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#### MODEL ARBITRATION CLAUSE

Any dispute, controversy or claim arising out of or relating to this contract, or the breach, termination or invalidity thereof, between the parties shall be settled by arbitration in accordance with the SARCO Rules of Procedure for Arbitration as at present in force, and the award made in pursuance thereof shall be binding on the parties.

| Consider adding to model clause: | Cor | isider | adding | to | model | clause: | _ |
|----------------------------------|-----|--------|--------|----|-------|---------|---|
|----------------------------------|-----|--------|--------|----|-------|---------|---|

| a) | The appointing authority shall be          | [institution/person] |             |
|----|--|----------------------|-------------|
| b) | The number of arbitrators shall be         | [one/three]          |             |
| c) | The place of arbitration shall be          | [city/country]       |             |
| d) | The language to be used in arbitral proces | eding shall be       | _[language] |

#### **DEFINITIONS**

In the SARCO Arbitration Rules: -

- (1) 'Applicable Law' means the law governing the subject and merits of the dispute;
- (2) **'Arbitration Agreement'** means an agreement by the parties to submit to arbitration all or certain disputes which have arisen, or which may arise between them in respect of the defined legal relationship. An arbitration agreement may be in the form of an arbitration clause in a contract or in the form of a separate agreement;
- (3) 'Award' includes an interim award, a final award either awarded separately or jointly;
- (4) **'Arbitral Tribunal'** means an arbitrator or arbitrators appointed for determining a particular dispute or difference;
- (5) 'Day(s)' means calendar days;
- (6) 'Director General' means Director General of SARCO;
- (7) **'Governing Board'** means the Governing Board of SARCO;
- (8) **'Party'** means a party to the arbitration agreement. It shall include any person including but not limited to individual, firm, company, Government, Government organization or Government undertaking;
- (9) **'Rules'** means the SARCO Rules of Procedure for Arbitration;
- (10) **'SARCO'** means SAARC Arbitration Council;
- (11) **'Third Party'** includes one or more third parties, who is neither claimant nor respondent to the pending arbitration, and whose joinder to this arbitration has been requested;

#### INTERPRETATION CLAUSE

- 1. In the interpretation of these Rules, regard is to be had to its regional origin and to the need to promote uniformity in its application and the observance of good faith.
- 2. Questions concerning matters governed by these Rules which are not expressly settled in it are to be settled in conformity with the general principles on which these Rules is based.

#### SCOPE OF APPLICATION

#### Article 1

- 1. Where the parties to a contract have agreed in writing that disputes in relation to that contract shall be referred to arbitration under the SARCO Arbitration Rules, then such disputes shall be settled in accordance with these Rules subject to such industry specific modification as the parties and SARCO may agree in writing.
- 2. These Rules shall govern the arbitration except that where any of these Rules is in conflict with a provision of the law applicable to the arbitration from which the parties cannot derogate, that provision shall prevail.

#### DELIVERY OF NOTICES & CALCULATION OF PERIODS OF TIME

- 1. For the purposes of these Rules, any notice, including a notification, communication, proposal or award, may be transmitted by any means of communication that provides or allows for a record of its transmission.
- 2. If an address has been designated by a party specifically for this purpose or authorized by the arbitral tribunal, any notice shall be delivered to that party at that address, and if so delivered shall be deemed to have been received. Delivery by electronic means such as email or facsimile may only be made to an address so designated or authorized.
- 3. In the absence of such designation or authorization, a notice is:
  - a) Received if it is physically delivered to the addressee; or
  - b) Deemed to have been received if it is delivered at the place of business, habitual residence or mailing address of the addressee.
- 4. If, after reasonable efforts, delivery cannot be effected in accordance with paragraphs 2 and 3, a notice is deemed to have been received if it has been sent to the addressee's last known place of business, habitual residence or mailing address by registered letter or any other means that provides a record of delivery or attempted delivery.
- 5. A notice shall be deemed to have been received on the day it is delivered in accordance with paragraphs 2, 3 or 4, or attempted to be delivered in accordance with paragraph 4. A notice transmitted by electronic means is deemed to have been received on the day it is sent, except that a notice of arbitration so transmitted is only deemed to have been received on the day when it reaches the addressee's electronic address.
- 6. For the purposes of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice, notification, communication or proposal is received or as per the preceding paragraphs of this article. If the last day of such period is an official holiday or a non-business day at the residence or place of business of the addressee, the period is extended until the first business day which follows. Official holidays or non-business days occurring during the running of the period of time are included in calculating the period.

#### NOTICE OF ARBITRATION

#### Article 3

- 1. The party initiating recourse to arbitration (hereinafter called the "claimant") shall give to the other party (hereinafter called the "respondent") a notice of arbitration, a copy of which shall be sent to the SARCO.
- 2. The language of notice or any communication made before the constitution of the arbitral tribunal shall be in English.
- 3. Arbitral proceedings shall be deemed to commence on the date on which the notice of arbitration is received by the respondent in accordance with article 2.
- 4. The notice of arbitration shall include the following:
  - a) A demand that the dispute be referred to arbitration;
  - b) The names and addresses of the parties;
  - c) A reference to the arbitration clause or the separate arbitration agreement that is invoked;
  - d) A reference to the contract out of or in relation to which the dispute arises;
  - e) The general nature of the claim and an indication of the amount involved, if any;
  - f) The relief or remedy sought;
  - g) A proposal as to the number of arbitrators (i.e. one or three), if the parties have not previously agreed thereon;
  - h) The proposals for the appointments of a sole arbitrator referred to in article 8 and an appointing authority referred to in article 6;b2
  - i) The notification of the appointment of an arbitrator referred to in article 8; and
  - i) The statement of claim referred to in article 19.
- 5. Together with the notice of arbitration, the claimant shall:
  - a) Make payment of the filing fee required by (Schedule 2: SARCO Schedule of Fee) in force on the date the notice is submitted; and
  - b) Submit a sufficient number of copies of the notice of arbitration for each other party, each arbitrator, and SARCO, if the claimant requests transmission of the notice by delivery against receipt, registered post, or courier.

In the event that the claimant fails to comply with these requirements, SARCO may set a time limit within which the claimant must comply. If the claimant fails to comply within the specified time, the file may be closed without prejudice to the claimant's right to submit the same claims at a later date.

