



**THE REPUBLIC OF UGANDA**

5                   **IN THE INDUSTRIAL COURT OF UGANDA AT KAMPALA**  
                      **LABOUR DISPUTE REFERENCE No. 055 OF 2020**  
                      **ARISING FROM KCCA/RUB/LC/489/2019**

**BETWEEN**

EDITE STEPHEN ..... CLAIMANT

10

**VERSUS**

BERKELEY ENERGY UGANDA..... RESPONDENT

15   **Before:**

Hon. Justice Linda Lillian Tumusiime Mugisha

**Panelists:**

- 20   1. Mr. Ebyau Fidel  
      2. Ms. Harriet Mugambwa Nganzi  
      3. Mr. Fx Mubuuke

**AWARD**

25 **Background**

The Claimant brought this claim against the Respondent seeking a declaration that the termination of his employment as its financial Controller was illegal and unlawful, for an order for the Respondent to pay him USD 536,391.6 (UGX 1,998,128.441) as general damages and punitive damages, severance pay, accrued  
30 bonus for the period 1<sup>st</sup> January 2019 to 13<sup>th</sup> September 2019 at a rate of 10% of the his annual pay, payment for failure to give notice, basic compensatory pay, interest, and costs of the claim.

**The Facts of the Case**

35 On 16/12/2016, the Claimant was appointed as the Respondent's financial Controller, effective 1/03/2017. He served a probationary period of 3 months and was confirmed in the position of Financial Controller on permanent terms, with effect from 1/06/2017. Thereafter he served the Respondent until his termination on 13/09/2017. Upon his confirmation, his emoluments were enhanced to include a  
40 motor vehicle, net allowance of USD 1000 per month among others, and his salary was increased from a monthly pay of UGX 22,500,000/= to UGX 33,302,139/=. According to him, he was unlawfully, illegally terminated from work on allegations of being "**incompatible within the team.**" He contended that he was not accorded a hearing, and this amounted to a breach of his constitutional right to a fair hearing,  
45 therefore the termination was unlawful and illegal.

The Respondent on the other hand contended that the Claimant's contract provided for either party to terminate the contract upon giving 3 months' notice or payment of 3 months' salary in lieu of notice, therefore on 13/09/2019, the Respondent  
50 exercised this contractual right and terminated the contract of employment by paying him 3 months' salary in lieu of notice.

## Issues for Resolution

1. Whether the termination of the claimant's employment by the Respondent was lawful?

55 2. What remedies are available to the parties?

## Representation

The Claimant was represented by Counsel Apolot Scholastica of M/S Asire & Co. Advocates Kampala and the Respondent by Senior Counsel Masembe Kanyerezi  
60 and Alex Ntale of MMAKS Advocates, Kampala.

## Resolution of Issues

### 1. Whether the Claimant was unlawfully terminated?

Counsel submitted that termination and dismissal as defined under Section 2 of the  
65 Employment Act provides that an employer who contemplates to terminate rather than dismiss an employee must comply with sections 65(1) and Section 81 which provide for a minimum period of notice. According to her, while Section 68 provides that an employer must give reasons for terminating an employee and in contrast where an employer imputes a misconduct on the employee, he or she must comply  
70 with the provisions under Section 66 of the Employment Act. Counsel was of the view that irrespective of whether the employer wished to terminate or dismiss an employee, section 69(2) emphasized the requirement to give the employee notice and a hearing as provided under Article 28 of the Constitution, of Uganda. She also cited Article 4 of the International Labour Organisation (ILO) Convention No.158.  
75 on Termination of Employment, which is of the same legal proposition and contended that considering these provisions, Sections, 4(a), 27,65(1),68(1), and 69(2) of the Employment Act are voidable. She argued that a clause in the employment contract providing for either party to terminate upon giving notice did



