

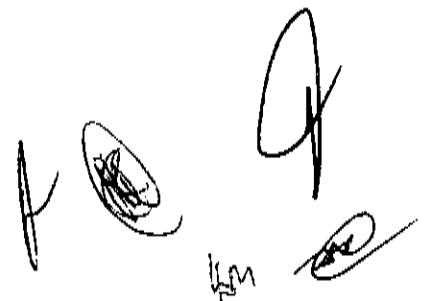
CONTRACT OF EMPLOYMENT

Made and entered into by and between

ZULULAND DISTRICT MUNICIPALITY
("the Municipality")
HEREIN REPRESENTED BY THE MUNICIPAL MANAGER

and

MICHAEL NKOSINATHI SHANDU
("MANAGER: CORPORATE SERVICES")

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AGREEMENT

Between

**ZULULAND DISTRICT MUNICIPALITY
("the Municipality")
HEREIN REPRESENTED BY THE MUNICIPAL MANAGER**

AND

**MICHAEL NKOSINATHI SHANDU
("MANAGER: CORPORATE SERVICES")**

1. PREAMBLE

- 1.1 The Local Government: Municipal Structures Act 117 of 1998 ("the MSA") heralds the final phase of the restructuring of Local Government in South Africa.
- 1.2 The Municipal Systems Act (Act No. 32 of 2000) requires the appointment of Managers directly accountable to the Municipal Manager who shall assist in given effect to the Municipality's vision of democratic and developmental local government and to contribute to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa (Act No. 108 of 1996), ("the Constitution"). The Municipality has a constitutional obligation to move progressively towards the social and economic upliftment of all its inhabitants and to ensure universal and equitable access to quality services that are affordable to all residents and communities within the Municipal Area
- 1.3 The Manager is expected to exercise his powers and perform his functions having due regard to inter alia:
- 1.3.1 the basic values and principles governing public administration as stated in Section 195(1) of the Constitution;

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- 1.3.2 The objectives and development duties of Local Government as set out in Section 152 and 153 of the Constitution;
- 1.3.3 The rights and duties of Municipal Councils and the organisation and administration of Municipalities as set out in Sections 4(2) and 51 of the Systems Act.
- 1.4 The Manager acknowledges that he knows and understands the contents of the enactments referred to in clause 1.2 and shall perform his obligations in accordance with the principles, values and objectives of the aforementioned legislative enactments.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

2. INCORPORATION OF PREAMBLE

The Preamble shall form part of this agreement.

3. APPOINTMENT

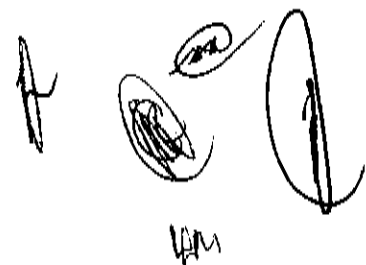
The Municipality engages the Manager: Corporate Services who agrees to accept the appointment as Departmental Head who is the Head of the Department of Corporate Services for the Municipality to fulfil the objectives of the Municipality as set out in the preamble to this agreement.

4. PLACE OF WORK

The Manager's place of work shall include the Municipality's area of jurisdiction with the official office of the Manager being housed at the "Head Office" of the Municipality in Ulundi, but he may be required to perform other duties or work at other places that may reasonably be required by the Municipality.

5. OFFICIAL WORKING HOURS

The Manager shall work a minimum of seven (7) hours a day and forty (40) hours per week on a flexible basis between 07H00 and 17H00 daily.

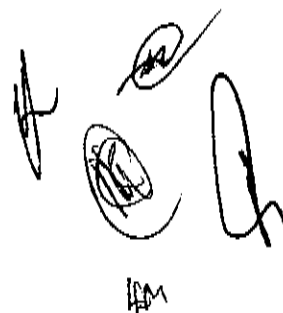
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6. OVERTIME WORK

The Manager shall place the whole of his time at the disposal of the Municipality. Parties to this contract therefore accept that it will be required of the Manager to work overtime, when required. The Manager will not qualify for overtime remuneration or time off.

7. DURATION

- 7.1 Notwithstanding the date of the signing of this agreement, the employment contract shall be deemed to have commenced on 01 August 2006 and shall continue for a fixed period of five (5) years ending on 31 July 2011.
- 7.2 It is specifically recorded that there is no expectation that this agreement will be renewed or prolonged beyond the period referred to in 7.1 other than by agreement between the parties.
- 7.3 The failure to renew or extend the period referred to in 7.1 above shall not constitute a dismissal of the Manager and Manager shall not be entitled to any additional remuneration or compensation in respect of the completion of such period.
- 7.4 Notwithstanding the provisions of Clause 7.1, this employment contract may be renewed at the termination hereof on terms and conditions mutually agreed to by the parties provided that such terms and conditions shall not be less beneficial to the Manager than those applicable under this contract.
- 7.5 Negotiations on the possible renewal of the contract or termination thereof, at the end of the contract will start not later than three (3) months prior to the expiry date referred to in Clause 7.1.

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8. TERMINATION OF CONTRACT

8.1 This agreement will terminate: -

8.1.1 Automatically on expiry of the term referred to in Clause 7.1 subject to any extension or renewal in terms of Clause 7.4;

8.1.2 At the Manager's instance, if the Manager gives the Municipality one-month's notice of termination in writing;

8.1.3 Notwithstanding the provisions of clause 8.1.1 this agreement may be terminated immediately by the Council without compensation or payment in lieu of notice if any circumstances arise justifying such termination at common law and in terms of the applicable labour laws and if the Manager does not fulfil his obligations in terms of the performance agreement referred to hereinafter, provided that the Manager shall be entitled to a legal appeals procedure before a final decision is made regarding non performance.

8.1.4 On the death of the Manager;

9. REMUNERATION

9.1 The Municipality shall pay the Manager as remuneration for his services a gross annual salary of R673 218.50

9.2 The above salary shall be paid in equal monthly instalments in arrears on or before the last working day of each month by cheque or into the bank or other financial institution account designated for that purpose by the Manager.

9.3 The salary will be subject to review on each anniversary of this contract or sooner or more frequently at the discretion of the Council of the Municipality.

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Salary increases are discretionary, but will take effect when approved, from the first day of July of every year, or in the event of increases being approved at some time of the year other than on the approximate anniversary date of the commencement of this contract, on the first day of the month immediately preceding the date of approval, unless otherwise specified. It is mutually agreed however, that an annual increase of at least equal to the negotiated percentage increase for local government employees will be awarded to the Manager or the average CPIX, as determined by National Treasury over the past twelve months with a maximum CPIX of 7%, whichever is the lowest.

- 9.4 The Manager shall be entitled to structure the above remuneration in any way he finds acceptable and suitable to his particular circumstances, and which may include sums paid towards housing, a vehicle allowance, any pension or retirement annuity fund, entertainment expenses and medical aid provided however, that such structuring should be limited to twice annually.

9.5 MOTOR VEHICLE

- 9.5.1 The Manager must have a motor vehicle available for proper performance of his functions and discharge of his duties. He should secure his own financing.

- 9.5.1.1 The choice of motor vehicle referred to in Clause 9.5.2 is exclusive discretion of the Manager, provided that such vehicle must be suitable for official duties.

