

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. C NEL

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

FOR THE

FINANCIAL YEAR: 01 JULY 2007 - 30 JUNE 2008

19

PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

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

And

CHRISTO NEL (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: Planning & Community Development 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: Planning & Community Development 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.

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 after31/07/07....., 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: Planning & Community Development 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: Planning & Community Development; 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: Planning & Community Development, 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: Planning & Community Development 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: Planning & Community Development about the specific performance standards that

will be included in the Performance Management System as applicable to the Head of Department: Planning & Community Development.

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: Planning & Community Development 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: PLANNING & COMMUNITY DEVELOPMENT 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: PLANNING & COMMUNITY DEVELOPMENT 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	40%
Local Economic Development	30%

Good Governance and Clean & Sound Administration	30%
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: Planning & Community Development's assessment score. CCR's that are deemed to be most critical for the Head of Department: Planning & Community Development's specific job are indicated below as agreed to between the Municipal Manager and Head of Department: Planning & Community Development. Two of the CCRs are compulsory for the HEAD OF DEPARTMENT: PLANNING & COMMUNITY DEVELOPMENT:

CORE MANAGERIAL COMPETENCIES (CMC)	WEIGHT
Financial Management (Compulsory)	10
Service Delivery Innovation	20
Problem Solving and Analysis	10
People Management and Employment (Compulsory)	20
Communication	10
CORE OCCUPATIONAL COMPETENCIES (CC)	
Competence in Self Management	10
Knowledge of Performance Management and Reporting	10
Competence as required by other national line sector departments	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: Planning & Community Development performance; and

6.1.2 the intervals for the evaluation of the Head of Department: Planning & Community Development performance.

6.2 Despite the establishment of agreed intervals for evaluation, the Municipal Manager may, in addition, review the Head of Department: Planning & Community Development 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 6.6 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 6.6) 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: Planning & Community Development 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: PLANNING & COMMUNITY DEVELOPMENT, 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
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: Planning & Community Development's 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: PLANNING & COMMUNITY DEVELOPMENT 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: Planning & Community Development 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: Planning & Community Development to solve problems and generate solutions to common problems that may impact on the performance of the Head of Department: Planning & Community Development.
- 9.1.4 on request of the Head of Department: Planning & Community Development 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: Planning & Community Development 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.

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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 in accordance with Sec 46 of the MFMA

- 13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Head of Department: Planning & Community Development 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 Ulaudi on this 4th day of October 2007

AS WITNESSES:

1. [Signature]
2. [Signature]

[Signature]
THE HEAD OF DEPARTMENT:
PLANNING & COMMUNITY
DEVELOPMENT

Signed at Umuohi on this 4th day of October 2007.
2007

AS WITNESSES:

1. Bebek
2. Dun

.....
THE MUNICIPAL MANAGER



Zululand District Municipality: HOD:PCD KPI's: 2007/2008

Strategic Focus Area	Focus Area	Objective No	Objective	Perspective	Objective	KPI No	KPI	Responsibility	Mid Year Target	Unacceptable (1)	Performance not fully effective (2)	Fully effective (3)	Performance significantly above expectations (4)	Outstanding Performance (5)
1: Service Delivery	Water & Sanitation	1.1.1	To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	C	To implement effective Customer Care	11	Average response time to complainants on customer queries	ALL	24 hrs	3 days	2 days	24 hrs	2 hrs	30 min
				P	To deliver W & S services in a structured manner	15	Date of submission of WSDP	HOD:PCD	On programme	30/06/2008	1/08/2008	31/05/2008	30/04/2008	31/03/2008
					To regularly review Policies & Bylaws	18	Date of reviewed water policies and by-laws submitted	HOD:PCD	On programme	30/06/2008	1/08/2008	31/05/2008	30/04/2008	31/03/2008
					To effectively monitor Water Services Providers	19	Number of reports monitored	HOD:PCD	0	2	3	6	8	10
	District Tourism	1.1.1	To promote Tourism in the District	C	To promote Tourism Products	24	Set of tourism packages prepared	HOD:PCD	On programme	30/06/2008	1/07/2008	30/06/2008	31/05/2008	30/04/2008
					To create Tourism awareness in the District	25	Number of awareness events held	HOD:PCD	5	5	8	10	14	16
				F	To provide sufficient funding for tourism	26	Number of tourism related business plans submitted for funding	HOD:PCD	4	4	6	8	10	12
				P	To strategically promote tourism in the district	27	Date of reviewed Tourism Plan approved	HOD:PCD	On programme	30/06/2008	1/08/2008	31/05/2008	30/04/2008	31/03/2008
2: Economic Development	Local Economic Development	2.1.1	To improve the economy of the district, through the creation of job opportunities and additional economic activities	C	To effect participation in LED	28	Sec 43 (Reg 10 (d)): Number of jobs created through LED programme	HOD:PCD	0	20	40	65	100	120
					To create LED awareness in the District	29	Number of awareness events held	HOD:PCD	5	5	8	10	14	16
				F	To provide sufficient funding for LED	30	Number of LED related business plans submitted for funding	HOD:PCD	5	4	6	10	14	16

