

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL COUNCIL OF PROVINCES**

**QUESTION FOR WRITTEN REPLY**

**98. Mr S J F Marais (DA) to ask the Minister of Defence and Military Veterans:**

With reference to the previous chief executive officer of Armscor who resigned from service towards the end of 2018, what (a) were the reasons that a bonus was paid to him in the 2019-20 financial year given that he had left the employment before the end of the 2018-19 financial year and (b) were the reasons that an amount of R1,188,000 was paid to him? NW101E

**REPLY:**

1. The previous Chief Executive Officer of Armscor’s last day of service was 30 April 2019.
2. The Board considered and approved payment of performance remuneration for the 2018/2019 financial year, at its sitting on 28August 2019. This was after receiving the Auditors General’s report, which confirmed the satisfactory performance of Armscor against agreed objectives and goals.
3. Upon meeting the requirements of his performance contract, Armscor paid 20% of the total remuneration package, which was approved by the Board. The total taxable amount was R763 200-00 and R419 760.00 (after tax) was paid on 13 September 2019.
4. On termination of service on 30 April 2019 the previous Chief Executive Officer received his normal monthly salary plus the leave payment for accumulated vacation leave credit of 23,43 days. This is in accordance with the Armscor conditions of employment which reads as follows:

“When an employee leaves Armscor's service, he/she is entitled to convert his/her leave and long service leave into cash, calculated on total cost to Armscor on day of termination of service.”

The taxable amount for the accumulated leave days was R425 134.78 and R233 824.13 (after tax) was paid on 30 April 2019.

1. The previous Chief Executive Officer received no performance remuneration payment for the 2019/2020 financial year.