

EMPLOYMENT CONTRACT

1. Parties

Thabo Mofutsanyana District Municipal established in terms of Local Government:

Municipal Structure Act 117 of 1998

Conducting business at 01 MAMPOI STREET, OLD PARLIAMENT BUILDING,
WITSIESHOEK, 9870

Herein represented by

Malefu Vilakazi in her capacity as Executive Mayor,

acting on behalf of

Thabo Mofutsanyana District Municipality (herein referred to as the employer);

and

Takatso Philliat Maureen Lebenya,

ID no 670201 0784 085

of

No 17 Lebombo Street, SE8 Estate, VANDERBIJLPARK, 1911

(hereinafter referred to as the employee) and (jointly referred to as the parties)

2. Establishment of contract

2.1. The employer hereby employs the employee on a fixed term contract ending within a period of one (1) year after the election of a new council and the employee hereby accept employment as the Municipal Manager, subject to the terms and conditions contained in this contract and subject to the Local Government: Municipal Systems Act, 2000 and the Municipal Finance Management Act, 2003.

The main duties that the employee will be expected to perform are contained in section 55 of the Municipal System Act no 32, of 2000, as well as those contained in the Municipal Finance Management Act no 56, of 2003, both of which the employer and employee will further refine during the signing of an annual Performance Agreement.

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2.2. The employment contract of the employee commences on 01 December 2017, regardless of the date of signing this contract and terminates within a period one (1) year after the election of the new council.

2.3. It is specifically recorded that there is no expectation that this agreement will be renewed or extended beyond the term referred to in clause 2.2.

The employer's decision not to renew or extend the contract shall not constitute an unfair dismissal and the employee shall not be entitled to any form of compensation.

2.4. The employee is further subject to compliance with the following terms.

2.4.1. The signing of a Performance Agreement within sixty (60) days after assumption of duty and annually within thirty (30) days after the commencement of the financial year as provided for in Appendix A.

2.4.2. A probationary period of twelve (12) months.

2.4.3. The submission of original certificates of academic and professional qualification and proof of previous employment prior to or on date of assumption of duty.

2.4.4. The Code of Conduct as stipulated in Schedule 2 of the Municipal Systems Act no 32, of 2000 Appendix B

2.4.5. The disclosure of financial interest on an annual basis, which shall be lodged with the Municipal Council. (The relevant form, Appendix C, is attached for completion and submission on date of assumption of duty.)

3. Place of work

The employee's place of work shall be Thabo Mofutsanyana District Municipality offices situated at 01 Mampoi Street, Old Parliament Building, Witsieshoek, 9870.

4. Official working hours

The employee shall work a minimum of eight (8) hours per day and forty (40) ordinary hours per week on a flexible basis. The employee will work from 07h30 to 16h15 from Monday to Thursday, 07h30 to 15h00 on Fridays.

5. Total Remuneration Package

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5.1. The employee shall be paid a total cost to company package of R 1 279 762-00 as per Upper Limits payable to Senior Managers. Payments will be done in 12 equal monthly instalments.

5.2 The inclusive annual remuneration package consists of a basic salary and a flexible portion. The basic salary shall be at least 60% of the annual remuneration package and the flexible portion may be structured by the employee in line with the relevant prescript to provide for the following:

5.2.1. R 975 093-96	Basic salary.
5.2.2. R NIL	Retirement/provident fund
5.2.3. R 30456-00	Contribution to a Medical Aid Scheme
5.2.4. R 250 668.00	Motor vehicle allowance
5.2.5. R NIL	Housing allowance
5.2.6. R NIL	13 th Cheque
5.2.7. R NIL	Non-pensionable cash allowance

5.3. The above-mentioned inclusive annual remuneration package to be structured in line with the guidelines provided by the South African Revenue Service (SARS)

5.4. The Employer's inclusive annual remuneration package shall be adjusted annually linked to the Upper limits of Senior Managers as gazetted annually.

6. Pay progression and performance bonus

6.1. In addition to the annual increase as per Upper Limits of Senior Managers, the employee shall be eligible to be considered for a performance related bonus on an annual basis.

6.2. The Municipal Council, as a reward for outstanding performance, may pay a performance bonus between 5% and 14% of the inclusive annual remuneration package to the employee after the end of a financial year and only after evaluation of performance and approval of such evaluation.

6.3. Details of this process and the implementation thereof are contained in the Performance Agreement and guideline document.