- 9.5.1.2 The Manager will not be entitled to drive any vehicle of the Municipality for the performance of his official duties within the boundaries of the Municipality.

- 9.5.1.3 For trips undertaken outside the boundaries of the Municipality the official policy and/or resolution of the Municipality will apply:

- 9.5.1.4 If the Manager utilizes his private vehicle to carry out official duties, he will be compensated for kilometres travelled from his office in Ulundi, according to the tariffs payable for privately owned vehicle as prescribed by the Department of Transport. Kilometres between the Manager's place of residence and place of work will be regarded as private use.



9.5.1.5 The rules governing the structuring of the flexible portion referred to in Section 9.4 will also provide further guidance in respect of the above provisions.

9.5.2 A re-imbursement of reasonable accommodation and other related costs necessarily incurred by him in the execution of his duties, including a specified daily allowance as decided by the Council from time to time as provided for in the official policy of the municipality;

9.5.3 The Manager will be reimbursed by the Municipality for telephone, fax, e-mail or other related expenses incurred by and on behalf of the Municipality. The Manager shall be entitled to a mobile telephone for official purposes according to the policy of the Municipality or in accordance with a decision of Council.

9.5.4 The Municipality shall, at its own cost, provide the Manager with a fully equipped office and secretary in order to enable him to execute his duties;

9.5.5 Any other benefits not mentioned above enjoyed by non-contract or local government employees of the Municipality.

10. LEAVE

10.1 The Manager is entitled to 35 working days leave per annum.

10.2 Leave may only be taken at a time agreed to and approved by the Municipal Manager.

10.3 The Manager shall take at least twenty (20) working days leave each year, but the balance of leave in respect of any year may be carried forward or converted to cash. Any leave accumulated by the Manager prior to the date of commencement of this contract may similarly be carried forward. The Manager must take at least ten (10) consecutive working days within a twelve-month period.

10.4 The Manager shall be entitled to such period sick leave as is provided for in the current Conditions of Employment, including any accumulated sick leave accumulated prior to the date of commencement of this contract.

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- 10.5 The Municipality may, on application, grant unpaid sick leave to the Manager who has used all of his paid sick leave. If, as a result of the Manager's work, he suffers an injury, the Municipality shall grant him special paid sick leave for the period during which he cannot work. In addition, the Manager is entitled to family responsibility leave as set out in Section 27 of the Basic Conditions of Employment Act.

11. THE MANAGER'S DUTIES

11.1 General Duties

- 11.1.1 The Manager is responsible for the day to day running of the relevant Department and in addition shall carry out such lawful instructions and perform such lawful duties as the Council or Municipal Manager give to him from time to time, and further perform such tasks and functions as may from time to time be assigned by the legislature. Manager shall report to the Municipal Manager of the Municipality and shall report on such matters and furnish such information as the Municipal Manager may, from time to time, require.

11.1.2 Specific duties and responsibilities

Management of the relevant Department and all its functions and responsibilities as delegated by the Municipal Manager.

12. PERFORMANCE AGREEMENTS

- 12.1 Notwithstanding anything to the contrary contained in this agreement, the Manager shall be required to conclude a performance agreement with the Municipal Manager of the Municipality within 60 (sixty) days of the appointment of the Manager or such extended period as is mutually agreed between the parties, as contemplated by Section 57 of the Systems Act.
- 12.2 In the event of the parties being unable to agree on the terms of the performance agreements, the matter shall be determined in terms of clause 17.1.



12.3 The Parties agree that a performance bonus will annually, at anniversary of this contract, be negotiated.

13. DISCIPLINARY PROCEDURE

When an accusation of misconduct is brought against the Manager, the procedure applicable to other staff shall be followed.

14. SUSPENSION

The Municipality may, after or before the Manager has been charged with misconduct, suspend the Manager with full remuneration if the Municipality is of the opinion that it would be detrimental to the interest of the Municipality if the Manager continues his duties.

15. GRIEVANCE PROCEDURE

Where a grievance is brought by the Manager, the procedure as per the grievance procedures as applicable to permanent staff shall be followed.

16. MISREPRESENTATION

The Manager will not at any time make any untrue statement in relation to the Municipality or any of its entities, and in particular, will not after the termination of his employment under this agreement wrongly represent himself as being employed by or connected in any respect with the Municipality.

17. GENERAL

17.1 Dispute or difference arising at any time between the parties in regard to any matter arising out of this agreement (save for such disputes as are required in terms of the Labour Relations Act, 66 of 1995 to be determined by the Bargaining Council, the Commission for Conciliation, Mediation and Arbitration or the Labour Court) shall be submitted to the Arbitration Foundation of South Africa who shall firstly attempt to resolve the dispute by negotiation and then arbitration. The decision in arbitration proceedings shall be binding on the parties and may be made an Order of Court. This clause is



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severable from the remainder of the agreement and shall, accordingly, remain effective between the parties notwithstanding that the agreement may have been terminated.

17.2 No indulgence granted by the Municipality shall constitute a waiver of any of its rights under this agreement.

17.3 No agreement, varying, adding to, deleting from or cancelling this agreement, shall be effective unless reduced to writing and signed by both parties.

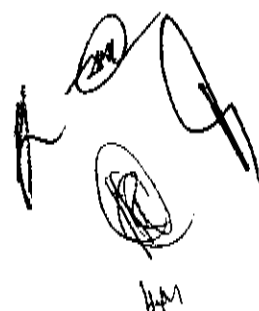
17.4 The Manager acknowledges that he has read and understood the Municipality's Delegated Powers of Authority and the Code of Conduct for Municipal Staff Members contained in Schedule 2 of the Systems Act and that the onus is on the Manager to be acquainted with any future amendments to the Delegated Powers of Authority and Code.

The Manager further agrees that the Delegated Powers of Authority and the said Code form an integral part of this agreement and that in the event of any conflict arising between this agreement and the Delegated Powers of Authority and the said Code, the latter shall prevail.

17.5 The Manager having been an employee of the Municipality at the time that this agreement is entered into, it is recorded that he shall have no claim against the Municipality arising out of the termination of the former employment relationship, save for those entertained in this agreement.

17.6 Upon the termination of the term provided for in this agreement as reviewed from time to time, the Manager shall have no further claim against the Municipality, save as provided for in terms of the Labour Relations Act, 1995.

17.7 The parties that the contents of this contract will be subject to re-negotiations, in case of the Minister of Provincial and Local Government enact or regulate any conditions contrary to the essence of this agreement.



18. LAW AND JURISDICTION

This agreement shall be governed by and constructed in accordance with the laws of the Republic of South Africa.

SIGNED ON BEHALF OF THE ZULULAND DISTRICT MUNICIPALITY

AT ULUNDI ON THIS 31st DAY
OF July 2006.

AS WITNESSES:

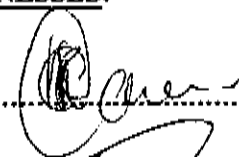
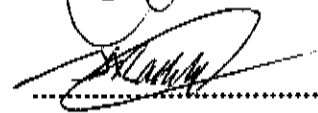
1. Manana
2. Ngub.