6. The constitution of the arbitral tribunal shall not be hindered by any controversy with respect to the sufficiency of the notice of arbitration, which shall be finally resolved by the arbitral tribunal

#### RESPONSE TO NOTICE

#### Article 4

- 1. Within 30 days of the receipt of the notice of arbitration, the respondent shall communicate to the claimant and Director General a response to the notice of arbitration, which shall include:
  - a) The name and contact details of each respondent;
  - b) A response to the information set forth in the notice of arbitration, pursuant to article 3, paragraph 4 (a) to (g).
- 2. The response to the notice of arbitration may also include:
  - a) Any plea that an arbitral tribunal to be constituted under these rules lacks jurisdiction;
  - b) A proposal for the designation of an appointing authority referred to in article 6;
  - c) A proposal for the appointment of a sole arbitrator referred to in article 8, paragraph 1;
  - d) Notification of an appointment of an arbitrator referred to in article 7, 8 or9;
  - e) A brief description of counterclaims or claims for the purpose of set-off, if any, including where relevant, an indication of the amounts involved, and the relief or remedy sought;
  - f) A notice of arbitration in accordance with article 3 in case the respondent formulates a claim against a party to the arbitration agreement other than the claimant.
- 3. The constitution of the arbitral tribunal shall not be hindered by any controversy with respect to the respondent's failure to communicate a response to the notice of arbitration, or an incomplete or late response to the notice of arbitration, which shall be finally resolved by the arbitral tribunal.

## REPRESENTATION & ASSISTANCE

#### **Article 5**

Each party may be represented and or assisted by persons chosen by it. The names and addresses of such persons shall be communicated to all parties, the arbitral tribunal and the Director General. Such communication must specify whether the appointment is being made for the purpose of arbitration and or assistance. Where a person is to act as a representative of a party, the arbitral tribunal, on its own initiative or at the request of any party, during the course of arbitration requires proof of authority granted to the representative in such a form as the arbitral tribunal may determine.

## APPOINTING AUTHORITY

#### Article 6

1. If no Appointing Authority has been agreed upon by the parties, either party shall propose to the other the name or names of one or more institutions or persons, one of whom would serve as the appointing authority, prior to proposing or appointing any arbitrator.

- 2. If all parties have not agreed on the choice of an appointing authority within 14 days after a proposal made in accordance with paragraph 1 has been received by all other parties, any party may request the Director General of SARCO to designate the appointing authority or act as the appointing authority.
- 3. Where these rules provide for a period of time within which a party must refer matter to an appointing authority and no appointing authority has been agreed on or designated, the period is suspended from the date on which a party initiates the procedure for agreeing on or designating an appointing authority until the date of such agreement or designation.
- 4. Except referred to in article 8, paragraph 2, if appointing authority refuses to act or if it fails to appoint an arbitrator within 14 days after it receives a party's request to do so, fails to act within any other period provided by these rules, fails to decide on a challenging to an arbitrator within a reasonable time after receiving a party's request to do so, any party may request to the Director General to designate a substitute appointing authority or to act as an appointing authority.
- 5. In exercising the functions under these rules, the appointing authority and Director General may require from any party and the arbitrators the information they deem necessary, and they shall give the parties and, where appropriate, the arbitrators, an opportunity to present their views in any manner they consider appropriate. All such communications to and from the appointing authority and Director General shall also be provided by the sender to all other parties.
- 6. When the appointing authority is requested to appoint an arbitrator pursuant to articles 8, 9 or 11, the party making the request shall send to the appointing authority and the Director General copies of the notice of arbitration and, if it exists, any response to the notice of arbitration.
- 7. The appointing authority shall have regard to such considerations as are likely to secure the appointment of an independent and impartial arbitrator and shall take into account the advisability of appointing an arbitrator of a nationality other than the nationalities of the parties.

#### NUMBER OF ARBITRATORS

- 1. If the parties have not previously agreed on the number of arbitrators (i.e. one or three), and if within 30 days after the receipt by the respondent of the notice of arbitration the parties have not agreed that there shall be only one arbitrator, three arbitrators shall be appointed.
- 2. Notwithstanding paragraph 1, if no other party has responded to a party's proposal to appoint a sole arbitrator within the time limit provided for in paragraph 1 or the party concerned has failed to nominate a second arbitrator in accordance with article 9 Para 1, the appointing authority may, at the request of the party, appoint a sole arbitrator pursuant to the procedure provided for in article 8, if it determines that, in view of the circumstances of the case, this is more appropriate.

#### APPOINTMENTS OF ARBITRATORS

#### Article 8

- 1. If a sole arbitrator is to be appointed, either party may propose to the other the names of one or more persons, one of whom would serve as the sole arbitrator.
- 2. If within 30 days after receipt by a party of a proposal made in accordance with paragraph 1 the parties have not reached agreement on the choice of a sole arbitrator, the sole arbitrator shall be appointed by the appointing authority within 15 days of the receipt of a request there of.
- 3. In making the appointment, the appointing authority shall use the following list-procedure, unless both parties agree that the list-procedure should not be used or unless the appointing authority determines in its discretion that the use of the list-procedure is not appropriate for the case:
  - a) At the request of one of the parties the appointing authority shall communicate to both parties an identical list containing at least three names;
  - b) Within 7 days after the receipt of this list, each party may return the list to the appointing authority after having deleted the name or names to which he objects and numbered the remaining names on the list in the order of its preference;
  - c) After the expiration of the above period of time, the appointing authority shall appoint the sole arbitrator from among the names approved on the lists returned to it and in accordance with the order of preference indicated by the parties;
  - d) If for any reason the appointment cannot be made according to this procedure, the appointing authority may exercise its discretion in appointing the sole arbitrator.
- 4. In making the appointment, the appointing authority shall have regard to such considerations as are likely to secure the appointment of an independent and impartial arbitrator and shall take into account as well the advisability of appointing an arbitrator of a nationality other than the nationalities of the parties.

- 1. If three arbitrators are to be appointed, each party shall appoint one arbitrator. The two Arbitrators thus appointed shall choose the third arbitrator who will act as the presiding arbitrator of the arbitral tribunal.
- 2. If within 30 days after the receipt of a party's notification of the appointment of an arbitrator the other party has not notified the first party of the arbitrator he has appointed, the first party may request the appointing authority to appoint the second arbitrator.
- 3. If within 30 days after the appointment of the second arbitrator the two arbitrators have not agreed on the choice of the presiding arbitrator, the presiding arbitrator shall be appointed by an appointing authority in the same way as a sole arbitrator would be appointed under article 8.
- 4. Where the names of one or more persons are proposed for appointment as arbitrators, their full names, addresses and nationalities shall be indicated, together with a description of their qualifications.

#### Article 10

- 1. For the purposes of article 9 paragraph 1, where three arbitrators are to be appointed and there are multiple parties as claimants or as respondents, unless the parties have agreed to another method of appointment of arbitrators, the multiple parties jointly, whether as claimant or as respondent, shall appoint an arbitrator.
- 2. If the parties have agreed that the arbitral tribunal is to be composed of a number of arbitrators other than one or three, the arbitrators shall be appointed according to the method agreed upon by the parties.
- 3. In the event of any failure to constitute the arbitral tribunal under these Rules, the appointing authority shall, at the request of any party, constitute the arbitral tribunal and, in doing so, may revoke any appointment already made and appoint or reappoint each of the arbitrators and designate one of them as the presiding arbitrator.

