

Rules of simplified arbitration procedure 2008

DANISH ARBITRATION:

RULES OF SIMPLIFIED ARBITRATION PROCEDURE

Article 1

Disputes which by agreement between the parties are to be settled in accordance with the rules of simplified arbitration procedure of Danish Arbitration shall be decided by an arbitral tribunal appointed by Danish Arbitration for each individual dispute.

Article 2

The place of arbitration shall be Copenhagen unless otherwise agreed between the parties.

A. Submission of statement of claim under the simplified procedure

Article 3

Par. 1: A party wishing to have a dispute settled by arbitration in accordance with the rules of simplified arbitration procedure shall submit a statement of claim containing the following information:

1. The full names and addresses of the parties.
2. Information about any legal counsel retained by the claimant, including the full name and address of such legal counsel.
3. The claimant's claim.
4. A statement of the facts and legal points supporting the claim.
5. A reference to the documents and other evidence upon which the claimant intends to rely his claim, including the agreement to have the dispute settled by the simplified arbitration procedure.

6. Any comments regarding the place of arbitration, the country whose law shall apply to the resolution of the case, and the language to be used in the proceedings.
7. Any comments regarding the person proposed as arbitrator, including such person's full name and address and other information required by Danish Arbitration for its appointment of the arbitrator in accordance with Article 13.

Par. 2: Documents referred to in the statement of claim, including the arbitration agreement, shall be enclosed in the form of original documents or copies thereof.

Par. 3: The statement of claim shall be accompanied by copies of the statement of claim and the documents it refers to in a number sufficient to allow a copy to be handed out to the arbitrator and to each party.

Article 4

Par. 1: The statement of claim submitted to Danish Arbitration must be accompanied by the payment of a registration charge of DKK 7,500 / EUR 1,000. Registration charges are non-refundable.

Par. 2: If Danish Arbitration is not in receipt of the charge stipulated in par. 1 above not later than by the time the statement of claim is filed, it shall set a deadline for payment. Failure to effect payment of the amount by such deadline shall cause Danish Arbitration to terminate the case, but this shall not preclude the claimant from filing another statement of claim on the same issue at a later stage.

Article 5

The date on which Danish Arbitration received the statement of claim shall in all respects be considered to be the date on which the arbitration case was filed.

Article 6

If the submitted statement of claim does not comply with the above provisions, Danish Arbitration shall set a short deadline for compliance. Failure to supply any missing elements

before the deadline may cause Danish Arbitration to terminate the case, but this shall not preclude the claimant from filing another statement of claim on the same issue at a later stage. If the case is terminated due to failure to comply with the rules for the filing of a claim, Danish Arbitration shall inform the parties that the case has been terminated without prejudice to the possibility of the parties filing a new claim at a later stage.

B. The respondent's statement of defence and possible counterclaims

Article 7

Danish Arbitration shall forward to the respondent one of the received copies of the statement of claim and the documents on which the claimant relies, asking the respondent to submit a statement of defence within 8 working days.

Article 8

Par. 1: The respondent's statement of defence shall contain the following information:

1. The respondent's full name and address.
2. The respondent's claim.
3. A statement of the facts and legal points supporting the defence.
4. A reference to the documents and other evidence upon which the respondent intends to rely his defence.
5. Any comments regarding the place of arbitration, the country whose law shall apply to the resolution of the case, and the language to be used in the proceedings.
6. Any comments regarding the person proposed as arbitrator and other information required by Danish Arbitration for its appointment of the arbitrator in accordance with Articles 12-15.
7. Any objections to the jurisdiction of the arbitrator.

Par. 2: The respondent's statement of defence and any exhibits shall be forwarded in the number of copies stated in Article 3 (3).

Article 9

Par. 1: If the respondent advances a counterclaim against the claimant, such counterclaim shall be contained in the respondent's statement of defence where it shall be included under the claims made by the respondent. Moreover, in the event of a counterclaim being advanced, the statement of defence submitted by the respondent shall also contain a statement of the facts and legal points supporting the counterclaim and a reference to the documents and other evidence upon which the respondent intends to rely in relation thereto. Also, the respondent shall provide security in accordance with Article 11.

Par. 2: If the respondent's statement of defence contains a counterclaim that does not arise out of the same case as the one covered by the statement of claim, the counterclaim shall be considered a separate arbitration case which, at the request of the parties, the arbitrator may decide to process together with the case first filed. When submitting the statement of defence, the respondent shall effect payment of the registration charge stated in Article 4 and provide security in accordance with Article 11.

