

**DISPUTE BOARD RULES****I. INTRODUCTION AND DEFINITIONS**

1.1 CAMARB - BUSINESS MEDIATION AND ARBITRATION CHAMBER - BRAZIL, hereinafter referred to as CAMARB, has the purpose of administering arbitration proceedings and other extrajudicial dispute resolution methods, one of them being the *Dispute Resolution Boards* also known as *Dispute Boards* (DB).

1.2 The *Dispute Review Board* (“DRB”) and the *Dispute Adjudication Board* (“DAB”) are types of DB, and the provisions of these Rules apply equally to all of them.

1.3 In the DB scope, CAMARB will provide administrative services to the Parties, including the appointment of members of the DB and the decision in case of eventual challenge the appointment of a member of the DB.

1.4 CAMARB's operation does not involve any jurisdictional act or secretariat of the DB that will conduct the proceeding in accordance with these Rules and the provisions of the Contract.

1.5 The CAMARB Dispute Board Rules, hereinafter referred to as the “Rules, apply whenever a Contract provides for the adoption of the CAMARB DB Rules.

1.6 Unless otherwise provided, the Rules in force on the date of commencement of the DB's activities, corresponding to the date on which all members of the DB and the Parties have entered into the Dispute Board Constitution Instrument, shall apply.

1.7 For the purposes of these Rules:

- **Dispute Board** (“DB”): shall mean *Dispute Review Board* (“DRB”) or *Dispute Adjudication Board* (“DAB”), consisting of one or three members, for the prevention and settlement of Disputes referred to it by the Parties;
- **Contract**: shall mean the contract entered into by the Parties, which provides for the use of the *Dispute Board*;
- **Dispute**: shall mean any dispute, conflict or divergence arising out of the Contract, which is submitted to DB for its resolution;
- **Award**: is the binding determination, to be complied with immediately by the Parties, issued by the DB in respect of the Dispute submitted to it;
- **Party**: shall mean the party or parties of the Contract that provides for the use of DB;
- **Recommendation**: shall mean the non-binding statement made by DB concerning the Dispute submitted to it. If it is not challenged by the Parties or submitted to arbitration, it shall become binding;
- **DB Constitution Instrument**: shall mean the instrument signed between the Parties and the member or members of the *Dispute Board* to commence the activities of the *Board*;





II. NOTICES, STATEMENTS AND TIME LIMITS

2.1 All statements and documents submitted by the Parties or the DB shall be sent simultaneously to the members of the *Board* and to the other Parties at the addresses informed by each member and by the Parties in the DB Constitution Instrument.

2.2 The time limits of these Rules and those set by DB will begin on the business day following the date of receipt of the statement sent by the Party or DB. Time limits run uninterruptedly and are not suspended during holidays or non-business days. If the time limit ends on a holiday or on a non-business day, then the time limit shall be extended until the subsequent business day.

2.3 Statements shall be sent by electronic means, or other means provided for by the Parties and the DB, provided there is proof of their sending and receipt.

2.4 All statements shall be deemed to have been duly delivered on the date of receipt, according to the proof referred to in item 2.3.

2.5 The parties, upon approval of the DB, may change the time limits set out in these Rules.

III. DISPUTE BOARD CONSTITUTION

3.1 DB shall be established within thirty (30) days of execution of the Contract, or any other time limit defined by the Parties, upon the execution of the DB Constitution Instrument.

3.2 DB shall be established in accordance with these Rules, subject to the provisions of the Contract.

3.3 In case the Contract does not provide for the number of members of the DB, it will consist of 3 (three) members.

3.4 When the Parties choose to appoint a single member, the single member shall be appointed by consensus within thirty (30) days of the execution of the Contract or any other time limit defined by the Parties. If no consensus is reached within the established time limit, the provisions of item 3.10 shall apply.

3.5 Unless otherwise agreed, if the Parties choose to establish a DB with three (3) members, each of them will be responsible for appointing one member within seven (7) days of the execution of the Contract. Within seven (7) days after the manifestation of availability, non-impediment, impartiality, and independence of the appointed members, they will jointly appoint the third member, who will act as the Chairman of the DB.

3.6 In the event that either Party fails to appoint one of the members within the period provided for in the item above, or in the event that consensus is not reached between the members appointed by the Parties, the respective member shall be appointed by the CAMARB's Board of Directors, after payment of the respective service fee provided for in Attachment II.