Annexure A

					P	To effectively contribute to LED in the District	31	Date of reviewed LED Plan reviewed and approved (Including Tourism, Business & Agricultural)	HOD/POD	On programme	30/06/2008	1/06/2008	31/05/2008	30/04/2008	31/03/2008
						To effectively co-ordinate LED in the District	32	Number of LED Forums/Sub-Forums meetings held	HOD/POD	3	3	6	9	12	15
					G	To build LED capacity	33	Number of business training events held	HOD/POD	1	1	2	3	4	5
6: Good Governance & Public Participation	Compliance, Clean and Sound Administration	5.2.1 To promote good governance, accountability & transparency	P			Policies & Bylaws	60	Date of revision of all Policies & Bylaws	ALL	On programme	30/06/2008	1/06/2008	31/05/2008	30/04/2008	31/03/2008
							67	Number of late items considered for all structured meetings of the Municipality	ALL	4	16	12	6	4	0
							68	Number of late agendas (per meeting) received for all meetings of the Municipality	HOD/POD	0	2	1	0		
						To implement an effective Supply Chain Management System	70	Number of Bid Committee meetings held for each committee (2 per month, excluding December)	ALL	10	14	18	22	26	30
					F	To spend grant funding	72	Percentage of grant funds received prior to approval of adjustment budget spent	ALL	35%	<90%	<95%	100%		
6.1: Good Governance & Public Participation	Integrated & Co-ordinated Development	6.2.1 To promote integrated & co-ordinated development within the District	C			To encourage participation in IDP process, ensure alignment with Local Municipalities	75	Number of IDP consultative meetings held	HOD/POD	2	8	10	12	15	20
			P			To ensure timely completion of IDP	77	Date of submission of Framework and Process Plan	HOD/POD	On programme	01-Jan-07	29-Nov-07	23-Aug-07		

HOD:PCD Personal Development Plan 2007/08

	Skill to be developed	Action Plan	Support needed	Time Required	Outcome
1	Strategic Capability & Leadership	Attend CPMD programme presented by WITS Business School	Council's approval for attendance & payment of costs	12 months	Certificate in Programme Management
2	Management Skills	Attend management training programme	MM's approval for attendance & payment of costs	Duration of courses tbd	Certificate of attendance
3	GIS skills	Attend Arc GIS training course	MM's approval for attendance & payment of costs	Duration of courses tbd	Certificate of attendance
4	Conflict Resolution	Attend conflict resolution/negotiation skills training course	MM's approval for attendance & payment of costs	Duration of courses tbd	Certificate of attendance
5	Technical skills	Attend selected workshops and seminars of relevant interest: IMESA, WISA, SAICE, & similar	MM's approval for attendance & payment of costs	Duration of courses/events tbd	Attendance
6	Professional Competency	Participate in activities/events that qualify for CPD	MM's approval for attendance & payment of costs	Duration of courses/events tbd	Attendance
7	Skills in PMS	Attend PMS training course	MM's approval for attendance	Duration of courses tbd	Attendance
8	Data Management	Attend Zulu training course	MM's approval for attendance & payment of costs	Duration of courses tbd	Certificate of attendance

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MADE AND ENTERED INTO BY AND BETWEEN:

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


AND

MR. C NEL

The Head of Department reporting to the Municipal Manager
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FINANCIAL YEAR: 01 JULY 2008 - 30 JUNE 2009

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PERFORMANCE AGREEMENT

ENTERED INTO BY AND BETWEEN:

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And

Christo Nel (full name), Employee of the Municipality (hereinafter to as the **Employee**).

