

HARRY GWALA DEVELOPMENT AGENCY



PERFORMANCE AGREEMENT OF LINDOKUHLE LAWRENCE MAKHAYE

CHIEF FINANCIAL OFFICER

ASSESSMENT PERIOD	2026 / 2027
EMPLOYEE	Mr. Lindokuhle Lawrence Makhaye

DOCUMENT CONTROL

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Employee:	Mr. Lindokuhle Lawrence Makhaye, Chief Financial Officer

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Note: Page numbers reflect this document's current layout. If content is edited, please verify and update page references before circulating for signature.

2026/2027 PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN
HARRY GWALA DEVELOPMENT AGENCY (PTY) LTD
“The Employer”

Herein represented by **MR QINISO MNGUNI** in his capacity as the
CHIEF EXECUTIVE OFFICER

And

CHIEF FINANCIAL OFFICER (CFO)
MR LINDOKUHLE LAWRENCE
MAKHAYE

Hereinafter referred to as the *“Employee”* as employed by the Harry Gwala Development Agency (Pty) Ltd.

WHEREBY IT IS AGREED AS FOLLOWS:

ABSTRACT

The signature of the Performance Agreement serves as compliance with the provisions of Sections 4(A), 4(B) and (5) of the Systems Act as well as the Contract of Employment entered into between the parties.

FOR THE FINANCIAL YEAR:

1 JULY 2026 – 30 JUNE 2027

ACRONYMS

BEE	-	Black Economic Empowerment
CCR	-	Core Competency Requirement
ACEO	-	Acting Chief Executive Officer
CEO	-	Chief Executive Officer
Board	-	Board of Directors/Interim Board of Directors
HOD	-	Head of Department
IDP	-	Integrated Development Plan
KPA	-	Key Performance Area
KPI	-	Key Performance Indicators
LED	-	Local Economic Development
MSA	-	Municipal Systems Act no. 32 of 2000
Nedlac	-	National Economic Development and Labour Council
OPMS	-	Organisational Performance Management System
IPMS	-	Individual Performance Management System
PA	-	Performance Agreement
PDP	-	Personal Development Plan
PIMS	-	Planning Implementation and Management Support
PP	-	Performance Plan
RSA	-	Republic of South Africa
SCM	-	Municipal Supply Chain Management Policy
SDBIP	-	Service Delivery and Budget Implementation Plan

DEFINITIONS

- Ruling Language** -Refers to the language parties to the contract choose to use as a medium for formal communication between them.
- Financial Year** -Refers to the 12-month period which the organization determines as its budget year.
- Chief Executive Officer** – Refers to the accounting officer of the Agency (CEO)
- Acting Chief Executive Officer** – Refers to the accounting officer of the Agency (ACEO)
- Office of the CEO** - Refers to the office of the accounting officer
- The employee** – Refers to Mr Lindokuhle L Makhaye
- The employer** – Refers to Harry Gwala Development Agency
- CFO** - Refers to the Chief Financial Officer

INTERPRETATION

In this agreement, unless the context clearly indicates a contrary intention: -

- The headnotes are for reference purposes only and shall not affect the interpretation of any part hereof.
- The singular includes the plural and vice versa
- A reference to one gender includes the other genders.
- Any schedules and annexure shall be initialed by the parties for the purposes of identification and form part of this agreement as if specifically included herein.

GENERAL PROVISIONS

1. INTRODUCTION

- 1.1 The Employer has entered a contract of employment with the employee Mr LL Makhaye in terms of section 57(1) (a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 1.2 Section 57(1) (b) of the Municipal Systems Act, read with the contract of employment concluded between the parties, requires the parties to conclude an Annual Performance Agreement. That the parties hereby agree to have this contract developed in terms of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly accountable to Municipal Managers, 2006.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved and secure the commitment of the Employee to a set of outcomes that will secure Local Government policy goals.
- 1.4 This performance contract is between **MR LINDOKUHLE L MAKHAYE (ID 8402235459088)**, the Chief Financial Officer (CFO), and **MR Q MNGUNI (ID: 8911016015083)** the Chief Executive Officer of Harry Gwala Development Agency. It is for the 2026/2027 financial year only. The expected performance reflected in this contract is based on the Growth and Development Strategy, the Integrated Development Plan 2022/23 – 2026/27 adopted in May 2024, the 2026/27 Service Delivery and Budget Implementation Plan. The aforementioned documents have been adopted as the working documents of the Harry Gwala District Municipality as well as Harry Gwala Development Agency and therefore, shall be the basis of the performance assessment.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to

- 2.1. Comply with the provisions of Sections 57 4(A), 4(B) and (5) of the Systems Act as well as the Contract of Employment entered between the parties.