7. Motor vehicle

7.1. The employee must have a motor vehicle available for the proper performance of his/her functions and discharge of his/her duties. He/she should secure his/her own financing.

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7.2.1. The choice of motor vehicle referred to in clause 7.1 is the exclusive discretion of the employee, provided that such vehicle must be suitable for official duties.

7.2.2. The employee will not be entitled to use any vehicle of the Employer for the performance of his official duties.

7.2.3. If the employee utilizes his private vehicle to carry out official duties, the employee will be compensated for kilometers travelled in respect of the official trip in accordance with the relevant policy of the municipality, but may not exceed the applicable tariffs prescribed by the Department of Transport on a monthly basis for the use of privately owned vehicle.

7.2.4. For purposes of claiming motor vehicle and maintenance allowance, a senior manager must keep a logbook acceptable to the South African Revenue Service (SARS) reflecting the official and private kilometers travelled per month.

8. Mobile phone and card

The employee shall be entitled to a mobile telephone and data card for official purposes in accordance with the policy/procedure of the municipality.

9. Retirement/provident fund

9.1. The employee is obliged to belong to a retirement or pension fund in terms of the Pension Fund Act.

9.2. The employee must make a once off choice in respect of the retirement or pension fund to which he/she wants to become a member, inclusive of any retirement or pension fund accredited by the bargaining council designated for municipalities, provided that such fund must be registered in terms of the Pension Fund Act.

9.3. The employee must annually submit proof of membership of a retirement or pension to the municipality.

10. Medical Aid Scheme

10.1. The employee must belong to a medical aid registered in terms of the Medical Aid Act.

10.2. The employee must submit proof annually of membership to the medical aid scheme to the municipality.

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10.3. The employee must be afforded an opportunity annually to make a once off choice in respect of the medical aid scheme to which he or she wants to become a member of, including any medical scheme accredited by the bargaining council designated for municipalities, provided that such scheme must be registered in terms of the Medical Aid Scheme Act.

11. Overtime work

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

12. Deduction from salary

The employer shall deduct, and the employee agrees to such deductions from his monthly all-inclusive remuneration package, any deductions for inter alia, but not limited to, the recovery of debt, deduction in terms of legislation, collective agreements, ordered by the court, etc.

13. Leave

13.1. All leave as contained in the Regulation on Appointment and Conditions of Service for Senior Managers as per Government Gazette Notice 21 of 17 January 2014 is applicable.

13.2. The employees shall be entitled to twenty-four (24) working days annual leave with full pay every calendar year. If the employee is appointed after the commencement of an annual leave cycle, he/she shall be entitled to annual vacation leave on a pro rata basis determined as a fraction of the entitlement. The Employee must take at least ten (10) consecutive working days leave within a twelve months period

13.3. The employee shall be entitled to thirty-six (36) working days sick leave with full pay in a three-year cycle

13.4. The employee shall be entitled to four (4) consecutive calendar months maternity leave to commence at any time from four (4) weeks before the expected date of birth or on a date from which the attending medical practitioner certifies that it is necessary for the employee's health or that of the unborn child.

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13.5. The employee shall further be entitled to a maximum of five (5) working days family responsibility leave per calendar year, which can be utilized for birth, illness or death of an immediate family member.

13.6. The employer may grant the employee special leave with or without pay for a reasonable number of working days with prior approval in terms of the relevant special leave policy or by decision of council.

13.7. The employee may be granted study leave up to twenty-one (21) working days of which ten (10) days must be for examinations, subject to the provision of official proof of the programme.

13.8. Refer to Regulations on the Appointment and Conditions of Service of Senior Managers of 17 January 2014 for further clarifications and requirements.

14. Precautionary suspension

14.1 The employer may suspend the employee on full pay if it is alleged the employee has committed an act of misconduct where the employer has reason to believe that the presence of the employee at the workplace, may:

- Jeopardise any investigation into the alleged misconduct.
- Endanger the wellbeing or safety of any person or municipal property or
- Be detrimental to the stability in the municipality,
- Interfere with potential witness and /or commit further acts of misconduct.

14.2 The employee who is to be suspended shall be notified, in writing, of the reason for his/her suspension and be given the opportunity to make written representations to Council as to why he/she should not be suspended within seven (7) days of being notified of the Council's decision to suspend him/her.