MUNICIPAL MANAGER
J H DE KLERK

SIGNED ON BEHALF OF THE MUNICIPAL MANAGER AT

ULUNDI ON THIS 31st DAY OF July 2006

AS WITNESSES:

1. 
2. 


DEPARTMENTAL HEAD:
CORPORATE SERVICES

PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

Mr. JH DE KLERK

The Municipal Manager of the Zululand District Municipality
("The Municipal Manager")

AND

MR M N SHANDU

The Head of Department reporting to the Municipal Manager
("The Head of Department")

FOR THE

FINANCIAL YEAR: 01 JULY 2007 - 30 JUNE 2008

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Zululand District Municipality herein represented by **MR JH de KLERK** (full names), in her/his capacity as Municipal Manager (hereinafter as the **Employer** or Supervisor)

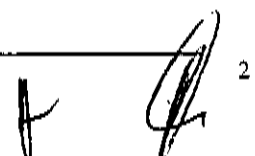
And

MICHAEL NKOSINATHI SHANDU (full name), Employee of the Municipality (hereinafter to as the **Employee**).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

- 1.1 The Municipality has entered into a contract of employment with the Head of Department :Corporate Services for a period of five (5) years, ending on 31 JULY 2011 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 Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Head of Department: Corporate Services reporting to the Municipal Manager, to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that the Municipal Manager will be responsible for facilitating the setting and evaluation of performance objectives and targets on behalf of the Council. The Municipal Manager shall report to the Council in regard to the above.



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2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to –

- 2.1 comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the employment contract entered into between the parties;
- 2.2 Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality.
- 2.3 Specify accountability as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the date of signature by both parties, which will be as soon as reasonably possible after 31/ 07/ 07 and subject to paragraph 3.3, will continue in force until a new Performance Agreement is concluded between the parties as contemplated in paragraph 3.2, hereafter a new Performance Plan and Personal Development Plan shall be concluded between the parties for the next 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 Head of Department: Corporate Services Contract of Employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned 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 or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

4.1 The Performance Plan (Annexure "A") sets out:

4.1.1 The performance objectives and targets that must be met by the Head of Department :Corporate Services; and

4.1.2 the time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in Annexure "A" are set by the Municipal Manager in consultation with the Head of Department: Corporate Services, and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget, and shall include key objectives, key performance indicators, target dates and weightings.

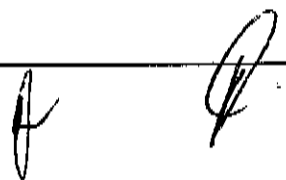
4.2.1 The key objectives describe the main tasks that need to be done.

4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Head of Department: Corporate Services accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and municipal staff to perform to the standards required.

5.2 The Municipal Manager will consult the Head of Department: Corporate Services about the specific performance standards that will be included in



the Performance Management System as applicable to the Head of Department: Corporate Services.

5.3 The Municipal Manager undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.

5.4 The criteria upon which the performance of the Head of Department: Corporate Services shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

5.4.1 The HEAD OF DEPARTMENT: CORPORATE SERVICES must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.

5.4.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

5.4.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.

5.5 The HEAD OF DEPARTMENT: CORPORATE SERVICES 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 Mayor and Municipal Manager.

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	10%
Social Development	25%
Good Governance	30%
Institutional Development	35%

5.6 In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the municipal manager and the relevant manager.

5.7 The CCRs will make up the other 20% of the Head of Department: Corporate Services assessment score. CCR's that are deemed to be most critical for the Head of Department: Corporate Services specific job should be selected (✓) from the list below as agreed to between the Municipal Manager and Head of Department: Corporate Services. Three of the CCRs are compulsory for the HEAD OF DEPARTMENT: CORPORATE SERVICES:

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)		WEIGHT
Financial Management	x	10
Strategic Capability and Leadership	x	10
Problem Solving and Analysis	x	10
People Management and Employment	x	20
Client Orientation and Customer Focus	x	20
CORE OCCUPATIONAL COMPETENCIES (CC)		
Competence in Self Management	x	10
Competence in policy conceptualisation, analysis and implementation	x	10
Exceptional and dynamic creativity to improve the functioning of the municipality	x	10
Total percentage		100%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure "A") to this Agreement sets out:

6.1.1 the standards and procedures for evaluating the Head of Department: Corporate Services performance; and

6.1.2 the intervals for the evaluation of the Head of Department: Corporate Services performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the Head of Department: Corporate Services performance at any stage while the Contract of Employment remains in force.

6.3 Personal growth and development needs identified during any performance review discussion must be documented in Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

6.4 Any submission/achievement required in accordance with a KPI will be deemed to be submitted/achieved, only after the Municipal Manager was satisfied that the submission/achievement was of sufficient quality

6.5 The annual performance appraisal will involve:

6.5.1 **Assessment of the achievement of results as outlined in the performance plan:**

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score

6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall ratings represent the outcome of the performance appraisal.

- 6.6 The assessment of the performance of the Head of Department: Corporate Services will be based on the following rating scale for KPA's and CCRs:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	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 as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	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 other throughout the year.					
3	Fully effective	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 Performance Plan.					
2	Not fully effective	Performance is below the standards required for the job in key areas. Performance meets some standards expected for the job. The review / assessment indicate 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 Performance Plan.					
1	Unaccepted performance	Performance does not meet the standards expected for the job. The review / assessment indicate that the employee has achieved below fully effective					

		results against almost all of the performance criteria and indicators as specified in the PA and Performance 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.	

6.7 For purpose of evaluating the annual performance of the HEAD OF DEPARTMENT:CORPORATE SERVICES, an evaluation panel constituted of the following persons must be established –

- 6.7.1 Municipal Manager;
- 6.7.2 Chairperson of performance audit committee
- 6.7.3 Member of the executive committee
- 6.7.4 Municipal Manager from another municipality

6.8 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each **Employees** in relation to his / her performance agreement shall be reviewed on the dates provided by the Municipal Manager and one member of the Executive Committee and in case of managers reporting to the Municipal Manager, the Municipal Manager with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	31st October
Second quarter	:	31st January
Third quarter	:	30th April

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Fourth quarter : 31st August

- 7.2 The Municipal Manager shall keep a record of the mid-year review and annual assessment meetings.
- 7.3 Performance feedback shall be based on the Municipal Manager's assessment of the Head of Department: Corporate Services performance.
- 7.4 The Municipal Manager will be entitled to review and make reasonable changes to the provision of Annexure "A" from time to time for operational reasons. The HEAD OF DEPARTMENT: CORPORATE SERVICES will be fully consulted before any such change is made.
- 7.5 The Municipal Manager may amend the provisions of Annexure "A" whenever the Performance Management System is adopted, implemented and / or amended as the case may be. In that case the Head of Department: Corporate Services will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure "B".

9. The Employer shall –

- 9.1.1 create an enabling environment to facilitate effective performance by the employee;
- 9.1.2 provide access to skills development and capacity building opportunities;

- 9.1.3 work collaboratively with the Head of Department: Corporate Services to solve problems and generate solutions to common problems that may impact on the performance of the Head of Department Corporate Services.
- 9.1.4 on request of the Head of Department: Corporate Services delegate such powers reasonably required by the Head of Department to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the Head of Department such resources as the Head of Department may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

10.1 The Municipal Manager agrees to consult the Head of Department: Corporate Services timely where the exercising of the powers will have amongst others -

- 10.1.1 a direct effect on the performance of any of the Head of Department's functions;
- 10.1.2 commit the Head of Department to implement or to give effect to a decision made by the Municipal Manager; and
- 10.1.3 a substantial financial effect on the Municipality.

