

<p>THE FRANCO-ARAB CHAMBER OF COMMERCE</p> <p>RULES OF CONCILIATION, ARBITRATION AND EXPERTISE OF THE</p> <p>FRANCO-ARAB ARBITRATION SYSTEM</p>
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PREAMBLE

The Franco-Arab arbitration system (the «**System**») is intended to offer any French, European or Arab party, whether a natural or legal person, as well as other users in so far as it concerns their direct or indirect relationships with Arab countries (the "**Parties**" see Art.12), the possibility to apply the procedures for conciliation, arbitration and expertise, in accordance with the Rules of the System (the "**Rules**"), whenever disputes, in particular of a commercial nature, arise in the context of their professional relationships, either by including in their contracts, appropriate conciliation, arbitration and/or expertise clauses, or even following the entering into such contracts.

The aim of the System is to make available to all users who require it, the most appropriate techniques, in accordance with the most recent developments of those techniques for dispute settlement and to offer to the parties guarantees relating to the specificity of the relationships between nationals of those two groups of cultures, based upon Rules thus ensuring they benefit from a better approach, a better control of conciliation, arbitration and expertise procedures, as the case may be, through bodies which operate under conditions of strict parity, whose members are chosen on the basis of their competence, their impartiality and their independence, taking into account the specificities of each of them, in the hope that all those factors will contribute to offer the users a greater likelihood of decisions being voluntarily implemented.

Put in place just after the setting up of the Franco-Arab Chamber of Commerce in 1971(the Initial Rules), the System has thereafter evolved, without ever interrupting its activities, despite the broadening of the System during several years at the time of the creation and setting up of the Euro-Arab Arbitration System Company in London which is now wound up.

In the context of the recent restructuring of the management of the Franco-Arab Chamber of Commerce, it has been decided **to revive the activities of the Franco-Arab Arbitration System**, henceforth called the "**Franco-Arab Centre of Conciliation, Arbitration and Expertise**", without prejudice to a broadening to the other countries of the European Community, and to re-launch the process through the setting up of **new bodies**, amending the initial Rules and drawing up new lists of arbitrators and experts.

Those lists shall be drawn up for a renewable period of one year, under the control of the Arbitration Board.

Therefore, the new activities of the Franco-Arab System are at the heart of the concerns of the Franco-Arab Chamber of Commerce, apart from its other activities which shall be developed by the Chamber jointly with the Scientific Committee of the System and any other relevant entities, especially Arab entities, in order to renew and strengthen the relationships between the different players of international trade operating in Arab countries and those operating, in particular in France, and more generally within the European Economic Community.

In order to reduce as much as possible arbitration costs, **a simplified procedure, separate from other ordinary arbitration procedure** has been established so as to enable a quick settlement of simple disputes or disputes over small amounts, subject to a possible change from the simplified procedure into an ordinary procedure if the constitutive elements of the concrete case make this change necessary.

It also appeared appropriate to confirm the setting up of a **contractual expertise procedure**, which was invented by the Franco-Arab Chamber of Commerce as early as 1975 and which, when initiated in due course, often enables to avoid any risk of evidence being lost and even constitutes the best preventive means against recourse to arbitration, apart from any urgent interlocutory applications before a State court.

Pursuant to the decisions taken by the Board of the Franco-Arab Chamber of Commerce on 29 November 2004, the Rules enter into force as at 1st January 2005, except as regards pending proceedings which remain governed by the Initial Rules. The Rules shall henceforth apply to any clause inserted by the parties in their agreements, even those inserted prior to the above-mentioned date of entry into force, unless one of the parties (or all the parties) to the arbitration wish(es) that the dispute, even if it arose following the date of entry into force of the new Rules, is settled in accordance with the provision of the Rules initially referred to by the parties in their arbitration clause (see below Article 13 : Transitional provisions).

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**RULES OF CONCILIATION, ARBITRATION AND EXPERTISE OF THE
FRANCO-ARAB ARBITRATION SYSTEM**

RECOMMENDED CLAUSES

RECOMMENDED ARBITRATION CLAUSE

Any and all disputes arising out of, or in connection with this contract, namely its validity, interpretation, or performance, shall be finally settled in accordance with the Rules of arbitration of the Franco-Arab Chamber of Commerce in force as of 1st January 2005, either by a sole arbitrator, in particular under a simplified proceeding, or by more arbitrators appointed in accordance with the said Rules which the parties acknowledge are known and accepted by them.

Remarks:

The Parties can complete this model clause by any observations they deem useful to insert and especially, as the case may be, indicating the governing law to the contract if it relates to international transactions and, in any event, the number of arbitrators, the place and the language of arbitration.

The users' attention is drawn to the fact that the number of arbitrators is sometimes dependant on the amount in dispute and therefore does not need to be specified from the outset.

The Parties can also provide that the arbitrators shall decide as *amiables compositeurs* (*ex aequo et bono*). It is however advised to decide upon the

granting to the arbitrators of such powers only at the time of the drafting of the terms of reference on the basis of the elements of an already existing dispute.

RECOMMENDED EXPERTISE CLAUSE

Notwithstanding any arbitration proceedings and even before such proceedings are initiated, any of the Parties to this agreement shall be entitled to require the Arbitration Board of the Franco-Arab Chamber of Commerce to appoint, at the costs of the requesting party, one or more persons empowered to make a finding of facts or undertake expertise measures. In this case, the expertise procedure shall be carried out in accordance with the provisions of Article 27 of the Rules of Conciliation, Arbitration and Expertise of the Franco-Arab Chamber of Commerce which the parties acknowledge are known and accepted by them.

RECOMMENDED EXPERTISE AND ARBITRATION CLAUSE

Any and all disputes arising out of or in connection with this agreement, namely its validity, interpretation, or performance, shall be finally settled, in accordance with the arbitration provisions of the Rules of conciliation, arbitration and expertise of the Franco-Arab Chamber of Commerce which the parties acknowledge are known and accepted by them.

In addition, the Parties expressly state that they retain their right to appoint, either jointly or at the request of one of them, one or more experts in accordance with the provisions of Article 27 of the Rules of

conciliation, arbitration and expertise of the Franco-Arab Chamber of Commerce.

RECOMMENDED CONCILIATION CLAUSE

Any and all disputes arising out of or in connection with this agreement, namely its validity, interpretation, or performance, shall be finally settled through conciliation conducted by one or more conciliators appointed and acting in accordance with the conciliation provisions of the Rules of conciliation, arbitration and expertise of the Franco-Arab Chamber of Commerce which the parties acknowledge are known and accepted by them.

RECOMMENDED CONCILIATION AND ARBITRATION CLAUSE

Any and all disputes arising out of or in connection with this agreement, namely its validity, interpretation, or performance, shall be finally settled through conciliation conducted by one or more conciliators appointed and acting in accordance with the Rules of conciliation, arbitration and expertise of the Franco-Arab Chamber of Commerce which the parties acknowledge are known and accepted by them. If attempts at conciliation fail, the dispute shall be finally settled by one or more arbitrators appointed and acting in accordance with the said Rules.

**RECOMMENDED CONCILIATION, ARBITRATION
AND EXPERTISE CLAUSE**

Any and all disputes arising out of or in connection with this agreement , namely its validity, interpretation, or performance, shall be finally settled in accordance with the Rules of conciliation, arbitration and expertise of the Franco-Arab Chamber of Commerce which the parties acknowledge are known and accepted by them. If attempts at conciliation fail, the dispute shall finally be settled by one or more arbitrators appointed and acting in accordance with the said Rules.

The Parties agree to be bound by the provisions of Article 27 of the said Rules relating to expertise.

