
GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF TRANSPORT**NOTICE 635 OF 2016****CIVIL AVIATION ACT, 2009 (ACT NO.13 OF 2009)****PERFORMANCE AGREEMENT BETWEEN THE MINISTER OF TRANSPORT,
CIVIL AVIATION AUTHORITY BOARD AND THE DIRECTOR OF CIVIL AVIATION**

I **Elizabeth Dipuo Peters**, the Minister of Transport hereby, in terms of section 94 (4) of the Civil Aviation Act, 2009 (Act No.13 of 2009) publish the Performance Agreement between the Minister, Civil Aviation Authority Board and the Director of Civil Aviation for general information.



MS DIPUO PETERS, MP

MINISTER OF TRANSPORT

DATE: 22/09/2016



**PERFORMANCE AGREEMENT
FOR 2016/2017**

Entered into by and between

GOVERNMENT OF THE REPUBLIC OF SOUTH AFRICA

**HEREIN REPRESENTED BY THE MINISTER OF
TRANSPORT**

And

THE SOUTH AFRICAN CIVIL AVIATION AUTHORITY

And

THE DIRECTOR OF CIVIL AVIATION

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EF, M, GMB, QM, DRH

1 INTRODUCTION

- 1.1 The Entity has been established in terms of the Act and is listed in Part "A" of Schedule 3 of the PFMA;
- 1.2 In terms of section 94 of the Act, the Executive Authority, the Accounting Authority and the Director must enter into a Performance Agreement;
- 1.3 The Performance Agreement is aimed at documenting the key performance measures and indicators to be attained by the Entity and the Director with regard to the safety and security issues as well as the achievement of the Entity's objectives;
- 1.4 The Accounting Authority must, in terms of the PFMA, comply with its fiduciary duties and manage all revenue, expenditure, assets and liabilities of the Entity effectively and efficiently;
- 1.5 The Executive Authority, the Accounting Authority and the Director wish to –
- 1.5.1 establish a transparent and accountable working relationship on matters relating to, among others, the implementation of the provisions of the PFMA, the Companies Act (if applicable) and the Act;
- 1.5.2 enter into this Performance Agreement to assist the Parties to measure the Entity's performance, and to support and manage the working relationship between them; and
- 1.5.3 enter into this Performance Agreement to give effect to the obligations of the Executive Authority, the Accounting Authority and the Director as provided for in the Act and the PFMA.

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2. DEFINITIONS AND INTERPRETATION

- 2.1 In this Performance Agreement, the following expressions and words have the meaning assigned to them and cognate expressions and words will have a corresponding meaning, unless inconsistent with or otherwise indicated by the context –
- 2.1.1 **"Accounting Authority"** means the Board appointed in terms of section 77 of the Act;
- 2.1.2 **"Act"** means the Civil Aviation Act, 2009 (Act No. 13 of 2009);
- 2.1.3 **"Amendment Act"** means the Transport Agencies General Laws Amendment Act, Act No. 42 of 2007;
- 2.1.4 **"APP"** means the Annual Performance Plan of the entity, submitted in terms of National Treasury Instruction Note 33;
- 2.1.5 **"Chairperson"** means the Chairperson of the Accounting Authority;
- 2.1.6 **"Committee"** means a committee of the Accounting Authority as contemplated in section 81 of the Act;
- 2.1.7 **"Companies Act"** means the Companies Act, Act No. 71 of 2008;
- 2.1.8 **"Company Secretary"** means the person appointed as the secretary of the Accounting Authority as defined in the Companies Act;
- 2.1.9 **"Department"** means the Department of Transport;
- 2.1.10 **"Director"** means the Director of Civil Aviation appointed in terms of section 85 of the Act;
- 2.1.11 **"Effective Date"** means the date of signature of this Performance Agreement by the Party signing last in time;
- 2.1.12 **"Entity"** means the South African Civil Aviation Authority;
- 2.1.13 **"Executive Authority"** means the Minister of Transport or his or her delegate;
- 2.1.14 **"Financial Year"** means the Financial Year beginning on 1 April of a specific year and ending on 31 March of the following year;
- 2.1.15 **"King Report"** means the King Report on Governance for South Africa, including the King Code of Governance Principles for South Africa, 2009;
- 2.1.16 **"Member"** means a member of a Committee;
- 2.1.17 **"Memorandum"** means the Memorandum of Association of the Entity;