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3. COMMENCEMENT AND DURATION

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- 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.
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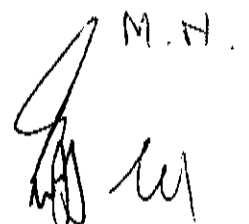
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with due regard to ad hoc tasks that had to be performed under the KPA.

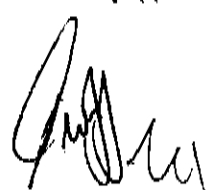
- (b) An indicative rating on the five-point scale should be provided for each KPA.
- (c) The applicable assessment rating calculator (refer to paragraph 6.6 below) must then be used to add the scores and calculate a final KPA score.

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 6.6) 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: Planning & Community Development 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					

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		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: PLANNING & COMMUNITY DEVELOPMENT, 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

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the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory:

First quarter	:	30th September
Second quarter	:	31st December
Third quarter	:	31st March
Fourth quarter	:	30th 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: Planning & Community Development's 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: PLANNING & COMMUNITY DEVELOPMENT 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: Planning & Community Development 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: Planning & Community Development to solve problems and generate solutions to common problems that may impact on the performance of the Head of Department: Planning & Community Development.
- 9.1.4 on request of the Head of Department: Planning & Community Development 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: Planning & Community Development 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

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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.

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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 payment of a performance bonus will be 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 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.

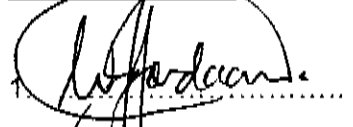

13. GENERAL

- 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 in accordance with Sec 46 of the MFMA
- 13.2 Nothing in this Agreement diminishes the obligations, duties or accountabilities of the Head of Department: Planning & Community Development 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 ULLUNDAI on this 31ST day of JULY 2008

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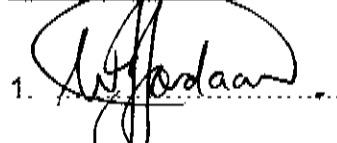
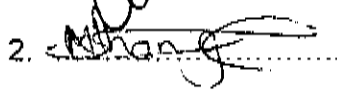

AS WITNESSES:

1. 
2. 


THE HEAD OF DEPARTMENT:
PLANNING & COMMUNITY
DEVELOPMENT

Signed at ULUNDAI on this 31ST day of JULY
2008

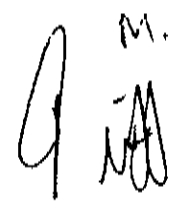

AS WITNESSES:

1. 
2. 


THE MUNICIPAL MANAGER

HOD:PCD Personal Development Plan 2008/09

	Skill to be developed	Action Plan	Support needed	Time Required	Outcome
1	Strategic Capability & Leadership	Attend CPMD programme presented by WITS Business School	Council's approval for attendance & payment of costs	12 months	Certificate in Programme Management
2	Management Skills	Attend management training programme	MM's approval for attendance & payment of costs	Duration of courses tbd	Certificate of attendance
3	GIS skills	Attend Arc GIS training course	MM's approval for attendance & payment of costs	Duration of courses tbd	Certificate of attendance
4	Conflict Resolution	Attend conflict resolution/negotiation skills training course	MM's approval for attendance & payment of costs	Duration of courses tbd	Certificate of attendance
5	Technical skills	Attend selected workshops and seminars of relevant interest: IMESA, WISA, SAICE, & similar	MM's approval for attendance & payment of costs	Duration of courses/events tbd	Attendance
6	Professional Competency	Participate in activities/events that qualify for CPD	MM's approval for attendance & payment of costs	Duration of courses/events tbd	Attendance
7	Skills in PMS	Attend PMS training course	MM's approval for attendance	Duration of courses tbd	Attendance
8	Data Management	Attend Zulu training course	MM's approval for attendance & payment of costs	Duration of courses tbd	Certificate of attendance

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Zululand District Municipality