- 2.2. Specify objectives and targets established for the Employee and to communicate to the Employee the Employer's expectations of the Employee's performance expectations and accountabilities.
- 2.3. Specify accountabilities as set out in the Performance Plan (Annexure A).
- 2.4. Monitor and measure performance against set targeted outputs.
- 2.5. Use the Performance Agreement and Performance Plan as the basis for assessing the suitability of the Employee for permanent employment and/ or to assess whether the Employee has met the performance expectations applicable to his/her job.
- 2.6. Appropriately reward the Employee in accordance with the Employer's Performance Management Policy in the event of outstanding performance; and
- 2.7. Give effect to the Employers 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 01 July 2026 and will remain in force until 30 June 2027, notwithstanding that a new Performance Agreement, Performance Plan and Personal Development Plan shall be concluded between the parties for each financial year or any portion thereof.
- 3.2. 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.
- 3.3. This Agreement will terminate on the termination of the Employee's contract of employment for any reason.
- 3.4. The content of this Agreement may be revised at any time during the abovementioned 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, council or agency decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. STRATEGIC OBJECTIVE

- 4.1 The Chief Financial Officer (CFO) has the overall responsibility of ensuring overall financial management of the Agency and that funds are utilised appropriately.
- 4.2 As a Senior Manager of the Municipal Entity, the CFO is subject to the financial policy directions of the Agency, responsible and accountable, *inter alia* for:
- Ensure the implementation of General Accounting Practice (GRAP) Standards.
 - Provide strategic leadership in the Budget and Treasury Office of the Agency, inclusive of informing the developmental trajectory of the Agency, Harry Gwala District Municipality and its family of Municipalities, SDBIP's and relevant agreements with other sectors of Government.
 - Ensure effective and efficient management and control of municipal bank accounts and investment of surplus funds.
 - Meet reporting requirements as required in terms of financial management legislation such as the MFMA, Treasury Regulations and the DORA.
 - Monitor financial risks and implement an anti-fraud and corruption strategy in collaboration with risk management.
 - Ensure effective functioning of financial budgeting, financial accounting, financial analysis and financial reporting systems.
 - Provide support during the preparation of the Agency's Growth and Development Strategy and SDBIP's to ensure effective and efficient performance. Inclusive of devising revenue enhancement strategy/ plan for the Agency with the intention to generate own income and be sustainable.
 - Manage all resources assigned and provide exemplary leadership towards a culture of Corporate Governance and Ethics.
 - Responsible for Financial Performance Management Reporting, Municipal Supply Chain Management, Internal and External Audit and Accountability.

- To assist the Chief Executive Officer with other roles and responsibilities in terms of the relevant legislation.

5. PERFORMANCE OBJECTIVES

- 5.1. The performance objectives and targets reflected in Annexure A are set by the Employer in consultation with the Employee and based on the Business Plan of the Agency as well as the Growth and Development Strategy and the Budget of the Employer and shall include key objectives; key performance indicators; target dates and weighting.
- 5.2. 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 completed. The weightings show the relative importance of the key objectives to each other.
- 5.3. The Employee's performance will, in addition, be measured in terms of contribution.
- 5.4 The Performance Plan (Annexure A) sets out the performance objectives and targets that must be met by the Employee; and
- 5.5.1 The time frames within which those performance objectives and targets must be met.

6. PERFORMANCE BONUS & ANNUAL SALARY ADJUSTMENT

In accordance with regulation 32, a performance bonus, based on affordability may be paid to the Employee after: -

- 6.1 If the CFO performs or achieves an outstanding performance, he shall qualify for the annual performance bonus in accordance with the conditions of employment entered between the employer (Chief Executive Officer) and the CFO on 01 July 2026 as well as the results of the performance evaluation agreed to in terms of this contract.
- 6.2 The acceptability of the level of his performance or otherwise shall be determined and declared by the performance evaluation team in accordance with the provision

of this agreement, following the receipt of a report on the CFO's achievement or otherwise of the KPIs as reflected in Annexure "A" of this contract.

6.3 The attached Annexure "A" and referred to above has listed Key Performance Areas (KPAs) and Core Competency Requirements (CCRs) that are worth 100 points.

6.4 Each KPA consists of Key Performance Indicators and CCR that have different weightings.

6.5 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:

- I. A score of 130% to 149% is awarded a performance bonus ranging from 5% to 9% and
- II. A score of 150% and above is awarded a performance bonus ranging from 10% to 14%

6.7 In the case of unacceptable performance, the employer shall:

- a) Provide systematic or developmental support to assist the employee to improve his/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 CFO on grounds of unfitness or incapacity to carry out his or her duties.