- 2.1.18 **"Month"** means a calendar month;
- 2.1.19 **"NT Framework"** means the National Treasury Framework for Strategic Plans and Annual Performance Plans promulgated in terms of regulations 5 and 30 as amended;
- 2.1.20 **"Organ of State"** means an organ of state as defined in section 239 of the Constitution of the Republic of South Africa, 2006 (Act No. 108 of 1996);
- 2.1.21 **"Parties"** means the Executive Authority, the Accounting Authority and the Director and **"Party"** means any of the Parties;
- 2.1.22 **"Performance Agreement"** means an agreement that sets out specific performance indicators, targets and measurements in line with section 94 of the Act, including all annexures thereto;
- 2.1.23 **"PFMA"** means the Public Finance Management Act, 1999 (Act No. 1 of 1999), as amended;
- 2.1.24 **"Regulations"** means the Treasury Regulations promulgated in terms of the PFMA, as amended;
- 2.1.25 **"Representative"** means a person appointed by the Parties in terms of this Performance Agreement to fulfil and administer the functions set out herein on behalf of the Party which appointed such person;
- 2.1.26 **"Statute"** means any Act of Parliament or regulation thereto or any other enactment having the force of law;
- 2.1.27 **"Strategic Plan"** means the Strategic Plan of the Entity as, submitted in terms of National Treasury Instruction Note 33; and
- 2.1.28 **"Writing"** means handwritten, type-written or printed communication, including telegram, facsimile transmission, electronic transmission or any like communication and **"in Writing"** and **"Written"** shall have corresponding meanings.

2.2 Interpretation.

In this Performance Agreement -

- 2.2.1 unless the context indicates a contrary intention, an expression which denotes -
- 2.2.1.1 any reference to the singular includes the plural and *vice versa*;
- 2.2.1.2 any reference to a natural person includes legal persons and *vice versa*; and
- 2.2.1.3 any reference to one gender includes the other genders;



- 2.2.2 when any number of days is prescribed, same shall, unless otherwise specifically stated, be reckoned exclusively of the first and inclusively of the last day;
- 2.2.3 where words have been defined in the body of this Performance Agreement, such words shall, unless otherwise required by the context, have the meanings so assigned to them throughout this Performance Agreement;
- 2.2.4 where any provision contemplates a notice to be given or agreement to be reached between the Parties, such notice or agreement shall be in writing, unless expressly provided otherwise; and
- 2.2.5 if any provision of this Performance Agreement is in any way inconsistent with the provisions of the PFMA, the relevant provisions of the PFMA shall prevail.

3 PURPOSE OF THE PERFORMANCE AGREEMENT

- 3.1 The purpose of this Performance Agreement is to –
 - 3.1.1 formalise and regulate the working relationship between the Executive Authority, the Accounting Authority and the Director;
 - 3.1.2 set out the deliverables and the key performance indicators for the Entity as set out in the APP;
 - 3.1.3 give effect to the mandate of the Executive Authority, Accounting Authority and the Director as set out in the Act and the PFMA; and
 - 3.1.4 provide for the entering into a performance agreement between the Accounting Authority and the Director in connection with governance issues and to operationalise this Performance Agreement.

4 LEGISLATIVE MANDATE OF THE ENTITY

- 4.1 The legislative mandate of the Entity is set out in sections 72 and 73 of the Act and the Entity is required to perform and comply with this legislative mandate; and
- 4.2 Concurrent with achieving the legislative mandate, the Entity shall deliver on and adhere to the national priorities of Government.



5 CRITICAL ASSUMPTIONS

The Parties have assumed that the timeous submission of the documentation under this Performance Agreement being provided to the Executive Authority is critical to:

- 5.1 the Department making informed decisions;
- 5.2 providing the National Treasury and Executive Authority with information which enables the efficient execution of the Executive Authority's mandate; and
- 5.3 accordingly, the following documentations are required by the date allocated next to the document name annually:
 - 5.3.1 Strategic Plan and APP:-
 - 5.3.1.1 1st draft by end of August;
 - 5.3.1.2 2nd draft by end of November;
 - 5.3.1.3 Final draft by end January;
 - 5.3.1.4 Performance Agreement – end of January;
 - 5.3.1.5 Budget Inputs – end of February;
 - 5.3.1.6 MTEF Inputs – where applicable End of July;
 - 5.3.1.7 ENE Inputs – End of November;
 - 5.3.1.8 Annual Reports – End of August; and
 - 5.3.1.9 AGM Notices – End of August.