not make it an automatic right for an employer to terminate at will and payment in  
80 lieu of notice was not a permissible method to end an employment contract. She  
further relied on **Florence Mufumba vs. Uganda Development Bank LDC  
138/2014 and Uganda Development Bank vs. Florence Mufumba CA  
No.241/2015**, and **Bank of Uganda vs Joseph Kibuuka and 4 Others CA No 28]  
of 2016**, for the legal proposition that an employee must be given a reason and a  
85 hearing before termination therefore, the Respondent's assertion that it had exercised  
its contractual rights by paying the Claimant in lieu of notice cannot stand. In any  
case, the Claimant's termination was effective immediately, which was in violation  
of Sections 2 and 65 of the Employment Act and this court's holding in **Charles  
Abigaba Lwanga vs Bank of Uganda LDC 142/2014**, which emphasized the  
90 requirement for the employer to either prove verifiable misconduct on the part of the  
employee or to give justifiable reasons other than misconduct before terminating  
permanent employment. She refuted the Respondent's evidence under paragraphs 5  
and 6 of its witness statement that, where no misconduct or poor performance was  
imputed on the part of the Claimant, it was not necessary to rely on Section 66 of the  
95 Employment Act, and the employer was at liberty to terminate at will, because in the  
instant case, the allegations imputed misconduct or poor performance on the part of  
the Claimant, there was no evidence to prove the alleged "thorough consideration"  
taken by the Respondent before the termination and it was not the responsibility of  
the Claimant to be compatible with any team. She further argued that the reason for  
100 "**incompatibility within the team**" fell short of what was required under the law (supra)  
and it was not defined in the Respondent's HRM or the 2019 appraisal, thus  
rendering it a fabricated reason which amounted to discrimination as provided under  
Section 6(3). This is because the Claimant was the only one considered to be  
incompatible with the team. She also contested the fact that the General Manager  
105 who was the Claimant's line manager was the one who signed the termination letter,

therefore he acted ultra vires his powers and prayed that given the above, the Court should find that the termination was unlawful.

110 In reply, Senior Counsel Mr. Masembe Kanyerezi, Counsel for the Respondent submitted that the Claimant was terminated in accordance with his employment contract by issuance of notice and the definition of termination under Section 65 does not contain any requirement for a reason or a hearing to be given before the termination. He argued that the section indicates that termination of the contract of service is simply the ending of the contract by an employer with notice and the  
115 requisite period of notice for such termination is either contractual or as it is provided under Section 58(3) of the Employment Act. According to him in order to answer the question of whether the termination was lawful or not, 2 facets must be considered as follows:

- 120 i. *Whether "termination" as distinct from "dismissal" requires a reason to be lawful and*
- ii. *Whether "termination" as distinct from "dismissal" requires a hearing to be lawful*

125 With regard to the first facet, Counsel distinguished the definition of termination of employment and dismissal from employment as provided under Section 2 and termination from employment as provided under 65(1)(a) of the Employment Act and concluded that the words "*justifiable reasons other than misconduct*" in the definition of termination of employment creates a genus of what in essence this term includes and these are examples of instances of a contract coming to an end by operation of  
130 law such as the coming to an end of a fixed term contract, which by law occurs automatically at the end of a fixed duration and the end of an age-based contract, which in law occurs automatically upon reaching retirement age as examples. He



opined that in the circumstances, the word “etc” which is at the end of the list of examples of “justifiable reasons other than misconduct” can only refer to other instances  
135 of a contract of service ending automatically by operation of law.

He also relied on the definition of Et cetera (etc) in Black’s law dictionary 8<sup>th</sup> edition and the Eiusdem Generis rule as explained by Lord Diplock in Quazi vs Quazi, and Sir Rupert Cross in his Book Statutory Interpretation, 3<sup>rd</sup> edition, for the proposition  
140 that where the list of persons or things regarded as specimens of a single genus or category is inexhaustible, their construction should be restricted to things of that class or category. Therefore, the use of the words “etc” to the list under the definition of “termination of employment” under Section 2 of the Employment Act, was not intended to stray beyond the boundaries of the genus indicated therein. He insisted  
145 that, the word “termination” under Section 2 connotes the automatic ending of an employment contract, in addition to the provision under Section 65(1) (a) which provides that,

“...(1) Termination shall be deemed to take place in the following circumstances:  
150 (a) Where the contract of service is ended by the employer with notice...”