#### **EMERGENCY INTERIM RELIEF**

## Article 10A

- 1. A party that wishes to seek emergency interim relief prior to the constitution of the arbitral tribunal may apply for such relief pursuant to the procedures set forth in Schedule 1.
- 2. A request for interim relief made by a party to a judicial authority prior to the constitution of the arbitral tribunal, or in exceptional circumstances, thereafter, is not incompatible with these Rules.

## **DISCLOSURES BY ARBITRATORS**

## Article 11

When a person is approached in connection with his or her possible appointment as an arbitrator, he or she shall disclose any circumstances likely to give rise to justifiable doubts as to his or her impartiality or independence. An arbitrator, from the time of his or her appointment and throughout the arbitral proceedings, shall without delay disclose any such circumstances to the parties and the other arbitrators unless they have already been informed by him or her of these circumstances.

## **CHALLENGES OF ARBITRATORS**

- 1. Any arbitrator appointed by the parties may be challenged if circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence.
- 2. A party may challenge the arbitrator appointed by it only for reasons of which it becomes aware after the appointment has been made.

3. In the event that an arbitrator fails to act or in the event of the *de jure* or *de facto* impossibility of his or her performing his or her functions, the procedure in respect of the challenge of an arbitrator as provided in article 13 shall apply.

## Article 13

- 1. A party who intends to challenge an arbitrator shall send notice of its challenge within 15 days after the appointment of the challenged arbitrator has been notified to the challenging party or within 15 days after the circumstances mentioned in articles 11 and 12 became known to that party.
- 2. The notice of challenge shall be communicated to all other parties, to the arbitrator who is challenged and to the other arbitrators, to the appointing authority and to the Director General. The notice of challenge shall be in writing and shall state the reasons for the challenge.
- 3. When an arbitrator has been challenged by one party, the other party may agree to the challenge. The arbitrator may also, after the challenge, withdraw from his office. In neither case does this imply acceptance of the validity of the grounds for the challenge. In both cases the procedure provided in article 8 or 9 and 10 shall be used in full for the appointment of the substitute arbitrator, even if during the process of appointing the challenged arbitrator a party had failed to exercise his right to appoint or to participate in the appointment.
- 4. If, within 15 days from the date of the notice of challenge, all parties do not agree to the challenge or the challenged arbitrator does not withdraw, the party making the challenge may elect to pursue it. In that case, within 18 days from the date of the notice of challenge, it shall seek a decision on the challenge by the appointing authority.
- 5. If the appointing authority sustains the challenge, a substitute arbitrator shall be appointed or chosen pursuant to the procedure applicable to the appointment or choice of an arbitrator as provided in articles 8 to 10.

#### REPLACEMENT OF ARBITRATORS

- 1. Subject to paragraph 2, in any event where an arbitrator has to be replaced during the course of the arbitral proceedings, a substitute arbitrator shall be appointed or chosen pursuant to the procedure provided for in articles 8 to 10 that was applicable to the appointment or choice of the arbitrator being replaced. This procedure shall apply even if during the process of appointing the arbitrator to be replaced; a party had failed to exercise its right to appoint or to participate in the appointment.
- 2. In the event that an arbitrator fails to act or in the event of the de jure or de facto impossibility of his performing his functions, the procedure in respect of the challenge and replacement of an arbitrator as provided in the preceding articles shall apply.

- 3. If at the request of a party, the appointing authority determines that, in view of the exceptional circumstances of the case, it would be justified for a party to be deprived of its right to appoint a substitute arbitrator, the appointing authority may, after giving an opportunity to the parties and the remaining arbitrators to express their views:
  - a) appoint the substitute arbitrator; or
  - b) after the closure of the hearings, authorize the other arbitrators to proceed with the arbitration and make any decision or award.

#### REPETITION OF HEARINGS IN CASE OF REPLACEMENT

#### Article 15

If an arbitrator is replaced, the proceedings shall proceed at the stage where the arbitrator who was replaced, ceased to perform his/her functions, unless the arbitral tribunal decides otherwise.

## GENERAL PROVISIONS AS TO CONDUCT OF ARBITRAL PROCEEDINGS

- 1. Subject to these Rules, the arbitral tribunal may conduct the arbitration in such manner as it considers appropriate, provided that the parties are treated with equality and that at any stage of the proceedings each party is given a full opportunity of presenting its case. The arbitral tribunal, in exercising its discretion shall conduct the proceedings so as to avoid unnecessary delay and expense and to provide a fair and efficient process for resolving the parties' dispute.
- 2. As soon as practicable after its constitution and after inviting the parties to express their views, the arbitral tribunal shall establish the provisional timetable of the arbitration. The arbitral tribunal may, at any time, after inviting the parties to express their views, extend or abridge any period of time prescribed under these rules or agreed by the parties.
- 3. If either party so requests at any stage of the proceedings, the arbitral tribunal shall hold hearings for the presentation of evidence by witnesses, including expert witnesses, or for oral argument. In the absence of such a request, the arbitral tribunal shall decide whether to hold such hearings or whether the proceedings shall be conducted on the basis of documents and other materials.
- 4. All documents or information or communication supplied to the arbitral tribunal by one party shall at the same time be communicated by that party to all other parties involved and to the Director General.
- 5. The arbitral tribunal may, at the request of any party, allow one or more third persons to be joined in the arbitration as a party provided such person(s) are a party to the arbitration agreement, unless the arbitral tribunal finds, after giving all parties, including the person or persons to be joined, the opportunity to be heard, that joinder should not be permitted because of prejudice to any of those parties. If the joinder is permitted by the arbitral tribunal, the joining third party or parties, shall be deemed to have adopted the proceedings up to the time of the joinder.

#### PLACE OF ARBITRATION

#### Article 17

- 1. Unless the parties have agreed upon the place where the arbitration is to be held, such place shall be determined by the arbitral tribunal, having regard to the circumstances of the arbitration.
- 2. The arbitral tribunal may determine the locale of the arbitration within the country it considers appropriate. It may hear witnesses and hold meetings for consultation among its members at any place it deems appropriate, having regard to the circumstances of the arbitration.
- 3. The arbitral tribunal may meet at any place it deems appropriate for the inspection of goods, other property or documents. The parties shall be given sufficient notice to enable them to be present at such inspection.
- 4. The award made shall be deemed to have been made at the place of arbitration.

