



prasa

PASSENGER RAIL AGENCY
OF SOUTH AFRICA

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Mr ZK Matthews

Dear Sir

TERMINATION OF YOUR EMPLOYMENT CONTRACT DUE TO OPERATIONAL REQUIREMENTS

1. On 14 August 2022, retired Judge Nugent, sitting as a private arbitrator reinstated you to the position of Group Chief Executive Officer of PRASA with effect from the time your employment was terminated, as if your employment had not been terminated. The arbitration award was taken on judicial review by PRASA to the Labour Court, and on 01 July 2024, the Labour Court dismissed the review application and simultaneously made the arbitration award an order of Court.
2. On 19 July 2024 PRASA implemented the award and the judgment and reinstated you as an employee of PRASA retrospectively and on 26 July 2024 PRASA paid your arrear salary of 31 months in the sum of R15 345 833.00.
3. PRASA has informed you through its attorneys that whilst it has reinstated you in accordance with the award, it will not allocate you any duties to perform as GCEO as it does not require you to perform any duties. PRASA has during the period when you were dismissed filled the position of GCEO, and the contract with the current GCEO is extant. In the circumstances, it is neither practical nor desirable for you to perform the duties of GCEO when the incumbent GCEO is already performing these duties.

Directors (Chairperson) N. Nokwe-Macamo, Adv. S. Sethene,
L. Joel, G. Maluleke, M. Mukhuba, TN. Mpye,
Dr. R. Kgoroadira, Prof. J. Havenga,
H. Ralinala, BJ. Nobunga

Group CEO
H. Emeran

Company Secretary
L. Mthayise



4. You are also aware that as at the time of your dismissal on 30 November 2021, which was ultimately overturned by the arbitrator on different reasons, you were still on an extended probation period which was to lapse on 07 December 2021 and your probation had not been confirmed. You were also not assessed for the extended probation period. You were also at that time having a pending appeal before the President against the State Security Agency's (SSA) refusal to issue you with a security clearance. You were aware that a successful issuance of a security clearance was a pre-condition for your continued employment with PRASA.
5. The reinstatement of your employment contract on 19 July 2024 has revived the unresolved issues as well, which the Board finds it undesirable to implement at this stage, given the critical projects of national importance that the organisation is currently implementing, and such an exercise would simply serve to distract the Board in its critical duties currently.
6. The projects that are underway are of such a nature that operationally you will not be able to fit into and adjust with the requisite degree of speed required due to the fact that these projects were implemented during the period of your absence due to dismissal.
7. The contract of employment concluded between you and PRASA effective 08 March 2021 for a fixed term period of 5 years provides for termination of your employment contract on operational requirements. The operational requirements of PRASA have rendered your duties at PRASA redundant.
8. The Board has resolved to terminate your employment contract in terms of clause 11.2.2 of the employment contract with immediate effect.



9. You were employed on a fixed term contract of 5 years commencing 08 March 2021 until 07 February 2026. Your contract was still left with 17 Months before its lapse by effluxion of time. As a result, the Board has resolved to put you in the position you would have been in had your contract not terminated for operational reasons. The effect of your termination of employment is that you will be paid the remainder of your contract.
10. Human Resource Department will calculate the amount and pay it over to you during the next pay roll of employees.
11. The Board wish to take this opportunity to wish you success in your future endeavours.

Yours faithfully

MS NOSIZWE NOKWE MACAMO
CHAIRPERSON OF THE BOARD
DATE:



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