municipal Manager Mr S Mngwengwe, an evaluation panel constituted of the following persons must be established -

- 7.4.1 Member of the Executive Committee;
- 7.7.4 Chairperson/ Member of the Audit Committee;
- 7.7.5 Municipal Manager from another Municipality

8. SCHEDULE FOR PERFORMANCE REVIEWS

- 8.1 The performance of **Municipal Manager Mr S Mngwengwe** in relation to his / 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	MONTHS	REVIEW DATE
First quarter	July 2026– September 2026	Before the end of October 2026
Second quarter	October 2026 – December 2026	Before the end of January 2027
Third quarter	January 2027 – March 2027	Before the end of April 2027
Fourth quarter	April 2027 – June 2027	Before the end of July 2027

- 8.2 The **Municipal Manager Mr S Mngwengwe** shall keep a record of the mid-year review and annual assessment meetings.
- 8.3 Performance feedback shall be based on the **Employer's** assessment of the **Municipal Manager Mr S Mngwengwe'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 **Municipal Manager Mr S Mngwengwe** will be fully consulted before any such change is made.
- 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 **Municipal Manager Mr S Mngwengwe** 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 MKHAMBATHINI MUNICIPALITY

- 10.1 The Employer shall –

- 10.1.1 create an enabling environment to facilitate effective performance by the **Municipal Manager Mr S Mngwengwe**;
- 10.1.2 provide access to skills development and capacity building opportunities;
- 10.1.3 work collaboratively with the **Municipal Manager Mr S Mngwengwe** to solve problems and generate solutions to common problems that may impact on the performance of the **Municipal Manager Mr S Mngwengwe**

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- 10.1.4 on the request of the **Municipal Manager Mr S Mngwengwe** delegate such powers reasonably required by the **Municipal Manager Mr S Mngwengwe** 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 **Municipal Manager Mr S Mngwengwe** such resources as the **Municipal Manager Mr S Mngwengwe** 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 **Municipal Manager Mr S Mngwengwe** timorously where the exercising of the powers will have amongst others –
 - 11.1.1 a direct effect on the performance of any of the **Municipal Manager Mr S Mngwengwe**
 - 11.1.2 commit the **Municipal Manager Mr S Mngwengwe** to implement or to give effect to a decision made by the **Employer**; and
 - 11.1.3 a substantial financial effect on the **Employer**.
- 11.2 The **Employer** agrees to inform the **Municipal Manager Mr S Mngwengwe** of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable **Municipal Manager Mr S Mngwengwe** to take any necessary action without delay.

12. MANAGEMENT OF EVALUATION OUTCOMES

- 12.1 The evaluation of **Municipal Manager Mr S Mngwengwe** performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.
 - 12.1.1 A performance bonus of between 5% to 14% of all-inclusive annual remuneration package may be paid to the **Municipal Manager** in recognition of outstanding performance to be constituted as follows:
 - 12.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and
 - 12.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.
- 12.2 the **Municipal Manager Mr S Mngwengwe** will be eligible for progression to the next higher remuneration package, within the relevant remuneration band, after completion of at least twelve months (12) service at the current remuneration package on 30 June (end of financial year) subject to a fully effective assessment.
- 12.4 In the case of unacceptable performance, the **Mkhambathini Municipality** shall –
 - 12.4.1 provide systematic remedial or developmental support to assist the **Municipal Manager Mr S Mngwengwe** to improve his or her performance; and
 - 12.4.2 after appropriate performance counselling and having provided the necessary guidance and/ or support as well as reasonable time for improvement in performance, the **Mkhambathini Municipality** may consider steps to terminate the contract of employment of the **Municipal Manager Mr S Mngwengwe** on grounds of unfitness or incapacity to carry out his or her duties.

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13. DISPUTE RESOLUTION

- 13.1 Any disputes about the nature of the **Municipal Manager Mr S Mngwengwe** performance agreement, whether it relates to key responsibilities, priorities, methods of assessment and/ or any other matter provided for, shall be mediated by –
- 13.1.1 the MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the **Municipal Manager Mr S Mngwengwe**; or
- 13.1.2 any other person appointed by the MEC.
- 13.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

13. GENERAL

- 14.1 The contents of this agreement and the outcome of any review conducted in terms of Annexure B may be made available to the public by the **Employer**.
- 14.2 Nothing in this agreement diminishes the obligations, duties or accountabilities of the **Municipal Manager Mr S Mngwengwe** in terms of his/ her contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

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SIGNED AT CAMPERDOWN ON THE 20th DAY OF July 2026.