# USE OF TECHNOLOGICAL MEANS OR ELECTRONIC MODES OF COMMUNICATION FOR THE CONDUCT OF ARBITRAL PROCEEDINGS

## Article 17A

- 1. The arbitrator, upon consulting with the parties and considering the unique circumstances and requirements of the dispute, is empowered to utilize any technological means or electronic modes of communication that are deemed suitable to facilitate the arbitration process.
- 2. Such technological means may include, but are not limited to, video conferencing, teleconferencing, online document-sharing tools, and any other digital communication tools i.e. (Zoom or Teams Applications). These tools can be employed for the purposes of conducting hearings, meetings, and negotiations remotely, ensuring continuous engagement between the parties regardless of their geographical locations.
- 3. In utilizing these technologies, the arbitrator must ensure that all communications are secure, confidential, and comply with any applicable legal requirements or agreed-upon standards for data protection. The arbitrator(s) or SARCO shall adopt reasonable measures to prevent unauthorized access, data breaches, or disclosure of sensitive information shared during the arbitration process.
- 5. The arbitrator may employ technological tools to enhance cost-efficiency, accessibility, and convenience, provided all parties consent and have the necessary means to participate effectively. Parties should agree on the technological methods to be used or propose suitable alternatives if needed.
- 5. The use of technology shall not compromise the procedural integrity or fairness of the arbitration process. The arbitrator must ensure that all parties have an equal opportunity to participate fully and effectively, regardless of the chosen mode of communication.

#### LANGUAGE OF ARBITRATION

#### Article 18

- 1. The language to be used in the Rules of Procedure shall be English, unless the parties determine to conduct the proceedings in another language or languages. This determination shall apply to the statement of claim, the statement of defence, exhibits, supplementary documents and any further written statements and, if oral hearings take place, to the language or languages to be used in such hearings.
- 2. The arbitral tribunal may order that any documents annexed to the statement of claim or statement of defence, and any supplementary documents or exhibits, supplementary documents and any further written statements submitted in the course of the proceedings, delivered in their original language, shall be accompanied by a translation into the language or languages agreed upon by the parties or determined by the arbitral tribunal.

#### STATEMENT OF CLAIM

## Article 19

- 1. Unless the statement of claim was contained in the notice of arbitration, the claimant shall communicate his statement of claim in writing to the respondent, to each of the arbitrators and the Director General within 15 days of the constitution of the arbitral tribunal. A copy of the contract and of the arbitration agreement, if not contained in the contract, shall be annexed thereto.
- 2. The statement of claim shall include the following particulars:
  - a) The names, contact details and addresses of the parties;
  - b) A statement of the facts supporting the claim;
  - c) The points at issue;
  - d) The relief or remedy sought; and
  - e) The legal grounds or arguments supporting the claim.
- 3. The statement of claim shall include a copy of any contract or legal instrument related to the dispute and the arbitration agreement, and, as far as possible, be accompanied by all documents and evidence relied upon by the claimant or provide references to them.

## STATEMENT OF DEFENCE

## Article 20

1. The respondent shall communicate its statement of defence in writing to the claimant and to each of the arbitrators and the Director General within a period of time to be determined by the arbitral tribunal. The respondent may elect to treat its response to the notice of arbitration referred to in article 4 as a statement of defence, provided that the response to the notice of arbitration also com plies with the requirements of paragraph 2 of this article.

- 2. The statement of defence shall reply to the particulars (b) to (e) of the statement of claim (article 19, para 2) or a counter-claim, or a claim for the purpose of set off. The respondent may annex to his statement the documents on which he relies for his defence or may add a reference to the documents or other evidence he will submit.
- 3. In its statement of defence, or at a later stage in the arbitral proceedings if the arbitral tribunal decides that the delay was justified under the circumstances, the respondent may make a counterclaim arising out of the same contract or rely on a claim arising out of the same contract for the purpose of a set-off, provided the arbitral tribunal has jurisdiction over it.
- 4. The provisions of article 19, para 2 to 4, shall apply to a counterclaim, a claim under article 4, paragraph 2 (f), and a claim relied on for the purpose of a set-off.

## AMENDMENTS TO THE CLAIM OR DEFENCE

#### Article 21

- 1. During the course of the arbitral proceedings either party may amend or supplement its claim or defence including a counterclaim or a claim for the purpose of set-off, unless the arbitral tribunal considers it inappropriate to allow such amendment having regard to the delay in making it or prejudice to the other party or any other circumstances. However, a claim, counterclaim or a claim for the purpose of set-off, may not be amended in such a manner that the amended claim, counterclaim or claim for the purpose of set-off falls outside the scope of the arbitral tribunal.
- 2. The sole arbitrator or the presiding arbitrator shall, at the conclusion of the proceedings, furnish to the Director General, a complete set of records of amendments to the claim or defence.

#### JOINDER OF CLAIMS

## Article 21A

Subject to the applicable provisions, claims arising from or related to multiple contracts may be brought in a single arbitration, regardless of whether such claims are made under one or more arbitration agreements under these Rules.

# CONSOLIDATION OF ARBITRATIONS

- 1. SARCO may, at the request of a party, consolidate two or more arbitrations pending under the Rules into a single arbitration, where:
  - a) The parties have agreed to consolidation; or
  - b) All of the claims in the arbitrations are made under the same arbitration agreement or agreements; or
  - c) The claims in the arbitrations are not made under the same arbitration agreement or agreements, but the arbitrations are between the same parties, the disputes in the arbitrations arise in connection with the same legal relationship, and SARCO finds the arbitration agreements to be compatible.

- 2. In deciding whether to consolidate, SARCO may take into account any circumstances it considers to be relevant, including whether one or more arbitrators have been confirmed or appointed in more than one of the arbitrations and, if so, whether the same or different persons have been confirmed or appointed.
- 3. When arbitrations are consolidated, they shall be consolidated into the arbitration that commenced first, unless otherwise agreed by all parties.

#### PLEA AS TO THE JURISDICTION OF THE ARBITRAL TRIBUNAL

#### Article 23

- 1. The arbitral tribunal shall have the power to rule on its own jurisdiction, including any objections with respect to the existence or validity of the arbitration agreement. For that purpose, an arbitration clause that forms part of a contract shall be treated as an agreement independent of the other terms of the contract. A decision by the arbitral tribunal that the contract is null shall not entail automatically the invalidity of the arbitration clause.
- 2. A plea that the arbitral tribunal does not have jurisdiction shall be raised no later than in the statement of defence or, with respect to a counterclaim or a claim for the purpose of a set-off, in the reply to the counterclaim or to the claim for the purpose of a set-off. A party is not precluded from raising such a plea by the fact that it has appointed, or participated in the appointment of, an arbitrator. A plea that the arbitral tribunal is exceeding the scope of its authority shall be raised as soon as the matter alleged to be beyond the scope of its authority is raised during the arbitral proceedings. The arbitral tribunal may, in either case, admit a later plea if it considers the delay justified.
- 3. The arbitral tribunal may rule on a plea referred to in paragraph 2 either as a preliminary question or in an award on the merits. The arbitral tribunal may continue the arbitral proceedings and make an award, notwithstanding any pending challenge to its jurisdiction before a court.