6.8 A performance bonus for outstanding performance or an in-kind recognition of effective performance shall only be affected after,

- I. The annual report for the financial year under review has been tabled and adopted by the Board.
- II. An evaluation of performance in accordance with the provisions of regulation 23 and this contract; and
- III. Approval of such evaluation by the Board as a reward for outstanding performance or effective performance.

6.9 The increment for 2026/2027 shall be based on clauses in the CFO's employment contract concluded between him and the Chief Executive Officer and the provisions of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006. The employer shall grant annual salary adjustment linked to upper limits of senior managers as proclaimed by the Minister of Cooperative Governance and Traditional Affairs and is not performance based upon the signing of performance contract.

7. PERFORMANCE MANAGEMENT SYSTEM

- 7.1. The Employee agrees to participate in the Performance Management System that the Employer adopts or introduces for the Employer, Management and officials of the Agency.
- 7.2. 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 officials to perform to the standards required.
- 7.3. The Employer will consult the Employee about the specific performance standard that will be included in the Performance Management System as applicable to the Employee.

8. INDIVIDUAL PERFORMANCE CONTRACT SIGNING AND REPORTING

- 8.1. The performance contract shall be concluded between each employee within 30 calendar days reckoned from the first day of the new financial year or 60 calendar days upon commencement of employment in respect of all officials appointed and entered into a performance management system. This is in line with section 57 (2) of the Municipal Systems Act of 2000. Failure to comply with this deadline means an employee is not eligible for a performance bonus or a progression for the performance cycle in question, unless proof of compliance can be provided to the Accounting Officer and may result in the employee and his supervisor being subjected to disciplinary action.
- 8.2. The Chief Financial Officer in accordance with the legislation should at all times assist the Accounting Officer in preventing the occurrence of Unauthorized, Irregular, Fruitless and Wasteful Expenditure (UIFWE) as it will have effect on performance assessments including incentives.
- 8.3. The Chief Executive Officer shall ensure inclusion of the attainment of Unqualified Audit Opinion as a target in the Chief Financial Officer scorecard.

- 8.4. The Chief Financial Officer shall choose all Six (6) National KPAs, with a total weight of 100%.
- 8.5. The employees other than Chief Executive Officer (accounting officer) and Section 56 Managers will choose a maximum of ten (10) core competency requirements (CCRs) including compulsory core managerial requirements (CMRs) with a total weight of 100%, whilst Chief Executive Officer and Section 56 Managers are required to choose all CCRs.
- 8.6. Employees shall report their performance in a prescribed format. All individual quarterly performance reports shall be due for submission to the immediate superiors on or before the 15th or should the 15th fall on the weekend, they will be due on a Monday following the 15th after the end of each quarter. Failure to comply with this deadline means an employee is not eligible for a performance bonus or a progression for the performance cycle in question unless proof of compliance can be provided to the Accounting Officer and may result in the employee and his or her supervisor being subjected to disciplinary action.
- 8.7. Quarterly, Mid-year and annual performance reports will be due for submission to the IPMS unit on or before the 20th after the end of each quarter, first six-month period and financial year respectively. And thereafter submitted by IPMS to Internal Audit on or before the 30th after the end of each quarter. Failure to comply with this deadline means an employee is not eligible for a performance bonus or a progression for the performance cycle in question unless proof of compliance can be provided to the Accounting Officer and may result in the employee and his supervisor being subjected to disciplinary action.
- 8.8. Each employee will be responsible for keeping his or her personal copies of the performance contract and individual performance reports in a safe place for reference purposes.
- 8.10. Signed copies of the Performance Contracts of the Accounting Officer and Section 56 Managers will be presented to the Audit Committee as evidence of compliance as a matter of due diligence on the part of the Agency.

9. THE EMPLOYEE AGREES TO PARTICIPATE IN THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM THAT THE EMPLOYER ADOPTS

- 9.1. The Employee undertakes to actively focus on the promotion and implementation of KPA's (including special projects relevant to the employee's responsibilities) within the Local Government Framework.
- 9.2. 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.

- 9.3. The Employee must be assessed against both components and each area of assessment will be weighed and will contribute a specific part to the total score.
- 9.4. A weighting for the KPA's that cover the main areas of work will account for 80% of the final assessment and CF will account for 20% of the final assessment.
- 9.5. The Employee's assessment will be based on his 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 Employee
- 9.6. The Competency Framework CF will make the other 20% of the Employee's assessment score. The Competency Framework (CF) as contained in the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers must be used for this purpose. The said Regulations state that there is no hierarchical connotation to the structure and all competencies must therefore be considered as measurable and critical in assessing the level of a Chief Financial Officer's performance.