10.2 The Municipal Manager agrees to inform the Head of Department of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the Head of Department to take any necessary action without delay.

contemplated in 10.1 as soon as is practicable to enable the Head of Department to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

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

11.2 A performance bonus of between 5% to 14% of the all inclusive annual remuneration package may be paid to the Head of Department in recognition of outstanding performance to be constituted as follows:

11.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and

11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

11.3 In the case of unacceptable performance, the Municipal Manager shall –

11.3.1 provide systematic remedial or developmental support to assist the Head of Department to improve his or her performance; and

11.3.2 after appropriate performance counselling and having provided the necessary guidance and / or support as well as reasonable time for improvement in performance, the Municipal Manager may consider steps to terminate the Contract of Employment of the Head of Department on grounds of unfitness or incapacity to carry out his or her duties.

12. DISPUTES RESOLUTION

12.1 Any dispute about the nature of the HOD's Performance Agreement, whether it relates to key responsibilities, priorities, methods of assessment and / or any other matter provided for, shall be mediated by –

12.1.1 The Mayor within thirty (30) days of receipt of a formal dispute from the Head of Department

Whose decision shall be final and binding on both parties.

12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply

13. GENERAL

13.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" may be made available to the public by the Municipality, where appropriate.

13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Head of Department: Corporate Services in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

Thus done and **signed** at Ulundu 4th on this October day
of October 2007

AS WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
THE HEAD OF DEPARTMENT:
CORPORATE SERVICES

Signed at Uluwatu on this 4th day of October 2007

AS WITNESSES:

1. [Signature]
2. [Signature]

[Signature]
THE MUNICIPAL MANAGER

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Comm HOD's

55	Perspective	Resources	Number of Youth & Gender related Business Plans submitted for funding	HOD-CS	2007/12/31	2008/06/30
56	Customer	Institutional	Youth & Gender Strategy reviewed	HOD-CS	2007/11/30	30-Mar
58	Financial		Number of District Youth & Gender Councils Meetings held	HOD-CS	3	6
60						
61						
62	Growth &					
63	Development					
64						
65						
66	Strategic Focus Area	Objective	KPI	Resp	Mid Yr Target	End Yr Target
67		Development projects	Number of people participating in Councils Capacity Building Programmes	HOD-CS	250	500
68	Focus Area	Resources	Number of Capacity Building related Business Plans submitted for funding	HOD-CS	3	6
69	Customer					
70	Financial					
71	Process					
72						
73	Growth &					
74	Strategic	Objective	KPI	Resp	Mid Yr	End Yr
75			Sec 43 (Reg 10 (e)): Number of	HOD-CS	0	1
76	Objective					
77						
78	Perspective					
79	Customer					
80	Financial					
81	Process	Objective	KPI	Resp	Mid Yr Target	End Yr Target
82						
83	Objective					
84	Perspective					
85						
86	Process					
87						
88	Growth &					
89	Development	Objective	KPI	Resp	Mid Yr Target	End Yr Target
90						
91	Objective					
92						
93						
94						
95	Strategic					
96	Focus Area					
97						
98						
99	Objective					

101	Customer	To spend grant funding	Percentage of grant funds received prior to approval of adjustment budget spent					same as MIG				
102		Capacity Building	% of staff scheduled for training in Workplace Skills Plan actually trained	HOD:CS	50%	100%	80%	90%	100%	110%	115%	
104	Process		Sec 43 (Reg 10 (f)): % of Municipal Budget actually spent on Skills Development Plan	HOD:CS	50%	100%	80%	90%	100%	110%	115%	
106		8.1: Good Governance & Public Participation										
107												
108												
109												
110	Financial											
111												
112	Growth & Development											
113												
114												
115	Strategic											
116	Focus Area											
117	Objective											
118	Perspective											
119	Customer											
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PERSONAL DEVELOPMENT PLAN FOR

M.N.SHANDU:HOD:CORPORATE SERVICES

SKILL TO BE DEVELOPED	ACTION PLAN	SUPPORT NEEDED	TIME REQUIRED	OUTCOME
<i>Strategic Capabity and Leadership</i>	Attend CPMD Programme presented by wits business school	Coundl's approval for attendance and payment of costs involved	As per the programme	Certificate in programme management development
<i>Financial Management</i>	Attendance of various training, workshops, seminars and conferences on financial management	Municipal Manager's approval and payment of costs involved.	ongoing	Informed and capacitated on requirements and changes to financial requirements and changes.
<i>Problem Solving and Analysis</i>	To attend a short relevant certificate course.	Include in the wsp, MM's support and payment of costs	ongoing	To be updated on latest developments in problem solving and analysis.
<i>People Management and Empowerment</i>	To attend a short relevant certificate course	Payment of costs involved	ongoing	To be updated on latest developments in people management and empowerment.
<i>Client Orientation and Customer</i>	Regular Customer	Council's support and	Annually	A more focused and

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<i>Focus</i>	Survey to determine needs and workshop these with council and adopt policies accordingly.	participation of the customers		orientated approach to the needs of the community.
Competence in Self Management	Attend CPMD programme presented by wits business school	Municipal Manager's approval for attendance and payment of costs involved.	As per programme	Certificate Programme in Management Development
Competence in Policy conceptualisation, analysis and implementation	Attendance of workshops specific to the matter.	Attendance of workshops specific to the matter, invites	ongoing	Knowledge & Competency
Exceptional and dynamic creativity to improve the functioning of the municipality	Visits to well functioning municipalities and enter in to twining agreements	Agreements with other municipalities	Annually	Assistance in creative thinking.

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PERFORMANCE AGREEMENT

MADE AND ENTERED INTO BY AND BETWEEN:

Mr. JH DE KLERK

**The Municipal Manager of the Zululand District Municipality
("The Municipal Manager")**

AND

MR. MN SHANDU

The Head of Department reporting to the Municipal Manager
("The Head of Department")

FOR THE

FINANCIAL YEAR: 01 JULY 2008 - 30 JUNE 2009

His
pre file

4.

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

The Zululand District Municipality herein represented by **J.H. de KLERK** (full names), in his capacity as Municipal Manager (hereinafter as the **Employer** or Supervisor)

And

MICHAEL NKOSINATHI SHANDU (full names), Employee of the Municipality (hereinafter to as the **Employee**).

WHEREBY IT IS AGREED AS FOLLOWS:

1. INTRODUCTION

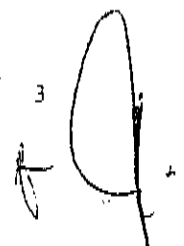
- 1.1 The Municipality has entered into a contract of employment with the Head of Department: Corporate Services for a period of five (5) years, ending on **31 July 2011** in terms of section 57(1)(a) of the Local Government: Municipal Systems Act 32 of 2000 ("the Systems Act").
- 1.2 Section 57(1)(b) of the Systems Act, read with the Contract of Employment concluded between the parties, requires the parties to conclude an annual performance agreement.
- 1.3 The parties wish to ensure that they are clear about the goals to be achieved, and secure the commitment of the Head of Department: Corporate Services reporting to the Municipal Manager, to a set of outcomes that will secure local government policy goals.
- 1.4 The parties wish to ensure that the Municipal Manager will be responsible for facilitating the setting and evaluation of performance objectives and targets on behalf of the Council. The Municipal Manager shall report to the Council in regard to the above.