He noted that, whereas it was not a requirement for a reason to be given under Section 65 which is a standalone definition that refers to a substantive provision in the Act, and accordingly it has to be read for what it says, that is; simply ending the  
155 contract of service with notice and Section 69(2) of the Employment Act which also deals with termination does not make provision for an employer to give a reason, Section 69 (1) and (3) which deal with dismissal not only provide for a reason to be given but the reason must be established and justified in accordance with Section 66 of the Employment Act.

160 Citing **Barclays Bank of Uganda vs. Godfrey Mubiru SCCA No.1 of 1998,**  
**Stanbic Bank Ltd vs Kiyimba Mutaale SCCA No. 02 of 2010 and Hilda**  
**Musinguzi Vs Stanbic Bank Uganda Ltd SCCA No. 28/2012,** for the same legal  
proposition, an employer need not give a reason for termination, he concluded that  
the law is to the effect that, an employer has a right to terminate for a reason or none  
165 at all and that all that is required is to give the employee notice or payment in lieu of  
notice thereof and nothing more. He further relied on **Bank of Uganda vs. Joseph**  
**Kibuuka and 4 others (Civil Appeal No. 281 of 2016)** in which the Court of Appeal  
overruled the decision of this Court to the effect that a justifiable reason must be  
given before terminating an employee. Counsel concluded that “... *the law is clear that*  
170 *no reason including in this case (“incompatibility”) need not be made out for the termination of*  
*the claimant’s employment with the Respondent to be lawful.”*

As to whether “termination as distinct from “dismissal” requires a hearing to be lawful, he  
stated that in light of the authorities already cited, termination can be for a reason or  
175 none at all, therefore, it did not necessitate a hearing to be given According to  
Counsel this is borne out of the provision of Section 66(1) and (2) of the Act which  
provide for a hearing in the case of dismissal as opposed to termination. Therefore,  
this issue should be answered in the negative.

## 180 **DECISION OF COURT**

### **Issue 1: Whether the termination of the claimant’s employment by the respondent was lawful?**

The contention of the Claimant as we understood it is that, it was not an automatic  
185 right for the Respondent to terminate him with notice and without a reason and a  
hearing.



His termination letter stated thus:

190 “.....We refer to your employment contract dated 16<sup>th</sup> December 2016 wherein you were hired as a Financial controller of Berkeley Energy Uganda Limited (the Company).”

Upon thorough consideration, it has been determined that your involvement in the organization is incompatible with the team. This is to notify you that your employment with the Company has thus been terminated as of 13<sup>th</sup> September 2019 (the “termination Date”).

195 The Company is exercising its right to terminate the employment contract in accordance with the terms of the employment contract (Refer to clause 11.2) by paying you in lieu of notice as well as your accrued salary and benefits (including accrued leave) as of the Termination date.

Please hand over all Company property....”

200 It is clear from the letter that the reason for termination was that the Claimant’s “... involvement in the organization is incompatible within the team.”

205 In **Barclays Bank of Uganda vs. Godfrey Mubiru SCCA No.1 of 1998, Stanbic Bank Ltd vs Kiyimba Mutaale SCCA No. 02 of 2010 and Hilda Musinguzi Vs Stanbic Bank Uganda Ltd SCCA No. 28/2012, and Bank of Uganda vs. Joseph Kibuuka and 4 others (Civil Appeal No. 281 of 2016)**, the Superior Courts expressed the position that, the rights of an employer to terminate an employee he or she no longer wants cannot be fettered by the Courts and “termination” as distinct from “dismissal” would not require the employer to give the employee in issue a reason and a hearing before the termination. Therefore, termination is simply an expression of the terminating party’s unwillingness to continue with the employment relationship with the other party and nothing else.