10. EVALUATING PERFORMANCE

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

The annual performance appraisal will involve:

- I. Assessment of the achievement of results as outlined in the performance plan.
- II. Assessing the extent to which the specified standards or KPIs have been met with due regards to ad-hoc tasks that had to be performed under the KPAs and CCRs.

The criterion upon which the performance of the employee shall be assessed consists of two components, both of which shall be contained in the performance plan: -

- I. The employee must be assessed against both components, with a weighting of **80:20** allocated to the KPAs and the CCRs respectively.
- II. Each area of assessment will be weighed and will contribute a specific part to the total score.
- III. The assessment of the performance of the Employee will be based on the following

A five-point rating scale to be used for both KPAs and CCRs is the following: -

Level	Terminology	Description Rating	Rating
5	Superior	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 specified in the PA and Annual Work Plan and maintained this in all areas of responsibility throughout the year.	
4	Advanced	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	Competent	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 Annual Work Plan.	
2	Basic	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 Annual Work Plan. Applies basic concepts, methods and understanding of local government operations, but requires supervision and development intervention.	

1	Unacceptable	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 the performance criteria and indicators as specified in the PA and Annual Work 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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The achievement levels indicated in the table below serve as a benchmark leading and core competencies,

ACHIEVEMENT LEVEL	DESCRIPTION
Competent (rating= 3)	Develops and applies more progressive concepts, methods and understanding, plans and guides the work of others and executes progressive analyses.
Advanced (rating =4)	Develop and apply complex concepts, methods and understanding. Effectively directs and leads group and executes in-depth analyses.
Superior (rating =5)	Has a comprehensive understanding of local government operations, critical in shaping strategic direction and change, develops and applies comprehensive concepts and methods.

Number	Key Performance Areas (80% of Total)	Weighting
1	Municipal Institutional Development and Transformation	10%
2	Basic Service Delivery	15%
3	Local Economic Development	15%

4	Municipal Financial Viability and Management	40%
5	Good Governance and Public Participation	10%
6	Cross Cutting Interventions	10%
	Total	100%

11. Competency framework structure.

11.1. The competencies that appear in the competency framework are detailed below.

LEADING COMPETENCIES	
People Management	• Human Capital Planning and Development • Diversity Management • Employee Relations Management • Negotiation and Dispute Management
Program and Project Management	• Program and Project Planning and Implementation • Service Delivery Management • Program and Project Monitoring and Evaluation
Financial Management	• Budget Planning and Execution • Financial Strategy and Delivery • Financial Reporting and Monitoring
Governance Leadership	• Policy Formulation • Risk and Compliance Management • Cooperative Governance
CORE COMPETENCIES	
Moral Competencies	
Planning and organising	
Analysis and Innovation	
Knowledge and Information Management	
Communication	
Result and Quality Focus	

COMPETENCY FRAMEWORK STRUCTURE			
Number	CRITICAL LEADING COMPETENCIES	✓	WEIGHT
1	Strategic Direction and Leadership		10%
2	People Management		8%
3	Program and Project Management		10%
4	Financial Management		10%

5	Change Management		10%
6	Governance Leadership		10%
Number	CORE COMPETENCIES		
1	Moral Competence		7%
2	Planning and organising		7%
3	Analysis and Innovation		7%
4	Knowledge and Information Management		7%
5	Communication		7%
6	Results and Quality Focus		7%
	Total percentage		100%

Managers must subscribe to the following Batho Pele principles.

- Consultation
- Setting service standards
- Increasing access
- Ensuring courtesy
- Providing information
- Openness and transparency
- Redress
- Value for money
- Encouraging Innovation and Rewarding excellence
- Customer Impact
- Leadership and Strategic Direction

12. MONITORING OF PERFORMANCE

The monitoring and performance reviews for each quarter as determined in the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006 shall be comprised of the Chief Executive Officer, and their brief will be to assess the performance of the Chief Financial Officer in line with the performance requirements as outlined in Annexure "A" of this contract.

Despite the in-year reviews, the employer shall establish an assessment team to conduct an annual performance review.