C. Final submissions

Article 10

Par. 1: Danish Arbitration shall forward to the claimant a copy of the respondent's statement of defence and any exhibits, whereupon the claimant may file a final submission within 8 working days.

Par. 2: If Danish Arbitration has received a submission in pursuance of par. 1 above, Danish Arbitration shall forward a copy thereof to the respondent, requesting him to file a final submission within 8 working days

D. Financial security

Article 11

Par. 1: In addition to the registration charge mentioned in Article 4, the parties shall pay a cash deposit as security for the estimated costs of the arbitration case, including a fee to Danish Arbitration.

Par. 2: Danish Arbitration shall decide the amount of the security. Normally the two parties will be asked to pay identical amounts. Failure by a party to pay its share shall require the other party to pay the full amount in order for the case to be processed.

Par. 3: The parties shall pay the amount within 8 days of receiving notice of its size. In the event that the arbitrator decides to appoint experts to report on issues in the case, see Article 20, or if for other reasons the costs estimated to accrue from the case prove to exceed the amount originally anticipated, Danish Arbitration may demand that the amount be increased and that the additional amount be paid before proceedings continue.

Par. 4: Failure to pay the security demanded by Danish Arbitration before the deadline set may cause Danish Arbitration to terminate proceedings, however without prejudice to the claimant's possibility of filing another claim on the same issue at a later stage. Having made that decision, Danish Arbitration shall inform the parties that the proceedings have been terminated due to failure to pay the security, but that this shall not preclude the possibility of a claim being brought at a later stage.

Par. 5: If, in his statement of defence, the respondent advances a counterclaim as described in Article 9, the provisions of par. 1-3 of the present article shall apply correspondingly to the case concerning the counterclaim. Failure by the respondent to pay shall have the effect described above in par. 4 as far as the counterclaim is concerned.

E. Appointment of arbitrator

Article 12

Par. 1: The arbitral tribunal shall consist of 1 arbitrator who shall have a law degree and who shall be independent and impartial.

Par. 2: Where not all parties to the dispute are domiciled in the same country, the person appointed arbitrator shall be domiciled in a country other than those in which the parties reside, unless otherwise agreed by the parties.

Article 13

Par. 1: Danish Arbitration shall appoint the arbitrator. The parties may jointly propose a person to be appointed arbitrator not later than by the deadline set for the submission of the respondent's statement of defence. The appointment shall have due regard to any qualifications required by the arbitrator by the agreement between the parties and to considerations likely to secure the appointment of an independent and impartial arbitrator.

Par. 2: Before being appointed by Danish Arbitration, the arbitrator shall sign a statement of independence and impartiality in which are stated any circumstances which, in the opinion of either party to the arbitration case, may give rise to justifiable doubt as to the arbitrator's impartiality or independence. The arbitrator shall also produce information on his professional and educational background, etc. (CV/resume). Danish Arbitration shall submit the statement and the information about the arbitrator's professional and educational background, etc., (CV/resume), to the parties, setting a deadline for any comments

Par. 3: The arbitrator shall immediately inform Danish Arbitration of any circumstances that should have been included in the statement mentioned in par. 2 had they existed at the time.

Par. 4: A party may challenge the appointment of an arbitrator only if it finds that circumstances exist which give rise to justifiable doubts as to the impartiality or independence of the arbitrator, or if it finds that the arbitrator does not possess the qualifications agreed to by the parties. A written statement of the reasons for the challenge must be filed with Danish Arbitration within 15 days of the parties having become aware of the circumstances upon which the challenge relies.

Par. 5: Danish Arbitration shall notify the parties and the arbitrators of its receipt of a challenge raised in pursuance of par. 4 above, stating a deadline for any comments.

Par. 6: Unless the arbitrator withdraws from office or the parties in the arbitration case agree to refrain from appointing the arbitrator or to revoke his appointment, the chairmanship of Danish Arbitration shall decide whether or not the challenge is to be successful. If one member, respectively both members, of the chairmanship has a conflict of interest or is otherwise

prevented from participating in this decision, another Council member, respectively two other Council members, shall participate.

