

Arbitration Rules

Article 1

1. Where parties have agreed in writing to arbitrate disputes under these *Arbitration Rules*, the arbitration shall take place in accordance with these Rules, as in effect at the date of commencement of the arbitration, subject to whatever modifications the parties may adopt in writing.
2. These Rules govern the arbitration, except that, where any such rule is in conflict with any provision of the law applicable to the arbitration from which the parties cannot derogate, that provision shall prevail.

Commencing the Arbitration

Notice of Arbitration and Statement of Claim

Article 2

1. The party initiating arbitration (“claimant”) shall give written notice of arbitration to ADR Bahamas and at the same time to the party against whom a claim is being made (“respondent”). Where a party seeks the appointment of an Arbitrator from ADR Bahamas, ADR Bahamas must make all efforts to so advise the respondent within 48 hours of such request.
2. Arbitral proceedings shall be deemed to commence on the date on which ADR Bahamas received the notice of arbitration.
3. The notice of arbitration shall contain a statement of claim including the following:
 - a. a demand that the dispute be referred to arbitration;

- b. the names, addresses and telephone numbers of the parties;
 - c. a reference to the arbitration clause or agreement that is invoked;
 - d. a reference to any contract out of or in relation to which the dispute arises;
 - e. a description of the claim and an indication of the facts supporting it;
 - f. the relief or remedy sought and the amount claimed; and
 - g. may include proposals as to the means of designating and the number of arbitrators, the place of arbitration and the language(s) of the arbitration.
4. Upon receipt of the notice of arbitration, ADR Bahamas shall communicate with all parties with respect to the arbitration and shall acknowledge the commencement of the arbitration.

Statement of Defense and Counterclaim

Article 3

1. Within 7 days after the appointment of the Arbitrator, the Arbitrator shall hold a Procedural Hearing to determine the time frame for the exchange of facts, evidence and submissions. At the Procedural Hearing it might be determined that the Hearing can take place on oral evidence and submissions, at which time a date for the Hearing will be determined.
2. Within 30 days after the Procedural Hearing, the Claimant will submit a written statement of claim, 7 days whereafter the respondent shall submit a written statement of defense, responding to the issues raise. All written materials should be delivered to the other party and to the Arbitrator (ADR Bahamas) at the same time.
3. At the time a respondent submits its statement of defense, a respondent may make counterclaims or assert setoffs as to any claim covered by the agreement to arbitrate, as to

which the claimant shall within 7 days submit a written statement of defense to the respondent and any other parties and to the ADR Bahamas.

4. A respondent shall respond to ADR Bahamas, the claimant and other parties within 7 days after the commencement of the arbitration as to any proposals the claimant may have made as to the number of arbitrators, the place of the arbitration or the language(s) of the arbitration, except to the extent that the parties have previously agreed as to these matters.
5. The arbitrator or arbitral tribunal, or ADR Bahamas if the arbitrator has not yet been chosen or arbitral tribunal has not yet been formed, may extend any of the time limits established in this article if it considers such an extension justified.

Amendments to Claims

Article 4

During the arbitral proceedings, any party may amend or supplement its claim, counterclaim or defense, unless ADR Bahamas considers it inappropriate to allow such amendment or supplement because of the party's delay in making it, prejudice to the other parties or any other circumstances. A party may not amend or supplement a claim or counterclaim if the amendment or supplement would fall outside the scope of the agreement to arbitrate.

The Tribunal

Number of Arbitrators

Article 5

If the parties have not agreed on the number of arbitrators, one arbitrator shall be appointed unless ADR Bahamas determines in its discretion that three arbitrators are appropriate because of the large size, complexity or other circumstances of the case.