2008/09 KPI's

SFA No	Focus Area	Objective No	Key Objective	Perspec-tive	Objective	KPI No	KPI	Responsibility	Unacceptable performance (1)	Performance not fully effective (2)	Fully effective (3)	performance significantly above expectations (4)	Outstanding Performance (5)
1: Service Delivery	1.1 Water & Sanitation	1.1.1	To progressively provide a cost effective, reliable water services at a good quality to all potential consumers in the district	C	To improve access to basic services	1	Sec 43 (Reg 10 (a)) : Percentage of households with access to basic level of water	HOD:TS	57.41%	57.95%	58.48%	59.02%	59.56%
					To improve access to basic services	2	Sec 43(Reg 10 (a)) : Percentage of households with access to basic level of sanitation	HOD:TS	44.61%	45.31%	46.01%	46.59%	47.76%
					To improve on the quality of water delivered	3	Number of required tests conducted (samples)	HOD:TS	440	495	550	605	660
					To ensure an adequate continuity of the water supply service	4	Number of plant days down time	HOD:TS	25	20	15	10	5
						5	Average response time to rectify breakage in service	HOD:TS	> 72hrs	< 72hrs	48hrs	24hrs	12hrs
					To deliver water services at reasonable tariffs	6	Average percentage increase in water services tariff	CFO	CPI +5%	CPI + 3%	CPI +1%	CPI	CPI -1%
					To provide FBS (Free Basic Services)	7	Sec 43(Reg 10 (b)) : Percentage of households earning less than R1100 pm with access to free water (Note: Roodimentary LOS included)	HOD:TS	79.40%	79.90%	80.40%	80.90%	81.40%
						8	Sec 43(Reg 10 (b)) : Percentage of households earning less than R1100 pm with access to free sanitation	HOD:TS	16.78%	19.55%	20.62%	21.57%	22.61%

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				To implement effective Customer Care	9	Average time of notification to the community prior to planned interruptions	HOD:TS	4 hrs	12 hrs	24 hrs	48 hrs	72 hrs
					10	Average time of notification to the community on unplanned interruptions, after incident being reported between 4am & 10pm	HOD:TS	6 hrs	4 hrs	2 hrs	1.5 hrs	1 hr
					11	Average response time to complainants on customer queries	ALL	3 days	2 days	24 hrs	2 hrs	30 min
			F	To improve revenue collection	12	Sac 43 (Reg 10 (g)(i)): Outstanding Service Debtors to Revenue	CFO	0.48	0.32	0.25	0.23	0.2
					13	Debtor collection days	CFO	150	120	90	60	30
				To effectively utilise M&G allocation	14	M&G grant funds spent	HOD:TS	Later than 15 Apr 2009	By 15 Apr 2009	By 31 Mar 2009	By 15 Mar 2009	By 28 Feb 2009
			P	To deliver W & S services in a structured manner	15	Date of approval of WSDP	HOD:PCD	Later than 15/07/2009	After 30/06/2009	30/06/2009	2009/05/31	Prior to 2009/05/31
				To reduce unaccounted for water	16	Date of review of water loss strategy	HOD:PCD	2009/07/31	2009/06/30	2009/05/31	2009/04/20	2009/03/31
					17	Number of bulk meters refurbished, repaired and/or installed	HOD:TS	Strategy less 25%	Strategy less 15%	As per strategy	Strategy +15%	Strategy + 25%
				To regularly review Policies & By-laws	18	Date of reviewed water policies and by-laws approved	HOD:PCD	30/06/2009	1/07/2009	30/06/2009	31/06/2009	30/04/2009
				To effectively monitor Water Services Providers	19	Number of reports monitored	HOD:PCD	4	6	8	12	18
					20	Date of operational plan completed and approved	HOD:PCD	2009/02/28	2009/01/30	2008/11/30	2008/09/30	2008/08/30
12	Municipal Airports	1.2.1	To viably establish, operate & maintain a Regional Airport that contributes to the growth & development of the district	P	Financial viability of airport is investigated and a plan established to attempt constant improvement and to maximise the potential contribution to the growth & development of the District							