6 THE ROLE AND RESPONSIBILITIES OF THE EXECUTIVE AUTHORITY

- 6.1 As stated in section 63 of the PFMA, the role and responsibility of the Executive Authority is to exercise the Executive Authority's ownership powers to ensure that the Entity complies with the Act, the PFMA and the financial policies of the Executive Authority.
- 6.2 The Executive Authority may, in writing or other means desirable, instruct the Accounting Authority to discontinue any activity of the Accounting Authority within a specified period, where such activity is contrary to the strategic or economic interest of the Republic of South Africa.
- 6.3 The Executive Authority may, intervene in the following as the Executive Authority sees fit:

- 6.3.1 In the overall assessment of the Accounting Authority's performance on the basis of the Entity's actual performance in delivering the desired outcomes of the Entity and pre-agreed objectives of Government; and
- 6.3.2 In the overall monitoring and reporting to Parliament of the financial, commercial and socio-economic strategic performance of the Entity. For this purpose, the Accounting Authority shall report to the Executive Authority on the matters and at intervals stipulated in the PFMA and the Performance Agreement.
- 6.4 The Executive Authority has the right to solicit independent advice and audit support in the discharge of the Executive Authority's role and functions in terms of the Performance Agreement and the Annual Performance Plan.

7 UNDERTAKINGS BY THE EXECUTIVE AUTHORITY

- 7.1 The Executive Authority undertakes to –
 - 7.1.1 provide an environment that encourages the discretion of the Accounting Authority regarding matters falling within its authority, as provided for in the Act and this Performance Agreement;
 - 7.1.2 expedite the implementation of critical decisions;
 - 7.1.3 facilitate the proper constitution of the Accounting Authority and to fill vacancies that arise promptly;
 - 7.1.4 promote the Entity's programmes in Cabinet where such programmes have been approved by the Executive Authority;
 - 7.1.5 consult with the Accounting Authority, before exercising any of his or her powers in terms of the Act, if the exercise of such power will –
 - 7.1.5.1 affect the performance of the Entity's functions;
 - 7.1.5.2 commit the Entity to implement or give effect to a decision made by the Executive Authority; or
 - 7.1.5.3 have a substantial financial impact on the Entity; and
 - 7.1.6 facilitate the adjustment of agreed measures and indicators and/or provide the resources to enable the Entity to meet any such issued directives or any agreed plans.



7.2 The Executive Authority has the right to solicit independent advice and audit support in the discharge of the Executive Authority role and functions in terms of the Performance Agreement.

8 THE ROLE AND RESPONSIBILITIES OF THE ACCOUNTING AUTHORITY

8.1 Role of the Accounting Authority

The role of the Accounting Authority shall be to collectively represent the Entity.

8.2 Responsibilities of the Accounting Authority

- 8.2.1 The Accounting Authority is responsible for the performance and the strategic direction of the Entity and is accountable to the Executive Authority for such performance.
- 8.2.2 The Accounting Authority is bound by and shall abide by its statutory and fiduciary duties and will exercise the fiduciary duties of due diligence, care and skill.
- 8.2.3 The members of the Accounting Authority will disclose any personal interest in decisions taken by the Accounting Authority in the conflict register referred to in clause 8.2.8.26 below.
- 8.2.4 The members of the Accounting Authority agree to be individually and severally liable pursuant to the PFMA and the Companies Act, for fraud, reckless trading, failure to disclose interest in contracts, falsifying books and records, or making false statements.
- 8.2.5 The members agree that, with respect to negligence by a member of the Accounting Authority, the level of such liability referred to in 8.2.4 above, will vary according to the degree of a member's obligation to be involved in the day-to-day activities of the Entity.
- 8.2.6 The Accounting Authority is responsible for timeously and prudently undertaking all key activities required for the efficient and effective running of the Entity, including but not limited to appointment of senior executives to the Entity and capital decisions within the ordinary course of business.
- 8.2.7 The Accounting Authority shall provide quarterly reports, the first of which is due on 30 July 2016 and is to cover the period of 1 April 2016 - 30 June 2016, to the Executive Authority. Subsequent quarterly reports will be provided to the Executive Authority for each Financial Year by the date indicated opposite the period stated below –
- 8.2.7.1 31 October 2016 for the period 1 July to 30 September 2016;
- 8.2.7.2 31 January 2017 for the period 1 October to 30 December 2016; and



8.2.7.3 30 April 2017 for the period 1 January to 30 March 2017.