The evaluation panel/ team to conduct an annual assessment shall be composed as follows:

12.1 Chief Executive Officer

- 12.2 District Chief Financial Officer (CFO) or Equivalent Financial Executive
 12.3. Performance Management Specialist/Official - HGDA: Secretariat
 12.4. Chairperson of HR & Finance Committee

13. SCHEDULE FOR PERFORMANCE REVIEWS

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

QUARTER	REVIEW PERIOD	REVIEWS TO BE COMPLETED BY
First Quarter	July 2026 to September 2026	31 October 2026
Second Quarter (Partially)	October to December 2026	31 January 2027
Mid-term (Partially)	July to December 2026	31 January 2027
Third Quarter	January to March 2027	30 April 2027
Fourth Quarter	April to June 2027	31 July 2027
Annual	July 2026 to June 2027	31 July 2027

13.2. The Employer shall keep a record of the mid-year review and annual assessment meetings.

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

13.4. 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.

13.5. The Employer may amend the provisions of Annexure A whenever the Performance Management System is adopted, implemented) and/or amended. In that case the Employee will be fully consulted before any such change is made.

14. DEVELOPMENTAL REQUIREMENTS

14.1 The Personal Development Plan (PDP) (Annexure C) for addressing development gaps is attached as Annexure C. Such Plan may be implemented and/or amended as the case may be after each assessment. In that case, the Employee will be fully consulted before any change is made.

15. OBLIGATIONS OF THE EMPLOYER

15.1 The Employer shall:

15.2.1 Create an enabling environment to facilitate effective performance by the Employee

15.2.2 Provide access to skills development and capacity building opportunities

15.2.3 Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the Employee.

15.2.4 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 this Agreement.

15.2.5 Make available to the Employee such resources as the Employee may reasonably require from time to time assisting him or her to meet the performance objectives and targets established in terms of this Agreement.

16. CONSULTATION

16.1. The Employer agrees to consult the Employee timeously where the exercising of the powers will have amongst others.

16.1.1 A direct effect on the performance of any of the Employee's functions.

16.1.2 Commit the Employee to implement or to give effect to a decision made by the Employer

16.1.3 A substantial financial effect on the Employer.

16.2. The Employer agrees to inform the Employee of the outcome of any decisions taken pursuant to the exercise of powers contemplated on 16.1 as soon as is practicable to enable the Employee to take any necessary action without delay.

17. AWARDING PERFORMANCE BONUS

17.1 The following table will be used to determine the payment of performance bonus to a Performance contract employee:

FINAL SCORE	BONUS/REWARD
150% and above	10% to 14% of the annual total remuneration package
130% to 149%	5% to 9% of the annual total remuneration package
99% and below	Compulsory performance counselling

18. MANAGEMENT OF EVALUATION OUTCOMES

18.1. The evaluation of the Employee's performance will form the basis for rewarding outstanding performance or correcting unacceptable performance.

18.2 A performance bonus of 5% to 14% of inclusive annual remuneration package may be paid to the Employee in recognition of outstanding performance.

19. GENERAL

19.1 The contents of this Agreement and the outcome of any review conducted in terms of Annexure A may be available to the public by the Employer

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

20. DISPUTE RESOLUTION

In case of disputes, which cannot be resolved through negotiations and mediation, the employee has a right to refer the case to the Board Chairperson who must settle the case within thirty (30) days of receipt of a formal written dispute referral. The decision of the Board Chairperson shall be deemed final and binding on both parties.

21 JURISDICTIONS

Regardless of the place of execution, performance or domicile of the parties, this contract and all modifications and amendments hereof shall be governed by and construed under and in accordance with the laws of the Republic of South Africa.

22.WHOLE AGREEMENT

The parties to this contract agree that this contract constitutes the whole agreement and arrangement for the performance of the Chief Financial Officer with effect from 01 July 2026.

No agreement, varying, adding to, deleting from or cancelling this contract, shall be effective unless reduced to writing and signed by both parties. The following appendices attached to this contract will have the same force and effect as if they were written in this section of the contract:

ANNEXURE A: PERFORMANCE PLAN

ANNEXURE B: CORE COMPETENCY REQUIREMENTS (CCR'S)

ANNEXURE C: PERSONAL DEVELOPMENT PLAN

Commitment of the CFO

I, **Lindokuhle Lawrence Makhaye**, hereby make this commitment to achieve targets as set in this performance contract between myself and the employer. As the CFO, I understand that targets are impossible to achieve without my full support and co-operation. I therefore accept both our individual and collective responsibilities towards the attainment of the set targets.

Signed by



**MR LL MAKHAYE
CHIEF FINANCIAL OFFICER
EMPLOYEE**

19 JUNE 2026
DATE

AS WITNESSES:

1. 

2. 



**MR Q MNGUNI
CHIEF EXECUTIVE OFFICER**

19 JUNE 2026
DATE

AS WITNESSES:

1. 

2. 