Appointment of Arbitrators

Article 6

1. The parties may mutually agree upon any procedure for appointing arbitrators and shall inform ADR Bahamas as to such procedure.
2. The parties may mutually designate arbitrators, with or without the assistance of ADR Bahamas. When such designations are made, the parties shall notify ADR Bahamas so that notice of the appointment can be communicated to the arbitrators, together with a copy of these Rules.
3. If within 14 days after the commencement of the arbitration, all of the parties have not mutually agreed on a procedure for appointing the arbitrator(s) or have not mutually agreed on the designation of the arbitrator(s), ADR Bahamas shall, at the written request of any party, appoint the arbitrator(s) and designate the presiding arbitrator. If all of the parties have mutually agreed upon a procedure for appointing the arbitrator(s), but all the appointments have not been made within the time limits provided in that procedure, ADR Bahamas shall, at the written request of any party, perform all functions provided for in that procedure that remain to be performed.
4. In making such appointments, ADR Bahamas, after inviting consultation with the parties, shall endeavour to select suitable arbitrators. At the request of any party or on its own initiative, ADR Bahamas may appoint nationals of a country other than that of any of the parties.
5. Unless the parties have agreed otherwise no later than 14 days after the commencement of the arbitration, if the notice of arbitration names two or more claimants or two or more respondents, ADR Bahamas shall appoint all the arbitrators.

Impartiality and Independence of Arbitrators

Article 7

1. Arbitrators acting under these Rules shall be impartial and independent. Prior to accepting appointment, a prospective arbitrator shall disclose to ADR Bahamas any circumstance likely to give rise to justifiable doubts as to the arbitrator's impartiality or independence. If, at any stage during the arbitration, new circumstances arise that may give rise to such doubts, and arbitrator shall promptly disclose such circumstances to the parties and to ADR Bahamas. Upon receipt of such information from an arbitrator or a party, ADR Bahamas shall communicate it to the other parties and to the tribunal.
2. No party or anyone acting on its behalf shall have any *ex parte* communication relating to the case with any arbitrator, or with any candidate for appointment as party-appointed arbitrator except to advise the candidate of the general nature of the controversy and of the anticipated proceedings and to discuss the candidate's qualifications, availability or independence in relation to the parties, or to discuss the suitability of candidates for selection as a third arbitrator where the parties or party designated arbitrators are to participate in that selection. No party or anyone acting on its behalf shall have any *ex parte* communication relating to the case with any candidate for presiding arbitrator.

Challenge of Arbitrators

Article 8

1. A party may challenge any arbitrator whenever circumstances exist that give rise to justifiable doubts as to the arbitrator's impartiality or independence. A party wishing to challenge an arbitrator shall send notice of the challenge to ADR Bahamas within 7 days after being notified of the appointment of the arbitrator or within 7 days after the circumstances giving rise to the challenge become known to that party.

2. The challenge shall state in writing the reasons for the challenge.
3. Upon receipt of such a challenge, ADR Bahamas shall notify the other parties of the challenge. When an arbitrator has been challenged by one party, the other party or parties may agree to the acceptance of the challenge and, if there is agreement, the arbitrator shall withdraw. The challenged arbitrator may also withdraw from office in the absence of such agreement. In neither case does withdrawal imply acceptance of the validity of the grounds for the challenge.

Article 9

If the other party or parties do not agree to the challenge, or the challenged arbitrator does not withdraw, ADR Bahamas in its sole discretion shall make the decision on the challenge.

Replacement of an Arbitrator

Article 10

If an arbitrator withdraws after a challenge, or ADR Bahamas sustains the challenge, or ADR Bahamas determines that there are sufficient reasons to accept the resignation of an arbitrator, or an arbitrator dies, a substitute arbitrator shall be appointed pursuant to the provisions of Article 6, unless the parties otherwise agree.

Article 11

1. If an arbitrator on a three-person tribunal fails to participate in the arbitration for reasons other than those identified in Article 10, the two other arbitrators shall have the power in their sole discretion to continue the arbitration and to make any decision, ruling or award,

notwithstanding the failure of the third arbitrator to participate. In determining whether to continue the arbitration or to render any decision, ruling or award without the participation of an arbitrator, the two other arbitrators shall take into account the stage of the arbitration, the reason, if any, expressed by the third arbitrator for such non-participation and such other matters as they consider appropriate in the circumstances of the case. In the event that the two other arbitrators determine not to continue the arbitration without the participation of the third arbitrator, the administrator on proof satisfactory to it shall declare the office vacant, and a substitute arbitrator shall be appointed pursuant to the provisions of Article 6, unless the parties otherwise agree.

2. If a substitute arbitrator is appointed under either Article 10 or Article 11, the tribunal shall determine at its sole discretion whether all or part of any prior hearings shall be repeated.