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<p style="text-align: center;">RULES OF CONCILIATION, ARBITRATION AND EXPERTISE OF THE FRANCO-ARAB ARBITRATION SYSTEM</p>
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Being aware of the increasing role of conciliation and arbitration in international industrial and commercial transactions and willing to respond to the wishes of economic, legal and financial circles which do trust the Franco-Arab Chamber of Commerce, the Franco-Arab Chamber of Commerce has drafted for their attention new Rules in order to facilitate the settlement of potential disputes either through conciliation or arbitration. These new Rules apply as of 1st January 2005 except in respect of proceedings which are pending at such date and subject to transitory provisions (see below Chapter II, Article 13).

Moreover, the Franco-Arab Chamber of Commerce suggests to the Parties to insert in their agreements an expertise clause, notwithstanding any arbitration proceedings, in accordance with the provisions, set out in these Rules.

<p style="text-align: center;">CHAPTER I – CONCILIATION</p>
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ARTICLE 1.

Any and all disputes, particularly commercial disputes arising out of international commercial contracts, procurement, conventions or agreements, involving directly or indirectly, in their professional dealings, French, European or Arab natural or legal persons, or any person of other nationality, in so far as it relates to their direct or indirect relationships with Arab countries, can be subject to an attempt to be amicably settled through conciliation, in accordance with the provision of this chapter.

ARTICLE 2.

Any Party wishing to initiate the conciliation procedure shall send its request to the Secretariat General of the Franco-Arab Chamber of Commerce attaching the documents relating to the dispute.

The request shall comprise or be immediately followed by an advance payment calculated in accordance with a scale aimed at covering conciliation costs. Half of this advance payment shall be paid by the applicant to the Franco-Arab Chamber of Commerce, the other half being borne by the other Party to the conciliation

(see below Article 3). However, at the request of either Party, the Secretary General of the Franco-Arab Chamber of Commerce may accept a bank guarantee and/or payment of part or all of the advance on costs, in accordance with the agreed terms and conditions, to a bank or a financial institution located in France where the Franco-Arab Chamber of Commerce has its head office.

ARTICLE 3.

Following receipt of the request, together with the supporting documents, and payment of the advance on costs, the Secretary General of the Franco-Arab Chamber of Commerce shall communicate the request to the other party asking it to indicate to the Secretary General, within a 30-day period, if no other period is set out by the applicant, whether that party accepts to send to him, within a 90 day period (unless otherwise provided), a written report of its position regarding the dispute, together with all supporting documents as well as half of the advance on costs referred to in Article 2 above.

In the event of refusal by the other party, the share of the advance on costs paid by the applicant shall be refunded to it, unless the applicant decides to make full payment of the advance on costs, subject to the other party accepting to take part in the conciliation attempt.

ARTICLE 4.

Following receipt of those various documents and payment of the advance on conciliation costs and fees, the Bureau of the Board of the Franco-Arab Chamber of Commerce or, upon delegation, its Chairman, shall directly appoint a conciliator amongst those individuals that the Board or its Chairman thinks are best placed to conduct a successful conciliation attempt successful. It/he can also appoint amongst the same individuals, a conciliation committee comprising two or more members. This committee takes its decisions by consensus.

ARTICLE 5.

The conciliator or the conciliation committee (both hereinafter referred to as the "**Conciliator**") proceeds with the review of the requests, communicates directly with the parties or through their counsels, if appointed. The Conciliator can convene the parties *in personam* but they reserve the right to be either accompanied or represented by their counsels.

ARTICLE 6.

If the Conciliator considers it possible to reach an agreement, he/it shall draft conciliation minutes and determine the share in the conciliation costs and fees to be borne between the Parties and thereafter communicates these draft minutes, bearing its signature, to all Parties stating the time period within which they can approve it.

The Conciliator may also set out a time period within which a solution shall be found by the Parties themselves on the basis of the proposal made by the Conciliator.

ARTICLE 7.

In the event the conciliation attempt fails, either by reason of one party refusing to take part in the conciliation attempt, pursuant to the provision of Article 3 above, or by reason of a failure to establish conciliation minutes within the prescribed time period, or finally by reason of one party refusing to sign the conciliation minutes within that period, each of the parties shall recover its freedom to bring legal action before State courts or, as the case may be, in arbitration, without anything that has been written or said during the conciliation attempt being used or affecting in any way whatsoever the rights and legal relationships of the applicant and the other party.

ARTICLE 8.

During and following the conciliation attempt, the Conciliator shall keep secret all information, data and documents it has become aware of by reason of its mission, except those documents filed by the conciliator with the Secretariat-Registry, as indicated in Article 10 of the Rules.

* * *

CHAPTER II – ARBITRATION

SECTION I – THE BODIES

The Franco-Arab Chamber of Commerce Arbitration System is based on an Arbitration Board, assisted by a Secretary Registry and a Scientific Committee.

ARTICLE 9 – THE ARBITRATION BOARD

Article 9.1 – Functions of the Arbitration Board

- 9.1.1 The Arbitration Board is in charge of applying the provisions of these Rules of Conciliation, Arbitration and Expertise of the Franco-Arab Chamber of Commerce and the making of suggestions to the relevant bodies in view of changes or additions to the said Rules, which it deems appropriate.
- 9.1.2 The Arbitration Board is also in charge with the implementation of the expertise procedures, each time the parties have inserted a clause for that purpose and request the services of the Arbitration Board.
- 9.1.3 The Arbitration Board fulfils all the functions assigned to it by these Rules.
- 9.1.4 The Arbitration Board appoints, in accordance with the terms set out hereafter, the sole arbitrator in the event of proceedings with one arbitrator and, in the event of proceedings with more than one arbitrator, proceeds with the initial setting up or a change in the initial setting up of the Arbitral Tribunal.
- 9.1.5 When necessary, the Arbitration Board decides upon any request to proceed with a simplified arbitration proceeding or, in the course of the proceedings, upon any request to revert to an ordinary arbitration proceeding as well as upon any challenge thereof.
- 9.1.6 In any event, the Arbitration Board deals with and proceeds with the necessary changes in the event of challenge, death, withdrawal, request for replacement of an arbitrator or any similar circumstance.
- 9.1.7 Upon receipt of the arbitration Request (see Article 14), it sets out the fixed amount of the initial advance on administrative costs, aimed at covering, in particular, expenses for the communication between the Arbitration Board, the parties and the arbitrators as well as the advanced payment aimed at covering, even partly, the arbitrators fees and other arbitration costs.
- 9.1.8 Pursuant to the provisions of Articles 24 and 25 of the Rules, the Arbitration Board shall, when appropriate, reassess these requests for

advance payments indicating to each party the appropriate amounts. It sets out the deadline and terms and conditions for payment, subject to a recapitulatory account of the expenses paid out being drawn up at the end of the proceedings.

- 9.1.9 At the request of one party, and in the event of refusal to proceed with the payment of the costs and fees in accordance with the provision of this article and those of Article 25, the Arbitration Board is entitled to set out separate amounts for the claim and the counterclaim. Such amounts shall be compulsorily paid in full, respectively by the claimant and the counterclaimant failing which the said claim and/or counterclaim shall be withdrawn.
- 9.1.10 In the course of an ordinary proceeding, the Arbitration Board shall assess, receive payment of, and make a recapitulatory calculation of the arbitrators fees as well as the costs borne by them in relation to the arbitration proceeding and shall ensure that such information is mentioned in the wording of the award signed by the arbitrators or the sole arbitrator (the "**Arbitrator**").
- 9.1.11 The Arbitration Board decides upon any extension of time limits at the request of the Arbitrator or of the Parties.
- 9.1.12 Prior to the signature of the Award by the Arbitrator, the Arbitration Board reads out the draft award, in accordance with the provisions of article 22 below.