Thus, done and signed at HGDA on this the 19th day of JUNE 2026

ANNEXURE “A”

PERFORMANCE PLAN FOR THE FINANCIAL YEAR 2026/2027

KEY PERFORMANCE AREAS (KPA's)

- **MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT**
- **BASIC SERVICE DELIVERY**
- **LOCAL ECONOMIC DEVELOPMENT**
- **FINANCIAL VIABILITY AND MANAGEMENT**
- **GOOD GOVERNANCE AND PUBLIC PARTICIPATION**
- **CROSS CUTTING INTERVENTIONS**

ANNEXURE “B”

CORE COMPETENCY REQUIREMENTS (CCR's) FOR ASSESSMENTS PURPOSES

KEY PERFORMANCE AREAS FOR CHIEF FINANCIAL OFFICER	WEIGHTING	SCORE
Municipal Transformation and Institutional Development	10%	
Basic Service Delivery	15%	
Local Economic Development	15%	
Good Governance and Public Participation	10%	
Financial Viability and Management	40%	
Cross Cutting Interventions	10%	
TOTAL	100%	

LEADING CORE COMPETENCIES:

LEADING COMPETENCIES		
STRATEGIC DIRECTION AND LEADERSHIP	▪ Impact and influence	WEIGHT % 10%
	▪ Institutional performance Management	
	▪ Strategic Planning and Management	
	▪ Organizational awareness	
PEOPLE MANAGEMENT	▪ Human Capital Planning and Development	8%
	▪ Diversity Management	
	▪ Employee relations Management	
	▪ Negotiation and dispute Management	
PROGRAM AND PROJECT MANAGEMENT	▪ Program and Project planning and Implementation	10%
	▪ Service Delivery Management	
	▪ Program and Project Monitoring and Evaluation	
FINANCIAL MANAGEMENT	▪ Budget planning and Execution	10%
	▪ Financial strategy and Delivery	
	▪ Financial reporting and Monitoring	
CHANGE LEADERSHIP	▪ Change Vision and Strategy	10%
	▪ Process design and improvement	
	▪ Change impact, Monitoring and Evaluation	
GOVERNANCE LEADERSHIP	▪ Policy Formulation	10%
	▪ Risk and Compliance Management	
	▪ Cooperative Governance	
TOTAL		100%

CORE COMPETENCIES	WEIGHT %
Moral Competencies	7%
Planning and organizing	7%
Analysis and Innovation	7%
Knowledge and information management	7%
Communication	7%
Results and Quality focus	7%
TOTAL	100%

ACHIEVEMENT LEVELS						
ACHIEVEMENT LEVEL	DESCRIPTION	RATING				
BASIC	Applies basic concepts, methods and understanding of local government operations, but requires supervision and development intervention.	1	2	3	4	5
COMPETENT	Develop and apply more progressive concepts, methods and understanding. Plans and guides the work of others and executes progressive analyses.	1	2	3	4	5
ADVANCED	Develops and apply complex concepts, methods and understanding. Effectively directs and leads a group and executes in-depth analyses.	1	2	3	4	5

ANNEXURE “C”

2026/2027 PERSONAL DEVELOPMENT PLAN

NAME : LINDOKUHLE L MAKHAYE

JOB TITLE : CHIEF FINANCIAL OFFICER

EMPLOYER : HARRY GWALA DEVELOPMENT AGENCY

COMPETENCY TO BE ADDRESSED	PROPOSED ACTIONS	TIME-FRAME	EXPECTED OUTCOME

ANNEXURE “D”

SUPPLEMENTARY GENERAL PROVISIONS

D1. Confidentiality

Each party shall keep confidential all information of a sensitive, proprietary, or personal nature disclosed to it by the other party in the course of this Agreement and shall not disclose such information to any third party without the prior written consent of the other party, save where disclosure is required by law, by a competent court or regulator, or for the proper performance of this Agreement.

D2. Notices

Any notice or communication required or permitted in terms of this Agreement shall be in writing and shall be delivered by hand, registered post, or email to the physical or email address of each party as recorded in the Agency's official records, and shall be deemed to have been received on the date of delivery, or in the case of email, on the first business day following transmission unless the sender receives notice that delivery failed.

D3. Severability

Should any provision of this Agreement be found by a court or tribunal of competent jurisdiction to be invalid, unlawful, or unenforceable, that provision shall be severed from the remainder of the Agreement, which shall continue to be of full force and effect as though the invalid, unlawful, or unenforceable provision had not been included.

D4. Conflict of Interest

The Employee shall, throughout the currency of this Agreement, disclose to the Employer in writing any actual, potential, or perceived conflict of interest that may arise between the Employee's personal or business interests and the Employee's duties and responsibilities under this Agreement, and shall recuse himself from any decision-making process where such a conflict exists, in accordance with the Agency's Supply Chain Management Policy and applicable governance frameworks.