General Conditions

Representation

Article 12

Any party may be represented in the arbitration. The names, addresses and telephone numbers of representatives shall be communicated in writing to the other parties and to ADR Bahamas. Once the tribunal has been established, the parties or their representatives may communicate in writing directly with the tribunal.

Place of Arbitration

Article 13

1. If the parties disagree as to the place of arbitration, ADR Bahamas may initially determine the place of arbitration, subject to the power of the tribunal (Arbitrator) to determine finally the place of arbitration within 7 days after its constitution (appointment). All such determinations shall be made having regard for the contentions of the parties and the circumstances of the arbitration.
2. The tribunal (Arbitrator) may hold conferences or hear witnesses or inspect property or documents at any place it deems appropriate. The parties shall be given sufficient written notice to enable them to be present at any such proceedings.

Language

Article 14

If the parties have not agreed otherwise, the language(s) of the arbitration shall be that of the documents containing the arbitration agreement, subject to the power of the tribunal to determine otherwise based upon the contentions of the parties and the circumstances of the arbitration. The tribunal may order that any documents delivered in another language shall be accompanied by a translation into the language(s) of the arbitration.

Pleas as to Jurisdiction

Article 15

1. The tribunal (Arbitrator) shall have the power to rule on its own jurisdiction, including any objections with respect to the existence, scope or validity of the arbitration agreement.
2. The tribunal (Arbitrator) shall have the power to determine the existence or validity of a contract of which an arbitration clause forms a part. Such an arbitration clause shall be treated as an agreement independent of the other terms of the contract. A decision by the tribunal (Arbitrator) that the contract is null and void shall not for that reason alone render invalid the arbitration clause.
3. A party must object to the jurisdiction of the tribunal (Arbitrator) or to the arbitrability of a claim or counterclaim no later than the filing of the statement of defense, as provided in

Article 3, to the claim or counterclaim that gives rise to the objection. The tribunal (Arbtrator) may rule on such objections as a preliminary matter or as a part of the final word.

Conduct of the Arbitration

Article 16

1. Subject to these Rules, the tribunal (Arbitrator) may conduct the arbitration in whatever manner it considers appropriate, provided that the parties are treated with equality and that each party has the right to be heard and is given a fair opportunity to present its case.
2. The tribunal (Arbitrator), exercising its discretion, shall conduct the proceedings with a view to expediting the resolution of the dispute. It may conduct a preparatory conference with the parties for the purpose of organizing, scheduling and agreeing to procedures to expedite the subsequent proceedings.
3. The tribunal (Arbitrator) may in its discretion direct the order of proof, bifurcate proceedings, exclude cumulative or irrelevant testimony or other evidence and direct the parties to focus their presentations on issues the decision of which could dispose of all or part of the case.
4. Documents or information supplied to the tribunal (Arbitrator) by one party shall at the same time be communicated by that party to the other party or parties.

Further Written Statements

Article 17

1. The tribunal may decide whether the parties shall present any written statements in addition to statements of claims and counterclaims and statement of defense, and it shall fix the periods of time for submitting any such statements.

2. The period of time fixed by the tribunal for the communication of such written statements should not exceed 7 days. However, the tribunal may extend such time limited if it considers such an extension justified.

Notices

Article 18

1. Unless otherwise agreed by the parties or ordered by the tribunal (Arbitrator), all notices, statements and written communications may be served on a party by air mail, air courier, facsimile transmission, telex, telegram or other written forms of electronic communication addressed to the party or its representative at its last known address or by personal service.
2. For the purpose of calculating a period of time under these Rules, such period shall begin to run on the day following the day when a notice, statement or written communication is received. If the last day of such period is an official holiday at the place received, the period is extended until the first business day which follows. Official holidays occurring during the running of the period of time are included in calculating the period.

Evidence

Article 19

1. Each party shall have the burden of proving the facts relied on to support its claim or defense.
2. The tribunal (Arbitrator) may order a party to deliver to the tribunal (Arbitrator) and to the other parties a summary of the documents and other evidence which that party intends to present in support of its claim, counterclaim or defense.

3. At any time during the proceeding, the tribunal (Arbitrator) may order parties to produce other documents, exhibits or other evidence it deems necessary or appropriate.

