PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN

CAPRICORN DISTRICT MUNICIPALITY
AS REPRESENTED BY THE MUNICIPAL MANAGER

RAMAKUNTWANE SELEPE

....

AND

TEBOGO MALAKA

....

CHIEF FINANCIAL OFFICER (CFO): FINANCE

FOR THE FINANCIAL YEAR:
01 July 2026 TO 30 JUNE 2027

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WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION:

1.1 The Municipality has, in terms of Section 57(1)(a) of the Local Government: Municipal Systems Act, No. 32 of 2000 (the Systems Act") entered into a contract of employment with the Chief Financial Officer (CFO) with effect from **01 August 2025 until the contract is terminated.**

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 CFO 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), (4B) and (5) of the Systems Act as well as the contract of employment entered into by the Parties.

1.5 In this Agreement the following words will have the meaning ascribed thereto:

"This Agreement" - means the performance agreement between the Municipality and the CFO and the annexures thereto.

"The Executive Authority" - means the Executive Committee of the Municipality constituted in terms of Section 43 of the Local Government: Municipal Structures Act as represented by its chairperson, the Executive Mayor.

"The CFO" – means Chief Financial Officer directly accountable to the Municipal Manager in terms of Section 56(a) of the Systems Act.

the Municipal Manager" – means the Municipal Manager appointed in terms of Section 54(A) of the Local Government: Municipal Systems Act, No. 32 of 2000.

"The Municipality" – means ....Municipality.

"The Parties" - means the Municipal Manager and / or Executive Council and the CFO.

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2. PURPOSE OF THIS AGREEMENT:

2.1 The Parties agree that the purposes of this Agreement are to:

2.1.1. 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;
2.1.2. specify objectives and targets defined and agreed with the CFO and to communicate to the CFO the Municipality's expectations of the CFO's performance and accountability in alignment with the Integrated Development Plan (IDP), the Service Delivery and Budget Implementation Plan (SDBIP) and the budget of the Municipality;
2.1.3. specify accountabilities as set out in a performance plan.
2.1.4. monitor and measure performance against targeted outputs and outcomes;
2.1.5. use performance plan as a basis for assessing the CFO for permanent employment and/or to assess whether the CFO has met the performance expectations applicable to her job;
2.1.6. appropriately reward the CFO in accordance with the Municipality's performance management policy in the event of outstanding performance;
2.1.7. establish a transparent and accountable working relationship; and
2.1.8. give effect to the Municipality's commitment to a performance-orientated relationship with its CFO in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION:

3.1 Notwithstanding the date of signature this Agreement will commence on the **1st of August 2026** and will remain in force until a new performance agreement including a Performance Plan and Personal Development Plan are concluded between the Parties as contemplated in Clause 3.2

3.2 The Parties will review the provisions of this Agreement during June each year. The Parties will conclude a new performance agreement including a Performance Plan and Personal Development Plan that replaces this Agreement when this agreement lapses as per the stipulated date and contract period in clause 1.1 of this agreement.

3.3. The payment of the performance bonus is determined by the performance score obtained during the annual performance calculations as informed by the quarterly performance assessments.

3.4. The payment of a performance bonus for the year in which the CFO's contract of employment expires will be done as set out in clause 3.3.

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3.5. In the event of the CFO terminating his services with the Municipality during the validity period of this Agreement, the CFOs performance for the portion of the period referred to in clause 3.1 during which he was employed, will be evaluated however he will not be entitled to a pro rata performance bonus as he shall have not competed the performance cycle of 12 months, unless the termination is due to ill-health.

3.6. The content of this Agreement may be revised at any time during the abovementioned period to determine the applicability of the matters agreed upon by the Parties.

3.7. 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.

3.8. This Agreement will terminate on the termination of the CFO's contract of employment for any reason.

4. PERFORMANCE OBJECTIVES:

4.1 The Performance Plan developed as **Annexure A** (attached) sets out:

4.1.1 the performance objectives and targets which must be met by the CFO; and

4.1.2 the time frames within which those performance objectives and targets must be met.

4.2 The Core Competency Requirements (CCRs) in **Annexure B** (page 6) set out those management skills regarded as critical to the position held by the CFO.

4.3 The Personal Development Plan in **Annexure C** (page 17) sets out the CFO's personal developmental requirements in line with the objectives and targets of the Municipality.

4.4 The performance objectives and targets reflected in **Annexure A** (attached) are set by the Municipality in consultation with the CFO and based on the IDP, SDBIP and the budget of the Municipality, and include key objectives, key performance areas, target dates and weightings.