HARRY GWALA DEVELOPMENT AGENCY 2026/2027 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Code (Original)	Outcome S	Strategic Objective	Ward Information / Institutional	Key Performance Indicator (KPI)	Weighting	Unit of Measure	Activities / Items	Annual Budget (R)	Expenditure	Region (MSCOA)	Baseline (2025/2026 FY)	2026/2027 SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN PERFORMANCE TARGETS						Individual score 1-5	Motivation for the scores above 3	Supervisor score 1-5	Panel score 1-5	Reasons for underperformance / overperformance	Corrective action taken to address underperformance / overperformance	Means of Verification
												Q1 TARGET (01-Jul-26 - 30-Sep-26)	Q2 TARGET (01-Oct-26 - 31-Dec-26)	Mid-Term Target (01-Jul-26 - 31-Dec-26)	Q3 TARGET (01-Jan-27 - 31-Mar-27)	Q4 TARGET (01-Apr-27 - 30-Jun-27)	Annual Target (01-Jul-26 - 30-Jun-27)							
NKPA1: MUNICIPAL TRANSFORMATION AND INSTITUTIONAL DEVELOPMENT																								
A1.1	Implement a differential approach to Municipal Financing, planning and support	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	Institutional	Submit all revised Budget and Treasury related Policies to the Board for adoption by date	5	Date	1. Scrutinise and ascertain if there are any changes on legislation and prescripts. 2. Effect changes and updates identified through analysis of prescripts. 3. Present amendments in a policy retreat and effect reviews and comments. 4. Submit Item to portfolio committees for noting and Board of directors for adoption	R0,00		District Municipalities: DC43 Harry Gwala: Harry Gwala Development Agency	Submitted All Budget and Treasury Policies to the Board for Adoption by 31 March 2026	N/A	N/A	N/A	31-Mar-27	N/A	31-Mar-27							Board resolution
A1.2	Implement a differential approach to Municipal Financing, planning and support	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	Institutional	Number of reports produced and submitted to the Board on the Assessment of the External Service Providers for noting by 30 June 2027	5	Number	1. Rate performance of external service providers	R0,00		District Municipalities: DC43 Harry Gwala: Harry Gwala Development Agency.	All appointed service providers monitored and evaluated performance in 2025/26 FY	1	1	2	1	1	4							1. Minutes of the Board 2. SCM report
NKPA2: BASIC SERVICE DELIVERY																								
B1.1	Improved access to basic services	4.1.To ensure improved access to appropriate basic services and working condition as well as infrastructure	Institutional	% Implementation of the approved procurement plan for service delivery projects	7,5	Cummulative Percentage	1.Q1- Communicate the approved Procurement Plan to all departments 2. Align procurement requirements with the approved budget and departmental plans 3. Monitor implementation of the Procurement Plan on a monthly basis	CFO to provide total budget of service delivery projects		District Municipalities: DC43 Harry Gwala: Harry Gwala Development Agency.	New	10%	40%	50%	75%	100%	100%							1. Creditor age analysis 2. Invoice register 3.Proof of delivery
B1.2	Improved access to basic services	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	Institutional	% of supplier payments made within 30 days for valid invoices supporting service delivery	7,5	Date	1. Receive and record all valid supplier invoices in the invoice register. 2.Verify invoices against purchase orders, contracts and proof of delivery. 3.Process approved supplier payments 4.Monitor the invoice register and creditor ageing analysis to identify invoices approaching the 30-day payment deadline.	R0,00		District Municipalities: DC43 Harry Gwala: Harry Gwala Development Agency	Delegations Framework for 2023/24 FY was: Adopted by Board.	100%	100%	100%	100%	100%	100%							1. Creditor age analysis 2. Invoice register 3.Proof of delivery
NKPA3: LOCAL ECONOMIC DEVELOPMENT																								
C1.1	Promotion of social and economic development	1.1. Facilitate economic growth, development and creation of decent employment opportunities	Entire District	Percentage of approved LED project funding disbursed within agreed timeframes	15	Percentage	Verify that all payment conditions have been met. Confirm availability of budget and funding. Process approved payment requests. Authorise payments. Reconcile project expenditure. Monitor payment turnaround times.	CFO to provide total budget of LED projects		District Municipalities: DC43 Harry Gwala: Harry Gwala Development Agency	New	N/A	N/A	N/A	N/A	N/A	100%							1. Requisition 2. General Ledger
NKPA4: FINANCIAL VIABILITY AND MANAGEMENT																								