8.2.8 The Accounting Authority shall ensure that:

- 8.2.8.1 each member of the Accounting Authority is fully aware of, and complies with applicable Statutes, government policies and codes of business practices;
- 8.2.8.1 it concludes the Performance Agreement with the Executive Authority and the Director on or before the start of the new financial year;
- 8.2.8.2 the members of the Accounting Authority have unrestricted access to accurate and relevant information of the Entity;
- 8.2.8.3 there is appropriate and effective induction, education and training offered to new and existing members of the Accounting Authority;
- 8.2.8.4 the Directors of the Accounting Authority act on a fully informed basis, in good faith, with diligence, skill and care and in the best interest of the Entity, whilst taking into account the interests of all stakeholders, including employees, creditors, customers, suppliers and local communities;
- 8.2.8.5 the Entity acts in accordance with, and achieves the key performance measures and indicators as set out in the Annual Performance Plan.
- 8.2.8.6 the key performance measures and indicators the Executive Authority requires, as set out in the Annual Performance Plan are achieved and can be measured.
- 8.2.8.7 the Entity maintains adequate accounting records and the Entity prepares financial statements for each Financial Year, which fairly presents the affairs of the Entity;
- 8.2.8.8 the Entity consistently applies suitable accounting policies, supported by reasonable and prudent judgments and estimates, in the preparation of the financial statements;
- 8.2.8.9 the Entity maximises the benefits from the resources allocated to it and undertake rigorous auditing processes and proactive financial management;
- 8.2.8.10 the Entity pursues efficiency through developing enhanced administrative, evaluation, information and technical processes;
- 8.2.8.11 the Entity holds that number of annual general meetings and in the manner prescribed in the PFMA, failing which, the entity should hold those as required to maintain its good corporate governance undertakings captured in this Performance Agreement;

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- 8.2.8.12 the Entity develops a clear definition of the levels of materiality or sensitivity in order to determine the scope of delegation of authority and ensures that it reserves specific powers and authority to itself;
- 8.2.8.13 all delegations of authority are reduced to writing and kept under review; and
- 8.2.8.14 the Entity –
- 8.2.8.14.1 investigates, and where appropriate, researches or employs methodologies that will be to the national benefit or could contribute to alleviating the financial burden of those to whom the Entity provides services;
- 8.2.8.14.2 diligently adheres to the corporate objectives statement, Strategic Plan, Annual Performance Plan, reporting requirements and for the relevant Financial Year;
- 8.2.8.14.3 diligently carries out all necessary actions of the Entity in accordance with PFMA, the CA Act, the Treasury Regulations and this Performance Agreement;
- 8.2.8.14.4 only engages in transactions within its ordinary course of business; and
- 8.2.8.14.5 only disposes off assets in accordance with the PFMA and the Act, within the normal course of business.
- 8.2.8.15 it gives strategic direction to and controls the Entity;
- 8.2.8.16 it monitors the Entity's management closely by implementing the Accounting Authority's plans and strategies;
- 8.2.8.17 it complies with Statutes, government policies and codes of business practice;
- 8.2.8.18 it develops and implements an effective succession plan for Executive Directors and adheres thereto;
- 8.2.8.19 it develops and implements effective internal control procedures in accordance with the PFMA, the Regulations, the King Report and best practice governance;
- 8.2.8.20 it communicates with the Executive Authority and relevant stakeholders openly and promptly;
- 8.2.8.21 it formulates, monitors and reviews corporate strategy, major plans of action, risk policy, annual budgets and business plans of the Entity;
- 8.2.8.22 it maintains adequate accounting records on an annual or such more frequent basis as the Accounting Authority may determine;
- 8.2.8.23 at least annually, it appraises the performance of the Directors, and Chairperson;