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				To effectively co-ordinate LED in the District	34	Number of LED Forums/Sub-Forums meetings held	HOD:PCD	3	6	9	12	15
				To build LED capacity	35	Number of business training events held	HOD:PCD	1	2	3	4	5
3: Social Development	3.1 HIV/AIDS	3.1.1	To reduce the occurrence and impact of HIV/AIDS	C To create HIV/AIDS awareness	36	Number of awareness events held	HOD:CS	5	8	10	14	16
				P To establish sufficient institutional capacity for the reduction of impact	38	HIV/AIDS Strategy reviewed and approved	HOD:CS	30/06/2009	1/07/2009	30/06/2009	31/05/2009	30/04/2009
	3.2 Youth & Gender	3.2.1	To develop and empower Youth & Gender	C To improve involvement in Council Youth & Gender programmes	41	Number of awareness events held	HOD:CS	3	4	5	6	7
				F To provide sufficient resources	42	Number of Youth & Gender related Business Plans submitted for funding	HOD:CS	0	1	2	3	4
				P To improve institutional capacity	43	Youth & Gender Strategy reviewed	HOD:CS	2008/05/30	2009/04/30	2009/03/30	2009/02/28	2009/01/31
					44	Number of District Youth & Gender Councils Meetings held	HOD:CS	4	5	6	7	8
	3.3 Community Development	3.3.1	The social upliftment of the communities in ZDM	C To reduce poverty by implementing Community Development Projects	45	Number of people participating in Councils Capacity Building Programmes	HOD:CS	300	400	500	650	700
				F To increase available resources for poverty reduction programmes	46	Number of Capacity Building related Business Plans submitted for funding	HOD:CS	2	4	6	10	12
4: Institutional development	4.1 Employment Equity	4.1.1	To transform the organisation	R To improve the employment levels for targeted groups	47	Sec 43 (Reg 10 (e)): Number of EE target groups employed in three highest levels of management	HOD:CS	11	12	13	14	15
					48	Number of women employed in the three highest management levels in the municipality (consolidated figure)	HOD:CS	1	2	4	5	6
5: Financial Management	5.1 Sound Financial Management	5.1.1	To promote good financial practices	C To produce accurate statements	50	Number of valid queries received in relation to the number of accounts issued	CFO	0.75%	0.70%	0.50%	0.40%	0.25%

				To process payments in time	51	Average time taken to process payments	CFO	60 days	45 days	30 days	15 days	7 days
			F	To complete and submit accurate annual financial statements	52	Date Financial Statements submitted	CFO	20/06/2008	1/06/2008	31/08/2008	15/08/2008	01/08/2008
					53	Nature of Audit Opinion	CFO	Disclaimer	Qualified	Unqualified		
					54	Number of matters of concern reported	CFO	Less than 15 matters of concern	Less than 10 matters of concern	Less than 8 matters of concern	Less than 6 matters of concern	No matters of concern
				To complete a quality budget	55	Date of approval of Tabled Budget	CFO	30/4/2009	1/04/2009	31/03/2009	15/03/2009	28/02/2009
					56	Date approval of Final Budget	CFO	30/06/2009	1/07/2009	30/06/2009	31/06/2009	30/04/2009
			P	To have an effective Auditing Function	57	Number of Audit Committee Reports submitted to MM	CFO	2	3	4	6	8
					58	Percentage of Audit queries cleared within the next financial year	CFO	40%	50%	75%	85%	100%
				To develop a Financial plan	59	Date for approval of Financial Plan	CFO	30/06/2009	1/07/2009	30/06/2009	31/06/2009	30/04/2009
			F	To increase the cost coverage ratio	60	Sec 43 (Reg 10 (g)(iii)): Cost Coverage	CFO	3	6	12	15	18
				To increase the debt coverage ratio	61	Sec 43 (Reg 10 (g)(i)): Debt Coverage Ratio	CFO	1	3	4	6	10
				To provide sufficient cash resources	62	DT/GA: % operating budget funded from cash	CFO	92%	94%	96%	98%	100%
			P	To keep a minimum cash balance to cover average monthly expenditure	63	Number of days with excessive funds in current account in relation to the strategy	CFO	180	120	60	30	15
8: Good Governance & Public Participation	6.1 Compliance, Clean and Sound Administration	6.2.1 To promote good governance, accountability & transparency	C	To improve customer satisfaction	64	DT/GA: Date of Customer Satisfaction Survey conducted and report considered	HOD:CS	2008/06/31	2009/04/01	2009/03/31	28/02/2008	31/01/2009
			P	Policies & by-laws	65	Date of revision of all Policies & By-laws	ALL	30/06/2008	1/07/2008	30/06/2008	31/05/2008	30/04/2008
					66	Date of submission of reviewed Delegated Powers	HOD:CS	30/06/2008	1/07/2008	30/06/2008	31/05/2008	30/04/2008
					67	Date of submission of By-laws for Promulgation	HOD:CS	120	90	60 days after adoption	30	15
					68	Date of submission of reviewed Employee Assistance Programme	HOD:CS	0	2009/06/30	2009/05/31	2009/04/30	2009/02/28