Hearings

Article 20

1. The tribunal (Arbitrator) shall give the parties at least 7 days advance notice of the date, time and place of the initial or preliminary hearing. The tribunal (Arbitrator) shall give reasonable notice of subsequent hearings.
2. At least 15 days before the actual hearing, each party shall give the tribunal (Arbitrator) and the other parties the names and addresses of any witnesses it intends to present, the subject of their testimony and the languages in which such witnesses will give their testimony.
3. At the request of the tribunal (Arbitrator) or pursuant to mutual agreement of the parties, ADR Bahamas shall make arrangements for the interpretation of oral testimony or for a record of the hearing.
4. Hearings are private unless the parties agree otherwise or the law provides the contrary. The tribunal (Arbitrator) may require any witness or witnesses to retire during the testimony of other witnesses. The tribunal (Arbitrator) may determine the manner in which witnesses are examined.
5. Evidence of witnesses may be presented in the form of written statements signed by them.
6. The tribunal (Arbitrator) shall determine the admissibility, relevance, materiality and weight of the evidence offered by any party. The tribunal (Arbitrator) shall take in account applicable principles of legal privilege, such as those involving the confidentiality of communications between a lawyer and client.

Interim Measures of Protection and Provision for Emergency Arbitration

Article 21

1. At the request of any party, the tribunal (Arbitrator) may take whatever interim measures it deems necessary, including injunctive relief and measures for the protection or conservation of property.
2. Such interim measures may take the form of an interim award, and the tribunal (Arbitrator) may require security for the costs of such measures.
3. A request for interim measures addressed by a party to a judicial authority shall be not deemed incompatible with the agreement to arbitrate or a waiver of the right to arbitrate.
4. The tribunal (Arbitrator) may in its discretion apportion costs associated with applications for interim relief in any interim award or in the final award.

Experts

Article 22

1. The tribunal (Arbitrator) may appoint one or more independent experts to report to it, in writing, on specific issues designated by the tribunal (Arbitrator) and communicated to the parties.
2. The parties shall provide such an expert with any relevant information or produce for inspection any relevant documents or goods that the expert may require. Any dispute between a party and the expert as to the relevance of the requested information or goods shall be referred to the tribunal (Arbitrator) for decision.
3. Upon receipt of an expert's report, the tribunal (Arbitrator) shall send a copy of the report to all parties and shall give the parties an opportunity to express, in writing, their opinion on the report. A party may examine any document on which the expert has relied in such a report.
4. At the request of any party, the tribunal (Arbitrator) shall give the parties an opportunity to question the expert at a hearing. At this hearing, parties may present expert witnesses to testify on the points at issue.

Default

Article 23

1. If a party fails to file a statement of defense within the time established by the tribunal (Arbitrator) without showing sufficient cause for such failure, as determined by the tribunal, the tribunal (Arbitrator) may proceed with the arbitration.
2. If a party, duly notified under these Rules, fails to appear at a hearing without showing sufficient cause for such failure, as determined by the tribunal (Arbitrator), the tribunal (Arbitrator) may proceed with the arbitration.
3. If a party, duly invited to produce evidence or take any other steps in the proceedings, fails to do so within the time established by the tribunal (Arbitrator) without showing sufficient cause for such failure, as determined by the tribunal (Arbitrator), the tribunal (Arbitrator) may make the award on the evidence before it.

Closure of Hearing

Article 24

1. After asking the parties if they have any further testimony or evidentiary submissions and upon receiving negative replies or if satisfied that the record is complete, the tribunal (Arbitrator) may declare the hearings closed.
2. The tribunal (Arbitrator) in its discretion, on its own motion or upon application of a party, may reopen the hearings at any time before the award is made.

Waiver of Rules

Article 25

A party who knows that any provision of the Rules or requirement under the Rules has not been complied with, but proceeds with the arbitration without promptly stating an objection in writing thereto, shall be deemed to have waived the right to object.

Awards, Decisions and Rulings

Article 26

1. When there is more than one arbitrator, any award, decision or ruling of the arbitral tribunal shall be made by a majority of the arbitrators. If any arbitrator fails to sign the award, it shall be accompanied by a statement of the reason for the absence of such signature.
2. When the parties or the tribunal so authorize, the presiding arbitrator may make decisions or rulings on questions of procedure, subject to revision by the tribunal.