4.5 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 time frame in which the work must be achieved. The weightings show the relative importance of the key objectives to each other.

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4.6 The CFO's performance will, in addition, be measured in terms of contributions to the development objectives and strategies set out in the Municipality's Integrated Development Plan.

5. PERFORMANCE MANAGEMENT SYSTEM:

5.1 The CFO agrees to participate in the performance management system that the Municipality adopts or introduces for the municipal management and municipal staff of the Municipality.

5.2 The CFO accepts that the purpose of the performance management system will be to provide a comprehensive system with specific performance standards to assist the municipal management and municipal staff to perform to the standards required.

5.3 The Executive Committee/Council and/or Municipal Manager will consult the CFO about the specific performance standards that will be included in the performance management system as applicable to the CFO.

5.4 The CFO undertakes to actively focus towards the promotion and implementation of his Key Performance Areas as set out in the performance plan including special projects relevant to the CFO's responsibilities within the Local Government Framework.

6. PERFORMANCE ASSESSMENT:

The performance of the CFO will be assessed against the outputs and outcomes achieved in terms of his Key Performance Areas (KPAs) as fully described in the performance plan and his Core Competency Requirements (CCRs) determined at the commencement of this Agreement with a weighting of 80:20 allocated to the KPAs and CCRs respectively. Therefore, the KPAs that refer to the main tasks of the CFO account for 80% of his assessment while the CCRs make up the other 20% of the CFO's assessment score.

The weightings agreed to in respect of the CFO's KPAs attached as Annexure A are set out in the table below:

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KEY PERFORMANCE AREAS (KPAS)	WEIGHT
KPA 1: Municipal Transformation and Institutional Development	5%
	5
KPA 2: Basic Service Delivery	5%
KPA 3: Local Economic Development and Planning	10%
KPA 4: Financial Viability	70%
KPA 5: Good governance and public participation	5%
KPA 6: Spatial Rationale	5%
TOTAL PERCANTAGE	100%

The weightings agreed to in respect of the CCRs considered most critical for the CFO's position are set out in the table below: (tick the chosen CCRs as in the performance plan)

ANNEXURE B:

CORE COMPETENCY REQUIREMENTS - CCRs				
CORE MANAGERIAL COMPETENCIES (CMC)	**INDICATE CHOICE**	**WEIGHT**	**Current level (1-5)**	**Desired Level (1-5)**
Strategic Capability and Leadership	✓	**10%**	3	5%
Programme and Project Management	✓	**10%**	3	5%
Financial Management	Compulsory	**5%**	4	5%
Leave Management	Compulsory	**5%**	4	5%
Change Management	✓	**3%**	4	5%
Knowledge Management	✓	**2%**	4	5%
Service Delivery Innovation	✓	**5%**	3	5%
Problem Solving and Analysis	✓	**10%**	4	5%
People Management and Empowerment	Compulsory	**5%**	3	5%
100% implementation of the internal Audit recommendations	Compulsory	**7%**	5	5%
100% implementation of the internal Audit recommendations	Compulsory	**7%**		5%
Client Orientation and Customer Focus	Compulsory	**5%**		5%
Communication	✓	**5%**	4	5%
Honesty and Integrity	✓	**5%**	3	5%
			5	5%

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CORE OCCUPATIONAL COMPETENCIES (COCs)				
CORE MANAGERIAL COMPETENCIES (CMC)	**CHOICE**	**WEIGHT**	**Current Level (1-5)**	**Desired Level (1-5)**
Competence in Self Management				
Interpretation of and implementation within the legislative and national policy frameworks	✓	**5%**	4	5
Knowledge of Developmental Local Government	✓	**5%**	4	5
Knowledge of Performance Management and Reporting	✓	**5%**	4	5
Knowledge of Global and SA specific political, social and economic contexts			4	/
Competence in Policy Conceptualisation, Analysis and Implementation	✓	**5%**	4	5
Knowledge of more than one functional municipal field or discipline				
Mediation Skills				
Governance Skills				
Competence as required by other national line sector departments				
Exceptional and dynamic creativity to improve the functioning of the Municipality				
100% implementation of RMC resolutions	✓	**1%**	5	5
100% implementation of mitigations actions due.	✓	**1%**	5	5
100% implementation of the Impact of the mitigations measures	✓	**1%**	5	5

The assessment of the performance of the CFO will be based on the following levels for KPAs and CCRs:

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 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	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.					

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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.					