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- 8.2.8.24 it reviews and evaluates its required mix of skills and experience and other qualities in order to assess the effectiveness of the entire Accounting Authority, its Committees and the contribution of each individual Director during her entire term of office;
- 8.2.8.25 it establishes an appropriate mechanism for reporting the results of the Accounting Authority's assessment to the Executive Authority;
- 8.2.8.26 it monitors and manages potential conflicts of interest of the Directors and management promptly and keeps a register of the conflicts of interests of all its Directors and employees;
- 8.2.8.27 it always maintains the highest standard of integrity, responsibility and accountability and ensures that it finds a fair balance between conforming to corporate governance principles and the performance of the Entity;
- 8.2.8.28 it closely monitors the process of disclosure and communication and exercises objective judgment on the affairs of the Entity and its independence of management;
- 8.2.8.29 it deals expeditiously with the directions given by the Executive Authority and promotes and supports the policies of Government; and
- 8.2.8.30 it supports the Executive Authority and the Department with the development and implementation of the national strategic objectives such as New Growth Path and the National Development Plan.
- 8.2.9 The Accounting Authority warrants that it is fully conversant with all relevant statutory and fiduciary requirements having a direct or indirect bearing on –
 - 8.2.9.1 the Performance Agreement ; and
 - 8.2.9.2 the Accounting Authority's fiduciary duties.
- 8.2.10 Should the Accounting Authority become aware of any circumstances or problems, which have prevented it, is preventing it or will prevent it from performing its duties or functions that will have a significant effect on such duties and functions, it shall, as soon as is reasonably possible after becoming aware thereof, advise the Executive Authority in writing of such circumstances or problems.
- 8.2.11 The Accounting Authority undertakes not to delegate responsibility under the PFMA requirements stated below –
 - 8.2.11.1 development of the annual Strategic Plan and Annual Performance Plan for the Entity;
 - 8.2.11.2 carrying out the quarterly reporting;

- 8.2.11.3 preparation of the annual report and financial statements;
- 8.2.11.4 submissions in terms of Section 54 (2) of the PFMA;
- 8.2.11.5 development of the Materiality Framework; and
- 8.2.11.6 applications for variation or renegotiation of the Performance Agreement.

8.3 Services by the Entity to the Executive Authority And Department

- 8.3.1 The Entity will provide those services as are required in terms of its legislative mandate, the Act and the Executive Authority's objectives.
- 8.3.2 The Entity will make itself aware of any changes to its service obligations but subject to, the provisions of clause 7.1.6 above, take all necessary steps to efficiently begin providing such services.
- 8.3.3 The Entity will provide technical support as required by the Department when the latter is negotiating and concluding international agreements with other states.
- 8.3.4 The Entity will remain abreast with international and national affairs in the third party compensation industry and make recommendations to the Executive Authority and the Department with regard to matters connected with third party compensation policy.
- 8.3.5 The Entity shall, upon request of the Executive Authority –
 - 8.3.5.1 assist the Executive Authority, or any other person whom the Executive Authority may designate, in any investigation, prosecution or any other steps resulting from the occurrence of any industry matter; or
 - 8.3.5.2 furnish the Executive Authority, or such other person, with information, documents, written declarations or any other evidence which it has in its possession and which is related to such incident.
- 8.3.6 The Entity undertakes to co-operate and liaise with relevant law enforcement agencies regarding information in their possession that may be required by a court of law.
- 8.3.7 The Accounting Authority undertakes to keep the Executive Authority informed on matters of concern between the Entity and other state departments and authorities within the Republic of South Africa.
- 8.3.8 The Accounting Authority undertakes to notify the Executive Authority of any agreements, which the Entity may enter into with any other State Department.

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8.3.9 The Entity undertakes to provide the information necessary to execute departmental functions and responsibilities as and when requested

8.3.10 The Entity undertakes to provide Board resolutions under signature of the Board Secretary or Chairperson, to accompany documentation and submissions where approval by the Executive Authority is necessary.

8.4 National Strategic Objectives

8.4.1 The Accounting Authority shall support, and undertake to assist the Executive Authority and the Department with the development and implementation of National Transport Policy.

8.4.2 The Executive Authority shall formally document and communicate to the Accounting Authority any national strategic objectives to ensure that the strategic objectives of the Entity coincide with the national policy.

8.4.3 The Accounting Authority shall ensure that the Entity shall implement such policies, to promote and support certain specified key objectives of Government and shall report through its Chairperson to the Executive Authority.

8.4.4 The Accounting Authority shall implement at least the following policies and,

8.4.4.1 those which the Executive Authority requires;

8.4.4.2 those which are legislated;

8.4.4.3 employment equity policy (Consideration will be given to transformation and the inclusion of women, youth and people with disability);

8.4.4.4 procurement policy, which takes into account Black Economic Empowerment and a fair and objective procurement process in terms of the BEE guidelines set by the Department of Trade and Industry. Consideration will be given to transformation and the inclusion of women, youth and people with disability.