Form and Effect of the Award

Article 27

1. Awards shall be made in writing, promptly by the tribunal (Arbitrator) , and shall be final and binding on the parties. The parties undertake to carry out such award without delay.
2. The tribunal (Arbitrator) shall state the reasons upon which award is based, unless the parties have agreed that no reasons need to given.
3. The award shall contain the date and the place where the award was made, which shall be place designated pursuant to Article 13.
4. An award may be public only with the consent of all parties or as required by law.
5. Copies of the award shall be communicated to the parties by ADR Bahamas.
6. If the arbitration law of the country where the award is made requires the award to be filed or registered, the tribunal shall comply with such requirement.
7. In addition to making a final award, the tribunal (Arbitrator) may make interim, interlocutory or partial orders and awards.
8. Unless otherwise agreed by the parties, ADR Bahamas may publish or otherwise make publicly available selected awards, decisions and rulings that have been edited to conceal the names of the parties and other indentifying details or that have been made publicly available in the course of enforcement or otherwise.

Applicable Laws and Remedies

Article 28

1. The tribunal (Arbitrator) shall apply the substantive law(s) or rules of law designated by the parties as applicable to the dispute. Failing such a designation by the parties, the tribunal (Arbitrator) shall apply such law(s) or rules of law as it determines to be appropriate.
2. In arbitrations involving the application of contracts, the tribunal (Arbitrator) shall decide in accordance with the terms of the contract and shall take into account usages of the trade applicable to the contract.

3. The tribunal (Arbitrator) shall not decide as amiable *compositeur* or *ex aequo et bono* unless the parties have expressly authorized it to do so.
4. A monetary award shall be in the currency or currencies of the contract unless the tribunal (Arbitrator) considers another currency more appropriate and the tribunal (Arbitrator) may award such pre-award and post-award interest, simple or compound, as it considers appropriate, taking into consideration the contract and applicable law.
5. Unless the parties agree otherwise, the parties expressly waive and forego any right to punitive, exemplary or similar damages unless a statute requires that compensatory damages be increased in a specified manner. This provision shall not apply to any award of arbitration costs to a party to compensate for dilatory or bad faith conduct in the arbitration.

Settlement or Other Reasons for Termination

Article 29

1. If the parties settle the dispute before an award is made, the tribunal (Arbitrator) shall terminate the arbitration and, if requested by all parties, may record the settlement in the form of an award on agreed terms. The tribunal (Arbitrator) is not obliged to give reasons for such an award.
2. If the continuation of the proceedings becomes unnecessary or impossible for any other reason, the tribunal (Arbitrator) shall inform the parties of its intention to terminate the proceedings. The tribunal (Arbitrator) shall thereafter issue an order terminating the arbitration, unless a party raises justifiable grounds for objection.

Interpretation or Correction of the Award

Article 30

1. Within 7 days after the receipt of an award, any party, with notice to the other parties, may request the tribunal (Arbitrator) to interpret the award or correct any clerical, typographical or computation errors or make an additional award as to claims presented but omitted from the award.
2. If the tribunal (Arbitrator) considers such a request justified after considering the contentions of the parties, it shall comply with such a request within 7 days after the request.

Costs

Article 31

The tribunal shall fix the costs of the arbitration in its award. The tribunal may apportion such costs among the parties if it determines that such apportionment is reasonable, taking into account the circumstances of the case. The Schedule of Costs is adapted from the LCIA Rules and the ICDR Rules and is attached hereto.

Such costs may include:

- a. the fees and expenses of the arbitrator;
- b. the costs of assistance required by the tribunal (Arbitrator), including its experts;
- c. the fees and expenses for ADR Bahamas;
- d. the reasonable costs for legal representation of a successful party; and
- e. any such costs incurred in connection with an application for interim or emergency relief pursuant to Article 21.

Compensation of Arbitrators

Article 32

Arbitrators shall be compensated based upon their amount of service taking into account their stated rate of compensation and the size and complexity of the case. ADR Bahamas shall arrange an appropriate daily or hourly rate, based on such considerations, with the parties and

with each of the arbitrators as soon as practicable after the commencement of the arbitration. If the parties fail to agree on the terms of compensation, ADR Bahamas shall establish an appropriate rate and communicate it in writing to the parties.