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An indicative rating on the five-point scale should be provided for each KPA and CCR using the following as guidance:

1	Unacceptable
2	Not fully effective
3	Fully effective
4	Above expectations
5	Outstanding

Each KPA and CCR 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 to determine which rating on the five-point scale the CFO achieved. The following criteria could assist:

Duration of task	- Was the target achieved within the projected time frame?
Level of complexity	- Required problem solving - Reconciling different perceptions - Innovative alternatives used
Cost	- within budget - saving - overspending
Constraints	- Did envisaged constraints materialise? - If so, were steps taken to manage/reduce the effect of the constraint? - If not, did it beneficially affect the completion of the target? - Any innovative/pro-active steps to manage the constraint

An applicable assessment rating calculator must be used to add the KPA and CCR scores and calculate final KPA and CCR percentages.

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7. PANEL AND SCHEDULE FOR PERFORMANCE ASSESSMENTS:

An assessment panel consisting of the following people must be established to formally evaluate the performance of the CFO who is directly accountable to the Municipal Manager.

- Municipal Manager
- Chairperson of the Performance Audit Committee or the Audit Committee in the absence of a Performance Audit Committee
- A member of the Mayoral Committee responsible for the portfolio.
- Mayor and/or Municipal Manager of another municipality

In addition, the following assessments may also form part of the performance evaluation at the end of the quarter if so agreed between the Parties:

- CFO (own assessment)
- Fellow section 57 managers
- Divisional Head reporting to the manager.

The performance of the CFO will be assessed in relation to his achievement of:

- the targets indicated for each KPA
- the CCRs as defined

on a date to be determined for each of the following quarterly periods:

1st Quarter - July to September
2nd Quarter - October to December
3rd Quarter - January to March
Annual Assessment – July of the previous FY to June of the same FY but in the next year (eg- 01 July 2026 – 30 June 2027) (Formal assessment).

The Municipality will keep a record of the mid-year and annual assessment meetings.

The Municipality may appoint an external facilitator to assist with the annual assessment.

The Executive Manager responsible for the Corporate Services Department of the Municipality must provide secretariat services to the evaluation panel for the annual performance assessment.

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8. EVALUATING PERFORMANCE

The CFO will submit quarterly performance reports and a comprehensive annual performance report prior to the performance assessment meetings to the Municipal Manager.

The Municipal Manager will give performance feedback to the CFO after each quarterly and the annual assessment meetings.

The evaluation of the CFO's performance will form the basis for correcting unacceptable performance.

The results of the annual assessment and the scoring report of the CFO will be submitted to the Executive Authority for a recommendation to the full Council.

Personal growth and development needs identified during any performance assessment discussion must be documented in the CFO's Personal Development Plan as well as the action steps and set time frames agreed to.

Despite the establishment of agreed intervals for assessment, the Municipal Manager may, in addition, review the CFO's performance at any stage while his contract of employment remains in force.

9. OBLIGATIONS OF THE MUNICIPALITY

The Municipality will create an enabling environment to facilitate effective performance by the CFO.

The CFO will be provided with access to skills development and capacity building opportunities.

The Municipality will work collaboratively with the CFO to solve problems and generate solutions to common problems that may impact on the performance of the CFO.

The Municipality will make available to the CFO such resources including employees as the CFO may reasonably require from time to time to assist him to meet the performance objectives and targets established in terms of this Agreement; provided that it will at all times remain the responsibility of the CFO to ensure that he complies with those performance obligations and targets.

The CFO will, at his request, be delegated such powers by the Municipality as may in the discretion of the Municipality be reasonably required from time to time to enable him to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION:

10.1 The Executive Committee/Council and / or Municipal Manager agrees to consult the CFO within a reasonable time where the exercising of the Executive Authority's and / or Municipal Manager's powers will –

10.1.1 have a direct effect on the performance of any of the CFO's functions;

10.1.2 commit the CFO to implement or to give effect to a decision made by the Executive Committee/Council and/or Municipal Manager;

10.1.3 have a substantial financial effect on the Municipality.

10.2 The Municipal Manager agrees to inform the CFO 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 CFO to take any necessary action without delay.

11. CONSEQUENCE OF UNACCEPTABLE OR POOR PERFORMANCE:

11.1 Where the Municipal Manager is, at any time during the CFO's employment, not satisfied with the CFO's performance with respect to any matter dealt with in this Agreement, the Municipal Manager will give notice to the CFO to attend a meeting with the Municipal Manager.

11.2 The CFO will have the opportunity at the meeting to satisfy the Municipal Manager with the measures being taken to ensure that the CFO's performance becomes satisfactory in accordance with a documented programme, including any dates, for implementing these measures.