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					To report timely and accurately	69	Date of approval of Annual Report	CFO	2009/05/31	2009/04/01	2009/03/31	28/02/2008	31/01/2009
						70	Date of receipt of SDBIP by Mayor	CFO	2009/07/30	2009/07/15	2009/07/14	2009/06/15	2009/05/31
						71	Number of SDBIP reports considered	CFO	2	3	4	8	12
						72	Number of late items considered for all structured meetings of the Municipality	ALL	16	12	8	4	0
					To communicate in a structured manner	74	Annually review Communication Plan	HOD:CS	30/06/2009	1/07/2009	30/06/2008	31/06/2009	30/04/2009
					To implement an effective Supply Chain Management System	75	Number of Bid Committee meetings held for each committee (2 per month, excluding December)	ALL	14	18	22	26	30
					To maximise the implementation of IDP identified projects	76	Sec 43 (Reg 10 (i)): % of capital budget actually spent on projects identified in IDP	HOD:TS	80%	90%	100%		
					To spend grant funding	77	Percentage of grant funds received prior to approval of adjustment budget spent	ALL	<90%	<95%	100%		
					To build capacity	78	% of staff scheduled for training in Workplace Skills Plan actually trained	HOD:CS	80%	90%	100%	110%	125%
						79	Sec 43 (Reg 10 (i)): % of Municipal Budget actually spent on Skills Development Plan	HOD:CS	80%	90%	100%	110%	125%
					To comply with directives	80	DTLGA: Number of full time councillors appointed in relation to number approved by MEC	HOD:CS					
						81	Number of IDP consultative meetings held	HOD:PCD	8	10	12	15	20
6.1: Good Governance & Public Participation	6.2 Integrated & Co-ordinated Development	6.2.1 To promote integrated & co-ordinated development within the District	C	To encourage participation in IDP process, ensure alignment with Local Municipalities	82	% of capital projects budgeted for in accordance with the IDP	CFO	90%	95%	100%			
			F	To align Capital Programme and IDP	83	Date of adoption of Framework and Process Plan	HOD:PCD	After 2008/09/30	2008/09/30	2008/08/31	2008/07/31	2008/07/15	
			P	To ensure timely completion of IDP									

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CONTRACT OF EMPLOYMENT

Made and entered into by and between

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

and

CHRISTO NEL
("MANAGER: PLANNING AND COMMUNITY DEVELOPMENT")

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1/11/11

AGREEMENT

Between

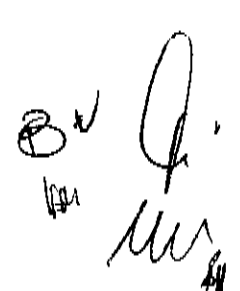
**ZULULAND DISTRICT MUNICIPALITY
("the Municipality")
HEREIN REPRESENTED BY THE MUNICIPAL MANAGER**

AND

**CHRISTO NEL
("MANAGER: PLANNING AND COMMUNITY DEVELOPMENT ")**

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 Head of Department: Planning and Community Development 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.

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

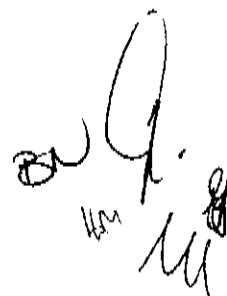
- 11.1.1 The Manager is responsible for the day to day running of the relevant Department and in addition shall carry out such lawful instructions and perform such lawful duties as the Council or Municipal Manager give to him from time to time, and further perform such tasks and functions as may from 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 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.

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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. Mhlanga
2. Ngwenya


MUNICIPAL MANAGER
J H DE KLERK

SIGNED BY:

ULUNDI ON THIS 31st DAY OF July 2006

AS WITNESSES:

1. Mhlanga
2. Mhlanga


DEPARTMENTAL HEAD
PLANNING AND COMMUNITY DEVELOPMENT

