



Performance Management Policy

1. Policy Statement

UBUNTU Group and its subsidiaries seek to create a high performing culture which will support the achievement of our strategic goals and enable future growth. A high performing culture means that underperformance must be addressed promptly and employees who have gaps in their capabilities are provided the right level of support in order to address such gaps in a structured manner thus improving their performance.

2. Application

2.1 This policy provides a clear framework for the consistent management of performance and applies to all employees of UBUNTU Group and its subsidiaries listed below:

- i. Black Moon Investments (Pty) Ltd (BMI)
- ii. Assurity Insurance Brokers (Pty) Ltd
- iii. Virtusell
- iv. UBUNTU Concrete Works (Pty) Ltd

2.2 This policy does not apply to any individual that has entered into an Independent Contractor agreement with UBUNTU Group and any of its subsidiaries

2.3 UBUNTU Group will apply a five level performance rating scale in the measurement of its employees' performance.

Rating	Descriptor	Description
0 – 2	Not Meeting Expectations.	Expectations or Job requirements not fulfilled. Performance not satisfactory. Significant Improvement required

		<ul style="list-style-type: none"> • Results substantially below job requirements and expectations • Accomplishment regularly not in line with agreed targets/outputs.
2.1 – 3	Partially Met	<p>Expectations or job requirements partially met. Improvement required in some areas.</p> <ul style="list-style-type: none"> • Outcomes partially fulfilled • Accomplishments not always in line with agreed targets/outputs.
3 +	Meeting Expectations	<p>Expectations or job requirements met.</p> <ul style="list-style-type: none"> • Fully satisfactory performance. Solid results fulfilled on job requirements. • Good quality outputs and services. • Accomplished in line with agreed target/outputs.
4 +	Exceeded	<p>Expectations or job requirement and outputs exceeded in some areas but definitely met in all other.</p> <ul style="list-style-type: none"> • Significant results • Outputs and services are of reliably high quality • Some accomplishments in advance of, some in line with agreed-upon targets/outputs
5	Significantly Exceeded	<p>Expectations or job requirements significantly exceed or exceeded</p> <ul style="list-style-type: none"> • Superior Results • All Outputs and services of superior Quality • All Accomplishments in advance of agreed-upon targets/outputs.

* Rounding principal will be used. I.e. $\leq 0.4 = 0$ and $\geq 0.5 = 1$

3. Responsibilities

When applying this policy, it is important that both line managers and employees fulfil the responsibilities required of them.

3.1. Employees are responsible for:

- Ensuring they understand and perform at the required standard of their roles.

- Receiving feedback openly and respectfully from managers and colleagues.
- Understanding that Line Managers are obliged to address work performance that falls below the required standard for their role.
- Bringing to their Line Managers attention, any concerns they have about their own level of performance or personal circumstances that may impact on their ability to perform their role to the required standard.
- Actively engaging with their Line Manager and with the support of their Line Manager making all reasonable efforts to positively improve their performance.

3.2. Line Managers are responsible for ensuring that:

- The required performance standards for the role are made clear, communicated and understood by the Employee. Refer to the Employee's job description or Performance Contract.
- Feedback is given on an ongoing basis, both formally and informally and in a timely manner.
- Underperformance issues are dealt with, as they arise, in a professional, open and respectful manner, in line with our values.
- Suitable support and access to any relevant training & development opportunities is provided, to assist Employees in reaching maintaining the required standard of performance expected for their role.
- They consult with the Human Resources Department where necessary.

4. Performance Improvement Process

4.1. Counselling

Prior to the formal procedure being invoked, it is important that issues of underperformance have been discussed with the Employee and both the Employee and the Line Manager has reasonably attempted to resolve these informally.

The counselling ensures that Line Managers, at an early stage bring to the Employee's attention concerns they have about the Employee's standard of

performance, with a view to resolve these issues quickly and effectively where possible through an open and two way discussion.

Depending on the role, an employee's performance gets assessed formally either on a monthly (Call Centre), quarterly or bi-annual basis (Support Office). Employees with a performance score of less than 3 will have a counselling discussion with his/her Line Manager. The Counselling template (Annexure A) must be used to document the discussion and a copy must be handed to the Human Resources department. It is important that concerns about performance are addressed as soon as possible after they occur, or when they become evident. Line Managers should not wait until a planned Performance (KPA) Review before placing the employee on a counselling. The Performance Improvement Process can commence without completing a formal Performance (KPA) Review.