3.7 Within seven (7) days of the respective appointment, the professional appointed to compose the DB shall make a statement in accordance with item 4.2.

3.8 Upon receipt of the statement of availability, together with the declaration of non-impediment, impartiality and independence, the Parties shall have seven (7) days to offer a reasoned objection to the members.

3.9 In the event of an challenge, the constitution of DB will be suspended, the member subject to challenge will be summoned to manifest, within five (5) days, and the other party will be allowed to manifest within the same time limit.

3.10 The CAMARB's Board of Directors will have the final decision on the member's challenge, after payment of the respective fee set forth in Attachment II.

3.11 If any appointed member dies, resigns, is declared impeded (is recused) or suspect or becomes unable to perform his or her duties, the substitute arbitrator shall be appointed in the manner and time limit applicable to the appointment of the member to be replaced.

3.12 Where there are multiple Parties to the Contract, they will seek consensus for joint appointment of all members of the DB. In case there is no consensus on this matter, the CAMARB's Board of Directors will appoint all members of the DB after the payment of the respective fees provided in Attachment II.

IV. DISPUTE BOARD MEMBERS

4.1 Any professionals may be appointed, regardless of being part of CAMARB's Reference Lists, as long as they are capable, impartial, independent and have availability and technical knowledge about the subject matter of the Contract.

4.2 The person(s) appointed to act as member(s) will sign an instrument declaring their capacity, impartiality, independence and also that they have the technical knowledge of the subject matter of the Contract and the necessary availability to take part in the DB within the stipulated time limit. At the same time, any circumstance that may give rise to justifiable doubt as to their impartiality or independence in relation to the Parties or the Contract submitted to them shall be informed.

4.3 Among these circumstances, all causes of impediment and suspicion must be observed, and any facts indicating a link, bond or interest, even if indirect, of the person appointed as a member of DB with the Parties, the Contract and its object, must be disclosed.

4.4 In case of any event occurring after the appointment of the member, which shows doubt

- as to his independence, impartiality, technical capacity and availability, the member has the duty to immediately inform the Parties and the other members of the DB. The member may, as a result, resign even when appointed by consensus of the Parties.





4.5 Within ten (10) days, after becoming aware of a supervening fact that raises doubts regarding the independence, impartiality, technical capacity, availability and performance of the DB member, the Party may present an objection to the appointment of the latter, in compliance with the procedure set forth in these Rules.

4.6 If the challenge to the member of the DB is accepted by the CAMARB's Board of Directors, the Decisions and Recommendations made so far may be validated and/or reviewed by the DB that will be formed with the participation of the new member.

4.7 The member of DB cannot take part of any arbitration or lawsuit concerning the Contract in which he acted, as an arbitrator, expert, technical assistant, technical witness, witness, representative, advisor or attorney of the Parties.

V. POWERS AND DUTIES OF THE *DISPUTE BOARD*

5.1 If not otherwise agreed by the Parties and *Board*, DB shall, among others, have the following powers:

1. request the Parties to send any documents they deem necessary for the proper operation of the DB;
2. decide, ultimately, procedural matters, always observing impartiality, neutrality, and isonomy between the Parties;
3. define the language(s) to be adopted by the DB in its statements, considering the language of the Contract;
4. call meetings, visits to works and hearings;
5. hear the Parties for clarification, their representatives, and enrolled witnesses;
6. require the hiring of technical experts, at the expenses of the Parties, to assist in the settlement of the Dispute;
7. take all necessary measures to ensure the proper operation of the DB.

5.2 Among other duties, DB shall:

1. act in an impartial, independent, unbiased, and isonomic manner;
2. if consulted by the Parties, always advise them jointly and informally, acting in a preventive manner;
3. encourage friendly composition between the Parties;
4. be technically aware of the issues it will have to decide;
5. keep up to date with the main facts concerning the works, based on the study of the documents sent by the Parties;
6. attend meetings, visits to works and hearings;
7. be available within fifteen (15) days of the request made by the Party for unscheduled meetings or visits to the works;
8. issue the Recommendation or Decision within the established time limit;
9. give a clear, albeit summary, reasoning for the Recommendation or Decision it makes.



**VI. DISPUTE REVIEW BOARD (DRB)**

6.1 The *Dispute Review Board* (“DRB”) issues Recommendations to the Parties.

6.2 The Party that disagrees with the DRB's Recommendation shall submit a written objection, with the respective grounds, within fifteen (15) days of receipt, to be forwarded to the DRB and the other Party. In such case, the Party shall request CAMARB the commencement of the arbitration, within the same time limit.