Article 9.2 – Position and functioning of the Arbitration Board

- 9.2.1 The Arbitration Board consists of ten members chosen amongst key Arab, French or European figures of the legal community. The Arab and European members shall be in an equal number.
- 9.2.2 Members of the Arbitration Board are elected by the Board of the Franco-Arab Chamber of Commerce at a meeting where at least two thirds of the active members of the Board are present, the decision being taken by a majority of two-thirds of the members which are present or represented.
- 9.2.3 The term of office of the members of the Arbitration Board is three years. One third of the board members is renewed every year. Board members may be re-elected.
- 9.2.4 In the event of a vacancy caused by the death, resignation, disqualification, withdrawal of a member or for any other reason, the Arbitration Board of the Franco-Arab Chamber of Commerce shall, at its next meeting, elect a new member for the remaining period of the term of office of the previous member, subject to the quorum and majority requirements provided for in this article.

- 9.2.5 Members of the Arbitration Board shall be fully independent while performing their duties and undertake not to accept instructions from any authority. In addition, they must, once appointed, sign a statement of full independence and impartiality.
- 9.2.6 Arbitration Board members can be dismissed during their office, after having been heard by the Arbitration Board when such hearing appears necessary by reason of the information that the Arbitration Board become aware of, in which case they will not be entitled to any indemnification whatsoever.
- 9.2.7 In the event of dismissal of a member of the Arbitration Board, a replacement member shall be elected immediately thereafter in accordance with the provisions of this article.
- 9.2.8 The Arbitration Board shall elect among its members, by a majority vote of more than 50 %, a Chairman and three Vice-Chairmen. These duties shall be allocated to ensure an equal number of French or European members on the one hand and of Arab members on the other hand, so that if the Chairman is French and one of the Vice-Chairman is French or European, the two other Vice-Chairmen shall necessarily be chosen amongst Arab members and vice-versa.
- 9.2.9 Except with respect to the re-election of the Chairman initially appointed, the Arbitration Board shall endeavour to ensure that Chairmen are chosen alternatively amongst the Arab members, on the one hand, and the French and European members, on the other hand.
- 9.2.10 The college comprising the Chairman and the Vice-Chairmen constitutes the Bureau. The functioning and powers of the Bureau may be further defined in its own Internal Rules.
- 9.2.11 In any event, the decisions made by the Arbitration Board shall be valid, provided one half of its Arab and French or European members are present or represented.
- 9.2.12 Proxies must be given prior to the meeting, in writing, by any Arab member to any other Arab member who is present and by any French or European member to any other French or European member who is present, to the meetings of the Board.
- 9.2.13 More detailed rules on proxies and alternate members shall be provided in the internal Rules.
- 9.2.14 The decisions of the Arbitration Board are taken unanimously.
- 9.2.15 Should any of the members present or represented dissent , the decision is taken by the Arbitration Board, either immediately or upon convening of a new meeting which, save in the case of urgency, shall not be held prior to the expiry of a eight calendar days period following the date on which the dissent occurred.

- 9.2.16 In this case also, the decisions made by the Arbitration Board shall be valid, provided that at least half of its French or European members and Arab members are present or represented.
- 9.2.17 If such quorum requirements are not satisfied, the Board shall be convened again for a meeting at short notice. It shall then be entitled to validly decide if the majority of its members are present or represented, irrespective of their origin.
- 9.2.18 In all cases where a vote is necessary, decisions are taken by a majority of more than 50 %. In the event of equal votes, the President has a casting vote.

ARTICLE 10 – THE SECRETARIAT REGISTRY

- 10.1 A Secretariat of the Arbitration Board is set up within the Arbitration Board. The Secretariat is headed by a Secretary-Registrar appointed by the Board of the Franco-Arab Chamber of Commerce upon proposal of the Secretary General of the Chamber. The Secretary-Registrar ensures physical transmission of correspondence, exhibits and documents exchanged in relation to arbitration and expertise procedures. It is also entitled to receive payment of the fees and costs paid in relation to an arbitration and/or an expertise procedure.
- 10.2 The Secretariat is the depositary of all documents relating to a conciliation attempt that would be given to it by the Secretary General of the Franco-Arab Chamber of Commerce or by the Conciliator.
- 10.3 Therefore, the Secretary-Registrar shall work closely with all the persons mentioned above, under the control of the President of the Board of Arbitration or the Bureau of the Board of Arbitration, comprising the President and the three Vice-Presidents appointed in accordance with the above.
- 10.4 The Secretary-Registrar communicates with the President and the three Vice-Presidents as well as with the parties or their Counsel through all means, including fax, express airmail or courier, e-mails and, if necessary, by telephone, in which case telephone conversations shall be confirmed in writing by the party or its Counsel from whom they originated.

ARTICLE 11 – SCIENTIFIC COMMITTEE

In the framework of the Franco-Arab System, a Scientific Committee is set up, comprising eight members or more, appointed by the Board of the Franco-Arab Chamber of Commerce upon proposal of the Arbitration Board, in compliance with the parity principle between Arab members, on the one hand, and French and/or European members on the other hand.

These members are chosen either amongst former members of the Arbitration Board or amongst key figures of the legal and business community whose competence, notoriety and authority would be capable of bringing useful advice to the Arbitration Board.

The role of the Scientific Committee is of a purely consultative nature.

The Scientific Committee is mainly responsible for informing the Arbitration Board of any question that may arise in relation to an arbitration proceeding, in particular but not exclusively, in the event the Arbitration Board comprises Arab members who are not nationals of the country where one of the parties is resident or a national.

At the request of the President, the Secretary General of the Chamber or the Bureau of the Arbitration Board, the Scientific Committee can also issue opinions on candidates to the Arbitration Board or on any request for the registration on the arbitrators and experts list.

The Scientific Committee may also give its opinion on the subject and speakers which may be retained in the context of sessions for the training of arbitrators and, more generally, in the context of bilateral meetings which may be organised either in France and/or in Europe, or in any Arab countries in order to make the participants better aware of any legal or economic specificity or of the legal, economic and financial opportunities in relation to Arab or European countries or fields of activity.

The Scientific Committee can also be requested, together with the Arbitration Board, under the aegis of the Franco-Arab Chamber of Commerce and any other entities which may co-operate for that purpose, to organise seminars for the training of arbitrators, independently or in relation to the above mentioned information meetings or conferences.

* * *

SECTION II – ARBITRATION PROCEDURE

ARTICLE 12 – ACCESS TO ARBITRATION

Any natural or legal person, whether French, Arab or of any other nationality, in so far as it relates to the direct or indirect professional relationships with Arab countries, France and the European Economic Community, may have recourse to arbitration in accordance with these Rules set out by the Franco-Arab Chamber of Commerce, either when the parties have inserted in their commercial agreements or, more generally, professional agreements, an arbitration clause referring to the said Rules or, even in the absence of such clause, when they agree in writing, following the entry into their agreement, to have the dispute settled in accordance with these Rules.

ARTICLE 13 – TRANSITIONAL PROVISIONS

As a general rule, and except with regard to pending proceedings which remain governed until their conclusion by the provisions of the Initial Rules, these Rules shall apply as from the date of their entry into force even if the parties had agreed in the past to an arbitration clause referring to the Initial Rules of the Franco-Arab Chamber of Commerce.

In the event one or all of the parties to the arbitration wish(es) the arbitration proceedings to be carried out in accordance with the provisions of the initial Rules, it shall indicate it forthwith to the Arbitration Board. In this case, the Initial Rules shall continue to apply in lieu of these Rules, subject to the application of the tariff scale in force at the date the arbitration Request is presented and subject to the substitution of the bodies in place under the Initial Rules by the current bodies under these Rules.

ARTICLE 14 – ARBITRATION REQUEST

Article 14.1 – Request

Any party wishing to have recourse to the arbitration proceedings of the Franco-Arab Chamber of Commerce shall, for that purpose, submit to the Arbitration Board a written request (the "**Request**") stating :

- (a) the applicant's full name, capacity and addresses, phone and fax numbers, email addresses etc,
- (b) the full name, capacity and address of the other party,
- (c) a brief summary of the nature, circumstances and extent of the dispute,
- (d) if appropriate, any information useful for the implementation of the ordinary or simplified proceedings.