Mr. Kanyerezi, Counsel for the Respondent, submitted that section 2 on the definition of termination, lists instances of a contract coming to an end by operation  
215 of law such as the coming to an end of a fixed term contract, which by law occurs automatically at the end of a fixed duration and the end of an age-based contract, which in law occurs automatically upon reaching retirement age and the addition of the word “etc”. He argued that in light of the ejusdem generis rule, the word “etc” at the end of the list of examples of “justifiable reasons” for termination, can only refer to  
220 other instances of a contract of service ending automatically by operation of law, therefore, in light of this rule, “*incompatibility*” which was the basis of the Claimant’s termination should be construed or regarded as an item of the same class or category under “etc.”

The Employment Act under Section 2 defines “termination of employment” to mean  
225 “... the discharge of an employee from an employment at the initiative of the employer for justifiable reasons other than misconduct , such as expiry of contract, attainment of retirement age, etc”

Black’s Law Dictionary 11<sup>th</sup> edition on page 654 provides that, Ejusdem generis is.  
“.....A canon of construction holding that when a general word or phrase follows a  
230 list of specifics, the general word or phrase will be interpreted to include only the terms of the same class as those listed...” Further, Black’s law dictionary (supra) on page 914, defines “*incompatibility*” as “...*Conflict in personality and disposition...*” This definition in our considered opinion presupposes that there are elements of personality and disposition that are contrary to an acceptable standard. We believe  
235 that every employer has a right to determine a standard of conduct and culture to which all employees must abide failure of which such conflict may arise. The question for determination therefore, is whether **in light of the ejusdem generis rule, “*incompatibility*” can be construed as one of the instances of a contract of**

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240 **service coming to an end by operation of law as envisaged under the definition  
of employment under Section 2 of the Employment Act,?**

We respectfully think not. This is because, whereas the instances cited under the definition under Section 2 do not require any investigation or justification, the elements that constitute a conflict in personality and disposition must be deciphered first and established before it can be imputed on a person. Although the Labour Laws  
245 of Uganda do not define the term “**incompatibility**” we found its definition in the Code of Good Practice Rules 2007 of Tanzania instructive and persuasive.

Rule 22 of the Code provides that, “**incompatibility**” is a fair reason for termination of employment and that it takes 2 forms:

- 250 1. *Unsuitability of the employee to his or her work due to his or her character or disposition.*
2. *Incompatibility of the employee in his or her work environment in that he or she relates badly with co-employees, clients, or other persons who are important to the business.*

We had an opportunity to further consider the term, “Employment and Labour  
255 relations in Tanzania”, by Bonaventure Rutinwa et al,<sup>1</sup> who posit that, “**Incompatibility**” is treated as incapacity for poor work performance, therefore, before an employer can terminate an employee on grounds of “incompatibility”, he or she must have a record of the incidents of incompatibility “that gave rise to concrete problems or disruption and warn and counsel the employee....” They went further to state that,  
260 “...before terminating the employee on this ground the employer should give the employee a fair opportunity to consider and reply to the allegations of incompatibility...”, Therefore, “incompatibility” is a form of

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<sup>1</sup>Employment and Labour Relations in Tanzania.(eds)Bonaventure Rutinwa et al, 2014, Law Africa.

265 misconduct or incapacity to perform which an employer must prove before it can be  
used as a basis for termination of a contract of service. The incidents of  
incompatibility that give rise to concrete problems or disruption, that is the elements  
of conflict of character and disposition, must be established before an employer can  
rely on it as a ground for termination, unlike instances of a contract coming to an  
270 end by operation of law such as the coming to an end of a fixed term contract, which  
by law occurs automatically at the end of a fixed duration the end of an age-based  
contract as stated in the definition of termination of employment under section  
2(supra).

Having established that the forms of "incompatibility" as provided in the Tanzanian  
275 Code (supra), are either misconduct or incapacity for performance, or both, and it  
is defined as a conflict of character and disposition under Black's law dictionary 11<sup>th</sup>  
edition, an employer cannot terminate an employee on grounds of "incompatibility",  
without evidence of the elements/ incidents of the alleged "incompatibility". We,  
therefore, respectfully, do not agree with the assertion by Counsel for the  
280 Respondent that "incompatibility" is one of the examples of instances of a contract  
automatically coming to an end by operation of law.

