



# HANTAM MUNICIPALITY

## FIXED TERM CONTRACT OF EMPLOYMENT

Entered into by and between

**Hantam  
Municipality**

["the Employer"]

and

**Charl du Plessis**

["the Employee"]

## EMPLOYMENT CONTRACT

### 1. Parties

The Hantam Municipality established in terms of Local Government: Municipal Structures Act 1998, (117 of 1998, herein represented by Councillor Abrie Fritz in his capacity as Executive Mayor acting on behalf of the Municipality (hereinafter referred to as the Employer); and

Mr Charl du Plessis (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 five year fixed term contract and the Employee hereby accepts employment as Municipal Manager and Accounting Officer, subject to the terms and conditions contained in this contract and subject to the Local Government: Municipal Systems Act, 2000, the Local Government Municipal Systems Amendment Act, 2011 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 Systems Act, 2000, as well as those contained in the Municipal Finance Management Act, 2003, both of which the Employer and Employee will further refine during the signing of an annual Performance Agreement.

2.2 The employment of the Employee with the Employer commences on 1 August 2011 regardless of the date of signing this contract and terminates on 31 July 2016.

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's employment 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 new financial year as provided for in Appendix A.

2.4.2 A probationary period of twelve (12) months.

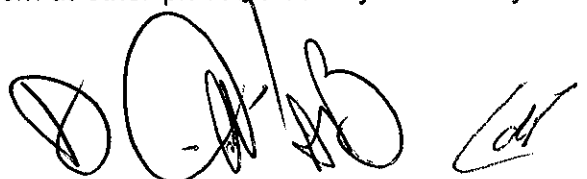
2.4.3 The submission of original certificates of his academic and professional qualifications and proof of previous employment prior to or on date of assumption of duty.

2.4.4 The Code of Conduct as stipulated in Schedule 2 of the Municipal Systems Act, 2000.

2.4.5 The disclosure of financial interests on an annual basis, which shall be lodged with the Municipal Council.

### 3. Place of work

The Employee's place of work shall include the Employer's area of jurisdiction, but he may be required to perform other duties or work at other places that may reasonably be required by the Employer.



#### 4. Official working hours

The Employee shall work a minimum of eight (8) hours a day and forty (40) hours per week on a flexible basis between 07H00 and 17H00 daily.

#### 5. Remuneration

5.1 The Employee shall be paid an inclusive annual remuneration package of R650 000; payable in 12 equal monthly payments payable on the 25<sup>th</sup> of every month..

5.2 The inclusive annual remuneration package consists of a basic salary and a flexible portion. The remuneration package is structured as follows:

5.2.1 27% of salary contribution to Cape Joint Retirement Fund (9%/18%)

5.2.2 100% of cost of contribution to a Medical Aid scheme (60/40)

5.2.3 R 8000.00 (Motor vehicle allowance)

5.3 The Employee's inclusive annual remuneration package shall be adjusted annually linked to a cost-of-living increase, which is not performance based.

#### 6. Pay progression and performance bonus

6.1 In addition to the annual cost-of-living increase, the Employee shall be eligible to be considered for a performance related increase (pay progression) on an annual basis. The % increase will be decided by the Council on an annual basis.

6.2 A performance bonus between 5% and 14% of the inclusive annual remuneration package may be paid to the Employee after the end of a financial year and only after an evaluation of performance and approval of such evaluation by the Municipal Council, as a reward for outstanding performance.

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

#### 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 own financing.

7.2 The Employee will not be entitled to use any vehicle of the Employer for the performance of his/ her official duties.

7.3 If the Employee utilizes his private vehicle to carry out official duties, he will be compensated for kilometres travelled in excess of 500 km per month, according to the tariffs payable for privately owned vehicles as prescribed by the Municipal Subsistence & Travelling Policy.

7.4 The rules governing the structuring of the flexible portion referred to in section 5.2 will also provide further guidance in respect of the above provisions.



**8. Mobile phone**

The Employee 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. Retirement/ provident fund**

The remuneration package may include a contribution to a retirement fund. If the Employee elects to structure for a retirement/ provident fund contribution, he shall supply the Employer with proof of such membership.

**10. Medical aid scheme**

The remuneration package may include a contribution towards a medical aid scheme. If the Employee chooses to become a member of and contribute to a medical aid scheme, he shall supply the Employer with proof of such membership.

**11. Overtime work**

The Employee 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 Employee to work overtime, when required. The Employee will not qualify for overtime remuneration or time off.

**12. Deductions 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, deductions in terms of legislation, collective agreements, ordered by the court, etc.