11.3 The Municipality will provide systematic remedial or developmental support to assist the CFO to improve his performance.

11.4 If, after appropriate performance counselling and having provided the necessary guidance and/or support as well as reasonable time for improvement in performance, the Municipal Manager holds the view that the performance of the CFO is not satisfactory, the Municipal Manager will table a report before the Municipal Council through the Executive Mayor. Upon receipt the Executive Mayor will within 7 days request the Speaker to convene a Special Council to consider the report.

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11.5 Where there is a dispute or difference as to the performance of the CFO under this Agreement, the Parties will confer with a view to resolving the dispute or difference.

11.6 Nothing contained in this Agreement in any way limits the right of the Municipality to terminate the CFO's contract of employment with or without notice for any other breach by the CFO of his obligations to the Municipality or for any other valid reason in law.

12. DISPUTES

12.1 In the event that the CFO is dissatisfied with any decision or action of the Executive Committee/Council and/or Municipal Manager in terms of this Agreement, or where a dispute or difference arises as to the extent to which the CFO has achieved the performance objectives and targets established in terms of this Agreement, the CFO may meet with the Municipal Manager with a view to resolving the issue. At the CFO's request, the Municipal Manager will record the outcome of the meeting in writing.

12.2 If any dispute about the nature of the CFO's performance agreement whether it relates to key responsibilities, priorities, methods of assessment or any other matter provided for cannot be resolved through an internal mechanism as contemplated above, the dispute will be mediated by the Executive Mayor within thirty (30) days of receipt of a formal dispute from the CFO whose decision shall be final and binding on both Parties.

12.3 If any dispute about the outcome of the CFO's performance evaluation cannot be resolved through an internal mechanism as contemplated above, the dispute will be mediated by a member of the Council, provided that such member was not part of the evaluation panel provided for in clause 7 within thirty (30) days of receipt of a formal dispute from the CFO whose decision shall be final and binding on both Parties.

12.4 In the event that the mediation process contemplated above fails, the relevant arbitration clause of the contract of employment will apply.

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13. GENERAL

13.1 The contents of this Agreement and the outcome of any review conducted in terms of Annexure "A" will not be confidential and may be made available to the public by the Municipality.

13.2 Nothing in this Agreement diminishes the obligations, duties, or accountabilities of the CFO in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives, or other instruments.

Signed at Polokwane **this** 10 **day of** July **2026.**

CFO

As Witnesses:

1. **Full names:** Metse Malok **Signature** Amosel
2. **Ful names:** Makola Lya **Signature** [illegible]

Signed at Polokwane **this** 10 **day of** July **2026.**

T R Selepe

Municipal Manager

As Witnesses:

1. **Full names:** Makola Lya **Signature** [illegible]
2. **Ful names:** Metse Malok **Signature** Amoseli

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ANNEXURE C: PERSONAL DEVELOMENT PLAN

Skills/performance gaps	Outcomes Expected	Suggested training /development activity	Suggested mode of delivery	Suggested timeframes	Work opportunity to practice skill/development area	Support person
STRATEGIC CAPABILITY AND LEADERSHIP	LEADERSHIP	MANAGERIAL	VIRTUAL	1 YEAR		MM
PROFESSIONAL ACCOUNTANCY		MANAGERIAL	VIRTUAL	1 YEAR		MM
PROJECT MANAGEMENT	ACCOUNTANCY PROFESSION	MANAGERIAL	VIRTUAL	1 YEAR		MM

CHIEF FINANCE OFFICER

10/07/2026

DATE

MUNICIPAL MANAGER

17/07/2026

DATE

TM

FINANCIAL DISCLOSURE FORM (CONFIDENTIAL)

I, the undersigned (surname and initials)

MALAKA TM

Of

54 PARAMOUNT STR, IVY PARK, POLOKWANE

(Postal address) and

34 PARAMOUNT STR, IVY PARK, POLOKWANE
0699

(Residential address)

employed as CFO at the Capricorn Municipality hereby certify that the following information is complete and correct to the best of my knowledge:

1. Shares and other financial interests (Not bank accounts with financial institutions)
*See information sheet: Note **(1)***
Number of shares / extent of financial interest, Nature, Nominal value and Name of Company or entity

Number of shared value or extent of financial interest	Nature	Nominal value	Company

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2. Directorships and Partnerships
See information sheet: Note (2)

Name of Corporate entity, partnership or firm	Type of business	Amount of Remuneration or Income
FIN 552 ACC	BOMANT	