2. PURPOSE OF THIS AGREEMENT

The purpose of this Agreement is to –

- 2.1 comply with the provisions of Section 57(1)(b), (4A), (4B) and (5) of the Systems Act as well as the employment contract entered into between the parties;
- 2.2 Specify objectives and targets defined and agreed with the employee and to communicate to the employee the employer's expectations of the employee's performance and accountabilities in alignment with the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget of the municipality.
- 2.3 Specify accountability as set out in a performance plan, which forms an annexure to the performance agreement;
- 2.4 monitor and measure performance against set targeted outputs;
- 2.5 use the performance agreement as the basis for assessing whether the employee has met the performance expectations applicable to his or her job;
- 2.6 in the event of outstanding performance, to appropriately reward the employee; and
- 2.7 give effect to the employer's commitment to a performance-orientated relationship with its employee in attaining equitable and improved service delivery.

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3. COMMENCEMENT AND DURATION

- 3.1 This Agreement will commence on the **1ST July 2008**, and subject to paragraph 3.3 and 11.3.3, will continue in force until a new Performance Agreement is concluded between the parties as contemplated in paragraph 3.2, hereafter a new Performance Plan and Personal Development Plan shall be concluded between the parties for the next 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 Head of Department: Corporate Services Contract of Employment for any reason.
- 3.4 The content of this Agreement may be revised at any time during the above-mentioned 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 or council decisions or otherwise) to the extent that the contents of this Agreement are no longer appropriate, the contents shall immediately be revised.

4. PERFORMANCE OBJECTIVES

- 4.1 The Performance Plan (Annexure "A") sets out:
- 4.1.1 The performance objectives and targets that must be met by the Head of Department: Corporate Services; and

4.1.2 the time frames within which those performance objectives and targets must be met.

4.2 The performance objectives and targets reflected in Annexure "A" are set by the Municipal Manager in consultation with the Head of Department: Corporate Services, and based on the Integrated Development Plan, Service Delivery and Budget Implementation Plan (SDBIP) and the Budget, and shall include key objectives, key performance indicators, target dates and weightings.

4.2.1 The key objectives describe the main tasks that need to be done.

4.2.2 The key performance indicators provide the details of the evidence that must be provided to show that a key objective has been achieved.

5. PERFORMANCE MANAGEMENT SYSTEM

5.1 The Head of Department: Corporate Services accepts that the purpose of the Performance Management System will be to provide a comprehensive system with specific performance standards to assist the Municipality, management and municipal staff to perform to the standards required.

5.2 The Municipal Manager will consult the Head of Department: Corporate Services about the specific performance standards that will be included in the Performance Management System as applicable to the Head of Department: Corporate Services.

5.3 The Municipal Manager undertakes to actively focus towards the promotion and implementation of the KPAs (including special projects relevant to the employee's responsibilities) within the local government framework.

5.4 The criteria upon which the performance of the Head of Department: Corporate Services shall be assessed shall consist of two components, both of which shall be contained in the Performance Agreement.

5.4.1 The HEAD OF DEPARTMENT: CORPORATE SERVICES must be assessed against both components, with a weighting of 80:20 allocated to the Key Performance Areas (KPAs) and the Core Competency Requirements (CCRs) respectively.

5.4.2 Each area of assessment will be weighted and will contribute a specific part to the total score.

5.4.3 KPAs covering the main areas of work will account for 80% and CCRs will account for 20% of the final assessment.

5.5 The HEAD OF DEPARTMENT: CORPORATE SERVICES 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 Mayor and Municipal Manager.

Key Performance Areas (KPA's)	Weighting
Basic Service Delivery	10%
Social Development	25%
Good Governance and Clean & Sound Administration	30%
Institutional Development	35%
Total	100%

5.6 In the case of managers directly accountable to the municipal manager, key performance areas related to the functional area of the relevant manager, must be subject to negotiation between the municipal manager and the relevant manager.

5.7 The CCRs will make up the other 20% of the Head of Department: Corporate Services assessment score. CCR's that are deemed to be most critical for the Head of Department: Corporate Services's specific job should be selected (✓) from the list below as agreed to between the

Municipal Manager and Head of Department: Corporate Services. Three of the CCRs are compulsory for the HEAD OF DEPARTMENT: CORPORATE SERVICES

CORE COMPETENCY REQUIREMENTS (CCR) FOR EMPLOYEES		
CORE MANAGERIAL COMPETENCIES (CMC)		WEIGHT
Financial Management	x	20
Strategic Capacity and Leadership		10
Client Orientation and customer focus	x	20
Problem Solving and Analysis	x	10
People Management and Employment	x	10
CORE OCCUPATIONAL COMPETENCIES (CC)		
Competence in Self Management	x	10
Knowledge of Performance Management and Reporting	x	10
Exceptional and dynamic creativity to improve the functioning of the municipality	x	10
Total percentage		100%

6. EVALUATING PERFORMANCE

6.1 The Performance Plan (Annexure "A") to this Agreement sets out:

6.1.1 the standards and procedures for evaluating the Head of Department: Corporate Services ; and

6.1.2 the intervals for the evaluation of the Head of Department: Corporate Services performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the Head of Department: Corporate Services performance at any stage while the Contract of Employment remains in force.

6.3 Personal growth and development needs identified during any performance review discussion must be documented in Personal Development Plan as well as the actions agreed to and implementation must take place within set time frames.

6.4 Any submission/achievement required in accordance with a KPI will be deemed to be submitted/achieved, only after the Municipal Manager was satisfied that the submission/achievement was of sufficient quality

6.5 The annual performance appraisal will involve:

6.5.1 Assessment of the achievement of results as outlined in the performance plan:

- (a) Each KPA should be assessed according to the extent to which the specified standards or performance indicators have been met and with due regard to ad hoc tasks that had to be performed under the KPA.

- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 6.5.3 below) must then be used to add the scores and calculate a final KPA score.

6.5.2 Assessment of the CCRs

- (a) Each CCR should be assessed according to the extent to which the specified standards have been met.
- (b) An indicative rating on the five-point scale should be provided for each CCR
- (c) This rating should be multiplied by the weighting given to each CCR during the contracting process, to provide a score.
- (d) The applicable assessment rating calculator (refer to paragraph 6.5.1) must then be used to add the scores and calculate a final CCR score

6.5.3 Overall rating

An overall rating is calculated by using the applicable assessment-rating calculator. Such overall ratings represent the outcome of the performance appraisal.