Article 14.2 – Documents - Number of copies

The arbitration Request is submitted with certified copies of the agreement on which basis the dispute has arisen and, as the case may be, the agreement between the parties to submit the settlement of their dispute to the arbitration Rules of the Franco-Arab Chamber of Commerce when such agreement is separate from the above mentioned agreement, as well as all useful correspondence and documents, without prejudice to the right to submit supplementary documents afterwards. In the case of a simplified proceeding, submission of supplementary documents shall remain exceptional. Such submission shall only be made when appropriate, under the control of the Arbitrator.

The arbitration Request as well as the various accompanying documents, if any, must be sent to the Arbitration Board in three copies plus one copy for each of the arbitrators and the other party or parties. The Arbitration Board may request additional copies if needed.

Article 14.3 – Reply – Counterclaim – Time limits

The respondent shall benefit from a 30-day period following the notification by the Arbitration Board of the Arbitration Request and the accompanying document to make its written observations and transmit any relevant document necessary for such review and submit, as the case may be, a counterclaim.

However, the respondent shall, if needed, notify its position on the composition of the Arbitral Tribunal and proceed with the appointment of its arbitrator in accordance with the provisions and within the time frame provided for in article 18 of these Rules.

Any other extension of the above mentioned 30-day period granted to the respondent to make its observations in response to the arbitration Request shall be granted, if necessary, by the Arbitration Board, provided that, within the above mentioned time limit, the respondent has taken position on the composition of the Arbitral Tribunal, and has proceeded with the appointment of its arbitrator in the case the Arbitral Tribunal comprises more than one arbitrator.

ARTICLE 15 – NOTIFICATIONS – CALCULATION OF TIME LIMITS

Article 15.1

For the purpose of these Rules and unless otherwise imposed by compulsory rules of the country where the Award is likely to be enforced, any notice or communication between the parties or one of them, the Arbitration Board and/or the Arbitrator¹, shall be deemed valid when remitted to the addressee against a receipt duly signed or when sent by registered mail with acknowledgment of receipt or by express mail with acknowledgment of receipt, "*chronopost*" or equivalent courier. In such case, the date of the notification shall be the date of first presentation.

Article 15.2

However, notices by fax, e-mail or any other direct communication means shall be deemed valid at their sending date when the addressee acknowledges receipt or when the sender has addressed such notifications, on the same day through registered mail with acknowledgement of receipt or express courier with acknowledgment of receipt.

Article 15.3

In the event the last day of a time period is a bank holiday or a day not open for business at the place of residence or head office of the addressee, the time period shall be extended until the next business day. Bank holidays and days not open for business which fall within the time period shall be accounted for in respect of such time period.

ARTICLE 16 – RELATIONSHIPS BETWEEN THE RULES OF ARBITRATION OF THE FRANCO-ARAB CHAMBER OF COMMERCE AND STATE COMPULSORY RULES

These Rules govern arbitration proceedings to which the parties make reference, subject to any provision of a public order law (State compulsory rules) applicable to the said arbitration.

¹ "*The Arbitrator*" refers to both proceedings with a sole arbitrator and proceedings with an Arbitral Tribunal comprising more than one arbitrator. (Remarque : cette note est-elle nécessaire à partir du moment où le terme Arbitre a été défini plus haut)

In the event the provisions of these Rules are not compatible with one or several compulsory provisions of the said public order laws, the provision(s) of these Rules shall be disregarded.

ARTICLE 17 – REPRESENTATION AND ASSISTANCE

The parties can take part in the proceedings themselves. They can also, if they so wish, appoint in writing a Counsel or, as the case may be, choose a technician indicating their respective roles when they seek representation or assistance.

ARTICLE 18 – COMPOSITION AND SETTING UP OF THE ARBITRAL TRIBUNAL

Article 18.1 – Sole Arbitrator

The Arbitral Tribunal shall consist in a sole Arbitrator if the arbitration clause so provides or if the parties inform the Arbitration Board that they have so agreed.

Article 18.2 – Agreement on sole arbitrator

If such agreement has not been reached when the Request for arbitration is made, it has to be reached, except in the event of an extension decided by the Arbitration Board upon the request of one of the parties, at the latest within 10 days following notice of the Arbitration Request from the Arbitration Board to the Respondent, in accordance with the provisions of these Rules.

Article 18.3 – Appointment of the sole arbitrator by the Arbitration Board

When the Arbitral Tribunal consists of a sole arbitrator, whether by reason of the initiation of a simplified proceeding, or by reason of an arbitration clause which so provides or because following the agreement of the parties upon an arbitration clause the parties agreed upon a sole Arbitrator but, in all cases where the parties have not agreed upon the person to be appointed as sole Arbitrator, the Arbitration Board shall proceed with such appointment.

Article 18.4 – Simplified proceedings

18.4.1 Notwithstanding the above and even in the case where the arbitration clause does not provide for the dispute to be settled by a sole Arbitrator, the Claimant shall be entitled in its Request, to request the Arbitration Board that the dispute will be settled by a sole Arbitration on the basis that the questions raised are not complicated and the sums in dispute are not high (see attached Scale below)

18.4.2 In support of such Request, the Claimant shall indicate the sums in dispute and give all appropriate information enabling the Arbitration Board to assess the complexity of the issues submitted to arbitration.

- 18.4.3 When the Arbitration Board agrees with such request, it shall directly appoint the sole Arbitrator, except if the sole Arbitrator has already been appointed upon common agreement of the parties reached within the above mentioned 10-day period, subject to any extension thereof.
- 18.4.4 Should, on the basis of the circumstances of the dispute as indicated above and/or the sums in dispute, the Arbitration Board considers that there is no ground to open a simplified proceeding, it shall forthwith inform the Claimant. The Claimant shall be entitled to either withdraw its arbitration request free of charge or accept that such request is governed by the provisions applicable to ordinary proceedings and the Tariff Scale applicable to those proceedings.
- 18.4.5 In such a case, the Claimant shall indicate whether it wishes the proceeding to be conducted by a sole Arbitrator or that an Arbitral Tribunal comprising three arbitrators is set up, subject to the provisions of the Arbitration clause and/or agreement between the parties on that matter.
- 18.4.6 If on the basis of the evolution of the dispute during the proceeding, it appears that the simplicity of the issues, as assessed at the time of the arbitration Request, or that the sums in dispute do not longer justify the recourse to a simplified proceeding, such proceeding may be converted into an ordinary proceeding in accordance with the provisions hereafter (see attached Tariff Scale below).
- 18.4.7 When the request for conversion is made by all the parties to the Arbitration proceedings, such request shall be binding, with all the consequences attached to it.
- 18.4.8 Unless otherwise agreed between the parties, the sole Arbitrator shall remain in office alone and shall continue the ordinary proceeding until its conclusion.
- 18.4.9 A request for conversion of the simplified proceeding into ordinary proceeding may also be initiated by one of the parties or at the request of the Arbitrator.
- 18.4.10 In all cases, the decision to make such a conversion belongs to the Arbitration Board after having requested and obtained appropriate comments from all the parties and the Arbitrator.
- 18.4.11 In the event the Respondent does not agree on the conversion of the simplified arbitration proceeding into an ordinary proceeding, such respondent shall continue to benefit from the lump sum amount of cost and arbitrator fees deriving from the initial implementation of the simplified proceeding in accordance with the applicable tariffs, notwithstanding the Arbitration Board's decision to convert the proceeding into an ordinary proceeding. The other party shall therefore alone honour any request for advance payment on account of costs and fees, subject to a final allocation of such costs and fees in the Award to be rendered.

18.4.12 There shall be no recourse against the decision of the Arbitration Board to submit the arbitration request to a simplified proceeding in view of its settlement by a sole Arbitrator.

It shall be the same with regard to the decision to convert a simplified proceeding into an ordinary proceeding.

