



**CD DIRECT**

# MODEL SETTLEMENT AGREEMENT



**CONFLICT  
DYNAMICS**

TRAINING  
& DISPUTE  
RESOLUTION  
SERVICES

This Model Settlement Agreement is for guidance only. Any agreement based on it will need to be adapted to the particular circumstances and legal requirements of the settlement to which it relates. Wherever possible any such agreement should be drafted/approved by each party’s lawyer. Although the mediator may be involved in helping the parties to draft acceptable terms, the mediator is not responsible for the drafting of the agreement and should never be a party to the agreement.

Settlement Agreement

Date .....

Parties

..... (Party A)

Address.....

.....(Party B)

Address.....

.....(Party C, etc)

(jointly ‘the Parties’)

Background

- The Parties have been in a dispute in relation to [set out brief details] (‘the Dispute’) [as per court reference] (‘the Matter’)]
• The Dispute has been the subject of a mediation (‘the Mediation’) conducted under an agreement (‘the Agreement to Mediate’) between the Parties and [.....] (‘the Mediator’);
• The Parties have agreed to settle the Dispute on the terms set out below (‘the Settlement Agreement’).

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## Terms of the Settlement Agreement

It is agreed as follows:

1. [A will ..... to/for B at ..... by not later than [time] on [date]]
2. [B will pay R ..... to A by not later than [time] on [date] by electronic bank transfer to [bank]..... [branch code]..... [account number] .....]
3. [*Any other terms*] .....
4.
  - a. The Matter will be stayed and the parties will consent to it being made an order of Court.
  - b. **OR** [A/B] will discontinue the Matter on [B/A]'s undertaking not to claim [B/A]'s costs of the Matter against [A/B].
  - c. **OR** Judgment will be entered for [A/B] on their [counter] claim with an order that [B/A] pay [A/B]'s costs on the standard/indemnity basis subject to detailed assessment if not agreed.
  - d. **OR** The Matter will be dismissed with no order as to costs.
5. This Agreement is in full and final settlement of any causes of action whatsoever which the Parties [and any subsidiaries ..... of the Parties] have against each other [*it is important that such a clause is only included after a careful check has been made as to whether there are any other possible outstanding causes of action between the Parties which can safely be compromised (or ought not to be compromised) in this way*].
6. This agreement supersedes all previous agreements between the parties [in respect of all matters relevant to the Dispute] except for those terms of the Agreement to Mediate of continuing effect including the confidentiality of the mediation process, the Parties' undertaking not to call the mediator to give evidence and the liability of the Mediator.
7. If any dispute arises out of this Agreement, the Parties will attempt to settle it by mediation before resorting to any other means of dispute resolution. To initiate any such mediation a Party must give notice in writing to the Mediator. Insofar as possible the terms of the Agreement to Mediate will apply to any such further mediation. If no legally binding settlement of such a dispute is reached within [28] days from the date of the notice to the Mediator, either party may [institute court proceedings/refer the dispute to arbitration under the rules of the Arbitration Act 1965 (Act No. 42 of 1965)].
8. The Parties will keep confidential and not use for any collateral or ulterior purpose the terms of this Agreement except insofar as is necessary to implement and enforce any of its terms or as otherwise agreed in writing by the Parties.

- 9. The Parties acknowledged that any agreement reached in Mediation is done without any influence from the Mediator.
- 10. This Agreement shall be governed by, construed and take effect in accordance with South African law. The courts of South Africa shall have exclusive jurisdiction to decide any claim, dispute or matter of difference which may arise out of, or in connection with this agreement.

**Signed**

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for and on behalf

of.....

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for and on behalf

of.....

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