The Claimant's termination letter stated that:

285 "...Upon thorough consideration, it has been determined that your involvement in the organisation  
is incompatible within the team ... and further that ...The Company is exercising its right to  
terminate the employment contract in accordance with the terms of the employment contract (Refer  
to clause 11.2) by paying you in lieu of notice as well as your accrued salary and benefits..."

In our understanding the Respondent should have established that the Claimant was  
either unsuitable for his work due to a conflict in his character or disposition or that  
he related badly with co-employees, clients or other persons who are important to  
290 the business and he caused such disruption whose only remedy was termination,



before terminating him. The Respondents insisted that they exercised their right to terminate the contract in accordance with section 2 and 65(1) (a) of the Employment Act by paying him in lieu of notice because they considered “incompatibility” as one of the instances that can automatically bring a contract of service to an end as  
295 envisaged under section 2 of the Employment Act.

We found nothing on the record to indicate what and how the “thorough consideration” stated in the letter of termination was carried out or the incidents of incompatibility that were identified against the Claimant. We also did not find any evidence of any allegations that were put to him regarding his incompatibility or that  
300 he was given an opportunity to explain himself or that he was counseled or cautioned about it. The evidence of the said incidents which the Respondent adduced as evidence during the hearing ought to have been placed before the Claimant before his termination because the Respondent had an obligation to prove the “incompatibility, that is; that he lacked the capacity to perform his work, or his  
305 conduct was contrary to a set standard or that his character or disposition had cause such disruption or that he related badly with co-employees, clients or other persons who are important to the business and there was no other remedy but to terminate him.

We had the opportunity to scrutinize Clause 11.2, of his contract which was referred  
310 to in the termination letter and established that it provided for either party to terminate the contract by giving three (3) months’ notice in writing or payment of 3 months’ in lieu of notice. Although this is not contrary to the law and case law(supra), we think the instant case is distinguishable because in addition to terminating the Claimant by paying him in lieu of notice, the Respondent also gave  
315 him a reason for terminating him, and the reason was related to misconduct or incapacity to perform which are not instances of a contract automatically coming to

an end by operation of law, and therefore not within the meaning of justifiable reasons other than misconduct under the definition of termination of employment under Section 2(supra). Therefore, the assertion that the Claimant was merely  
320 terminated in accordance with Section 2 and 65(1(a) of the Employment Act cannot stand.

Even if the superior Courts have interpreted the provisions on termination of employment under the Employment Act 2006 to mean that an employer can terminate an employee for a reason or none at all, so long as the termination is done  
325 with notice, or with payment in lieu of notice, where the reason for termination is related to either misconduct or poor performance, or incapacity to perform, the employer must prove the reason in accordance with section 68 of the Employment Act and the reason must be justifiable.

The Respondent made an attempt to adduce evidence of the incidents of  
330 "incompatibility" too late during the hearing in court moreover after the termination of the Claimant had occurred, contrary to the provisions of section 66(1) and (2)), of the Employment Act which make it mandatory for the employer to not only notify an employee about the alleged infractions leveled against him or her and in this case about the "incompatibility" and to give him or her an opportunity to defend him  
335 or herself and this was not done in the instant case.

Senior Counsel Kanyerezi argued that Section 66 (1) and (2) only provided for a hearing in cases of dismissal as opposed to termination because whereas the head note provides for reasons for termination the text of the section provides for dismissal. Articles 4 and 7 of ILO Convention 158 on termination of Employment,  
340 lay emphasis on the requirement for an employer to give an employee a reason connected with the employee's conduct or capacity and a hearing before termination. This Court has taken cognizance of the manner in which the term "termination" and "dismissal" are used interchangeably in the Employment Act, therefore following the

guidance of ILO Convention No 158(supra), the Court has interpreted Section 66(1)  
345 and (2) to apply to “termination of employment” as well as “dismissal from employment”.