Article 18.5 : Arbitral Tribunal consisting of three arbitrators

18.5.1 In all cases other than the case where the proceeding is carried out before a sole Arbitrator, the Arbitral Tribunal shall consist of three arbitrators.

18.5.2 For that purpose, each of the parties shall notify to the Arbitration Board the name of the arbitrator appointed by it. Such notification is made, in the case of the Claimant, in the arbitration Request if the arbitration clause provides for the appointment of three arbitrators, and as conservatory measure in all other cases.

18.5.3 The appointment of its arbitrator by the Respondent shall be made within 30 days from the notification by the Arbitration Board to the Respondent of the arbitration Request.

18.5.4 The third arbitrator shall be appointed upon agreement of the parties or, failing such agreement, by the two arbitrators appointed by each of the parties and his name shall be notified to the Arbitration Board at the latest within 15 days following notification of the appointment of the second arbitrator. The third arbitrator shall act as Chairman of the Arbitral Tribunal.

In the event of an equality of vote, the Chairman shall have a casting vote.

Article 18.6 : Powers of the Arbitration Board for the setting up of the arbitration tribunal

Subject to the provisions relating to the simplified proceedings (see article 18.4 above), if the parties fail to agree on the appointment of the sole Arbitrator or if either of the parties fails to appoint the arbitrator it has to appoint within the above mentioned period, as well as in the event of a failure to appoint the third arbitrator by the parties or by both arbitrators chosen by the parties, the Arbitration Board shall proceed to make the necessary appointments.

Article 18.7 : Form of the appointment of the arbitrator

Any appointment of arbitrator by a party to the arbitration shall be accompanied by the full names, forenames, address, telephone and fax numbers and, as the case may be, e-mail address, stating his nationality and, as the case may be, a list and description of his titles and fields of specialities.

Article 18.8 : Powers of the arbitrator to decide upon its own jurisdiction

In the event one of the parties challenges the validity or the application of an existing arbitration clause, the Arbitral Tribunal shall nevertheless be set up in accordance with these Rules and decide, once the communication of the arbitration file is made, on the validity of its appointment as well as on any other questions relating to its jurisdiction and/or its powers.

Article 18.9 : Multiparty Arbitration

When the appointment of a sole arbitrator has been agreed upon by the parties, said arbitrator is appointed according to the provisions of article 18.1, 18.2 et 18.3 above. In case of a Arbitral Tribunal consisting of three arbitrators and in case of plurality of claimants and defendants, all the claimants and all the defendants are entitled to appoint one arbitrator by mutual consent. Failing such an appointment, said arbitrator is appointed by the Arbitration Board.

ARTICLE 19 – CHALLENGE OF ARBITRATORS

Article 19.1

All arbitrators appointed either by the parties or by the Arbitration Board are appointed provided that they are fully independent and impartial. They are therefore, as soon as they are appointed, requested to confirm such independence and impartiality within a maximum period of ten days following the notification of their appointment which is made to them. This statement of independence and impartiality shall be made in accordance with the instructions of the Arbitration Board and shall be returned to the Arbitration Board within the above mentioned period. Upon receipt, the Arbitration Board shall inform the parties to the arbitration of the receipt of such statements of independence.

Article 19.2

Provided that the reason is stated, each of the parties shall be entitled to challenge before the Arbitration Board the Arbitrator initially appointed by the other party as well as the Arbitrator appointed by the Arbitration Board.

Article 19.3

The party which has made the initial appointment of an arbitrator, or accepted, even tacitly, an appointment made by the two other arbitrators or the Board, shall only be entitled to challenge that arbitrator afterwards if such party can show that it became aware of the alleged facts and circumstances on which the challenge is based only after the appointment of the said arbitrator.

Article 19.4

The Arbitration Board shall decide *in camera* upon a challenge being made in a timely manner or not as well as upon the validity of the challenge, after having given to the arbitrator, against whom the challenge is made, and to the other party, the opportunity to make their written observations within an appropriate time period set out by the Board for that purpose.

Article 19.5

Any party wishing to challenge an arbitrator on the ground of facts that it became aware of following the appointment of the said arbitrator shall notify such facts to the other party, the challenged arbitrator, the other members of the arbitral tribunal as well as the Arbitration Board within 15 business days following the date on which the party making the challenge became aware of such facts throwing serious doubts on the arbitrator's impartiality and independence.

Article 19.6

When an arbitrator is subject to a challenge, the other party may accept the challenge, in which case no discussion will take place and the challenged arbitrator will be replaced in accordance with the above provisions.

Article 19.7

If, following the receipt of all appropriate written observations of all parties concerned, including the challenged arbitrator, the Arbitration Board upholds the challenge, the challenged arbitrator shall be replaced after giving to the party which appointed him the opportunity to make a further appointment.

When the challenge relates to the third arbitrator, the replacement procedure shall be identical to the procedure followed for the initial appointment of that third arbitrator.

Article 19.8

The arbitrator, subject to a challenge can also withdraw, in which case such a resignation shall not imply acceptance by that arbitrator of the grounds put forward for the challenge. It shall then be proceeded with the appointment of the replacement arbitrator in accordance with the above provisions.

ARTICLE 20 – REPLACEMENT OF AN ARBITRATOR IN THE EVENT OF DEATH OR RESIGNATION DURING THE ARBITRATION PROCEDURE

Article 20.1

In the event of death or resignation of an arbitrator during the arbitration procedure, a replacement arbitrator shall be appointed or chosen in accordance with the provisions of article 18 above, applicable to the appointment or the choice of the arbitrator.

Article 20.2

In the event an arbitrator fails or is unable, *de facto* or *de jure*, to fulfil his mission, and such situation is acknowledged by the Arbitration Board, the rules relating to the challenge and/or the replacement of arbitrators, shall apply.

Article 20.3

In the event of a replacement of the sole Arbitrator or the Chairman of the Arbitral Tribunal comprising three arbitrators, all oral stages of the proceedings which took place prior to the replacement of the said arbitrator, shall be recommenced. In the event of the replacement of an arbitrator appointed by one of the parties, the Arbitral Tribunal shall be entitled to decide, once completed, if the recommencing of these stages is necessary in whole or in part after consultation with the parties if need be.

ARTICLE 21 – RULES APPLICABLE TO THE PROCEDURE

Article 21.1 – General provisions

The rules applicable to the arbitration proceedings are those embodied in these Rules. If these Rules are silent on any matter, the proceedings shall be governed by the rules, which the parties had the opportunity to expressly elect. If no such election is made, the applicable rules, whether or not State rules, shall be those that the Arbitral Tribunal deems the most appropriate to achieve quick, economical and final settlement of the dispute and which may have been referred to in the Terms of Reference.

Article 21.2 – Waiver of Appeal

Parties expressly agree to waive any right of appeal before State courts or tribunals in connection with any question of law arising out or raised in the course of the proceedings.

The parties also waive any right of appeal which would not be of public order or compulsory, in particular the right of appeal against the Award.

The sole reference by the parties to the Rules of the Franco-Arab Chamber of Commerce shall automatically entail the consequences attached to such waivers.

Article 21.3 – Place of Arbitration

The place of the arbitration shall be determined by the parties or, failing such agreement, by the Arbitration Board. As a consequence of the choice of the place of arbitration, the mandatory provision of the law of the place of arbitration chosen shall apply, in particular regarding the jurisdiction of the State court ensuring the control of the arbitration proceedings.

However, the Arbitral Tribunal may decide to hold its meeting in any other location if necessary for the arbitration proceedings or when appropriate.

The Award is deemed to be signed at the place of arbitration. However, for the same reasons, the arbitrators may sign the Award through an exchange of correspondence or hold meetings in any other location than the place of arbitration. The arbitrators can also hold amongst themselves meetings in any location other than the place of arbitration.