;

8.4.4.5 position the Entity to deal with the global and economic challenges facing the third party compensation industry by delivering a predictable safe, efficient and reliable service to all the Entity users;

8.4.4.6 publish, and revise as or when required a code of ethics and accountability of the Accounting Authority and the Entity; and

- 8.4.4.7 to align the Entity's overall operations with global third party compensation trends as well as aligning the operations cluster with the Entity's strategies and all relevant stakeholders like the Department and those who use its services.

9 THE ROLE AND RESPONSIBILITIES OF THE DIRECTOR

- 9.1 The role of the Director shall be to carry out the functions of the Entity, as outlined in the Act.
- 9.2 The Director shall submit to the Accounting Authority, an annual report concerning the activities of the Entity in respect of the implementation of governance policies.
- 9.3 The Director shall submit to the Accounting Authority, at least six months before the start of the financial year or another period agreed to between the Accounting Authority and the Entity, a budget of estimated revenue and expenditure for that financial year.
- 9.4 The Director shall ensure that he or she concludes a Performance Agreement with the Executive Authority and Accounting Authority.
- 9.5 The Director shall develop a succession plan for the employees of the Entity and recommend it to the Accounting Authority for approval.
- 9.6 The Director shall consult with the Board on any matter relating to regulations and revenue proposals prior to submission of any proposal to Civil Aviation Regulations Committee (CARCOM) and which will have a bearing on the Board's responsibilities as Accounting Authority.

10 CORPORATE GOVERNANCE

- 10.1 Subject to the provisions of the Act, the Entity will comply with the PFMA and the Regulations and shall comply, as far as is reasonably possible, with the King Report. The Accounting Authority must establish Committees to improve its effectiveness. Committees shall be formed as required by the Entity, provided that no fewer Committees shall be formed than the minimum set out by the PFMA and the Regulations.
- 10.2 The Parties shall, where applicable, implement good practice guidelines as recommended in the King Report and the Protocol on Governance in the Public Sector, 2002.

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- 10.3 The Accounting Authority is required to support the Department on the appointment process of the Director. The Accounting Authority shall ensure that the employment contract with the Director is concluded and a copy is provided to the Executive Authority.

11 TREATMENT OF DEVELOPMENTAL OBJECTIVES

The Parties agree that the Entity's corporate objectives shall include developmental and socio-economic objectives and that the achievement of all such objectives shall be measured through quarterly and annual reports encompassing reports on: the reporting systems –

- 11.1 key performance measures and indicators as set out in the Annual Performance Plan and PFMA reports; and
- 11.2 Governance reports stipulated in this Performance Agreement.

12 DURATION AND PROCESS OF CONCLUDING PERFORMANCE AGREEMENT

- 12.1 The content of the Performance Agreement shall remain the same but will be re-signed by the Executive Authority annually, in accordance with Regulation 29.2.
- 12.2 The following minimum supporting documentation relating to this Performance Agreement is to be provided to the Executive Authority and/or the Department on request thereof –
- 12.2.1 Strategic Plan covering a five year period;
- 12.2.2 Annual Performance Plan;
- 12.2.3 fraud prevention plan;
- 12.2.4 any approved amendments to the documents stated in 12.2.1 and 12.2.2 above;
- 12.2.5 code of ethics;
- 12.2.6 corporate governance schedules;
- 12.2.7 management's register of conflicts of interest;
- 12.2.8 risk management plan; and
- 12.2.9 the signed statement of responsibility and delegations.



13 QUARTERLY EVALUATION

If the Executive Authority establishes that, after any quarterly assessment of the measures and indicators, the Entity fails—

- 13.1 to meet any one or more of the agreed measures and indicators by 25% or more for 2 (two) successive quarters, or for the year as a whole taking into account results to date and future forecasts; or
- 13.2 to meet the projected income or net cash; or
- 13.3 to adhere to the corporate objectives statement; or
- 13.4 comply with the PFMA; or
- 13.5 comply with any Statute; or
- 13.6 comply with quarterly performance indicators and measures as set out in the Annual Performance Plan; or
- 13.7 comply with Governance matters,

then the Executive Authority may, execute his executive authority in a manner that is consistent with his mandate.