Deposit of Costs

Article 33

1. When a party files claims, the administrator may request the filing party to deposit appropriate amounts as an advance for the costs referred to in Article 31, paragraphs (a.), (b.) and (c.).
2. During the course of the arbitral proceedings, the tribunal may request supplementary deposits from the parties.
3. If the deposits requested are not paid in full within 14 days after the receipt of the request, ADR Bahamas shall so inform the parties, in order that one or the other of them may make the required payment. If such payments are not made, the tribunal may order the suspension or termination of the proceedings
4. Before the award has been made, the Arbitrator or ADR Bahamas shall render an account to the parties of the deposits received and return any unexpended balance to the parties.

Confidentiality

Article 34

Confidential information disclosed during the proceedings by the parties or by witnesses shall not be divulged by an arbitrator or by ADR Bahamas. Except as provided in Article 27, unless otherwise agreed by the parties, or required by applicable law, the members of the tribunal and ADR Bahamas shall keep confidential all matters relating to the arbitration or the award.

Exclusion of Liability

Article 35

The members of the tribunal and ADR Bahamas shall not be liable to any party for any act or omission in connection with any arbitration conducted under these Rules, except that they may be liable for the consequences of conscious and deliberate wrongdoing.

Interpretation of Rules

Article 36

The tribunal (Arbitrator) shall interpret and apply these Rules insofar as they relate to its powers and duties. ADR Bahamas shall interpret and apply all other Rules.

Emergency Measures of Protection

Article 37

1. Unless the parties agree otherwise, the provision of this Article 37 shall apply to all arbitrations conducted under these rules.
2. A party in need of emergency relief prior to the constitution of the tribunal shall notify ADR Bahamas and all other parties in writing of the nature of the relief sought the reasons why such relief is required on an emergency basis. The application shall also set forth the reasons why the party is entitled to such relief. Such notice may be given by email, facsimile transmission or other reliable means, but must include a statement certifying that all other parties have been notified or an explanation of steps taken in good faith to notify other parties.
3. Within one business day of receipt of notice as provided in paragraph 2, ADR Bahamas shall appoint a single emergency arbitrator from a special panel of emergency arbitrators designated to rule on emergency applications. Prior to accepting appointment, a prospective emergency arbitrator shall disclose to the administrator any circumstance likely to give rise to justifiable doubts to the arbitrator's impartiality or independence. Any challenge to the appointment of the emergency arbitrator must be made within one business day of the communication by ADR Bahamas to the parties of the appointment of the emergency arbitrator and the circumstances disclosed.
4. The emergency arbitrator shall as soon as possible, but in any event within two business days of appointment, establish a schedule for consideration of the application for emergency relief.

5. The emergency arbitrator shall have the power to order or award any interim or conservancy measure the emergency arbitrator deems necessary, including injunctive relief and measures for the protection or conservation of the property. Any such measure may take the form of an interim award or of an order. The emergency arbitrator shall give reasons in either case. The emergency arbitrator may modify or vacate the interim award or order for good cause shown.
6. The emergency arbitrator shall have no further power to act after the tribunal is constituted or the arbitrator is appointed. Once the tribunal has been constituted, or the arbitrator is appointed, the tribunal may reconsider, modify or vacate the interim award or order of emergency relief issued by the emergency arbitrator. The emergency arbitrator may not serve as a member of the tribunal unless the parties agree otherwise.
7. Any interim award of emergency relief may be conditioned on provision by the party seeking such relief of appropriate security.
8. A request for the interim measures addressed by a party to a judicial authority shall not be deemed incompatible with this Article 37 or with the agreement to arbitrate or a waiver of the right to arbitrate. If ADR Bahamas is directed by a judicial authority to nominate a special master to consider and report on an application for emergency relief, the administrator shall proceed as in Paragraph 2 of this article and the references to the emergency arbitrator shall be read to mean the special master, except that the special master shall issue a report rather than an interim award.
9. The costs associated with applications for emergency relief shall initially be apportioned by the emergency arbitrator or special master, subject to the power of the tribunal to determine finally the apportionment of such costs.