#### **FURTHER WRITTEN STATEMENTS**

#### Article 24

The arbitral tribunal shall decide which further written statements, in addition to the statement of claim and the statement of defence, shall be required from the parties or may be presented by them and shall fix the periods of time for communicating such statements.

## PERIODS OF TIME

#### Article 25

The periods of time fixed by the arbitral tribunal for the communication of written statements (including the statement of claim and statement of defence) should not exceed 15 days. However, the arbitral tribunal may extend the time limit if it concludes that an extension is justified.

#### PRODUCTION OF EVIDENCE

#### Article 26

- 1. Each party shall have the burden of proving the facts relied on to support its claim or defence.
- 2. The arbitral tribunal may, if it considers it appropriate, require a party to deliver to the arbitral tribunal and to the other party, within such a period of time as the arbitral tribunal shall decide, a summary of the documents and other evidence which that party intends to present in support of the facts in issue set out in its statement of claim or statement of defence.
- 3. Witnesses, including expert witnesses, presented by the parties to testify before the arbitral tribunal on any factual or expert matter may be any individual, even if that individual is a party to the arbitration or has a relationship with a party. Unless the arbitral tribunal directs otherwise, witness statements, including those from expert witnesses, may be submitted in writing and signed by the witnesses.
- 4. The arbitral tribunal shall determine the admissibility, relevance, materiality, and weight of the evidence offered and may, at any time during the proceedings, require the parties to produce documents, exhibits, or other evidence within a timeframe determined by the arbitral tribunal.

## **HEARINGS**

- 1. In the event of an oral hearing, the arbitral tribunal shall give the parties adequate advance notice of the date, time and place thereof.
- 2. If witnesses are to be heard including experts, at least 15 days before the hearing, each party shall communicate to the arbitral tribunal and to the other party the names and addresses of the witnesses he intends to present, the subject upon and the languages in which such witnesses will give their testimony.
- 3. The arbitral tribunal shall make arrangements for the translation of oral statements made at a hearing and for a record of the hearing if either is deemed necessary by the arbitral tribunal under the circumstances of the case, or if the parties have agreed thereto and have communicated such agreement to the arbitral tribunal at least 15 days before the hearing.
- 4. Hearings shall be held in camera unless the parties agree otherwise. The arbitral tribunal may require the retirement of any witness or witnesses including expert witnesses during the testimony of such other witnesses, except that a witness, including expert witness, who is party to the arbitration shall not be in principle, asked to retire. The arbitral tribunal is free to determine the manner in which witnesses are to be examined.
- 5. Evidence of witnesses may also be presented in the form of written statements signed by them. The arbitral tribunal may direct that witnesses, including expert witnesses, be examined through means of telecommunication, (including but not limited to video-conferencing) that do not need their presence at the hearing.

6. The arbitral tribunal shall determine the admissibility, relevance, materiality and weight of the evidence offered.

#### SUMMARY PROCEDURE

#### Article 28

If the parties agree, they can request the arbitral tribunal to make an award based on the documents submitted by both the parties, without calling for any oral hearing or evidence.

#### **INTERIM MEASURES**

- 1. At the request of either party, the arbitral tribunal may take any interim measures it deems necessary in respect of the subject-matter of the dispute, including measures for the conservation of the goods forming the subject-matter in dispute such as ordering their deposit with a third person or the sale of perishable goods.
- 2. An interim measure is any temporary measure by which, at any time prior to the issuance of the award by which the dispute is finally decided, the arbitral tribunal orders a party, for example and without limitation, to:
  - a) Maintain or restore the status quo pending determination of the dispute;
  - b) Take action that would prevent, or refrain from taking action that is likely to cause, (i) current or imminent harm or (ii) prejudice to the arbitral process itself;
  - c) Provide a means of preserving assets out of which a subsequent award may be satisfied; or
  - d) Preserve evidence that may be relevant and material to the resolution of the dispute.
- 3. The party requesting an interim measure under paragraphs 2 (a) to (c) shall satisfy the arbitral tribunal that:
  - a) Harm not adequately reparable by an award of damages is likely to result if the measure is not ordered, and such harm substantially outweighs the harm that is likely to result to the party against whom the measure is directed if the measure is granted; and
  - b) There is a reasonable possibility that the requesting party will succeed on the merits of the claim. The determination on this possibility shall not affect the discretion of the arbitral tribunal in making any subsequent determination.
- 4. With regard to a request for an interim measure under paragraph 2 (d), the requirements in paragraphs 3 (a) and (b) shall apply only to the extent the arbitral tribunal considers appropriate.
- 5. The arbitral tribunal may modify, suspend or terminate an interim measure it has granted, upon application of any party or, in exceptional circumstances and upon prior notice to the parties, on the arbitral tribunal's own initiative.
- 6. The arbitral tribunal may require the party requesting an interim measure to provide appropriate security in connection with the measure.

- 7. The arbitral tribunal may require any party promptly to disclose any material change in the circumstances on the basis of which the interim measure was requested or granted.
- 8. The party requesting an interim measure may be liable for any costs and damages caused by the measure to any party if the arbitral tribunal later determines that, in the circumstances then prevailing, the measure should not have been granted. The arbitral tribunal may award such costs and damages at any point during the proceedings.
- 9. A request for interim measures addressed by any party to a judicial authority shall not be deemed incompatible with the agreement to arbitrate, or as a waiver of that agreement.

#### APPOINTMENT OF EXPERTS

- 1. The arbitral tribunal may appoint after consultation with the parties, one or more experts to report to it, in writing, on specific issues to be determined by the arbitral tribunal. A copy of the expert's terms of reference, established by the arbitral tribunal, shall be communicated to the parties, and the Director General.
- 2. The expert shall in principle before accepting appointment, submit to the arbitral tribunal and to the parties, a description of its qualifications and a statement of impartiality and independence. Within the time ordered by the arbitral tribunal the parties shall inform the arbitral tribunal whether they have any objection to the expert's qualification, independence or impartiality. The arbitral tribunal shall promptly decide whether to accept such objections. After appointment a party may object to the expert's qualification, independence or impartiality, only if the objection is for the reasons of which the party became aware, after the appointment was made. The arbitral tribunal shall decide what, if any, action to take.
- 3. The parties shall give the expert any relevant information or produce for its inspection any relevant documents or goods that it may require of them. Any dispute between a party and such an expert as to the relevance of the required information or production shall be referred to the arbitral tribunal for decision.
- 4. Upon receipt of the expert's report, the arbitral tribunal shall communicate a copy of the report to the parties who shall be given the opportunity to express, in writing, their opinion on the report. A party shall be entitled to examine any document on which the expert has relied in its report.
- 5. At the request of either party the expert, after delivery of the report, may be heard at a hearing where the parties shall have the opportunity to be present and to question/interrogate the expert. At this hearing either party may present expert witnesses in order to testify on the points at issue. The provisions of article 27 shall be applicable to such proceedings.