Par. 7: Even in the absence of a challenge in pursuance of par. 4, the chairmanship of Danish Arbitration may decide not to appoint an arbitrator or to revoke his appointment if it finds that there are justifiable doubts as to the impartiality or independence of the arbitrator, or if it finds that he does not possess the qualifications agreed on by the parties. If one member, respectively both members, of the chairmanship has a conflict of interest or is otherwise prevented from participating in the decision, another Council member, respectively two other Council members, shall participate.

Article 14

Par. 1: If, after having been appointed, an arbitrator dies, wishes to resign, or has his appointment revoked by Danish Arbitration, or if a person proposed as arbitrator is not appointed, Danish Arbitration shall appoint a substitute arbitrator.

Par. 2: An appointment made pursuant to par. 1 above shall be made according to the same rules as those that applied to the appointment of the arbitrator being replaced, etc., unless Danish Arbitration finds the application of these rules inappropriate in view of the delay that this may cause.

F. Conduct of the arbitral proceedings

Article 15

When it has appointed the arbitrator and received the amount demanded in deposit, Danish Arbitration shall forward the documents of the case together with a copy of existing correspondence to the arbitrator.

Article 16

The arbitrator shall take over the handling of the case upon receipt of the documents, etc., described in Article 15 and shall prepare a timetable for the further processing of the case. Henceforth, all correspondence shall be directly between the arbitrator and the parties with copies to Danish Arbitration, which will follow developments in the case by means of the copies so that, if necessary, it may assist the arbitrator in ensuring that the case progresses effectively and efficiently.

Article 17

Par. 1: The arbitration case shall be processed in accordance with the present rules. If an issue is not covered by the present rules, it shall be decided in accordance with the rules agreed between the parties or, in the absence of such agreed rules, in accordance with such rules as the arbitrator may see fit to lay down.

Par. 2: The arbitrator shall be fair and impartial and shall ensure that all parties are treated with equality and are given full opportunity to present their case.

Article 18

Par. 1: The parties may agree on the language(s) to be used in the arbitration case. Failing such agreement, the arbitrator shall make the decision after consulting with the parties. Unless otherwise provided by the parties' agreement or the arbitrator's decision, the agreement or the decision shall apply to written submissions by the parties, to oral hearings before the arbitrator and to awards, decisions and other communications from the arbitrator.

Par. 2: The arbitrator may decide that written evidence be accompanied by a translation into the language(s) agreed between the parties or decided by the arbitrator.

Article 19

Par. 1: The arbitrator shall decide the case in accordance with the rules of law chosen by the parties as applicable to a decision of the substance of the dispute. Unless otherwise expressed, any references to a country's legislation or legal system shall be construed as directly referring to the substantive law of that country and not to its rules on international private law.

Par. 2: Failing a designation by the parties of the rules of law applicable to the decision of the substance of the dispute, the arbitrator shall apply the law determined by the conflict of laws rules which he considers applicable after having consulted the parties.

Par. 3: The arbitrator shall decide the case as amiable compositeur or ex aequo et bono only if the parties have expressly authorised him to do so.

Par. 4: The arbitrator shall in any case decide the case in accordance with the provisions of the contract and with due regard to the usages of the trade applicable to the case.

Article 20

Par. 1: At the request of one party and after having heard the other party/parties in the case, the arbitrator may decide to appoint one or more experts to report on specific issues to be determined by the arbitrator. The arbitrator may order a party to give the expert any and all relevant information and grant him access to inspect documents and other evidence.

Par. 2: In cases where the arbitrator has decided as outlined in par. 1 above, Danish Arbitration shall produce one or more candidates for appointment as expert(s) by the arbitrator after having consulted the parties.

Par. 3: When the arbitrator has appointed the expert, Danish Arbitration shall ask the expert for an estimate of the costs likely to arise out of the production of his opinion to the arbitrator. At the same time, as a general rule the expert is asked to refrain from doing any work in the case until he is notified by Danish Arbitration that security has been provided for the estimated costs of his services, see Article 11. Also, Danish Arbitration will ask the expert to report to it in case the estimated costs of his work exceed the amount lodged in security. Danish Arbitration may demand that the amount in security be increased, and that the additional amount be paid in, before the expert continues his work.

Par. 4: Danish Arbitration shall charge a fee for the appointment of experts amounting to DKK 3,750/EUR 500 per expert.

Par. 5: After having heard the parties thereon, the arbitrator shall decide the fee payable to the expert for the services provided by him.

Article 21

The arbitrator shall generally decide on the preparation of the case, taking into account the wishes of the parties insofar possible, and shall ensure that the case progresses effectively and efficiently.