6.3 In the event that neither Party objects under item 6.2, the Recommendation shall be binding, and its compliance shall occur immediately.

6.4 If either Party fails to comply with a Recommendation that has become binding, the other Party may request the commencement of arbitration on the grounds of non-compliance.

6.5 In the event that an objection to the Recommendation has been filed, or no Recommendation has been issued by the *Board* within the period established, or the DRB has been removed by a joint decision of the parties, the Dispute will be finally resolved by arbitration.

VII. DISPUTE ADJUDICATION BOARD (“DAB”)

7.1 The *Dispute Adjudication Board* (“DAB”) renders Decisions which are binding on the Parties and which must be promptly complied with.

7.2 The DAB Decision is binding from the time of its receipt by the Parties, irrespective of whether a challenge has been submitted.

7.3 If either Party fails to comply with the Decision, the other Party may request the commencement of arbitration on the grounds of non-compliance.

7.4 The Party that disagrees with the DAB's Decision shall submit a statement of disagreement to the DAB and the other Party within fifteen (15) days of receipt of the Decision.

7.5 In the event that a manifestation of disagreement with the Decision has been submitted, that no decision has been rendered by the *Board* within the time limit set, or that the DAB has been removed by a joint decision of the parties, the dispute will be finally decided by arbitration. Until the final award in the arbitration, the Parties remain bound to comply with the DAB Decision.

VIII. DISPUTE BOARD CONSTITUTION INSTRUMENT

8.1 The Parties and the members of the *Board* shall sign the Constitution Instrument, through which the DB will be established.

8.2 In any case, the DB Constitution Instrument shall contain, as a minimum:





1. the full qualification, name, occupation, marital status, headquarters and domicile of the Parties and members of the DB;
2. the identification of the main contract that provides for the institution of the DB, with the description of its object;
3. the object of the Instrument, which is the rendering of services as members of the DB;
4. the monthly remuneration of DB members (“monthly fees”), equivalent to three (3) times the daily fees;
5. the remuneration of members of DB for visits to the works (“daily fees”), established by mutual agreement;
6. the Instrument term, which must be linked to that of the main contract;
7. the language(s) in which the DB proceeding will be conducted;
8. exemption of responsibility of the DB members, when performing their duties as members of the *Board*, except in case of acts of bad faith;
9. the signature of two (2) witnesses.

8.3 The DB Constitution Instrument may be terminated, at any time, by agreement of the Parties, upon payment to the members of the DB of an amount equivalent to the fees of 3 (three) months , unless otherwise agreed to by the Parties and the members of the *Board*.

8.4 The member of the DB may resign from the *Dispute Board*, provided that he gives two (2) months' notice of his resignation, unless otherwise agreed with the Parties.

8.5 The Parties may adopt the attached draft of the DB Constitution Instrument (Attachment I).

IX. PARTIES AND ATTORNEYS

9.1 The Parties have the duty to keep the DB informed about the progress of the works and the occurrence of potential Disputes, by (i) sending the main contractual documents, monthly progress reports, minutes of follow-up meetings, schedule control report, relevant correspondence exchanged between them; and (ii) holding meetings and visits to the works.

X. MEETINGS AND VISITS TO THE WORKS

10.1 As soon as it is established, the DB, together with the Parties, shall define not only a schedule of meetings to monitor the progress of the works and visits to the works, but also the procedure to be adopted by the DB.

10.2 Considering the nature of the works, the DB, at its discretion, shall make at least two (2) annual visits to the works.

10.3 Either Party may request a meeting or visit to the works outside the dates foreseen in the schedule, and the DB and the other Party shall hold the meeting or visit within a maximum of fifteen (15) days of the request.

10.4 The meetings may be held at a place other than the work site, provided that there is consensus between the Parties and the DB. In the event that there is no consensus, the DB will define the venue of the meeting.





10.5 The Parties and the DB shall attend meetings and visits to the works. If either Party fails to attend, the DB may proceed with the meeting or visit. In case a member of the DB does not attend, the Board may continue the meeting or visit, provided that there is no opposition from either Party.

10.6 The DB shall draw up minutes containing the main points discussed and reviewed at each meeting or visit to the works.