#### DEFAULTS

#### Article 31

- 1. If, within the period of the time fixed by the arbitral tribunal;
  - a) the claimant has failed to communicate its statement of claim without showing sufficient cause for such failure, the arbitral tribunal shall issue an order for the termination of the arbitral proceedings, unless there are remaining matters, that need to be decided as the arbitral tribunal thinks fit:
  - b) the respondent has failed to communicate its statement of defence without showing sufficient cause for such failure, the arbitral tribunal shall order that the proceedings continue, without treating such failure in itself as an admission of the claim. These provisions shall also apply to a claimant's failure to submit a defence to a counterclaim, or to a claim for the purpose of set-off.
- 2. If any of the parties, duly notified under these Rules, fails to appear at a hearing, without showing sufficient cause for such failure, the arbitral tribunal may proceed with the arbitration in absentia of the party having failed to appear for a hearing.
- 3. If one of the parties, duly invited to produce documentary evidence, exhibits or other evidence, fails to do so within the established period of time, without showing sufficient cause for such failure, the arbitral tribunal may make the award on the evidence before it.

#### **CLOSURES OF HEARINGS**

#### Article 32

- 1. The arbitral tribunal may inquire of the parties if they have any further proof to offer or witnesses to be heard or submissions to make and, if there are none, it may declare the hearings closed.
- 2. The arbitral tribunal may, if it considers it necessary owing to exceptional circumstances, decide on its own motion or upon application of a party, to reopen the hearings at any time before the award is made.

## WAIVER OF RIGHT TO OBJECT

#### **Article 33**

A party who is aware of the fact that any provision, or requirement under, these Rules, or the arbitration agreement has not been complied with and yet proceeds with the arbitration without promptly stating its objection to such non-compliance, shall be deemed to have waived its right to object, unless such party can show to the arbitral tribunal that, under the circumstances, its failure to object was justified.

#### **AWARD**

#### Article 34

- 1. When there are three or more arbitrators, any award or other decision of the arbitral tribunal shall be made by a majority of the arbitrators.
- 2. In the case of questions of procedure, when there is no majority or when the arbitral tribunal so authorizes, the presiding arbitrator may decide on its own, subject to revision, if any, by the arbitral tribunal.
- 3. The arbitral tribunal shall render its final award within a period, which is limited to 6 months. Such period shall start to run from the day when the arbitral tribunal receives the respondent's statement of defence or counterclaim as defined in article 20, or in the case of default, from the date that the arbitral tribunal orders the continuation of the proceedings under article 31(1). If in accordance with article 21, amendments are to be allowed by the arbitral tribunal, the time limit shall commence from the date of the amendments. Such time limit may be extended by the arbitral tribunal with the consent of the parties, or in the absence of consent, in consultation with the Director General.

#### FORM AND EFFECT OF AWARD

- 1. In addition to making a final award, the arbitral tribunal shall be entitled to make interim, interlocutory, or partial awards.
- 2. The award shall be made in writing and shall be final and binding on the parties. The parties undertake to carry out the award without delay.
- 3. The arbitral tribunal shall state the reasons upon which the award is based, unless the parties have agreed that no reasons are to be given.
- 4. An award shall be signed by all the arbitrators if more than one, and it shall contain the date on which and the place where the award was made. Where there are three or more arbitrators and one of them fails to sign, the award shall state the reason for the absence of the signature.
- 5. The award may be made public only with the consent of all the parties, or where and to the extent disclosure is required of a party by legal duty, to protect or pursue a legal right.
- 6. The arbitral tribunal shall submit the appropriate number of copies of the award to the Director General, who will send the copies to the parties, within 3 days of the receipt of these copies, provided always that the costs of the arbitration have been fully paid by the parties or by one of them.
- 7. The arbitral tribunal and SARCO shall assist the parties in complying with whatever further formalities may be necessary for the enforcement of award.

- 8. Every award shall be binding on the parties. By submitting the dispute to arbitration under the SARCO Rules, the parties undertake to carry out any award without delay and shall be deemed to have waived their right to any form of recourse insofar as such waiver can validly be made.
- 9. If the arbitration law of the country where the award is made requires that the award be filed or registered by the arbitral tribunal, the arbitral tribunal shall comply with this requirement within the period of time required by law. The Director General may, if requested, render all assistance in the filing or registration of the award when the same is required by the law of the country where the award is made.
- 10. The arbitral tribunal may make separate awards on different issues, at different times, in respect of all parties to the arbitration.

#### APPLICABLE LAW, AMIABLE COMPOSITEUR

## **Article 36**

- 1. The arbitral tribunal shall apply the law designated by the parties as applicable to the substance of the dispute. Failing such designation by the parties, the arbitral tribunal shall apply the law determined by the conflict of law rules which it considers applicable.
- 2. The arbitral tribunal shall decide as *amiable compositeur* or *ex aequo et bono* only if the parties have expressly authorized the arbitral tribunal to do so and if the law applicable to the arbitral procedure permits such arbitration.
- 3. In all cases, the arbitral tribunal shall decide in accordance with the terms of the contract and shall take into account the usages of the trade applicable to the transaction.

#### SETTLEMENT OR OTHER GROUNDS FOR TERMINATION

- 1. If, before the award is made, the parties agree on a settlement of the dispute, the arbitral tribunal shall either issue an order for the termination of the arbitral proceedings or, if requested by both parties and accepted by the arbitral tribunal, record the settlement in the form of an arbitral award on agreed terms. The arbitral tribunal is not obliged to give reasons for such an award.
- 2. If, before the award is made, the continuation of the arbitral proceedings becomes unnecessary or impossible for any reason not mentioned in paragraph 1, the arbitral tribunal shall inform the parties of its intention to issue an order for the termination of the proceedings. The arbitral tribunal shall have the power to issue such an order if the arbitral tribunal is of the view that the objections raised by the party are not justifiable.
- 3. Copies of the order for termination of the arbitral proceedings or of the arbitral award on agreed terms, signed by the arbitrators, shall be communicated by the arbitral tribunal to the Director General, who will send the copies to the parties, within 3 days of the receipt of these copies. Where an arbitral award on agreed terms is made, the provisions of article 35, para 2 and 4 to 7, shall apply.

#### INTERPRETATION OF THE AWARD

#### Article 38

- 1. Within 15 days after the receipt of the award, either party, with notice to the other party and Director General, may request that the arbitral tribunal give an interpretation of the award, or any issue thereof.
- 2. The interpretation shall be given in writing within 15 days after the receipt of the request. The interpretation shall form part of the award and the provisions of article 35, para 2 and 4 to 7, shall apply.

## **CORRECTION OF THE AWARD**

# Article 39

- 1. Within 15 days after the receipt of the award, either party, with notice to the other party and the Director General, may request the arbitral tribunal to correct in the award any errors in computation, any clerical or typographical errors, or any errors of similar nature, the arbitral tribunal shall within 15 days of such request make such corrections, if it deems necessary.
- 2. The arbitral tribunal may within 15 days after the communication of the award make such corrections on its own initiative.
- 3. Such corrections shall be in writing, and the provisions of article 35, para 2 to 7, shall apply.

