



External Dispute Resolution Policy

This Policy is made effective from the 1ST day of January 2023

Between

FTG HOLDINGS Limited (defined as party A) and its clients, suppliers, stakeholders or other external parties that have a business relationship with FTG Holdings Limited (defined as party B). For the purposes of any specific dispute the second party will be any particular client, supplier, stakeholder or external party that FTG Holdings Limited has a dispute with, and their details shall be included in the relevant dispute documentation.

This Policy does not apply to disputes between FTG Holdings Limited and its employees or other internal stakeholders, which shall be subject to separate internal policies of FTG Holdings Limited.

Background

A. Party A is engaged in the business of manufacturing, distributing and selling plastic products, cosmetics, playground equipment, furniture, snacks & spices in Kenya and other countries. In the course of its business, Party A regularly enters into commercial relationships with clients, suppliers, stakeholders and other external parties (Party B) for the purpose of procurement, sales, provision of legal, technical, logistic and professional services.

B. Disputes occasionally arise in the course of such commercial relationships, for example relating to payment, performance, quality or damages. It is therefore necessary to establish a framework for resolving such disputes efficiently so as to maintain harmonious business relationships.

C. This Policy sets out the procedure that Party A and Party B shall follow to resolve any contractual or other commercial disputes between them arising out of or in connection with their business relationship. It does not apply to employment-related disputes involving Party A's employees which are covered under separate internal policies.

D. The objectives of this Policy are to encourage Party A and Party B to resolve any disputes by negotiation without litigation and to provide certainty on the dispute resolution process for all commercial relationships of Party A.

E. This Policy and any disputes arising from it shall be governed by the laws of resident country.

1. Definitions

- 1.1. **Party A** means FTG HOLDINGS or any of its subsidiaries.
- 1.2. **Party B** means a client, supplier, stakeholder or other external party that has a business relationship with Party A.
- 1.3. **Dispute** means any disagreement, conflict or claim arising out of or in connection with the business relationship between Party A and Party B, including but not limited to matters relating to breach of contract, goods, services, payments, deliveries, debt or damages.
- 1.4. **Negotiation** means direct discussions between authorised representatives of Party A and Party B to resolve a Dispute.
- 1.5. **Mediation** means an informal process where a neutral third party mediator facilitates Negotiation between Party A and Party B but does not determine the outcome.
- 1.6. **Governing Law** means the laws of resident country.

2. Scope and Purpose

2.1. Covered Disputes

This Policy shall apply to any dispute, controversy or claim (Dispute) arising out of or relating to the commercial relationship between Party A and Party B, including but not limited to Disputes relating to:

- (a) The interpretation of the terms of any contract or agreement;
- (b) Any alleged breach of contract or agreement;
- (c) The performance or non-performance of any obligation;
- (d) Outstanding payments;
- (e) Issues relating to quality, performance or fitness for purpose; and
- (f) Claims in tort relating to loss or damage.

2.2. Excluded Disputes

This Policy shall not apply to:

- (a) Disputes involving the employees of either Party A or Party B;
- (b) Criminal proceedings;
- (c) Consumer disputes (if applicable); or
- (d) Any Dispute already pending before a court or tribunal.

2.3. Purpose of the Policy

The objectives of this Policy are:

- (a) To resolve any Dispute by efficient negotiation without litigation;
- (b) To maintain harmonious commercial relationships; and
- (c) To provide certainty on the dispute resolution procedure.

3. Informal Dispute Resolution

- 3.1. Notification of Dispute. If a Dispute arises, the Party seeking to resolve the Dispute shall notify the other Party in writing, providing a description of the issues in dispute and the requested remedy.

- (a) Timeline for Notification. Such written notification must be provided within 30 days of the Dispute arising.
- 3.2. Direct Negotiation. Upon receipt of the written notification, the Parties shall attempt in good faith to resolve any Dispute by direct negotiation within thirty (30) days.
 - (a) Information Exchange. As part of such negotiations, the Parties shall provide all relevant documents and information reasonably requested by the other Party to facilitate resolution of the Dispute.
- 3.3. Escalation. If the Dispute cannot be resolved by direct negotiation within the specified period, either Party may refer the Dispute to a higher level of management for further negotiation.
- 3.4. Choice of Mediator. If the Dispute remains unresolved after escalation under clause 3.3, the Parties may jointly appoint a mediator to facilitate further negotiations.
- 3.5. Costs. Each Party shall bear their own costs incurred in complying with the informal dispute resolution process under this clause 3.
- 3.6. Failure of Resolution. If the Dispute is not resolved through informal means within 90 days of the date of written notification under clause 3.1.1, the formal dispute resolution procedures shall apply.

4. Mediation

- 4.1. Either Party shall be entitled to refer the Dispute to mediation by serving written notice on the other Party.
- 4.2. The Parties shall attempt to agree on the selection of a suitable mediator within 14 days of the notice invoking mediation.