Article 21.4 - Amiable composition

The arbitrator acts as an *amiable compositeur* if the parties so wish and when the procedural law applicable to the arbitration so permits.

Article 21.5 – Advance payments

No arbitration request shall be communicated by the Arbitration Board to the other party or thereafter to the Arbitral Tribunal, unless such request has been preceded or accompanied or followed by the payment of the lump sum advance for Arbitration Board administrative costs (see the attached Tariff Scale) upon notification of such lump sum to the Claimant as well as the lump sum advance on sole Arbitrator's fees in the event of a simplified proceeding or the amount of the advance fixed by the Arbitration Board in the event of an ordinary proceeding.

During the whole arbitration proceedings, each party shall pay the amount of advances on Arbitration Board administrative costs, arbitration costs or arbitrators' fees, requested by the Arbitration Board, unless the other party agrees to pay in lieu of the other party which is in full or partial payment default, subject to a separate calculation of the costs and fees relating to the claim and to the counterclaim, as provided for under article 25 of the Rules, and subject to the decision of the arbitrators in the Award to be rendered regarding the final allocation of the Arbitration Board administrative costs, the costs incurred during the proceedings and the arbitrators' fees.

If one of the parties fails to make the above mentioned payments, the Arbitration Board or, once the dispute is submitted to the Arbitral Tribunal, the Arbitral Tribunal, in agreement with the Arbitration Board, may decide to postpone the arbitration proceedings or to withdraw one of the claims, in the case referred to in article 21.5 *in fine* of the Rules.

Article 21.6 – Determining the applicable rules of procedure

In accordance with the procedural rules which apply to it, the Arbitral Tribunal shall freely conduct the arbitration proceedings. It can refer to the Arbitration Board when it deems it necessary.

Article 21.7 – The Terms of Reference

The Arbitral Tribunal may and shall, whenever required under a compulsory requirement, and after having received the arbitration Request, the accompanying documents and the response of the Respondent, draw up, on the basis of documents or in the presence of the parties, a document defining the scope of its terms of reference, which shall include in particular :

- (a) the parties' full names, capacity and address and, as the case may be, the addresses where notification and communications could be validly sent during the arbitration proceedings,
- (b) the summary of the facts and circumstances of the case,
- (c) the summary of the respective claims of each of the parties,
- (d) a list of the issues in dispute which have been submitted to the Arbitral Tribunal for determination,
- (e) the full names, capacity and address of the arbitrator(s),
- (f) the place of arbitration,
- (g) the legal rules applicable to the merits of the case or the way such rules shall be determined when the parties have not already agreed on them,
- (h) any other matter, either suggested by the Arbitration Board and accepted by the Arbitrator or which may be required so as to give the arbitral Award full effect locally.

The draft Terms of Reference, once drawn up, shall be submitted by the Arbitral Tribunal to the Arbitration Board for comments and then signed by the members of the Arbitral Tribunal and submitted for signature to each of the parties to the dispute.

If the signature of the Terms of Reference by the parties does not occur in the presence of the Arbitral Tribunal, the Arbitral Tribunal shall communicate the document to each of the parties for signature within a time period prescribed by the Arbitral Tribunal for that purpose.

Article 21.8 – Refusal to sign the Terms of Reference

As a general rule, the refusal of one of the parties to take part in the drafting of the Terms of Reference or to sign the same shall not prevent the arbitration proceedings to continue and the arbitral Award to be drawn up in accordance with these Rules. The circumstances of this refusal shall be noted in the Award.

However, the Arbitration Tribunal will also inform the Arbitration Board of such refusal by one of the parties, in which case the Arbitration Board shall order the defaulting party to state in writing the reason of its refusal. Following the review of such reason by the Arbitral Tribunal, the defaulting party being duly heard, the Arbitral Tribunal informs in writing the Arbitration Board of the outcome of such review, the Arbitration Board being entitled to grant a further time period to complete the Terms of Reference. If the defaulting party fails to respond or to sign the Terms of Reference within the said period, the Terms of Reference shall enter into force unless otherwise provided under a compulsory rule of the procedural laws applicable to the arbitration proceeding.

Article 21.9 – Absence of Terms of Reference

In the absence of Terms of Reference, the Arbitral Tribunal shall research and determine the legal rules applicable to the merits of the case if the parties have not yet agreed upon such rules.

Article 21.10 – Hearings

The Arbitral Tribunal may fix an oral hearing of the parties. However, it must do so at the request of either of them.

Article 21.11 – Evidence

If one of the parties or either party require the use of evidence, other than documentary evidence, in particular hearings of witnesses, the Arbitral Tribunal shall decide if such means of evidence are appropriate, after having required if necessary, the observations of the other party.

In this case, the Arbitral Tribunal shall take the necessary practical measures for the recording and transcription of the various hearings.

The Arbitral Tribunal shall not be bound by the rules on evidence of any State legislation. It is also entitled to automatically receive and freely take into account any evidence it will deem useful, subject to the right of both parties to be heard.

Article 21.12 – Interim measures

At the request of either party during the entire duration of the arbitration proceedings, the Arbitral Tribunal may order any interim measure it deems appropriate (see article 21.17 below) in relation to the subject matter of the dispute. It may in particular have recourse to measures of conservation over disputed goods or in order to avoid a loss of evidence.

Such interim measures may be taken in the form of an interim Award in so far as such Award settles a substantive issue or implies a possible enforcement.

When implementing such measures, the Arbitral Tribunal may request a surety or a letter of guarantee covering the costs incurred for such measures and the consequence thereof.

Article 21.13 – Remaining jurisdiction of State courts

Notwithstanding the existence of an arbitration clause, seeking orders of interim measures from State courts prior to the setting up of the Arbitral Tribunal and the submission of the matter to it, or even exceptionally during arbitration proceedings, in the event of a refusal by one of the parties to comply with a decision of the Arbitral Tribunal for the purpose of such measures, is not incompatible with the existence of an arbitration clause and the implementation of arbitration proceedings in accordance with such clause.

Article 21.14 – Failure

If, within the time period set out by the Arbitral Tribunal, the Claimant and/or the Respondent have not submitted their submissions and documents which have been requested to be deposited by the Arbitral Tribunal, or if one of the parties properly convened has not attended a hearing, in both cases without giving a legitimate justification, the Arbitral Tribunal shall be entitled to decide on the basis of the sole evidence it has been presented with.

Article 21.15 – Closing of the proceedings

For order purposes, the Arbitral Tribunal may declare the proceedings closed at the date it determines, after having, as the case may be, granted the parties sufficient time to submit supplementary evidence or documents or to complete their former submissions.

Likewise, despite the Arbitral Tribunal declaring the proceedings closed, the Arbitral Tribunal may decide of its own motion or at the request of one party to re-open the proceedings at any time and as long as it has not rendered the Award, by reason of exceptional circumstances or when a detailed analysis of the documents of the matter so justifies.

This decision is immediately notified to the Arbitration Board and to each of the parties.

Article 21.16 – Breach of the provisions of the Rules

Any party which has been informed of a breach of one provision of these Rules, or is convinced that such a breach occurred and does not inform forthwith in writing the Arbitration Board of the same, shall be deemed to have waived its right to claim such breach henceforth whatsoever.

Article 21.17 – Case Management Powers of the Chairman of the Arbitral Tribunal (*Mise en Etat*) – Arbitral Orders

At any time during the proceedings, when the Arbitral Tribunal consists of three arbitrators and unless otherwise agreed in writing, the Chairman is empowered to sign alone the decisions of the Arbitral Tribunal relating to the conduct of the procedure or the making of injunction to either party to submit documents or complete its submissions.

The sole Arbitrator has the same powers as those granted to the Chairman of the Arbitral Tribunal in this respect.

The decisions mentioned in the first paragraph above relating to the conduct of the proceedings may, if the Arbitrator thinks fit, be called arbitration orders (*ordonnances arbitrales*); only decisions which settle an issue relating to the merits of the case or which may be subject of enforcement must be taken in the form and in accordance with the provisions provided for in respect of the drawing up of arbitral Awards.