#### ADDITIONAL AWARD

- 1. Within 15 days after the receipt of the award, either party, with notice to the other party and the Director General, may request the arbitral tribunal to make an additional award as to claims presented in the arbitral proceedings but omitted from the award.
- 2. If the arbitral tribunal considers the request for an additional award to be justified and considers that the omission can be rectified without any further hearings or evidence, it shall complete its award within 30 days after the receipt of the request. However, the arbitral tribunal may extend its period of time, within which it shall make the amendments.
- 3. If the arbitral tribunal considers the request for an additional award to be justified and considers that the omission can be rectified after further hearings or evidence, the relevant articles of these rules, shall apply.
- 4. When an additional award is made, the provisions of article 35, para 2 to 7, shall apply.

#### COSTS

#### Article 41

- 1. The arbitral tribunal shall fix the costs of arbitration in its award.
- 2. The term "costs" includes only:
  - a) The fees of the arbitral tribunal to be stated separately as to each arbitrator and to be fixed by the tribunal itself in accordance with article 42;
  - b) The reasonable travel and other expenses incurred by the arbitrators;
  - c) The reasonable costs of expert advice and of other assistance required by the arbitral tribunal:
  - d) The reasonable travel and other expenses of witnesses to the extent such expenses are approved by the arbitral tribunal;
  - e) The costs for legal representation and assistance of the successful party if such costs were claimed during the arbitral proceedings, and only to the extent that the arbitral tribunal determines that the amount of such costs is reasonable;
  - f) Expenses of the appointing authority (if the case maybe); and
  - g) The admin fee of SARCO as per the annexed schedule.

## FEES AND EXPENSES OF ARBITRATORS

- 1. The fees of the arbitral tribunal shall be based on the guidelines as given in annexure, having taking into account, the complexity of the subject-matter, the time spent by the arbitrators and any other relevant circumstances of the case, and shall be guided by the Fee Schedule.
- 2. In fixing its fees, the arbitral tribunal shall consult with the Director General of SARCO. The Director General of SARCO may undertake consultations with the parties before giving advice to the arbitral tribunal. The Director General of SARCO, within 30 days from the constitution of the arbitral tribunal, in consultation with the arbitrators and the parties, shall settle the basis of computation of fees and expenses in accordance with the schedule annexed before the arbitrators take up their duties.
- 3. For the purpose of calculating the amount in dispute, the value of any counterclaim and/or set-off will be added to the amount of the claim.
- 4. Where a claim or counterclaim does not state a monetary amount, an appropriate value for the claim or counterclaim shall be settled by SARCO in consultation with the arbitrators and the parties for the purpose of computing the arbitrators' fees and SARCO's administrative charges.

#### ALLOCATION OF COSTS

#### Article 43

- 1. Except as provided in para 2, the costs of arbitration shall, in principle, be borne by the unsuccessful party. However, the arbitral tribunal may apportion each of such costs between the parties if it determines that apportionment is reasonable, taking into account the circumstances of the case.
- 2. With respect to the costs of legal representation and assistance referred to in article 41, para (e), the arbitral tribunal, taking into account the circumstances of the case, shall be free to determine which party shall bear such costs or may apportion such costs between the parties if it determines that apportionment is reasonable.
- 3. When the arbitral tribunal issues an order for the termination of the arbitral proceedings or makes an award on agreed terms, it shall fix the costs of arbitration referred to in article 41 and article 42, para 1, in the text of that order or award.
- 4. No additional fees may be charged by an arbitral tribunal for interpretation or correction or completion of its award under articles 38 to 40.
- 6. Any cost incurred in relation to the filling or submission of a notice of arbitration shall be non-refundable.

#### **DEPOSITS OF COSTS**

- 1. The Director General of SARCO before the constitution of the arbitral tribunal shall prepare an estimate of the cost of arbitration and may request each party to deposit an equal amount as an advance for those costs.
- 2. During the course of the arbitral proceedings, the Director General of SARCO may request supplementary deposits from the parties.
- 3. If the required deposits are not paid in full within 30 days after the receipt of the request, the Director General of SARCO shall so inform the parties in order that one or another of them may make the required payment. If such payment is not made, the arbitral tribunal, after consultation with the Director General of SARCO, may order the suspension or termination of the arbitral proceedings.
- 4. The Director General of SARCO may apply the deposits towards disbursements for the costs of arbitration.
- 5. After the award has been made, the Director General of SARCO shall render an accounting to the parties of the deposits received and return any unexpended balance to the parties.

#### CONFIDENTIALITY

#### Article 45

The arbitrator and the parties must keep confidential all matters relating to the arbitration proceedings. Confidentiality also extends to the award, except where its disclosure is necessary for purposes of implementation and enforcement.

#### CANCELLATION OR POSTPONEMENT

#### Article 46

- 1. If an arbitration hearing is postponed or canceled before the scheduled date at the request of any party due to health, safety, or other reasons, SARCO may charge a cancellation fee of up to 50% of the arbitration fee, including any additional fees imposed by the arbitrator or venue provider if they exceed 50% of the arbitration fee.
- 2. If the arbitration cannot proceed as planned due to health or safety concerns, SARCO, in consultation with the parties and/or the arbitrator, will reschedule the hearing or appoint a new arbitrator acceptable to the parties. Neither SARCO nor the arbitrator shall be liable for any inability to proceed due to such reasons.
- 3. If the arbitration is canceled by mutual agreement of the parties before the scheduled hearing date, SARCO may charge a cancellation fee of up to 50% of the arbitration fee, including any additional fees by the arbitrator or venue provider if they exceed 50% of the arbitration fee. This fee shall be shared equally by the parties unless they agree otherwise.

## **EXCLUSION OF LIABILITY**

## Article 47

Save for intentional wrongdoing, the parties waive, to the fullest extent permitted under the applicable law, any claim against SARCO, arbitrators, appointing authority and any person appointed by the arbitral tribunal, based on any act or omission in connection with the arbitration.

# WAIVER OF DEFAMATION ACTION

#### Article 48

- 1. The parties and the arbitrators agree that statements or comments, whether written or oral made in the course of the arbitration proceedings, shall not be relied upon to found or maintain any action for defamation, libel, slander or any related complaint.
- 2. The parties also hereby waive their right to any form of recourse against an award to any court or other competent authority, in so far as such waiver can validly be made under the applicable law.