D1.15	Improve Municipal Financial and Administrative capability	4.1. To ensure improved access to appropriate basic services and infrastructure	Institutional	Table the Final 2027/28 Budget to the Board and Council for Endorsement by date	2,5	By MFMA calendar date	1. Confirm allocation from the Parent municipality. 2. Assess the financial market to ascertain and verify interest rates with the intention of projecting interest revenue as part of revenue streams. 3. Scrutinise the existing leases for rental of facilities and based the allocation on the lease payments from tenants. 4. Provide user departments with available revenue and request inputs on expenditure items for consolidation. 5. Compile and consolidate inputs as part of the preparation 6. Finalise and submit the Final budget to MANCO, Portfolio committees, Board of directors and Council for adoption.	R0,00		District Municipalities: DC43 Harry Gwala Development Agency;	Submitted the Final 2026/27 Budget to the Board and Council for Endorsement by 31 May 2026	N/A	N/A	N/A	N/A	31-May-27	31-May-27											1. Final Adopted 2027/28 Budget 2. Signed Board & Council Resolution
D1.16	Improve Municipal Financial and Administrative capability	4.1. To ensure improved access to appropriate basic services and infrastructure	Institutional	2026/27 Adjustment Budget submitted to Harry Gwala District Municipality (HGDM) by date	2,5	By MFMA calendar date	1. Analyse and assess mid-year performance through section 72. 2. Assess the financial market to ascertain and verify if interest rates with the intention of ascertain if the set projection is still attainable and probable. 3. Have engagements through MANCO or a session with user departments. 4. Requests inputs on revenue and expenditure items for consolidation purposes after taking into consideration budget versus actuals for half yearly. 5. Compile and consolidate inputs as part of the preparation 6. Finalise and submit the Adjustment budget to MANCO, Portfolio committees, Board of directors and Council for adoption.	R0,00		District Municipalities: DC43 Harry Gwala Development Agency	Adjusted Budget submitted within MFMA timelines (28 February 2026) for the 2025/2026 financial year	N/A	N/A	N/A	28-Feb-27	N/A	28-Feb-27											1. Adopted Adjustment Budget 2. Proof of submission, signed Board & Council Resolution
NKPA5: GOOD GOVERNANCE AND PUBLIC PARTICIPATION																												
E1.1	Implement a differential approach to Municipal Financing, planning and support	5.1. Creating a conducive organisational environment that attracts, retains, and develops best talent to enhance organisational performance	Institutional	Number of Updated Risk Register reports submitted to IA and Risk Management Unit	4	Number	1. Review of items included in the register 2. Assess the progress of articulated in the action plan for BTO's identify risks 3. Provide update using finalised and concluded reports 4. Populate updates in the risk register and prepare a report to IA for verification and validation.	R0,00		District Municipalities: DC43 Harry Gwala Development Agency.	New	1	1	2	1	1	4										Updated Risk Report and proof of submission	
E1.2	Deepen Democracy through a refined ward Committee system	7.1 To ensure strengthened participative, transparent and accountable governance in the Agency	Institutional	Number of Top Layer SDBIP organisational performance reports submitted to the Office of the CEO within the approved reporting timeframes	3	Number	1.Collect supporting evidence for all CFO Top Layer SDBIP indicators. 2.Verify the accuracy and completeness of reported performance information. 3. Submit the approved report to the Office of the CEO within the prescribed reporting timeframe. 4.Respond to any queries or requests for additional information from the Office of the CEO.	R0,00		District Municipalities: DC43 Harry Gwala Development Agency.	New	1	1	2	1	1	4										1. Quarterly Top Layer SDBIP Organisational Performance Reports. 2.Acknowledgement from the Office of the CEO	
E1.3	Deepen Democracy through a refined ward Committee system	7.1 To ensure strengthened participative, transparent and accountable governance in the Agency	Institutional	Number of HR and Finance Portfolio Committee meetings attended by 30 June 2027	3	Number	1. Ensure that all processes for month end closure are adhered to. 2. Review and sign off reconciliation for all line items informing monthly and Quarterly Reporting.	R0,00		District Municipalities: DC43 Harry Gwala Development Agency.	New	1	1	2	1	1	4										Attendance register	
NKPA6: CROSS CUTTING INTERVENTIONS																												
F1.1	One window of Coordination	One window of Coordination	Institutional	Number of financial awareness or compliance training sessions conducted for employees	5	Number	Identify financial compliance training needs. Conduct employee financial awareness and compliance training sessions	R0,00		District Municipalities: DC43 Harry Gwala Development Agency.	New	N/A	N/A	N/A	1	1	2										1.Training agenda 2.Training presentation/material 3. Signed attendance register	

[illegible]