ARTICLE 22 – ARBITRAL AWARDS

Article 22.1 – Time limits

The time limit within which the Arbitral Tribunal must render its Award is set at thirty days following the communication of the file to the Arbitral Tribunal once fully set up. This time limit is set forth for administrative purposes only. It can be extended, taking into account, in particular, the complexity of the issues relating to the dispute.

Prior to the setting up of the Arbitral Tribunal and even following the acceptance of its appointment by the Arbitrator, the Arbitration Board only will have jurisdiction to decide on such extension of time, if necessary after having received the opinion of the Arbitrator and the other parties within reasonable time periods.

Article 22.2 – Award by consent

If during the arbitration proceedings, the parties reach a settlement of their dispute and notify their agreement to the Arbitral Tribunal, the Arbitral Tribunal shall, as soon as it is so requested, proceed to acknowledge the consent of the parties, after having raised the necessary questions, if any, to ensure that their settlement is complete and detailed and shall, on that basis, draw up an Award recording the settlement between the parties.

Failing such settlement, the Arbitral Tribunal shall draw up the Award at the end of the proceedings or, as the case may be, after having reviewed the relevant documents. When the Arbitral Tribunal is composed of three Arbitrators, the Award is rendered either on the basis of a unanimous decision or, failing such unanimous decision, by the majority, after the draft Award has been submitted to the Arbitration Board for review, in accordance with article 22.5 hereafter.

In the event the two appointed arbitrators refuse to sign the Award, the Chairman of the Arbitral Tribunal shall be entitled to draw up and sign the Award alone, after having referred to the Arbitration Board such difficulty and transmitted to it the draft Award which shall also be communicated to the other members of the Arbitral Tribunal before it is submitted to the Arbitration Board.

Article 22.3 – Conditions for the making of the Award - Motivation

Any Award shall state the reasons upon which it is based even when the Arbitrator acts as *amiabile compositeur* unless the parties have expressly relieved in writing the Arbitrator from the obligation to make such statements.

The Award shall be drafted in a sufficiently detailed manner so as to show that the rights of the defence and the right of each party to respond to a statement made by the other party have been fully complied with. The Award shall also compulsorily contain a decision on the merits of the case submitted to arbitration, except in the event the Award rendered by the Arbitrators settles the sole issue of the validity of the arbitration clause and the arbitrators' jurisdiction.

Article 22.4 – Interim Award(s) – Final Award

As a general rule, nothing forbids the Arbitrators from rendering one or several interim Awards if they deem the issuance of such interim Awards is useful for the conduct of efficient arbitration proceedings, prior to the full settlement of the dispute by the final Award.

Article 22.5 - Review of the draft Award by the Arbitration Board

Once the draft Award is drawn up and prior to the signing of the Award, the Arbitral Tribunal shall submit it for review to the Arbitration Board. The Arbitral

Tribunal shall also ensure that information relating to the calculation of the Arbitrator's fees, the Arbitration Board administration costs and to the refunding of actual disbursements incurred for the purpose of the arbitration proceedings are mentioned in the Award, in accordance with the data given by the Arbitration Board.

Without being considered as acting as arbitrator or intervening in the arbitration proceedings, but with a view to giving full effect, to the extent possible, to the Award that the Arbitral Tribunal is prepared to render, the Arbitration Board may draw the attention of the Arbitral Tribunal, in the appropriate form, to any matters of procedure, merits or form that appear relevant.

Following such examination, the members of the Arbitral Tribunal shall sign and date the Arbitration Award as when signing. Should one or more arbitrators refuse to sign the Award, such refusal shall be expressly recorded by the Arbitrator(s) who signed the said Award.

ARTICLE 23 – NOTIFICATIONS – ENFORCEMENT

Article 23.1 - Deposit and notification of the Award

The Arbitration Award bearing the signature of the arbitrator(s) shall be deposited with the Arbitration Board in a number of originals equal to the number of parties and arbitrators in addition to those required under the applicable law of the place of arbitration or, as the case may be, under the legislation of the country where enforcement is sought, plus one original for the Arbitration Board. The Arbitration Board alone shall be empowered to notify the Award to the parties after having ensured that the fees and costs of arbitration have been fully paid up by each of the parties or by one of them, as the case may be.

Article 23.2 – Compliance in good faith

Any Award made shall be complied with by the parties in good faith. The Arbitration Board shall lend its good offices to facilitate the enforcement of Awards made under these Rules.

In the event one of the parties refuses to comply voluntarily with the Award, or even before evidence of such refusal is produced, the enforcement of the Award may always be sought by the most diligent party before the relevant authorities of the place of arbitration and/or the place of enforcement, in accordance with the laws in force in such places.

Article 23.3 – Correction of clerical errors – Interpretation

In the event of a clerical error or a provision of the Award being unclear, either party can notify to the Arbitration Board, the Arbitral Tribunal and the other party a request for interpretation.

The Arbitral Tribunal shall proceed with the requested interpretation, in writing, within a maximum period of thirty days following the notification of the interpretation request to the Arbitral Tribunal, subject to the determination of a longer period by reason of the nature of the interpretation request. The written interpretation given by the Arbitral Tribunal shall be deemed to constitute an integral part of the Award.

Article 23.4 – Confidentiality

The wording of the Awards is confidential. It can therefore only be published for scientific purposes, either in whole or in part, with the agreement of all parties and provided that the identity of those parties is not capable of being disclosed through such publications.

Article 23.5 – Possible Deposit – Stamp Duty Authorities

When it is required under the law governing the arbitration proceedings to file in the Award made by the Arbitral Tribunal in a given place with a given authority or with the stamp duty authorities, the task of the Arbitral Tribunal shall be to proceed with such deposit, in accordance with the said law, provided that either party or both of them have drawn the Arbitral Tribunal's attention, prior to the notification of the Award, on such a deposit obligation as well as on the forms and time limit prescribed for the purpose of such deposit.

ARTICLE 24 – FEES AND COSTS

Notwithstanding the Arbitration Board administrative costs referred to in the attached Tariff Scale, which comprise, in particular, the reimbursement of costs relating to communication, transmission, and couriers of documents received by the parties, as well as of correspondence costs necessary for the Arbitration Board to carry out its function, the Arbitration Board shall fix the Arbitrator's fees as well as the advances on variable costs, which are specific for each arbitration proceedings, after having requested and received from the arbitrators their observations and all information relating to the actual costs incurred during the arbitration proceedings in order to add those costs on top of the Arbitrator's fees, and to mention all those data in the Award.

Accordingly, a provision of the Award shall indicate not only the aggregate costs incurred by the Arbitration Board but also, in particular, :

- 1) fees of the Arbitrators composing in the Arbitral Tribunal, fixed by the Arbitral Tribunal in accordance with articles 25 and 22.5.
- 2) travel costs and other expenses incurred by the Arbitrators,
- 3) proceedings, filing and copying fees incurred by the Arbitral Tribunal during the proceedings,
- 4) fees incurred in the context of any expertise or any other support required by the Arbitral Tribunal from third parties or required by the parties from the Arbitral Tribunal,
- 5) travel fees and other allowances for witnesses to the extent that such expenses and their amount are approved by the Arbitral Tribunal,
- 6) legal representation and/or assistance costs as well as legal fees borne by the winning party when such costs and fees are referred to in the claim of the said party to the extent that the Arbitral Tribunal deems their amount reasonable and up to the total or partial percentage which is upheld by the Arbitral Tribunal.

ARTICLE 25 - CALCULATION OF THE ARBITRATOR'S FEES

The amount of fees for the members of the Arbitral Tribunal shall be reasonable.