14 BUDGETING AND FINANCING CYCLE

- 14.1 The Parties recognize that the Executive Authority must approve the Entity's annual budget before the commencement of the new Financial Year.
- 14.2 The Entity shall deal with any allocations or transfer from the national government, as listed in the schedules to the Division of Revenue Act for the applicable Financial Year, in accordance with the provisions of the PFMA and the Regulations.
- 14.3 Payments to the Entity shall take account of –
 - 14.3.1 actual outputs to be delivered;
 - 14.3.2 capital expenditure incurred in terms of the strategic plan for the year;
 - 14.3.3 the agreed minimum funds that will be at the Entity's disposal; and
 - 14.3.4 other relevant factors mentioned in the Act, the PFMA and the Regulations.



- 14.4 The Executive Authority undertakes to pay all amounts due to the Entity, provided that the Department has received the legislated PFMA clearance certificate relating to such amounts.
- 14.5 The Parties agree that, prior to the submission of the Entity's annual budget to the Executive Authority, the Chairperson and the Executive Authority shall consult and come to an agreement on the Entity's annual budget and for this purpose the Accounting Authority shall submit the annual budget to the Executive Authority no later than 30 November of each Financial Year.
- 14.6 Parties agree that the annual budget of the Entity shall include a projection of revenue and expenditure for that year.
- 14.7 The Accounting Authority shall before incurring any additional funding not provided for in the annual budget request approval in writing from the Executive Authority for onwards transmission and approval by the National Treasury.
- 14.8 It is recorded that the Executive Authority and the Accounting Authority have agreed to the following levels of materiality in respect of Section 54 of the PFMA as calculated in terms of the National Treasury Guidelines R 3.6 million.

15 COMMUNICATION BETWEEN EXECUTIVE AUTHORITY AND ACCOUNTING AUTHORITY

- 15.2 The Executive Authority may interact with the Accounting Authority and/or the Chairperson as the Executive Authority sees fit.
- 15.3 Communication between the Executive Authority and the Chairperson, with respect to the national agenda and the matters relating to the Executive Authority's role in respect of the Entity, is anticipated to be enhanced through interactions in the Executive Authority/Chairperson forum.

16 GENERAL OBLIGATIONS AND UNDERTAKINGS BY THE PARTIES TO ONE ANOTHER

16.2 Liaison With The Media

- 16.2.1 The Parties agree to advise each other in advance of any intention to liaise with the media, particularly if the subject matter to be addressed may have an adverse effect on the powers, rights and privileges of the other Party.



16.2.2 However, the above does not in any way deprive a Party of its right to freely communicate with the public on matters that relate to its core-function.

16.2.3 The Parties shall maintain an open and transparent relationship and apprise each other of decisions or planned decisions timeously, to avoid the occurrence of embarrassment and surprises; this applies especially to dealings with the media and other third parties.

16.2.4 The Parties agree that the Entity will only conduct media liaisons in consultation with the Department.

16.3 Interaction With Foreign States And International Organisations

Before any agreements representing South Africa's interest are negotiated or entered into, permission from the Executive Authority must be sought, clearly outlining the Entity's intentions and the implications for the Executive Authority and South Africa.

16.4 Access To Information

With reference to clause 8.3.9 and in addition to information referred to in the Act and this Performance Agreement relating to the annexures hereto, the Accounting Authority undertakes to, on reasonable request –

16.4.1 furnish the Executive Authority and/or the Department, with any such information as may be required from time to time;

16.4.2 provide the Executive Authority and/or the Department with copies of agendas, reports and confirmed minutes of every Accounting Authority meeting; and

16.4.3 by the Executive Authority, provide the Executive Authority and/or the Department with an updated report or information on the Entity's activities and financial position.

17 GENERAL

17.2 No Variation

17.2.1 Except for as provided for previously in this Performance Agreement relating to the annexures hereto, no variation or consensual cancellation of this Performance Agreement, and no addition to this Performance Agreement, including this clause, shall be of any force or effect unless reduced to writing and signed by the Parties.

17.2.2 The Parties shall follow a process to be determined by the Department to effect any variations to this Performance Agreement.



17.3 Conflict Resolution

17.3.1 In the event that either Party fails to comply with any provision of this Performance Agreement, or if any dispute arises between the Parties as to the interpretation, application or performance of any provision of this Performance Agreement (including, but not limited to, whether or not the Entity has met its measures and indicators, proposed or new regulations and/or a decision by the Executive Authority affecting the agreed measures and indicators), the matter shall first be referred to the Representatives of the Parties who will use their best endeavours to resolve the dispute within 14 (fourteen) working days of the dispute having been referred to them.

