



## **The Rand Mutual Assurance Group**

### **Formal Dispute Resolution Process**

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#### **1. INTRODUCTION**

Principle 8.6 of the King III Report on Governance in South Africa states that “The board should ensure that disputes are resolved as effectively, efficiently and expeditiously as possible.” The recommended practice indicates that the board should adopt a formal dispute resolution process for both internal and external disputes.

#### **2. PROCESS**

##### **2.1 Contractual Disputes**

All contracts to which The Rand Mutual Assurance Company Limited, including all subsidiaries (RMA), is a party shall include an alternative dispute resolution clause which shall be similar to Annexure A hereof and which shall make use of intervention, mediation and arbitration in an endeavour to resolve all disputes.

##### **2.2 External Disputes**

An endeavour shall be made to resolve all disputes which arise between The Rand Mutual Assurance Company Limited, including all subsidiaries (RMA), and any third party through a process similar to that included in

Annexure A hereto, save that references to Agreements and Contracts will be deemed to refer to the relationship giving rise to the dispute.

In these instances RMA shall suggest and facilitate the referral of the dispute through the processes of negotiation, mediation and arbitration if deemed necessary for the resolution of the dispute.

Where management is of the opinion that it is not in the best interests of the company to attempt to resolve the matter by referral to mediation and arbitration, management shall attempt to resolve the matter through negotiation whereafter the matter may be pursued through other legal rights of recourse by either party. Such action will be subject to the delegation of Authority as approved by the Board from time to time.

### 2.3 Internal Disputes

All internal disputes shall be resolved in accordance with all applicable policies and procedures, having regard for the relevant labour law provisions.

## 3. RESPONSIBILITY

Ultimate responsibility for the resolution of disputes rests with management.

The right to institute and defend litigation is subject to the Delegation of Authority as approved by the Board from time to time.

## 4. REVIEW

The Dispute Resolution Process will be Policy will be reviewed at least every three years.

## ANNEXURE A

### Alternative Dispute Resolution Clause

A dispute concerning or arising out of this Agreement exists once a party notifies the others in writing of the nature of the dispute and requires it to be resolved under this clause. The parties must refer any dispute to be resolved by:

- Negotiation; failing which
- Mediation; failing which
- Arbitration

Within ten Business Days of notification, the parties must seek an amicable resolution to the dispute by referring it to designated and authorized representatives of each of the parties to negotiate and resolve it by the parties signing an agreement resolving it within 15 Business Days.

If negotiation fails, the parties must refer the dispute for resolution by mediation under the rules of the Arbitration Foundation of Southern Africa (or its successor or body nominated in writing by it in its stead) (AFSA).

If mediation fails, the parties must refer the dispute within 15 Business days for resolution by arbitration (including any appeal against the arbitrator's decision) by one arbitrator (appointed by agreement between the parties) as an expedited arbitration in Johannesburg under the then current rules for expedited arbitration of AFSA. If the parties cannot agree on any arbitrator within a period of ten Business days after the referral, the arbitrator will be appointed by the Secretariat of AFSA.

The periods for negotiation or mediation may be shortened or lengthened by written agreement between the parties.

This clause will not preclude any party from access to an appropriate court of law for interim relief in respect of urgent matters by way of an interdict, or mandamus pending finalization of this dispute resolution process, for which purpose the parties irrevocably submit to the jurisdiction of a division of the High Court of the Republic of South Africa.

This clause is a separate, divisible agreement from the rest of this Agreement and shall remain in effect even if the Agreement terminates, is nullified, or cancelled for any reason or in terms of any clause.

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Chairperson

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Date



Confirmed correct version as at 1 August 2013 – Company Secretary

**RMA POLICY  
(Policies, Procedures, Rules etc.)**

*To be completed by initiator of policy/policy owner:*

<b>1. POLICY TITLE:</b>	<b>Dispute Resolution Process</b>					
<b>2. FIELD OF APPLICATION:</b> (All persons to whom policy applies)	All employees					
<b>3. COMPLIANCE OFFICER(S):</b> (Persons responsible for ensuring policy implementation)	Exco					
<b>4. STAKEHOLDER CONSULTATION</b> (State the stakeholder group/s consulted during policy formulation/revision)	Company Wide					
<b>5. DESIGNATION OF POLICY OWNER:</b> (Person responsible for maintaining policy)	HOCF Compliance					
<b>6. NAME OF POLICY OWNER:</b>	K Mills					
<b>POLICY HISTORY</b> <i>(To be completed by policy owner)</i>						
Date approved at EXCO	Date approved at Subcommittee	Date approved by Board	Date of next review			
Oct 2010	AR 25 Nov 2010	30 Nov 2010	2014			