In the event of a simplified proceeding entrusted to a sole Arbitrator, a lump sum can be applied, subject to costs arising out of the arbitration proceedings. This lump sum fee is fixed either by a common agreement between the parties and the Arbitration Board or, failing such agreement, by the Arbitration Board in accordance with the applicable tariff scale.

In any event and except in the case where the sole Arbitrator's fees are a lump sum, the amount of the arbitrator's fees or the Arbitral Tribunal fees shall be calculated, for each of the arbitrators, taking into account the amount in dispute, the complexity of the case, the time spent for the study of the case and the holding of hearings as well as any other relevant factor, including the control and assistance by the Arbitral Tribunal of the tasks performed by the appointed expert(s).

The Arbitration Board may request the Arbitrator's opinion on the calculation of its fees, whether or not one or all of the parties to the arbitration proceedings request clarification.

Unless otherwise decided by the parties or the arbitrators, the arbitration fees (and not the costs) shall be allocated as follows : 40% to the Chairman of the Arbitral Tribunal and 30% for each of the other two arbitrators.

In the Award, the Arbitral Tribunal shall be entitled to allocate the various arbitration costs and arbitrators fees by ordering the losing party to bear all of

them or by dividing them in equal or unequal parts between the various parties to the proceedings. The same will apply in respect of legal representation and assistance fees as well as, more generally, in respect of the parties' outside counsels fees.

In the event of a request for interpretation of the Award, the Arbitration Board may, at the request of the Arbitral Tribunal, make the issuance of such interpretation subject to the payment of an additional fee.

Whenever a sum for which payment is requested, is not fully paid within thirty days from the receipt of such request or within any other period determined by the relevant bodies under these Rules, such bodies shall inform the parties of such non payment so that either party is able to make the payment in lieu of the defaulting party, subject to the final allocation of the costs and fees to be decided in the Award.

At the request of either party, a separate calculation regarding the claim, on the one hand, and regarding the counterclaim, on the other hand, can be made, in which case the full amounts relating to the claim and the counterclaim shall be borne respectively in full by the claimant and counterclaimant, subject to cost and fees determination in the final Award.

If those payments are not made, the Arbitral Tribunal or, when the Arbitral Tribunal is not yet in charge of the matter, the Arbitration Board, may order the suspension of the arbitration proceedings or the withdrawal of the relevant claim.

Once the Award is rendered and notified to the parties by the Arbitration Board, any remaining available balance on the various advances received during the arbitration proceedings shall be reimbursed except in the case of lump sum amounts. These reimbursements shall be made in accordance with the amounts and the allocation of costs and fees referred to in the Award.

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CHAPTER III- NON INSTITUTIONAL ARBITRATION

ARTICLE 26 – NON INSTITUTIONAL ARBITRATIONS – UNCITRAL RULES

Article 26.1

Whenever under the Rules of the United Nations Commission on International Trading Law (UNCITRAL), the Arbitration Board or its Chairman has been chosen or designated as the appointing authority, the aforementioned persons or entity shall proceed to make such appointments according to the UNCITRAL Rules and, particularly, according to the provisions of articles 6, 7 and 8 thereof.

Article 26.2

Where the parties have agreed to settle the dispute by way of arbitration without referring to any rules of arbitration, they may, if they so decide, whether when they enter into a contract or afterwards, choose the Arbitration Board of the Franco-Arab Chamber of Commerce as the appointing authority of the sole Arbitrator and, if need be, the other arbitrators forming the Arbitral Tribunal including the third Arbitrator.

Moreover, and in case the parties so decide, the Arbitral Tribunal shall be entrusted with all the powers and authorities granted to the Arbitral Tribunal under these Rules, in addition to the powers and authorities granted to it under the contract or the arbitration agreement.

Article 26.3

Any request made under this article shall contain sufficient information as to enable the Arbitration Board to proceed knowingly with the mission it is entrusted with.

Article 26.4

When the Arbitration Board has been requested by the parties, or by any other authority, to undertake the administration of an arbitration, it will be allowed to collect administrative costs as well as the fees in accordance with the Tariff Scale attached to these Rules.

It can also claim reimbursement of fees arising out of its tasks as appointing authority.

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CHAPTER IV – EXPERTISE

ARTICLE 27 – EXPERTISE BEFORE CONCILIATION OR ARBITRATION

Article 27.1

Independently of any request for conciliation or arbitration and even before any such request is made, but provided the contracting parties had expressly provided for this possibility in writing, any of those parties may request from the Arbitration Board to appoint at that party's expenses, one or more individuals entrusted with the mission to carry out findings of facts or opinions or take expertise measures.

Article 27.2

Once the matter is referred by a party to the Arbitration Board, the latter shall immediately inform the other party of this request and shall, thereafter, appoint an expert, indicating the subject matter, the duration and the terms of his mission. Any inquiry for the purpose of the finding of facts and/or opinion shall take place either in the presence of the parties or after they have been duly convened to attend.

Article 27.3

The party against whom or in respect of whom the finding of facts and/or opinions are requested may in turn make forthwith any observations it deems useful and/or request the Arbitration Board that the same expert makes further findings, subject to the payment of an advance on the extra fees incurred thereon.

Article 27.4

The experts appointed under this article may request the parties to submit documents and answer questions which he deems in keeping with his mission.

Article 27.5

The report on findings of facts or opinions shall be notified forthwith to the Arbitration Board and to the parties.

This report can be used thereafter as a ground for an arbitration proceedings under the Rules of arbitration of the Franco-Arab Chamber of Commerce in which case it shall constitute an element of information for the Arbitral Tribunal which shall not, however, be bound by the content of the Expert Report and which will be entitled, as the case may be, to order any other finding measures, whether new or merely supplementary, on the basis of a reasoned decision.

* * *

TARIFF SCALE

ADMINISTRATIVE COSTS✓ **SIMPLIFIED PROCEEDINGS – SOLE ARBITRATOR**

→ With regard to simple disputes for which the amount involved does not exceed 500.000 Euros (on the basis of an arbitrator's hourly rate ranging between 100 and 350 Euros)

Lump sum cost	Euros 1,000 tax exclusive (*)
(*) of which Euros 500 are allocated to the Arbitration Board even if the arbitration request is withdrawn or stricken off	
Arbitrator's lump sum fee	Euros 5,000 tax exclusive (**)
(**) Real costs to be allocated on top	

✓ **ORDINARY PROCEEDINGS**

✓

Amount of sums involved (in euros)			Costs in percentage Tax exclusive
Lump sum fee for initial registration up to Euros 50 000			Euros 1,500 tax exclusive (***)
50 001	to	100 000	2,00 %
100 001	to	300 000	1,50 %
300 001	to	500 000	1,00 %
500 001	to	1 000 000	0,80 %
1 000 001	to	2 000 000	0,30 %
2 000 001	to	5 000 000	0,15 %
above		10 000 000	0,05 %
(***) owed to the Arbitration Board even if the request is subsequently withdrawn or stricken off from the arbitration proceedings			

ARBITRATORS AND EXPERTS FEES TARIFF SCALE

- The fees for the arbitrators and experts which have been appointed pursuant to the these Rules are calculated on the basis of an hourly rate comprised between euros 100 and 350 and/or a percentage of the sums involved as described in the table below
- In the event both criteria are used, the calculation is based on the average of both amounts. The various tranches below are cumulative.
- **The Tariff Scale below is, furthermore, applicable to each of the arbitrators and experts**

Amount of sums involved (in euros)	Minimum Percentage	Maximum Percentage
Up to 50 000	Non recoverable amounts : Euros 5 000	

50 001	to	100 000	1,00 %	7,00 %
100 001	to	500 000	0,70 %	5,00 %
500 001	to	1 000 000	0,40 %	3,00 %
1 000 001	to	2 000 000	0,25 %	2,00 %
2 000 001	to	5 000 000	0,15%	1,50 %
5 000 001	to	10 000 000	0,08 %	0,75 %
Above	To	10 000 000	0,02 %	0,10 %