14.3. If the employee is suspended as a precautionary measure, the disciplinary hearing must commence within three (3) months after the date of suspension, failing which the suspension will automatically lapse. This period may not be extended by the Council.

15. Termination of Service

15.1. The employee may terminate this contract by giving the following notice: -

- I. Two weeks, if the employee has been employed for six months or less;
- II. Four weeks, if the employee has been employed for 12 months or less;
- III. One calendar month, if the employee has been employed for more than 12 months.

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15.2. This contract shall automatically terminate at the end of the period referred to in clause 2.2 above.

15.3. Parties shall be entitled to terminate the contract on breach of the material terms of the contract by the other party herein after first having given the other party fourteen (14) days written notice calling upon the other party to rectify the breach and such party still remains in breach or does not rectify the breach.

15.4. The employer may further terminate this contract on account of misconduct on the part of the employee or due to unaccepted performance in terms of the Performance Management System, after the relevant procedures have been followed in line with the Disciplinary Regulations for Senior Managers.

15.5. Should the employee accept a nomination as a candidate for election, as a member of a Council, Provincial or National Legislature or Parliament, he/she shall be deemed to have voluntarily terminated his/her services with the employer. This will be with effect from the date which he/she is issued a certificate in terms of section 31(3) of the Electoral Act, 1998 which states that he/she is a candidate in the relevant election, or from the date on which he/she is nominated as a permanent delegate to the National Council of Provinces.

16. Variation

16.1. No addition to or variation or mutually agreed cancellation or variation of this contract and no waiver of any right arising from this contract or its breach or termination shall be of any force or effect unless reduced to writing and signed by or on behalf of both parties.

16.2. The parties to this contract accept that the general conditions of services and benefits may be changed from time to time by means of Council Resolutions or regulations and/or guidelines in terms of the Municipal System Act, 2000 or other relevant legislation.

17. No indulgence

No latitude, extension of time or other indulgence which may be given or allowed by the employer to the employee in respect of the performance of any obligation hereunder, and no delay or forbearance in the enforcement of any right of any party arising from the contract, and no single or partial exercise of any right by any party under the contract, shall in any circumstances be constructed to be an implied consent or election by such party or operate as a waiver or a novation of or otherwise affect any of the parties in

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terms of arising from the contract or stop or preclude any such party from enforcing at any time and without notice, strict and punctual compliance with each and every provision or term thereof.

18. Severability

Save to the extent contemplated herein, parties hereto acknowledge and agree that each phrase, sentence, paragraph and clause of the contract is severable, the one from the other, notwithstanding the manner in which they may be linked together or grouped automatically and if in terms of any judgement or order, any phrase, sentence, paragraph or clause is found to be defective or unenforceable for any reason, the remaining phrases, sentences, paragraphs and clauses, as the case may be, shall nevertheless continue to be of full force and effect.

19. General

19.1. Good faith

In the implementation of this contract, the parties undertake to observe the utmost good faith and they warrant in their dealings with each other that they will neither do anything nor refrain from doing anything that might prejudice or detract from the rights, assets or interest of each of other.

19.2. Interpretation of Agreement

The interpretation of this contract shall be governed by laws and legal principles of the Republic of South Africa.

19.3. Jurisdiction

The parties consent firstly to the jurisdiction of the Commission for Conciliation Mediation and Arbitration (CCMA) and if the CCMA is not able to adjudicate the dispute, the Courts of the Republic of South Africa with regard to any claim resulting or arising from this contract.

20. *Domicilium citandi et executandi*

The parties choose as their domicilia citandi et executandi for all purposes of this contract the addresses as set out in clause 1.

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21. Notices

All notices given by either party to the other in terms of this contract shall be valid if given by pre-paid post, telegram, and facsimile or delivered by hand. In the case of pre-paid post, receipt of the notice will be deemed to be three (3) days after posting and in all other cases on the date of signature of receipt.

Thus done and signed at PHUTHADITJHABA on this the 30th day of November 2017

AS WITNESSES:

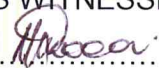
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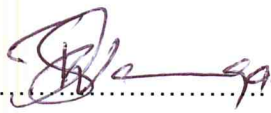
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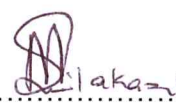

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EMPLOYEE

Thus done and signed at PHUTHADITJHABA on this the 30th day of November 2017.

AS WITNESSES

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EXECUTIVE MAYOR