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## **SCHEDULE 1**

#### EMERGENCY INTERIM RELIEF

- 1. A party that wishes to seek emergency interim relief under article 10(A) may, concurrent with or following the filing of a notice of arbitration but prior to the constitution of the arbitral tribunal, file an application for emergency interim relief with the Director General. The party shall, at the same time as it files the application for emergency interim relief, send a copy of the application to all other parties. The application for emergency interim relief shall include:
  - a) the nature of the relief sought;
  - b) the reasons why the party is entitled to such relief; and
  - c) a statement certifying that all other parties have been provided with a copy of the application or, if not, an explanation of the steps taken in good faith to provide a copy or notification to all other parties.
- 2. Any application for emergency interim relief shall be accompanied by payment of the non-refundable administration fee and the requisite deposits under these Rules towards the emergency arbitrator's fees and expenses for proceedings pursuant to this Schedule. In appropriate cases, the Director General may increase the amount of the deposits requested from the party making the application. If the additional deposits are not paid within the time limit set by the Director General, the application shall be considered as withdrawn.
- 3. The Director General shall, if he determines that SARCO should accept the application for emergency interim relief, seek to appoint an emergency arbitrator within one day of receipt of such application and payment of the administration fee and deposits.
- 4. If the parties have agreed on the place of the arbitration, such place shall be the place of the proceedings for emergency interim relief. Failing such an agreement, the place of the proceedings for emergency interim relief shall be Islamabad, Pakistan, without prejudice to the arbitral tribunal's determination of the place of the arbitration under article 17(1).
- 5. Prior to accepting appointment, a prospective emergency arbitrator shall disclose to the Director General any circumstances that may give rise to justifiable doubts as to his impartiality or independence. Any challenge to the appointment of the emergency arbitrator must be made within 2 days of the communication by the Director General to the parties of the appointment of the emergency arbitrator and the circumstances disclosed.
- 6. An emergency arbitrator may not act as an arbitrator in any future arbitration relating to the dispute, unless otherwise agreed by the parties.
- 7. The emergency arbitrator shall, as soon as possible but, in any event, within 2 days of his appointment, establish a schedule for consideration of the application for emergency interim relief. Such schedule shall provide a reasonable opportunity for the parties to be heard but may provide for proceedings by telephone or video conference or on written submissions as alternatives to a hearing in person. The emergency arbitrator shall have the powers vested in the arbitral tribunal pursuant to these Rules, including the authority to rule on his own jurisdiction, without prejudice to the arbitral tribunal's determination.

- 8. The emergency arbitrator shall have the power to order or award any interim relief that he deems necessary, including preliminary orders that may be made pending any hearing, telephone or video conference or written submissions by the parties. The emergency arbitrator shall give summary reasons for his decision in writing. The emergency arbitrator may modify or vacate the preliminary order, the interim order or award for good cause.
- 9. The emergency arbitrator shall make his interim order or award within 14 days from the date of his appointment unless, in exceptional circumstances, the Director General extends the time. No interim order or award shall be made by the emergency arbitrator until it has been approved by the Director General as to its form.
- 10. The emergency arbitrator shall have no power to act after the arbitral tribunal is constituted. The arbitral tribunal may reconsider, modify or vacate any interim order or award issued by the emergency arbitrator, including a ruling on his own jurisdiction. The arbitral tribunal is not bound by the reasons given by the emergency arbitrator. Any interim order or award issued by the emergency arbitrator shall, in any event, cease to be binding if the arbitral tribunal is not constituted within 60 days of such order or award or when the arbitral tribunal makes a final award or if the claim is withdrawn.
- 11. Any interim order or award by the emergency arbitrator may be conditioned on provision by the party seeking such relief of appropriate security.
- 12. The parties agree that an order or award by an emergency arbitrator pursuant to this Schedule 1 shall be binding on the parties from the date it is made and undertake to carry out the interim order or award immediately and without delay. The parties also irrevocably waive their rights to any form of appeal, review or recourse to any court or other judicial authority with respect to such award insofar as such waiver may be validly made.
- 13. The costs associated with any application pursuant to this Schedule 1 may initially be apportioned by the emergency arbitrator, subject to the power of the arbitral tribunal to determine finally the apportionment of such costs.
- 14. The Rules shall apply as appropriate to any proceeding pursuant to this Schedule 1, taking into account the urgency of such a proceeding. The emergency arbitrator may decide in what manner these Rules shall apply as appropriate, and his decision as to such matters is final and not subject to appeal, review or recourse. The Director General may shorten any time limits under the Rules in applications made pursuant to proceedings commenced under article 10(A), para 1 and Schedule 1.

# \*Emergency Interim Relief Fees

The following fees shall be payable in an application for emergency interim relief under article 10(A) and Schedule 1:

An application under article 10(A) and Schedule 1 must be accompanied by a payment of the following: -

1. Administration Fee for Emergency Arbitrator Applications (Non-Refundable): USD 2,000

2. Emergency Arbitrator's Fees and Deposits: The deposits towards the Emergency Arbitrator's fees and expenses shall be fixed at <u>USD 10,000</u>, unless the Director General determines otherwise pursuant to Schedule 1 to these Rules.

The Emergency Arbitrator's fees shall be fixed at <u>USD 5,000</u>, unless the Director General determines otherwise pursuant to Schedule 1 to these Rules.

# **SCHEDULE 2**

# **SARCO SCHEDULE OF FEES "ARBITRATION"**

(All amounts in US\$)

| Sr<br>No. | Description of Services   |       |               |          |  |                    | Amount |  |
|-----------|---|-------|---------------|----------|--|--------------------|--------|--|
| 1.        | Registration Fee (Non-refundable) (by each Party)                                 |       |               |          |  | 500.00             |        |  |
| 2.        | Appointment of Arbitrators Fee (for each arbitrator) (Non-refundable)             |       |               |          |  | 500.00             |        |  |
| 3.        | Arbitration and Administration Fees (as proposed by the Director General – SARCO) |       |               |          |  |                    |        |  |
|           | Range of Ar   | noui  | nt in Dispute | Arbitra  | ntor fee (per person)                  | Administration fee |        |  |
|           |   |       | Fixed         | Variable | -                                      |                    |        |  |
|           | Up t  | o 50  | ,000          | 3,000    |  | 1,000,00           |        |  |
|           | 50,001.00   | to    | 100,000.00    | 3000+    | 2.0% of amount exceeding 50,000.00     | 3,000.00           |        |  |
|           | 100,001.00  | to    | 500,000.00    | 4000+    | 1.2% of amount exceeding 100,000.00    | 4,000.00           |        |  |
|           | 500,001.00  | to    | 1,000,000.00  | 8,800+   | 0.80% of amount exceeding 500,000.00   | 8,000.00           |        |  |
|           | 1,000,001.00  | to    | 5,000,000.00  | 12800+   | 0.40% of amount exceeding 1,000,000.00 | 12,000.00          |        |  |
|           | 5,000,00  | )1 ar | nd above      | 28800+   | 0.20% of amount exceeding 5,000,000.00 | 25,000.00          |        |  |