Line Managers are to conduct a formal monthly Performance Review (KPA) during the counselling validity period in order to obtain a performance score or assess the performance of the employee for the review period, to better support the Performance Improvement Process and to have regular discussions with the employee with regards to his/her performance.

The counselling is valid for a period of 3 months. Should the Employee's performance improve, thereby meeting the standard required, (performance score of 3 or above), it will be required of the Employee to maintain his/her performance at the required level during the counselling validity period. If, during the 3 months the employee receives another Performance score of less than 3 or performance below expectation, the formal Performance Improvement Process will commence.

4.2. Phase 1

If the employee fails to meet the required performance standards as set-out in the counselling discussion (Performance score less than 3), the Line Manager needs to inform the employee that he/she will be placed on Phase 1 of the Performance Improvement Process and that his/her performance will be formally monitored.

4.2.1. Phase 1 Discussion

The purpose of this meeting is to ensure that the Employee has a clear understanding of what is expected of him/her, and what he/she needs to do in order to reach his/her objectives. During the meeting the following should be considered:

- Ensure the required performance standards are clear and that the Employee understands them.
- Explain the shortfall between the Employee's performance and the required standard (provide specific examples with supporting evidence where appropriate).
- Allow the Employee to explain his/her behaviour/underperformance and discuss any factors which he/she believes may be influencing his/her performance. These are factors to be considered, which may be contributing to the Employee's poor performance, such as personal problems, a lack of training, a change in the Company's standards, the Employee's ill health. etc.
- Determine what, if any, remedial treatment the Company may assist the Employee with – for example, training, coaching, additional support etc.
- Obtain the Employee's commitment and agreement to reaching the required standards by setting realistic targets and/or action plans.
- Set a reasonable period for the employee to reach the standard (minimum 4 weeks dependent on role and level of experience), and agree on the operation of a monitoring system during that period
- Advise the Employee that should he/she fail to meet the required standards of performance by the next review date, he/she will move to Phase Two (2) of the Performance Improvement Process
- The Phase 1 template (Annexure B) must be used to document the discussion and a copy must be handed to the Human Resources department.

At the end of the review period agreed upon for Phase 1, the Line Manager will set up a meeting with the Employee to discuss his/her performance during this period. Should the Employee's performance have improved sufficiently for them to be meeting the standard required of them (Performance score 3 or more), the Line Manager will inform the Employee as such, and encourage the Employee to maintain his/her performance at the required level. Phase 1 is

valid for a period of 3 months. Should the employee underperform (Performance score less than 3) within the validity period of Phase 1, Phase 2 (two) of the Performance Improvement Process will commence.

Line Managers must inform the Human Resources Department when Phase 2 of the process commences. The purpose of this is to ensure consistency of application for the Performance Improvement Process throughout the Company and to ensure that a fair process is being followed.

4.3. Phase 2

If the Employee fails to meet the required performance standards as set out during the validity period of Phase 1, the Line Manager must inform the Employee that they are now in Phase 2 of the Performance Improvement Process.

4.3.1. Phase 2 Discussion

- Explain to the Employee where he/she has failed to meet the Company's performance standards during the review period of the Phase 1 discussion.
- Ascertain whether the Employee has been given a fair opportunity to meet the required performance standards during that time
- Investigate and discuss possible reasons why the Employee is not meeting his/her objectives. Consider and readdress any reasons as discussed in Phase 1 and agree on action plans to remedy.
- Identify whether the Employee requires further training, coaching, support or any other assistance from the Company
- Establish actions/steps that the Employee is going to take to improve his/her performance
- Obtain the Employee's commitment to reaching the required standard and set targets and action plans for the next review period
- Agree on a reasonable period for the Employee to meet the required standards and set a date for the next review meeting. This is either agreed with the Employee and/or a reasonable period set depending on the nature of the underperformance, and actions required (training etc.)
- Advise the Employee that should he/she fail to meet the required standard of performance, he/she will move to Phase 3 (Three) of the Performance Improvement Process

- The Phase 2 Performance Discussion template (Annexure C) must be used to document the discussion and a copy must be handed to the Human Resources department

At the end of the review period agreed upon for Phase 2, the Line Manager will have a meeting with the Employee to discuss his/her performance during this period. Should the Employee's performance have improved sufficiently and he/she is now meeting the standard required of him/her, the Line Manager will inform the Employee of such, and encourage the Employee to maintain his/her performance at the required level. Phase 2 is valid for a period of 6 (six) months. Should the employee underperform for two months (does not need to be consecutive) within the validity period of Phase 2, Phase 3 of the Performance Improvement Process will commence.