- 6.6 The assessment of the performance of the Head of Department: Corporate Services will be based on the following rating scale for KPA's and CCRs:

Level	Terminology	Description	Rating				
			1	2	3	4	5
5	Outstanding performance	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 as specified in the PA and Performance Plan and maintained this in all areas of responsibility throughout the year.					
4	Performance significantly above expectations	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 other throughout the year.					
3	Fully effective	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 Performance Plan.					
2	Not fully effective	Performance is below the standards required for the job in key areas. Performance meets some standards expected for the job. The review / assessment indicate 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 Performance Plan.					
1	Unaccepted performance	Performance does not meet the standards expected for the job. The review / assessment indicate that the employee has achieved below fully effective results against almost all of the performance criteria and					

		indicators as specified in the PA and Performance 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.	

6.7 For purpose of evaluating the annual performance of the HEAD OF DEPARTMENT: CORPORATE SERVICES, an evaluation panel constituted of the following persons must be established –

- 6.7.1 Municipal Manager;
- 6.7.2 Chairperson of performance audit committee
- 6.7.3 Member of the executive committee
- 6.7.4 Municipal Manager from another municipality

6.8 The manager responsible for human resources of the municipality must provide secretariat services to the evaluation panel referred to in sub-regulations (d) and (e).

7. SCHEDULE FOR PERFORMANCE REVIEWS

7.1 The performance of each **Employees** in relation to his / her performance agreement shall be reviewed on the dates provided by the Municipal Manager and one member of the Executive Committee and in case of managers reporting to the Municipal Manager, the Municipal Manager with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	30 TH September
Second quarter	:	31 ST December
Third quarter	:	31 ST March
Fourth quarter	:	30 TH June

7.2 The Municipal Manager shall keep a record of the mid-year review and annual assessment meetings.

- 7.3 Performance feedback shall be based on the Municipal Manager's assessment of the Head of Department: Corporate Services' performance.
- 7.4 The Municipal Manager will be entitled to review and make reasonable changes to the provision of Annexure "A" from time to time for operational reasons. The HEAD OF DEPARTMENT: CORPORATE SERVICES will be fully consulted before any such change is made.
- 7.5 The Municipal Manager may amend the provisions of Annexure "A" whenever the Performance Management System is adopted, implemented and / or amended as the case may be. In that case the Head of Department: Corporate Services will be fully consulted before any such change is made.

8. DEVELOPMENTAL REQUIREMENTS

The personal Development Plan (PDP) for addressing developmental gaps is attached as Annexure "B".

9. The Employer shall –

- 9.1.1 create an enabling environment to facilitate effective performance by the employee;
- 9.1.2 provide access to skills development and capacity building opportunities;
- 9.1.3 work collaboratively with the Head of Department: Corporate Services to solve problems and generate solutions to common problems that may impact on the performance of the Head of Department: Corporate Services.

- 9.1.4 on request of the Head of Department: Corporate Services delegate such powers reasonably required by the Head of Department to enable him / her to meet the performance objectives and targets established in terms of this Agreement; and
- 9.1.5 make available to the Head of Department such resources as the Head of Department may reasonably require from time to time to assist him / her to meet the performance objectives and targets established in terms of this Agreement.

10. CONSULTATION

- 10.1 The Municipal Manager agrees to consult the Head of Department: Corporate Services timely where the exercising of the powers will have amongst others -
- 10.1.1 a direct effect on the performance of any of the Head of Department's functions;
 - 10.1.2 commit the Head of Department to implement or to give effect to a decision made by the Municipal Manager; and
 - 10.1.3 a substantial financial effect on the Municipality.
- 10.2 The Municipal Manager agrees to inform the Head of Department of the outcome of any decisions taken pursuant to the exercise of powers contemplated in 10.1 as soon as is practicable to enable the Head of Department to take any necessary action without delay.

11. MANAGEMENT OF EVALUATION OUTCOMES

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

11.2 A performance bonus of between 5% to 14% of the all inclusive annual remuneration package may be paid to the Head of Department in recognition of outstanding performance to be constituted as follows:

11.2.1 a score of 130% to 149% is awarded a performance bonus ranging from 5% to 9%; and

11.2.2 a score of 150% and above is awarded a performance bonus ranging from 10% to 14%.

11.3 In the case of unacceptable performance, the Municipal Manager shall –

11.3.1 provide systematic remedial or developmental support to assist the Head of Department to improve his or her performance; and

11.3.2 after appropriate performance counselling and having provided the necessary guidance and / or support as well as reasonable time for improvement in performance, the Municipal Manager may consider steps to terminate the Contract of Employment of the Head of Department on grounds of unfitness or incapacity to carry out his or her duties.

- 11.3.3 Notwithstanding clause 3.3, the performance evaluation process will be undertaken and the payment of a performance bonus will be effected in terms of this agreement after the completion of the financial year.

12. DISPUTES RESOLUTION

12.1 Any dispute about the nature of the HOD's Performance Agreement, whether it relates to key responsibilities, priorities, methods of assessment and / or any other matter provided for, shall be mediated by –

12.1.1 The MEC for local government in the province within thirty (30) days of receipt of a formal dispute from the Head of Department; or

12.1.2 Any other person appointed by the MEC.

12.1.3 In the case of managers directly accountable to the Municipal Manager, a member of the municipal council, provided that such member was not part of the evaluation panel provided for in sub-regulation 27(4)(e) of the Municipal Performance Regulations, 2006, within thirty (30) days of receipt of a formal dispute from the employee;

Whose decision shall be final and binding on both parties.

12.2 In the event that the mediation process contemplated above fails, clause 20.3 of the Contract of Employment shall apply.

13. GENERAL

13.1 The contents of the Agreement and the outcome of any review conducted in terms of Annexure "A" may be made available to the public by the Municipality, where appropriate.

13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Head of Department: Corporate Services in terms of his contract of employment, or the effects of existing or new regulations, circulars, policies, directives or other instruments.

13.3 The performance assessment results of the Head of Department: Corporate Services must be submitted to National Minister responsible for local government, within fourteen (14) days after the conclusion of the assessment.

Thus done and signed at ULUNDI on this 31st day of JULY 2008

AS WITNESSES:

1. Nkomo.....

2. [Signature].....

.....
THE HEAD OF DEPARTMENT:
CORPORATE SERVICES

Signed at ULUNDI on this 31st day of JULY 2008

AS WITNESSES:

1. [Signature].....

2.

.....
THE MUNICIPAL MANAGER

PERSONAL DEVELOPMENT PLAN

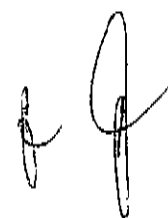
FOR

M.N. SHANDU: HOD CORPORATE SERVICES

SKILLS TO BE DEVELOPED	ACTION PLAN	SUPPORT NEEDED	TIME REQUIRED	OUTCOME
Strategic Capacity and Leadership	Attend CPMD Programme presented by Wits business school	Council's approval for attendance and payment of costs involved	As per the programme	Certificate programme management development
Financial Management	Attendance of various training, workshops, seminars and conferences on financial management	Municipal Management approval and payment costs	Ongoing	Informed and capacitated on requirements and changes to financial requirements and changes
Problem Solving and Analysis	To attend a short relevant certificate course	Include in the wsp, MM's support and payment of costs	Ongoing	To be updated on latest developments in problem solving and analysis
People Management and Empowerment	To attend a short relevant certificate course	Payment of costs involved	Annually	To be updated on latest developments in people management and empowerment
Client Orientation and customer focus	Regular Customer Survey to determine needs and workshop these with council and adopt policies accordingly	Council's support participation of the customers	Annually	A more focused and orientated approach to the needs of community.