Having established that “incompatibility” could be either misconduct, incapacity to  
perform, or both, the Claimant in the instant case was entitled to be notified about  
the incidents of his alleged incompatibility and to be given an opportunity to defend  
350 himself before his termination as opposed to terminating him immediately with  
payment in lieu of notice. We strongly believe that his termination is a glaring case  
of substantive and procedural unfairness, which should not be condoned.

The Respondent admitted in its evidence that, the Claimant was not subjected to any  
355 hearing because they exercised their contractual right to terminate his contract of  
service in accordance with Section 2 and 65(1) (a) of the Employment Act, by paying  
him in lieu of notice. RW1 Lydia Nannyange, the Respondent’s legal Counsel and  
Human Resources Manager, testified that the Claimant was not given a hearing and  
although she listed the incidents of the alleged “incompatibility” in her testimony,  
360 she did not point out any in his appraisals for the year 2017 to 2019. In fact, she  
stated that the appraisals did not mention anything relating to any allegations of  
incompatibility. The evidence indicating that his direct reports in their exit  
interviews alleged that they were not happy with him on pages 11-14 of the  
Respondent’s trial bundle, should have been brought to his attention before the  
365 termination and not after as was the case.

We had an opportunity to carefully analyze the staff exit forms on pages 11-  
14(supra) and established that although they stated that they were not happy with the  
head of Finance,(the Claimant), there was nothing to indicate that the exit reports  
370 were put to him, and he was given an opportunity to respond to the allegations stated

therein, before terminating on grounds of the allegations.

We reiterate that the Claimant's termination was not a mere expression of the Respondent's unwillingness to continue with the employment relationship with him but rather, it was a dismissal shrouded as termination, probably intended to avoid following the procedure for termination/dismissal as provided under section 66(supra) and to avoid having to prove the alleged "incompatibility" as required under section 68 of the Employment Act.

From above analysis, we were left with no doubt in our minds that Claimant's termination was substantively and procedurally flawed. Therefore, it was unlawful. This issue is answered in the affirmative.

**Issue 2: What remedies are available to the parties?**

Having found that the Claimant's termination was unlawful the Claimant is entitled to some remedies

According to his memorandum of claim, he prayed for the following:

**1. A declaration that the Claimant's termination was unlawful and illegal;**

We have already declared that the Claimant's termination was substantively and procedurally unlawful.

**2. General damages and Aggravated damages of USD536,391.6**

It is trite law that General Damages are intended to bring an aggrieved party to as near as possible in monetary terms to a position as he or she was in before the injury occasioned to him or her by the respondent occurred. ( see **British Transport Commission vs Gourley[1956J]AC 155**. General Damages are therefore

compensatory in nature. Aggravated damages on the other hand are an extra compensation to a plaintiff for the injury to his feelings and dignity caused by the way the Respondent acted.

We established that the Claimant's open-ended appointment as the Respondent's Financial controller took effect on 1/03/2017 and after serving 3 months' probation, he was confirmed in employment on 1/06/2017. During the hearing, we established that upon confirmation his salary was increased to a monthly salary of Ugx. 33,000,000/= plus other benefits, but his employment was abruptly and unlawfully brought to an end on 13/09/2019 after serving for 2 years and 6 months. In the circumstances, it is our considered opinion that he would be entitled to an award of general damages. The Court of Appeal in **Stanbic Bank (U) Limited v Okou (Civil Appeal No. 60 of 2020)**, stated that what is material to consider when computing general damages for loss of employment and prospective earnings is to consider the actual impact of the loss of earning capacity on account of unlawful dismissal or termination of employment. The Claimant in the instant case was the financial controller of the Respondent and Head of Finance, therefore overseeing the organization's finances placed him had a high position, with a high fiduciary responsibility. His unlawful termination on grounds of unverified incompatibility, moreover when he had served for only 2 years and 6 months out of a permanent open-ended contract, in our considered view would have negative implications on his employability elsewhere. We however think that his claim for USD 536,391.6 as general damages is excessive. However, even if he had prospects of serving the employment term to completion, there was no certainty that he would do so. In the circumstances we think an award of, we think **Ugx.357,000,000/=** is sufficient as general damages for unlawful termination from employment and **Ugx. 25,000,000/=** as Aggravated damages. It is so awarded.



