



O & M Letsatsi PV Plant

Performance Management Policy

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1 PURPOSE

The purpose of the Performance Management Policy is to facilitate and promote the achievements of the Company's objectives through the effective management of employee performance.

2 OBJECTIVES

To enable the achievement of the Company's strategic objectives by providing a system through which individual performance objectives are clearly defined in alignment to those of the Company.

To provide an integrated framework for the improvement of performance and outputs of the Company.

To link individual key performance areas, objectives, indicators, targets and standards with those of the Company.

To provide a structured process and framework for the identification of performance obstacles and developmental needs for every employee.

To serve as a basis for acknowledging and rewarding performance.

3 SCOPE OF APPLICATION

The Policy will be applicable to all permanent and fixed term staff of the Company.

For temporary staff the principles of this policy will be applied as appropriate with regard to the nature and term of the appointment.

4 GUIDING PRINCIPLES AND APPLICABILITY

Performance management should be conducted in an integrated way, and in accordance with strategies and policies for the development of employees.

4.1 Where applicable, all employees must have a standardised accepted and signed individual Performance Agreement and/or Personal Development Plan (PDP) which must be compiled annually and one formal performance appraisal session at the end of the year (November) between the employee and their direct line Manager need to be undertaken. The Performance Agreement and/or PDP should take into account:

- a) key result areas ("KRA's")
- b) performance indicators
- c) performance targets

4.2 The Company recognises the need for an 'integrated' performance management system linked to the competencies/behaviours of individual employees and the Company's values.

4.3 The performance management system is primarily aimed at development, and should therefore be distinguished from other systems such as remuneration and promotion.

- 4.4 Any monetary rewards emanating from the year end performance appraisals are subject to Management decision and availability of funds. Any financial rewards will be dealt with under the Remuneration Policy of the Company.
- 4.5 Only line managers are authorised to enter into a performance agreement with an employee on behalf of the Company.
- 4.6 The effective management of employees is a key performance area of line managers. To this end they must recognise exceptional performance; identify opportunities to develop and grow employees; develop capacity and to effectively deal with poor performance.
- 4.7 The Human Resource Manager is responsible for driving the performance management process and practice by ensuring that all Managers enter into performance agreements with employees at the commencement of each performance cycle as well as the measurement of that performance against these agreements.
- 4.8 The Company shall manage performance in a consultative, supportive and non-discriminatory manner to enhance organisational efficiency and effectiveness, accountability for the use of resources and the achievement of results.
- 4.9 Any amendment to the performance agreement shall be mutually agreed upon between the relevant manager and the employee. However, no amendments are normally permissible in the last quarter of the performance cycle.
- 4.10 A 5 point rating scale will be used in the assessment of employees and to provide managers with increased flexibility in considering an employee's performance:

Rating	Level of Performance
1	Exceptional Performance
2	Performance Significantly above expectations
3	Fully Effective Performance
3	Poor Performance
5	Non-Performance

This policy promotes a holistic approach to performance management by incorporating all aspects of performance management within a single integrated framework. The following processes and/or policies are seen as having a clear link into the Performance Management Process: Orientation, Probation and Training & Development.

5 MANAGING POOR PERFORMANCE

- 5.1 Both the manager and employee will identify and develop interventions together to address poor and non-performance at review or feedback sessions, or any time during the performance cycle.
- 5.2 Corrective action is the manager's responsibility in conjunction with the Human Resource Department as facilitator of the process.
- 5.3 The Guidelines for Managing Poor Performance must be followed. Should the employee not respond to reasonable and continuous attempts to improve performance and an overall

performance evaluation the Company's Disciplinary Code & Procedure Guidelines and Grievance Procedure will apply.

6 APPEAL AND DISPUTE RESOLUTION MECHANISM

Where a disagreement arises during any stage of the performance management process, the aggrieved party can lodge an appeal by following the normal Company Grievance Procedures.

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