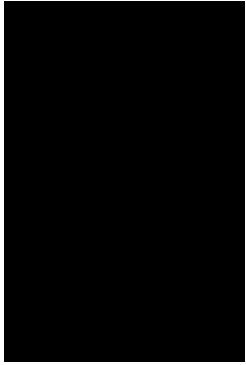


Kalawe quits after settling for R2.7m payout deal from SAA

After putting up a fight that went as far as the Labour Court and back, suspended South African Airways CEO Monwabisi Kalawe has settled for a payout of nearly R2.7m to resign from his position and as a director of the national carrier.



Former South African Airways
CEO Monwabisi Kalawe

Kalawe's settlement is significantly lower than that forked out to other executives who exited SAA, which has a history of paying departing CEOs handsomely.

According to a source close to the matter, Kalawe's bargaining power was eroded by his involvement in procuring false bank statements in a bid to "dig up dirt" on SAA board chairwoman and arch-foe Dudu Myeni.

Kalawe and his legal representatives were not immediately available for comment on Monday, 27 April.

In 2001, former SAA CEO Coleman Andrews received R232m; while Andre Viljoen walked away with about R7m and Khaya Ngqula was paid R8.9m. Vuyisile Kona, who was CEO for only four months, received about R1.5m.

Kalawe was at the helm of SAA for more than two years.

In the last six years, four CEOs and one acting CEO have left the airline.

SAA spokesman Tlali Tlali said on Monday that Kalawe had resigned on Friday and the airline would begin the process of appointing a new CEO "soon".

The appointment would follow the airline's policy, which requires that every vacant post be advertised publicly, Tlali said.

Nico Bezuidenhout, who is CEO of SAA low-cost carrier Mango, is acting CEO of the national airline. He stepped in on previous occasions when other CEOs resigned from SAA.

Kalawe was suspended in October last year, a move that was followed by the mass resignation of the board.

He launched an urgent application to the Labour Court before Easter weekend this year to have the disciplinary inquiry against him halted and his suspension lifted. The inquiry was scheduled to resume two weeks later.

He later withdrew his application and the matter was heard before private arbitrator Advocate Nazeer Cassim, SC.

In his founding affidavit, Kalawe said SAA had made the focus of the charges at the disciplinary inquiry the false bank statements and the fact that he had made them public instead of notifying the airline. Kalawe handed the statements to private investigator Paul O'Sullivan, who made them public.

However, Kalawe said he had made a protected disclosure in the best interests of SAA and did not expect O'Sullivan to make the statements public.

The source and origin of the false bank statements are being investigated by the Hawks and Kalawe could face charges.

In responding papers filed at the Labour Court, SAA accused Kalawe of appointing a former colleague as an executive assistant at nearly triple the salary of the previous incumbent.

It also said that Kalawe had asked security staff to install spyware in his office, on his suit jacket and on a keyring, which was intended to protect him from a potential sexual harassment case.

However, it was the false bank statements he procured that were the most damning and reduced his negotiation power.

As a director, Kalawe should have approached SAA with the information purported in the statements, in line with his fiduciary duties, the source said.

Source: Business Day

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