1. Remunerated work outside the Municipality (As sanctioned by Council)
See information sheet: Note (3)

Name of Employer	Type of work	Amount of Remuneration or Income	Council sanction confirmed: Resolution

2. Consultancies and retainerships
See information sheet: Note (4)

Name of client	Nature	Type of business activity	Value of benefits received

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5. Sponsorships
*See information sheet: Note **(5)***

Source of sponsorship	Description of sponsorship	Value of sponsorship

6. Gifts and hospitality from a source other than a family member
*See information sheet: Note **(6)***

Gift or Hospitality	Description	Value

7. Land and property
*See information sheet: Note **(7)***

Description	Extent	Area Value
RESIDENTIAL HOUSE	320 m²	R 900 000

SIGNATURE OF CFO

DATE: 10/07/2026

TM

CONFIDENTIAL

OATH/AFFIRMATION

1. I certify that before administering the oath/affirmation I asked the deponent the following questions and wrote down his answers in his presence:

   (i) Do you know and understand the contents of the declaration?

   Answer

   Yes

   (ii) Do you have any objection to taking the prescribed oath or affirmation?

   Answer

   No

   (iii) Do you consider the prescribed oath or affirmation to be binding on your conscience?

   Answer

   Yes

2. I certify that the deponent has acknowledged that he knows and understands the contents of this declaration. The deponent utters the following words: "I swear that the contents of this declaration are true, so help me God." / "I truly affirm that the contents of the declaration are true". The signature/mark of the deponent is affixed to the declaration in my presence.

71638064

Commissioner of Oath /Justice of the Peace

Full first names and surname: Sello Evold Makgotla

(Block letters)

Designation (rank): W/O Ex Officio

Republic of South Africa

WESTERNBURG

2023 -07- 19

DPO

SOUTH AFRICAN POLICE SERVICE

Street address of Institution:

28 Ben Harris Street

Westenburg

Date: 2026/07/10 Place Westenburg

CONTENTS NOTED: MUNICIPAL MANAGER:

SIGNATURE: TR Selepe

DATE: 10/07/2026

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CONFIDENTIAL:

INFORMATION SHEET FOR THE GENERIC FINANCIAL DISCLOSURE FORM:

The following notes are a guide to assist with completing the Financial Disclosure form (Annexure E):

NOTE 1: Shares and other financial interests

Designated employees are required to disclose the following details with regard to shares and other financial interests held in any private or public company or any other corporate entity recognised by law:

- The number, nature and nominal value of shares of any type;
- The nature and value of any other financial interests held in any private or public company or any other corporate entity; and
- The name of that entity.

NOTE 2: Directorships and partnerships

Designated employees are required to disclose the following details with regard to directorships and partnerships:

- The name and type of business activity of the corporate entity or partnership/s; and the amount of any remuneration received for such directorship or partnership/s.
- Directorship includes any occupied position of director or alternative director, or by whatever name the position is designated.
- Partnership is a legal relationship arising out of a contract between two or more persons with the object of making and sharing profits.

NOTE 3: Remunerated work outside the Municipality (As sanctioned by Council).

[Remuneration means the receipt of benefits in cash or kind, and work means rendering a service for which the person receives remuneration].

Designated employees are required to disclose the following details with regard to:

- remunerated work outside the public service:
- The type of work;
- The name and type of business activity of the employer; and
- The amount of the remuneration received for such work.

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NOTE 4: Consultancies and retainerships:

Designated employees are required to disclose the following details with regard to consultancies and retainerships:

- The nature of the consultancy or retainership of any kind;
- The name and type of business activity, of the client concerned; and
- The value of any benefits received for such consultancy or retainerships.

NOTE 5: Sponsorships:

Designated employees are required to disclose the following details with regard to sponsorships:

- The source of the sponsorship;
- The description of the sponsorship; and
- The value of the sponsorship.

NOTE 6: Gifts and hospitality from a source other than a family member:

Designated employees are required to disclose the following details with regard to gifts and hospitality:

- A description and the value and source of a gift with a value in excess of R350.00;
- A description and the value of gifts from a single source which cumulatively exceed the value of R350.00 in the relevant 12-months period; and
- Hospitality intended as a gift in kind.

Designated employees must disclose any material advantages that they received from any source e.g. any discount prices or rates that are not available to the General Public. All personal gifts within the family and hospitality of a traditional or cultural nature need not be disclosed.

NOTE 7: Land and Property:

Designated employees are required to disclose the following details with regard to their ownership and other interests in land and property (residential or otherwise both inside and outside the Republic):

- A description of the land or property;
- The extent of the land or property;
- The area in which it is situated; and
- The value of the interest.

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