Article 22

Once he finds that the case has been adequately clarified and that the parties have had adequate time and opportunity to safeguard their interests in the case, see Article 17(2), the arbitrator shall end the preparation of the case.

Article 23

The case shall be settled on the basis of written submissions only, unless the arbitrator allows an oral hearing in the case at the request of either party. If there is to be an oral hearing in the case, after hearing the parties the arbitrator shall fix a time and place for such hearing, giving adequate notice to allow the parties to be present and to summon the witnesses they wish to question.

Article 24

Par. 1: A case in which arbitration has been agreed and an arbitrator has been appointed by Danish Arbitration shall be seen through whether or not one of the parties refuses to participate in the processing of the case or fails to make an appearance. If the claimant fails to make an appearance, the arbitrator may dismiss the case.

Par. 2: If a party fails to make an appearance or proves unwilling to participate in the clarification of the case, the case shall be seen through in the best possible way as decided by the arbitrator. The arbitrator shall make his award on the basis of the information made available to him.

Article 25

Par. 1: Before making his award the arbitrator shall forward a draft of the award and a statement of the costs of the arbitration case to Danish Arbitration.

Par. 2: The fee payable to the arbitrator shall be decided by Danish Arbitration on the basis of a reasoned proposal on the fee from the arbitrator. Danish Arbitration shall make the final computation of the total costs of the arbitration case, including the charge payable to Danish Arbitration. The fee to the arbitrator and the charge payable to Danish Arbitration shall be decided in accordance with the rates in force at the time the arbitration case ended, see Article 32. The amount in costs stated in the award shall equal the amount decided by Danish Arbitration.

Par. 3: Before the award is made, Danish Arbitration shall peruse the draft award mentioned in par. 1 above. Subject to prior discussion with the arbitrator, Danish Arbitration may incorporate changes in the structure and lay-out of the award and, without challenging the competence of the arbitrator, direct the arbitrator's attention to other issues, including issues of importance to the validity of the award, its recognition and enforcement. Although the award is perused by Danish Arbitration as stated in the first clause of this paragraph, responsibility for the contents of the award lies exclusively with the arbitrator.

Article 26

The arbitrator shall make his award as soon as possible and not later than three months after the submission to the arbitrator of the documents of the case and a copy of existing correspondence, see Article 15. If the award has not been made before the deadline stipulated in the first clause of this paragraph, the arbitrator shall notify the parties and Danish Arbitration of the time he expects to make an award in the case.

Article 27

Par. 1: The award shall be in writing and shall be signed by the arbitrator.

Par. 2: The award shall state its date and the place of arbitration and, unless otherwise agreed between the parties, a presentation of the facts of the case including the claims made by the parties and, if required, a rendition of the witness statements made, as well as a presentation of

the facts and legal points considered important by the arbitrator in his decision of the case. The award shall further contain a rendition of the submissions made by the parties and, unless the parties have agreed not to have a reasoned award, a reasoned decision of the issues in dispute.

Par. 3: The award of the arbitrator shall contain provisions regarding the size and payment of the costs of the arbitration case, including positive outlays, payments to experts appointed by the arbitrator, the fee to the arbitrator, and the charge payable to Danish Arbitration, see Article 25.

Par. 4: The award of the arbitrator shall indicate whether or not the losing party shall effect reimbursement to the other party of the costs incurred by the latter in connection with the case, unless the parties have agreed otherwise. In its determination of the amount in costs to be paid by the losing party to the other party, the arbitrator shall rely on the principles for the determination of costs applied by the Danish courts of law. However, if special circumstances apply, the arbitrator may decide that the losing party shall effect no or only partial reimbursement to the other party of the costs incurred by it. If the losing party has offered to pay to the other party the amount due to it, the other party shall effect reimbursement to the losing party of the costs incurred in connection with the remaining part of the process.

Par.5: After the making of the award a copy thereof carrying the signature of the arbitrator shall be sent to each party.

Article 28

Par. 1: The costs stated in the award that exceed the deposit made shall be paid to Danish Arbitration who will handle payments to the arbitrator, experts, and others.

Par. 2: The parties shall be jointly and severally liable for the total costs of the arbitration case regardless of the way costs have been assigned in the award and whether or not the amount exceeds the security lodged. If this means that one party has to pay for the other party, the former shall have a right of recourse against the latter. The legal counsel acting for the parties shall be liable for costs only if they have undertaken such liability.