17.3.2 Should the Parties' Representatives fail to resolve the dispute within 14 (fourteen) working days, the Parties' Representatives shall refer the dispute to the Executive Authority and the Chairperson, who shall use their best endeavours to resolve the dispute.

17.3.2 Should the Executive Authority and the Chairperson fail to reach an agreement in regard to the resolution of the dispute, the Executive Authority may refer the matter to an independent third party appointed by the Executive Authority or his delegate (where allowed).

In this case, the matter shall be resolved by the decision of the Executive Authority, or where applicable, the person appointed in terms of this clause, and any decision by the Executive Authority or such person shall be final and binding on the Parties.

17.4 Whole Agreement

17.4.1 This Performance Agreement, together with the annexures hereto (and any amendments or later annexures as approved by the Entity's relevant Executive Authority) constitutes the whole of the agreement between the Parties. No instructions, agreements, representations or warranties between the Parties other than those set out herein, are binding on the Parties.

17.4.2 All undertakings and annexures to this Performance Agreement are declared active when this document is signed.



17.5 Domicilia and Notices

17.5.1 The Parties choose as their *domicilia citandi et executandi* their respective addresses set out in this clause for all purposes arising out of or in connection with this Performance Agreement at which addresses all processes and notices arising out of or in connection with this Performance Agreement, may validly be served upon or delivered to the Parties.

17.5.2 For purposes of this Performance Agreement the Parties' respective addresses shall be –

17.5.3 For purposes of this Performance Agreement the Parties' respective addresses shall be:

Executive Authority:**Physical Address:**

Department of Transport

Cnr. Struben and Bosman Streets

Pretoria

Postal Address:

Private Bag X193

Pretoria

0001

Marked for the attention of Ms Tshepiso Thipe

E-mail: ThipeT@dot.gov.za

Fax: 012 309 3064

The Entity:**Physical Address:**

Civil Aviation Authority

Waterfall Park

Treur Close

Midrand



Postal Address

Private Bag X73

Halfway House

1685

Fax Number: 011 545 1452

The DirectorPhysical Address:

Civil Aviation Authority

Waterfall Park

Treur Close

Midrand

Postal Address

Private Bag X73

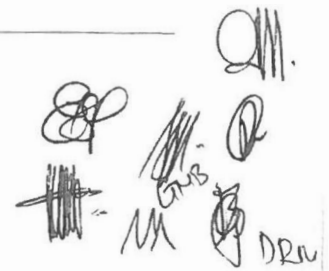
Halfway House

1685

Fax Number: 011 545 1181

or at such other address in the Republic of South Africa of which the Party concerned may notify the other in writing provided that no street address mentioned in this sub clause shall be changed to a post office box or *poste restante*.

- 14.4.3 Any notice given in terms of this Performance Agreement shall be in writing and shall—
- 14.4.3.1 if delivered by hand, be deemed to have been duly received by the addressee on the date of delivery;
- 14.4.3.2 if transmitted by facsimile, be deemed to have been received by the addressee on the 1st (first) business day following the date of dispatch, unless the contrary is proved.

A collection of handwritten signatures and initials in black ink, including a large 'Q' at the top right, and several other stylized marks and names like 'M', 'DRU', and 'Gus'.

14.4.3.3 Notwithstanding anything to the contrary contained or implied in this Performance Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such Party.

THUS DONE AND SIGNED at Centurion on this 2nd day
of March 2016.

AS WITNESSES:

1 Mavane

2 [Signature]

[Signature]
MR SMUNDA MOKOENA
CHAIRPERSON OF THE
BOARD OF SACAA
DULY AUTHORISED THERETO

THUS DONE AND SIGNED at MIDRAND on this 1 day
of MARCH 2016.

AS WITNESSES:

1 [Signature]

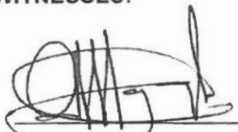

2 [Signature]


[Signature]
MS POPPY KHOZA
DIRECTOR OF CIVIL AVIATION
DULY AUTHORISED THERETO

14.4.3.3 Notwithstanding anything to the contrary contained or implied in this Performance Agreement, a written notice or communication actually received by one of the Parties from another, including by way of facsimile transmission, shall be adequate written notice or communication to such Party.

THUS DONE AND SIGNED at PRETORIA on this 8th day
of March 2016.

AS WITNESSES:

1 
2 


MS DIPUO PETERS, MP
MINISTER OF TRANSPORT