425 **3. Punitive damages of USD 107,278.32**

Having awarded him both General and Aggravated damages, we found no ground to award punitive damages. This claim is therefore denied.

**4. Severance pay of USD 22,465.65(Ugx. 84,357,990/=**

430 Section 87(a) of the Employment Act entitles an employee who has been in an employer's continuous service for a period of 6 months to an award of severance pay, where among other circumstances he or she is found to have been unfairly dismissed/terminated. Section 89 of the same Act, provides that severance allowance should be negotiated between the employer and employee. However, where no  
435 formula for calculating severance pay exists, this court's decision in **Donna Kamuli vs DFCU Bank LDC 002/2015**, which is still good law, held that the reasonable method for calculating severance pay shall be payment of 1 month's salary for every year the employee has served. The circumstances of this case warrant an award of severance pay for unlawful termination. Therefore, the Claimant has worked with  
440 the Respondent from 1<sup>st</sup> March 2017 to 13<sup>th</sup> September 2019 that is, for 2 years and 6 months earning Ugx. 33,000,000/= per month he is entitled to one month's salary for every year served amounting to Ugx. 85,800.000/. It is awarded.

**5. Accrued bonus**

445 It was submitted for the Claimant that, he was paid a bonus for his employment in 2017 and 2018, therefore he had a legitimate expectation to be awarded bonus for 2019.

The Respondent on the other hand argued that the bonus was only payable at its  
450 discretion pursuant to clause 7.1 of the Claimant's contract.



We had an opportunity to consider clause 7.1 of the Claimant's contract and found that indeed payment of bonus was discretionary. It states as follows:

455 "7.1 you may be entitled to annual bonus was discretion of the Company and in accordance with the Company policy..."

In the circumstances, we had no basis to grant the claim for bonus for the year 2019. It is therefore denied.

460 **6. Payment for failure to give notice in accordance with section 81 of the Employment Act.**

This Section applies to collective termination, therefore it is not applicable to the circumstances of this case. It is therefore denied.

465 **7. Basic compensatory pay and compensation for unfair termination**

This Court has held that basic compensatory pay as provided under Section 78 is applies to compensation awarded by the Labour office. The Court on the other hand has discretion to award damages the quantum of which are computed based on the  
470 merits of each case. Therefore, having already awarded Claimant both General and Aggravated damages, this claim cannot stand. It is therefore denied.

**8. Interest and costs of the claim.**

The Claimant is awarded an interest of 10% per annum on the pecuniary awards in  
475 **2 and 4** above from 2/06/2020, when the Claim was filed in the Industrial court until payment in full.

No order as to costs is made.

After this Court delivered this Judgment on 1/03/2024, It noted a clerical error regarding the application of interest on the pecuniary awards made, therefore  
480 in accordance with section 14(5) of the LADASA( Amendment) Act 2021 and section 99 of the Civil Procedure Act, the Court on its own motion hereby amends this error as follows:

The Claimant is awarded interest of 10% per annum on 2 above from the date of award on 1/03/2024,( General and Aggravated Damages) until payment in  
485 full and interest of 10% on 4 above (Severance Allowance) from the date of filing this claim in the Industrial Court on 2/6/2020, until payment in full.

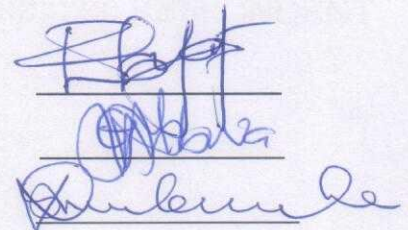
Delivered and signed by:

490 Hon. Justice Linda Lillian Tumusiime Mugisha  
Ag. Head Judge



**The Panelists Agree**

1. Hon. Ebyau Fidel
- 495 2. Hon. Harriet Mugambwa Nganzi
3. Hon. Fx Mubuuke



1/03/2024