- (a) Failing agreement between the Parties on the selection of a mediator within the time period in clause 4.2, the mediator shall be nominated by the Chartered Institute of Arbitrators (Kenya Chapter).
- 4.3. The mediation shall be conducted in accordance with the mediation rules of the agreed mediating body.
 - (a) Each Party shall prepare and submit a written submission to the mediator within 14 days of the appointment of the mediator setting out in summary form its position on the issues in Dispute.
 - (b) The mediator may require the Parties to submit further written submissions provided the other Party is given an opportunity to respond.
 - (c) The mediator shall convene a meeting between the Parties to facilitate settlement negotiations.
- 4.4. If the Parties reach agreement on the settlement of the Dispute, the terms of the settlement shall be recorded in writing and signed by the Parties as a binding settlement agreement.
- 4.5. All communications and discussions during the mediation shall remain confidential and may not be used as evidence in any subsequent court or arbitration proceedings.
- 4.6. The mediation shall terminate if:
 - (a) The Parties sign a settlement agreement; or
 - (b) The mediator notifies the Parties in writing that further efforts at mediation are no longer worthwhile.
- 4.7. The costs of the mediation shall be borne equally by the Parties.

5. Governing Law and Jurisdiction

- 5.1. This Policy and any disputes arising out of or in connection with it shall be governed by the laws of resident country.
- 5.2. The Apex judicial body of resident country shall have exclusive jurisdiction to settle any disputes arising out of or in connection with this Policy (including a dispute regarding the existence, validity or termination of this Policy) or the consequences of its nullity.
- 5.3. The governing language of this Policy and of any proceedings commenced pursuant to this Policy shall be English.

6. Confidentiality

- 6.1. Confidential information shall include all information, whether in oral, written or electronic form, exchanged between the parties for the purposes of resolving any Dispute, which is marked as "confidential" or which is apparent by its nature or content should reasonably be treated as confidential.
- 6.2. Each party shall keep confidential all Confidential Information received from the other party. Neither party shall disclose such Confidential Information to any third party without the prior written consent of the other party, except where disclosure is required by law or by any regulatory authority or to enforce any decision.
- 6.3. A party may disclose Confidential Information of the other party to its representatives, witnesses, experts or the Mediator/Arbitrator involved in resolution of the Dispute, provided such persons are bound by similar confidentiality obligations as the parties.
- 6.4. All proceedings and records of any Negotiation, Mediation or Arbitration shall be confidential. The parties shall not rely on or introduce as evidence in any other proceedings, any views expressed or suggestions made by the other party in respect of any possible settlement of the Dispute.

- 6.5. The obligations under this Section 7 shall survive termination or expiry of this Policy and the conclusion of any Dispute resolution process hereunder.
- 6.6. Any personal data collected from the parties during the Dispute resolution process shall be handled in accordance with the Data Protection Act and each party shall establish appropriate technical and organizational security measures against unauthorized or unlawful processing and accidental loss or destruction.
- 6.7. Any breach of confidentiality by a party shall be subject to remedies under law including damages and termination of contract.

7. Time Limits

- 7.1. Notification of Dispute. Party A or Party B shall notify any other party in writing of a Dispute within thirty (30) days of the dispute arising. Such written notice shall set out in reasonable detail the nature of the Dispute, the background to the Dispute and the efforts made to resolve it.
- 7.2. Response to Notification. Upon receiving written notice of a Dispute in accordance with clause 7.1, the recipient shall provide a written acknowledgement of receipt to the notifying party within thirty (30) days and confirm their willingness to resolve the Dispute in accordance with this Policy.
- 7.3. Commencement of Negotiations. The parties shall use their best endeavours to commence negotiations to resolve the notified Dispute within thirty (30) days of the response provided under clause 7.2.
- 7.4. Referral to Mediation. If the Dispute is not resolved through negotiations within 30 days of their commencement under clause 7.3, either party may refer the Dispute to mediation by written notice to the other party.
- 7.5. Commencement of Mediation. Where a Dispute is referred to mediation pursuant to clause 7.4, the parties shall use their best endeavours to schedule the first mediation session within thirty (30) days of the date of referral.

8. Costs

8.1. The costs of any mediation or arbitration conducted under this Policy shall be borne by the parties in accordance with this clause.

8.2. Where the parties agree to refer a Dispute to mediation:

(a) The costs of the mediation such as the mediator's fees and expenses shall be shared equally between Party A and Party B.

(b) Each party shall bear their own costs such as legal fees incurred in relation to the mediation.

8.3. If a dispute is referred to the court for enforcement of any interim measures, the costs of such court proceedings shall be as directed by the court in its order.

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Flametree Group External dispute resolution policy	Authority	FTG Holdings Group board	Policy owner	Group Chief Executive Officer