Competence in Self Management	Attend CPMD programme presented by wits business school	Municipal Manager's approval for attendance and payment of costs involved	As per programme	Certificate Programme in management Development
Competency in policy conceptualization , analysis and implementation	Attendance of workshops specific to the matter	Attendance of workshops specific to the matter, invites	Ongoing	Knowledge & Competency
Exceptional and dynamic creativity to improve the functioning of the municipality	Visit to well functioning municipalities and enter in twining agreements	Agreements with other municipalities	Annually	Assistance in creative thinking



CONTRACT OF EMPLOYMENT

Made and entered into by and between

ZULULAND DISTRICT MUNICIPALITY
("the Municipality")
HEREIN REPRESENTED BY THE MUNICIPAL MANAGER

and

MICHAEL NKOSINATHI SHANDU
("MANAGER: CORPORATE SERVICES")

Handwritten signatures and initials at the bottom right of the page. There are four distinct marks: a vertical line, a circular stamp or signature, a large stylized 'J' or 'G' shape, and a signature that appears to be 'km'.

AGREEMENT

Between

**ZULULAND DISTRICT MUNICIPALITY
("the Municipality")
HEREIN REPRESENTED BY THE MUNICIPAL MANAGER**

AND

**MICHAEL NKOSINATHI SHANDU
("MANAGER: CORPORATE SERVICES")**

1. PREAMBLE

- 1.1 The Local Government: Municipal Structures Act 117 of 1998 ("the MSA") heralds the final phase of the restructuring of Local Government in South Africa.
- 1.2 The Municipal Systems Act (Act No. 32 of 2000) requires the appointment of Managers directly accountable to the Municipal Manager who shall assist in given effect to the Municipality's vision of democratic and developmental local government and to contribute to the progressive realisation of the fundamental rights contained in Sections 24, 25, 26, 27 and 29 of the Constitution of the Republic of South Africa (Act No. 108 of 1996), ("the Constitution"). The Municipality has a constitutional obligation to move progressively towards the social and economic upliftment of all its inhabitants and to ensure universal and equitable access to quality services that are affordable to all residents and communities within the Municipal Area
- 1.3 The Manager is expected to exercise his powers and perform his functions having due regard to inter alia:
 - 1.3.1 the basic values and principles governing public administration as stated in Section 195(1) of the Constitution;

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- 1.3.2 The objectives and development duties of Local Government as set out in Section 152 and 153 of the Constitution;
- 1.3.3 The rights and duties of Municipal Councils and the organisation and administration of Municipalities as set out in Sections 4(2) and 51 of the Systems Act.
- 1.4 The Manager acknowledges that he knows and understands the contents of the enactments referred to in clause 1.2 and shall perform his obligations in accordance with the principles, values and objectives of the aforementioned legislative enactments.

NOW THEREFORE THE PARTIES AGREE AS FOLLOWS:

2. INCORPORATION OF PREAMBLE

The Preamble shall form part of this agreement.

3. APPOINTMENT

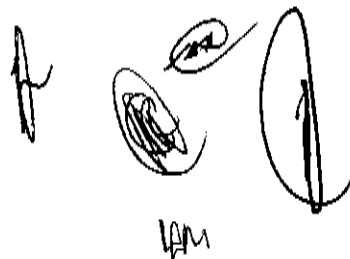
The Municipality engages the Manager: Corporate Services who agrees to accept the appointment as Departmental Head who is the Head of the Department of Corporate Services for the Municipality to fulfil the objectives of the Municipality as set out in the preamble to this agreement.

4. PLACE OF WORK

The Manager's place of work shall include the Municipality's area of jurisdiction with the official office of the Manager being housed at the "Head Office" of the Municipality in Ulundi, but he may be required to perform other duties or work at other places that may reasonably be required by the Municipality.

5. OFFICIAL WORKING HOURS

The Manager shall work a minimum of seven (7) hours a day and forty (40) hours per week on a flexible basis between 07H00 and 17H00 daily.



Three handwritten signatures in black ink, likely representing the parties to the agreement.

6. OVERTIME WORK

The Manager shall place the whole of his time at the disposal of the Municipality. Parties to this contract therefore accept that it will be required of the Manager to work overtime, when required. The Manager will not qualify for overtime remuneration or time off.

7. DURATION

- 7.1 Notwithstanding the date of the signing of this agreement, the employment contract shall be deemed to have commenced on 01 August 2006 and shall continue for a fixed period of five (5) years ending on 31 July 2011.
- 7.2 It is specifically recorded that there is no expectation that this agreement will be renewed or prolonged beyond the period referred to in 7.1 other than by agreement between the parties.
- 7.3 The failure to renew or extend the period referred to in 7.1 above shall not constitute a dismissal of the Manager and Manager shall not be entitled to any additional remuneration or compensation in respect of the completion of such period.
- 7.4 Notwithstanding the provisions of Clause 7.1, this employment contract may be renewed at the termination hereof on terms and conditions mutually agreed to by the parties provided that such terms and conditions shall not be less beneficial to the Manager than those applicable under this contract.
- 7.5 Negotiations on the possible renewal of the contract or termination thereof, at the end of the contract will start not later than three (3) months prior to the expiry date referred to in Clause 7.1.

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8. TERMINATION OF CONTRACT

8.1 This agreement will terminate: -

8.1.1 Automatically on expiry of the term referred to in Clause 7.1 subject to any extension or renewal in terms of Clause 7.4;

8.1.2 At the Manager's instance, if the Manager gives the Municipality one-month's notice of termination in writing;

8.1.3 Notwithstanding the provisions of clause 8.1.1 this agreement may be terminated immediately by the Council without compensation or payment in lieu of notice if any circumstances arise justifying such termination at common law and in terms of the applicable labour laws and if the Manager does not fulfil his obligations in terms of the performance agreement referred to hereinafter, provided that the Manager shall be entitled to a legal appeals procedure before a final decision is made regarding non performance.

8.1.4 On the death of the Manager;

9. REMUNERATION

9.1 The Municipality shall pay the Manager as remuneration for his services a gross annual salary of R673 218.50

9.2 The above salary shall be paid in equal monthly instalments in arrears on or before the last working day of each month by cheque or into the bank or other financial institution account designated for that purpose by the Manager.

9.3 The salary will be subject to review on each anniversary of this contract or sooner or more frequently at the discretion of the Council of the Municipality.

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Salary increases are discretionary, but will take effect when approved, from the first day of July of every year, or in the event of increases being approved at some time of the year other than on the approximate anniversary date of the commencement of this contract, on the first day of the month immediately preceding the date of approval, unless otherwise specified. It is mutually agreed however, that an annual increase of at least equal to the negotiated percentage increase for local government employees will be awarded to the Manager or the average CPIX, as determined by National Treasury over the past twelve months with a maximum CPIX of 7%, whichever is the lowest.

- 9.4 The Manager shall be entitled to structure the above remuneration in any way he finds acceptable and suitable to his particular circumstances, and which may include sums paid towards housing, a vehicle allowance, any pension or retirement annuity fund, entertainment expenses and medical aid provided however, that such structuring should be limited to twice annually.