4.4. Phase 3

If the employee failed to meet the required performance standards as set out during the Phase 2 Performance discussion, the Line Manager must inform the employee that he/she is now in Phase 3 of the Performance Improvement Process.

4.4.1. Phase 3 Discussion

- Explain to the Employee where he/she has failed to meet the Company's performance standards during the review period of Phase 2
- Ascertain whether the Employee has been given a fair opportunity to meet the required performance standard during this time
- Investigate and discuss possible reasons why the Employee is not meeting his/her objectives. Consider and readdress any reasons discussed in Phase 2 of the process, and agree on action plans to remedy.
- Identify whether the Employee requires further training, coaching, support or any other assistance from the Company.
- Establish actions/steps that the Employee needs to take in order to improve his/her performance.
- Obtain the Employee's commitment to reaching the required standard and set targets and action plans for the next review period.
- Agree on a reasonable period for the Employee to meet required standards and set a date for the next review meeting. This is either agreed with the Employee and/or a reasonable period set depending on the

nature of the underperformance and actions required (training, coaching, etc.)

- Advise the Employee that continued underperformance may result in the Employee being dismissed on the grounds of incapacity due to poor work performance
- The Phase 3 Performance Discussion template (Annexure D) must be used to document the discussion and a copy must be handed to the Human Resources department
- Phase 3 is valid for a period of six (6) months. Should the Employee underperform (Performance score less than 3) for two months (does not need to be consecutive) during the validity period of Phase 3, the employee will be invited to attend a Final Performance Review meeting chaired by the General Manager of the Department.

4.5. Suspension of Performance Improvement Phase

If during the validity period of any phase, the Employee achieves a performance score of 3 or more and the Line Manager is satisfied with the Employee's performance, the Performance Improvement Process can be suspended before the validity period comes to an end. If the Employee's performance deteriorates within a period of six (6) months after the suspension date, the Performance Improvement Process will resume at the same phase the Employee was in previously (phase before suspension). The Performance Improvement Plan - Suspension template must be completed and a copy must be handed to the Human Resources department for recordkeeping purposes (Annexure E).

4.6. Final Performance Review Meeting

Should the Employee still not meet the standards required of him/her (Performance score still less than 3 – not solely dependent on performance review scores, but general performance), then a final meeting to discuss their performance and continued employment, will be arranged. The reason for the meeting will be confirmed in writing, giving a minimum of 48 hours' notice to the Employee (refer Annexure F). At this meeting, the Employee will have the right to be accompanied/represented by a fellow Employee if he/she so

wishes. A Senior Manager will chair the meeting and a member of the Human Resources department will attend to ensure that a fair process is followed.

During the Final Performance Review meeting the following outcomes will be considered:

- If the Employee has made significant improvement, but the standards have not yet been met, the review period may be extended. Following any extension of the review period, a further formal meeting will be arranged at the end of the extended review period.
- If there has been little or no improvement, the Employee's Line Manager will explain the detail of this to the Senior Manager. The Senior Manager will give the Employee the opportunity to explain the reasons for his/her underperformance, as well as any mitigating circumstances which may have affected his/her performance.
- The Senior Manager will consider any mitigating circumstances and whether there are any suitable alternative positions within the Company. If such vacancies are available, the Employee will be provided with the full details, in writing, before being required to make a decision whether to accept such an alternative position or not. In certain instances, the Employee may be required to undergo the formal recruitment process.
- In the absence of suitable alternative positions within the Company, the Employee will be informed that the Company has no alternative but to consider dismissal on the grounds of incapacity due to poor work performance. This decision will be confirmed to the Employee in writing.

Document Control:

The Company reserves the right to make changes to this policy document as and when required, and will endeavor to provide reasonable notice where changes are applied.			
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Performance Management Process - Phases