**13. Leave**

13.1 The Employee shall be entitled to twenty-two (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 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 10 (ten) consecutive working days leave within a twelve-month period.

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

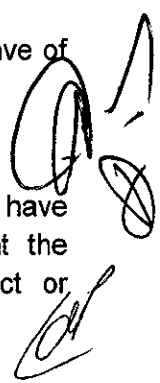
13.3 The Employee shall further be entitled to a maximum of five (5) working days family responsibility leave per calendar year, which can be utilised for birth, illness or death of an immediate family member.

13.4 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.

13.5 Any further leave benefits or requirements will be included in a directive on leave of absence, which will be provided by the Employer.

**14. Precautionary suspension**

14.1 The Employer may suspend the Employee on full pay if he is alleged to have committed a serious offence and the Employer believes his presence at the workplace might jeopardise any investigation into the alleged misconduct or endanger the well-being or safety of any person or municipal property.



14.2 The Employee who is to be suspended shall be notified, in writing, of the reasons for his suspension simultaneously or at the latest within 24 hours after the suspension. He shall have the right to respond within seven (7) working days.

14.3 If the Employee is suspended as a precautionary measure, the Employer must hold a disciplinary hearing within sixty (60) days, provided that the chairperson of the hearing may extend such period, failing which the suspension shall terminate and the Employee shall return to full duty.

## **15. Termination of contract**

15.1 The Employee may terminate this contract by giving thirty (30) days written notice of termination and the Employer may, in his sole discretion, waive any part of the notice period.

15.2 This contract shall 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 if such party still remains in breach or does not rectify the breach.

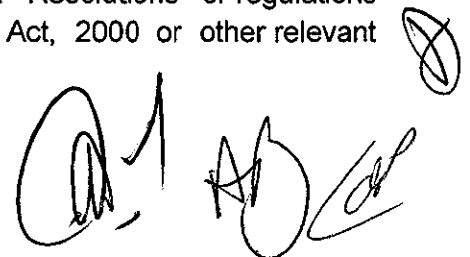
15.4 The Employer may further terminate this contract on account of misconduct on the part of the Employee or due to unacceptable performance in terms of the Performance Management System, after the relevant incapacity procedures have been followed. The Employer shall comply with its disciplinary code and procedures and if there are none, with the disciplinary code and procedures of the South African Local Government Bargaining Council as well as with the Labour Relations Act, 66 of 1995.

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 shall be deemed to have voluntarily terminated his services with the Employer with effect from the date which he is issued a certificate in terms of section 31 (3) of the Electoral Act, 1998 stating that he is a candidate in the relevant election or from the date on which he 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 novation 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 service and benefits may be changed from time to time by means of Council Resolutions or regulations and/or guidelines in terms of the Municipal Systems Act, 2000 or other relevant legislation and by mutual agreement.



## 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 construed 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 party's rights in terms of arising from the contract or estop 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, the 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 interests of each of other.

### 19.2 Interpretation of Agreement

The interpretation of this Contract shall be governed by the 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

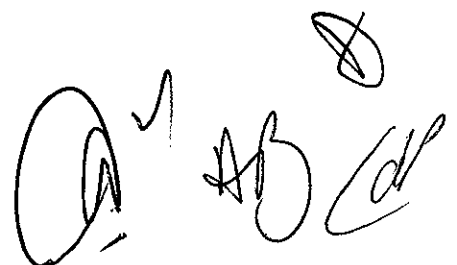
The parties choose as their *domicilia citandi et executandi* for all purposes of this contract the addresses as follows:

### 20.1 Employer:

The Executive Mayor  
Hantam Municipality  
Hope Street  
CALVINIA  
8190.

### 20.2 Employee:

Charl du Plessis  
Hantam Municipality  
Calvinia

Handwritten signatures of the parties, including a large signature on the left and several smaller ones on the right.



**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.

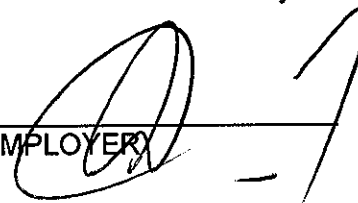
Thus done and signed at HARRISBURG..... on this the 29 day of JULY 2011.

  
\_\_\_\_\_  
EMPLOYEE


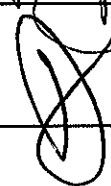
AS WITNESSES:

1.  \_\_\_\_\_  
2.  \_\_\_\_\_

Thus done and signed at CALVINIA..... on this the 29<sup>th</sup> day of JULY.....2011.

  
\_\_\_\_\_  
EMPLOYER

AS WITNESSES:

1.  \_\_\_\_\_  
2.  \_\_\_\_\_