9.5 MOTOR VEHICLE

- 9.5.1 The Manager must have a motor vehicle available for proper performance of his functions and discharge of his duties. He should secure his own financing.

- 9.5.1.1 The choice of motor vehicle referred to in Clause 9.5.2 is exclusive discretion of the Manager, provided that such vehicle must be suitable for official duties.

- 9.5.1.2 The Manager will not be entitled to drive any vehicle of the Municipality for the performance of his official duties within the boundaries of the Municipality.

- 9.5.1.3 For trips undertaken outside the boundaries of the Municipality the official policy and/or resolution of the Municipality will apply:

- 9.5.1.4 If the Manager utilizes his private vehicle to carry out official duties, he will be compensated for kilometres travelled from his office in Ulundi, according to the tariffs payable for privately owned vehicle as prescribed by the Department of Transport. Kilometres between the Manager's place of residence and place of work will be regarded as private use.

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9.5.1.5 The rules governing the structuring of the flexible portion referred to in Section 9.4 will also provide further guidance in respect of the above provisions.

9.5.2 A re-imbursement of reasonable accommodation and other related costs necessarily incurred by him in the execution of his duties, including a specified daily allowance as decided by the Council from time to time as provided for in the official policy of the municipality;

9.5.3 The Manager will be reimbursed by the Municipality for telephone, fax, e-mail or other related expenses incurred by and on behalf of the Municipality. The Manager shall be entitled to a mobile telephone for official purposes according to the policy of the Municipality or in accordance with a decision of Council.

9.5.4 The Municipality shall, at its own cost, provide the Manager with a fully equipped office and secretary in order to enable him to execute his duties;

9.5.5 Any other benefits not mentioned above enjoyed by non-contract or local government employees of the Municipality.

10. LEAVE

10.1 The Manager is entitled to 35 working days leave per annum.

10.2 Leave may only be taken at a time agreed to and approved by the Municipal Manager.

10.3 The Manager shall take at least twenty (20) working days leave each year, but the balance of leave in respect of any year may be carried forward or converted to cash. Any leave accumulated by the Manager prior to the date of commencement of this contract may similarly be carried forward. The Manager must take at least ten (10) consecutive working days within a twelve-month period.

10.4 The Manager shall be entitled to such period sick leave as is provided for in the current Conditions of Employment, including any accumulated sick leave accumulated prior to the date of commencement of this contract.

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- 10.5 The Municipality may, on application, grant unpaid sick leave to the Manager who has used all of his paid sick leave. If, as a result of the Manager's work, he suffers an injury, the Municipality shall grant him special paid sick leave for the period during which he cannot work. In addition, the Manager is entitled to family responsibility leave as set out in Section 27 of the Basic Conditions of Employment Act.

11. THE MANAGER'S DUTIES

11.1 General Duties

- 11.1.1 The Manager is responsible for the day to day running of the relevant Department and in addition shall carry out such lawful instructions and perform such lawful duties as the Council or Municipal Manager give to him from time to time, and further perform such tasks and functions as may from time to time be assigned by the legislature. Manager shall report to the Municipal Manager of the Municipality and shall report on such matters and furnish such information as the Municipal Manager may, from time to time, require.

11.1.2 Specific duties and responsibilities

Management of the relevant Department and all its functions and responsibilities as delegated by the Municipal Manager.

12. PERFORMANCE AGREEMENTS

- 12.1 Notwithstanding anything to the contrary contained in this agreement, the Manager shall be required to conclude a performance agreement with the Municipal Manager of the Municipality within 60 (sixty) days of the appointment of the Manager or such extended period as is mutually agreed between the parties, as contemplated by Section 57 of the Systems Act.
- 12.2 In the event of the parties being unable to agree on the terms of the performance agreements, the matter shall be determined in terms of clause 17.1.

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- 12.3 The Parties agree that a performance bonus will annually, at anniversary of this contract, be negotiated.

13. DISCIPLINARY PROCEDURE

When an accusation of misconduct is brought against the Manager, the procedure applicable to other staff shall be followed.

14. SUSPENSION

The Municipality may, after or before the Manager has been charged with misconduct, suspend the Manager with full remuneration if the Municipality is of the opinion that it would be detrimental to the interest of the Municipality if the Manager continues his duties.

15. GRIEVANCE PROCEDURE

Where a grievance is brought by the Manager, the procedure as per the grievance procedures as applicable to permanent staff shall be followed.

16. MISREPRESENTATION

The Manager will not at any time make any untrue statement in relation to the Municipality or any of its entities, and in particular, will not after the termination of his employment under this agreement wrongly represent himself as being employed by or connected in any respect with the Municipality.

17. GENERAL

- 17.1 Dispute or difference arising at any time between the parties in regard to any matter arising out of this agreement (save for such disputes as are required in terms of the Labour Relations Act, 66 of 1195 to be determined by the Bargaining Council, the Commission for Conciliation, Mediation and Arbitration or the Labour Court) shall be submitted to the Arbitration Foundation of South Africa who shall firstly attempt to resolve the dispute by negotiation and then arbitration. The decision in arbitration proceedings shall be binding on the parties and may be made an Order of Court. This clause is



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severable from the remainder of the agreement and shall, accordingly, remain effective between the parties notwithstanding that the agreement may have been terminated.

- 17.2 No indulgence granted by the Municipality shall constitute a waiver of any of its rights under this agreement.
- 17.3 No agreement, varying, adding to, deleting from or cancelling this agreement, shall be effective unless reduced to writing and signed by both parties.
- 17.4 The Manager acknowledges that he has read and understood the Municipality's Delegated Powers of Authority and the Code of Conduct for Municipal Staff Members contained in Schedule 2 of the Systems Act and that the onus is on the Manager to be acquainted with any future amendments to the Delegated Powers of Authority and Code.
- The Manager further agrees that the Delegated Powers of Authority and the said Code form an integral part of this agreement and that in the event of any conflict arising between this agreement and the Delegated Powers of Authority and the said Code, the latter shall prevail.
- 17.5 The Manager having been an employee of the Municipality at the time that this agreement is entered into, it is recorded that he shall have no claim against the Municipality arising out of the termination of the former employment relationship, save for those entertained in this agreement.
- 17.6 Upon the termination of the term provided for in this agreement as reviewed from time to time, the Manager shall have no further claim against the Municipality, save as provided for in terms of the Labour Relations Act, 1995.
- 17.7 The parties that the contents of this contract will be subject to re-negotiations, in case of the Minister of Provincial and Local Government enact or regulate any conditions contrary to the essence of this agreement.

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18. LAW AND JURISDICTION

This agreement shall be governed by and constructed in accordance with the laws of the Republic of South Africa.

SIGNED ON BEHALF OF THE ZULULAND DISTRICT MUNICIPALITY

AT ULUNDI ON THIS 31st DAY
OF July 2006.

AS WITNESSES:

1. Manana
2. Ngub.


MUNICIPAL MANAGER
J H DE KLERK

SIGNED ON BEHALF OF THE MUNICIPAL MANAGER AT

ULUNDI ON THIS 31st DAY OF July 2006

AS WITNESSES:

1. Manana
2. Ngub.


DEPARTMENTAL HEAD:
CORPORATE SERVICES