



ADDENDUM TO PERFORMANCE AGREEMENT

MADE AND ENTERED into by and between

CAPE WINELANDS DISTRICT MUNICIPALITY

(hereinafter referred to as "the Employer") conducting business at **46 Alexander Street, Stellenbosch** and herein represented by **Helena von Schlicht**, duly authorized thereto in her capacity as **Executive Mayor** in terms of Section 57(2)(b) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), read with Regulation 3(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, 2006;

AND

MICHAEL MGAJO

(Identity Number 630226 5462 089)

(hereinafter referred to as the "Employee") in his capacity as **Municipal Manager**.

MM
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1. INTERPRETATION

- 1.1 In this agreement, unless inconsistent with or otherwise indicated by the context:
- 1.1.1 "the/this agreement" and "the/this addendum" means this document;
- 1.1.2 "the parties" means the Employer and the Employee;
- 1.1.3 "the principal agreement" means the Performance Agreement entered into between the parties on **7 June 2017** relating, inter alia, to the goals to be achieved by the Employee to secure local government policy goals;
- 1.1.4 words and expressions defined in the Principal Agreement shall have the meanings assigned to those words and expressions in that agreement.
- 1.2 The clause headings in this agreement have been inserted for convenience only and shall not be taken into account in its interpretation.
- 1.3 This agreement shall be governed by and construed and interpreted in accordance with the law of the Republic of South Africa.
- 1.4 This agreement forms an addendum to the Principal Agreement and shall be interpreted and construed only as part of that agreement and not independently of that agreement.

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BB

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2. BACKGROUND

- 2.1 The Employer and the Employee entered into a Performance Agreement on **7 June 2017** commencing on **1 July 2017**, which Agreement, inter alia, governs the performance objectives and targets that must be met by the Employee, the times frames within which those performance objectives and targets must be met as well as the reward paid to the Employee by the Employer as recognition of outstanding performance.
- 2.2 On **15 June 2011** at **Item C.4.12** the Municipal Council approved a System of Delegations for the Cape Winelands District Municipality and, inter alia, granted delegated powers to the Executive Mayor in consultation with the Deputy Executive Mayor to determine the conditions of service and the terms of employment contracts of the Municipal Manager and those members of staff directly accountable to the Municipal Manager (Part 4, Clause P.1.04 of the System of Delegations).
- 2.3 In terms of clause 3.2 of the Contract of Employment entered into on **15 October 2012** between the Cape Winelands District Municipality and the Municipal Manager, Mr M Mgajo, the extension of his appointment commenced on 19 May 2013 for a fix term of five (5) years not exceeding a period of one (1) year ending after the election of the next council.
- 2.4 On **19 December 2013** the Executive Mayor in consultation with the Deputy Executive Mayor resolved that no performance bonuses will be paid to the the Municipal Manager and Managers Directly Accountable to the Municipal Manager with effect from **1 February 2014**.
- 2.5 At **Item C.15.1** of **29 June 2017** Council resolved at its confidential meeting that performance bonuses in respect of the Municipal Manager and Managers Directly be reinstated with effect from 1 July 2017 to 30 June 2018 and be considered annually based on financial affordability.

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- 2.6 At **Item C.15.2(a)** of **29 June 2017** Council resolved at its confidential meeting that cognizance be taken that the employment contract of the Municipal Manager, Mr M Mgajo, will not be renewed in the light of the written feedback received from the Minister for Local Government, Environmental Affairs and Development Planning in the Western Cape Province.
- 2.7 In consideration of clause 2.3 above, the Contract of Employment of the Municipal Manager, Mr M Mgajo, will expire on 02 August 2017.
- 2.8 In view of the aforementioned Council resolution taken at **Item C.15.1** on **29 June 2017** it has become necessary to amend clause 11.2 of the Principal Agreement.

3. AMENDMENT

3.1 Clause 11.2 be deleted and substituted by the following clause:

11.2 A pro rata performance bonus ranging from 5% to 9% based on a score of 130% to 149% and a maximum of 10% based on a score of 150% and above, in terms of regulation 32(2) of the Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006 be paid to the Municipal Manager.

SIGNED AT PAARL ON THIS DAY 02 OF AUGUST 2017

AS WITNESSES:

1. [Signature]



2. [Signature]

[Signature]
M MGAJO

[Signature]

SIGNED AT PAARL ON THIS DAY 02 OF AUGUST 2017

AS WITNESSES:

1. 
2. 



**H VON SCHLICHT
EXECUTIVE MAYOR**