Par. 3: Any excess amount of the deposit shall be repaid on the basis of the statement drawn up by Danish Arbitration without addition of interest.

Article 29

The arbitral award shall be final and conclusive and binding on the parties.

Article 30

Par. 1: If, during the arbitral proceedings, the parties settle the dispute, the arbitrator shall terminate the proceedings. If requested by the parties and not objected to by the arbitrator, the arbitrator shall record the settlement in the form of an arbitral award on agreed terms.

Par. 2: An arbitral award on agreed terms shall be made in accordance with the provisions of Article 27 and shall state that it is an arbitral award. Such an arbitral award shall have the same status and legal effect as any other arbitral award on the merits of the case.

Article 31

Par. 1: Within 15 days of receipt of the arbitral award either party may apply to the arbitrator for:

1. a correction of an award where, due to an error in computation, a clerical or typographical error or similar errors, the contents of the award are not in accordance with the opinion of the arbitrator,
2. an interpretation of the arbitral award, or
3. the making of an additional award with regard to claims which, although they were presented to the arbitrator and should have been decided by him, were omitted from the arbitral award.

Par. 2: A request for a correction to or an interpretation of an arbitral award or for the making of an additional award shall be filed with the arbitrator and the other parties with a copy to Danish Arbitration. The parties must be given an opportunity to give their opinion. The arbitrator will allow the request if he considers it justified. A decision to make a correction or give an interpretation of the arbitral award or to make an additional award shall be made within 15 days of receipt of such request by the arbitrator.

Par. 3: The arbitrator may make corrections to the arbitral award of the type referred to in point 1 of par. 1 above at his own initiative within 15 days of having made the award. The parties must be heard before the arbitrator makes the corrected award.

Par. 4: Under special circumstances the arbitrator may extend the periods stated in par. 1 – 3 above.

Par.5: The provisions of par. 1-4 above shall also apply to decisions to correct or interpret the arbitral award as well as to the making of an additional award.

Article 32

Par. 1: The arbitration case shall be terminated by the making of the final arbitral award or by a decision by the arbitrator in pursuance of par. 2 below, Article 24 (1, 2nd clause), or Article 30 (1, 1st clause), or by a notification from Danish Arbitration in pursuance of Article 4(2), Article 6 or Article 11 (4).

Par. 2: The arbitrator shall decide to terminate the case in the event that:

1. the claimant withdraws his claim, unless the respondent objects to case being terminated and the arbitrator finds that the respondent has a legitimate interest in obtaining a final settlement of the dispute,
2. the parties agree to terminate the arbitral proceedings, or
3. the arbitrator finds that, for other reasons, a continuation of the arbitral proceedings has become unnecessary or impossible.

Par. 3: The mandate of the arbitrator shall terminate upon the termination of the arbitral proceedings, however see Article 31.

Article 33

Par. 1: When the arbitration case has been terminated and the costs of the case have been paid, Danish Arbitration shall return original documents, drawings and similar documents to the parties. Everything else that has been submitted in the case shall remain the property of Danish Arbitration.

Par. 2: Danish Arbitration shall keep awards and settlements reached before an arbitral tribunal in its files for a minimum of 10 years.

G. Miscellaneous provisions

Article 34

The arbitrator and Danish Arbitration shall treat all matters relating to the arbitration case as confidential.

Article 35

All communications and announcements from Danish Arbitration or the arbitrator shall be deemed to have been validly received by a party when forwarded by registered mail to said party's address or last known address, or if proven to have reached said party. The parties may send pleadings and related exhibits to the arbitrator and Danish Arbitration by fax or email, if hardcopies of such documents are also sent by regular mail. Correspondence may generally be forwarded by means of fax or email, as decided by the arbitrator.

Article 36

Neither the arbitrator nor Danish Arbitration, its Council, Board of Representatives or employees can be held liable for any acts or omissions in connection with a request for arbitration, the processing of an arbitration case, or an award made by an arbitrator.

Article 37

The present rules of simplified arbitration procedure of Danish Arbitration have been prepared in Danish, English, German and French. In cases where the language used in the proceedings is Danish, German or French, the Danish, German or French version, respectively, of the rules shall apply. In all other cases, the English version of the rules shall apply.

Article 38

These rules shall enter into force on 18 December 2008.

Thus adopted by the Council of Danish Arbitration on 20 September 2008.