AS WITNESSES:

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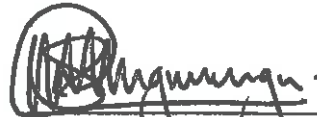


**CLLR N.W NTOMBELA
MAYOR**

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AS WITNESSES:

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**MR S MNGWENGWE
MUNICIPAL MANAGER**

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Appendix B

PERFORMANCE DEVELOPMENT PLAN

Entered into by and between

**THE MKHAMBATHINI MUNICIPALITY
AS REPRESENTED BY THE MAYOR**

(Duly authorised by Council)

MR N.W NTOMBELA

AND

MR S MNGWENGWE

MUNICIPAL MANAGER

["the Employee"]

01 July 2026 – 30 June 2027

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Period Under Review	
Surname	Mngwengwe
Name	Sanele
Municipality	Mkhambathini
Department	Municipal Manager
Race	Black
Gender	Male
Employee Number	456
Date of Appointment	16-01-2020
Salary Package	

Performance Plan

Attached as Annexure C

Calculation On the Core Management Criteria (CMC)

CMC's are based on the eleven core competencies – even Manager should be assessed against all those CMC' that are applicable to his/her job. Compulsory CMC' for Managers are highlighted below (NOTE: Weights should be taken from the signed performance agreement for the year under review).

CORE MANAGERIAL COMPETENCIES (CMC)		(Indicate Choice)		MILESTONES/COMMENTS
1 Strategic Direction and Leadership			20 %	
2. People Management			10 %	
3. Programme and Project Management			5 %	
4. Financial Management			15 %	
5. Change Management			5 %	
6. Governance Leadership			5 %	
7. Moral Competencies			5 %	
8. Planning and Organizing			10 %	
9. Analysis and Innovation			5 %	
10. Knowledge and Information Management			5 %	
11. Communication			10 %	
12. Results and Quality Focus			5 %	

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EVALUATION ON THE CORE OCCUPATIONAL COMPETENCY (COC)

COC's are based on the eleven core competences – every Manager should be assessed against all those COC's that are applicable to his/her job.
(NOTE: Weight should be taken from the signed performance agreement for the year under review)

CORE MANAGERIAL COMPETENCIES (CMC)			MILESTONES/COMMENTS	
1. Competence in Self-Management			10 %	
2. Interpretation of and implementation within the legislative and national policy framework			10 %	
3. Knowledge of Performance Management and Reporting			10 %	
4. Knowledge of global of South African specific political, social and economic contexts			10 %	
5. Competence in policy conceptualization, analysis and implementation			10 %	
6. Knowledge of more than one functional municipal field/discipline			10 %	
7. Skills in Mediation			10 %	
8. Skills in Governance			10 %	
9. Competence as required by other national line sector department			10 %	
10. Exceptional and dynamic creativity to improve the functioning of the municipality			10 %	
Total percentage			100%	

PERSONAL DEVELOPMENT PLAN

Area to be Developed	Type of Intervention	Target Date
Disciplinary Procedure	Workshop	30 June 2027
Legal Services	Short Course	30 June 2027
Project Management	Short Course	30 June 2027

PERFORMANCE ASSESSMENT RATING

The Assessment Rating will be used to add the score and calculate a final KRA score (80%) and a final CMC and COC's score (20%).

The Table Below should be completed by the summarized total of each panel member (*Note: Weight should be taken from the signed performance agreement for the year under review*)

KPA	WEIGHT	RATING
1. Basic Service Delivery	10 %	
2. Municipal Institutional Development and Transformation	8 %	
3. Local Economic Development	6 %	
4. Municipal Financial Viability and Management	8 %	
5. Good Governance and Public Participation	58 %	
6. Cross Cutting Issues	10 %	
Total		
x 80%		

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Core Management Competencies	Weight %	Rating
1. Strategic Capability & Leadership	20 %	
2. Programme & Project Management	5 %	
3. Financial Management (Compulsory)	15 %	
4. Change Management	5 %	
5. People Management	10 %	
6. Governance Leadership	5 %	
Total		
x 20%		

Core Management Competencies	Weight	Rating
1. Moral Competence	5 %	
2. Planning and organizing	10 %	
3. Analysis and Innovation	5 %	
4. Knowledge and Innovation	5 %	
5. Communication	10 %	
6. Result and Quality Focus	5 %	
Total		
X 20%		

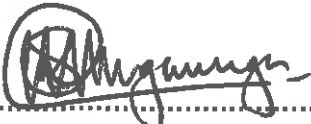
Key Results

Key Results	Weight	(B)
KRA (Key Result Area)		80%
CC (Conduct Criteria)		20%
c) FINAL SCORE		
FINAL SCORE IN PERCENTAGE (C/5X100)		

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AGREEMENT TO PERFORMANCE AND DEVELOPMENT PLAN

I agree with the objectives as set out in the above Performance and Development Plan and undertake to achieve the objectives as agreed on.

SIGNATURE: .....

MUNICIPAL MANAGER : MR. S MNGWENGWE

Date: 20 July 2026.....

I undertake to support **Mr. S Mngwengwe (Municipal Manager)** with the achievement of the above Performance and Development Plan.

SIGNATURE: .....

MAYOR N.W NTOMBELA

Date: 31/07/2026.....

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