XI. PROCEDURE IN CASE OF DISPUTE

11.1 After the constitution of the DB, the interested Party may submit any dispute regarding the Contract to the *Board* through the Request for Dispute Resolution ("Request"), which must be submitted in writing, accompanied by the respective supporting documentation.

11.2. The Request shall contain:

1. identification and qualification of the requesting Party;
2. report on the facts which gave rise to the dispute;
3. the supporting documentation for the claims;
4. the claims.

11.3 The Request shall be sent to all members of the DB and to the opposite Party, and the date of receipt by the chairman of the DB shall be considered for the purposes of establishing the commencement of proceedings.

11.4 The respondent may submit its Answer within thirty (30) days of receipt of the Request, which shall contain:

1. the identification and qualification of the respondent;
2. a report of the facts concerning the Dispute presented by the opposite Party;
3. the supporting documentation for the claims or objections;
4. the claims.

11.5 The Parties may, at any time, negotiate and reach an agreement on the Dispute.

11.6 Upon communication to all Parties, the DB may ask either Party for clarification regarding the Request or the Answer. The DB may also request complementation of the documentation submitted.

11.7 The DB may, at its discretion, designate a date for a hearing for clarification after receipt of the respondent's Answer or clarification under item 11.6.



**XII. INFORMAL ASSISTANCE**

12.1 The Parties may jointly request informal assistance from the DB for the settlement of Disputes which have not yet been formally submitted to the proceeding under Clause XI.

12.2 Informal assistance may be provided orally or in writing at the time of the DB's visits to the works or during any meeting between the Parties and the DB.

12.3 The request for informal assistance must be made by the Parties at least seven (7) days in advance and must inform the DB of the subject matter and documents related to the object of the assistance.

12.4 The informal assistance, provided by the DB, does not bind the future Decision or Recommendation to be issued by the DB.

XIII. HEARING

13.1 In agreement with the Parties, the hearing for clarification shall be scheduled by the DB within thirty (30) days of the submission of the respondent's answer.

13.2 In case the Parties cannot reach an agreement, the DB will designate the date of the hearing.

13.3 In case of absence of any member of the DB, the Board may proceed with the hearing, provided there is no opposition by either Party.

13.4 Failure to attend a hearing or refusal by either Party to attend a hearing or to comply with a previously scheduled diligence will not prevent the continuation of the proceedings by the DB.

13.5 The hearing, in which the main purpose is to provide clarification to the DB, will be conducted in a respectful and informal manner, observing the following guidelines:

1. the DB will consult the Parties on the possibility of an agreement;
2. if an agreement is not possible, the DB will detail the procedure to be followed in the hearing;
3. each Party may make a presentation on the case, in compliance with a maximum time set by the DB, starting with the claimant;
4. hearing of witnesses, starting with those indicated by the claimant and subsequently those indicated by the respondent;
5. the DB, at its sole discretion, may question the Parties and the witnesses and request the Parties to provide additional documents and clarifications on matters discussed;
6. the DB may request the Parties to provide, in hard copy or digital form, at its discretion, the presentations used.





13.6 The DB may render a Decision or Recommendation at the hearing itself or at a later date, subject to the regulatory time limit.

13.7 The procedure can be changed by joint agreement of the Parties and the DB.

XIV. DECISION OR RECOMMENDATION

14.1 The Decision or Recommendation will be issued within thirty (30) days from the closing of the fact-finding, according to the schedule established by the DB, with an extension of fifteen (15) days allowed by the DB. These time limits may be amended by agreement between the Parties and the *Board*.

14.2 The Decision or Recommendation must be in writing, dated, indicate the place where it was issued and contain:

1. the Dispute report with chronology of events;
2. a summary of the motivations of the claimant and of the answer of the respondent;
3. the technical and contractual grounds, supported by the documents submitted by the Parties and in the hearing, if one has been held;
4. the conclusion, in which the DB shall settle the dispute referred to it;

14.3 The Decision or Recommendation shall be limited solely to the dispute resolution submitted by the Parties to the DB. Any Decision or Recommendation outside the dispute which has been submitted is null and void and shall have no effect.

14.4 The Decision or Recommendation shall be decided by majority, in which each member, including the Chairperson of the DB, will be entitled to one vote. If there is no majority vote, the vote of the Chairman of the DB shall prevail.

14.5 The member of the DB who disagrees may issue a separate Decision or Recommendation. Regardless of whether or not a different Decision or Recommendation is issued, the *Board's* Decision or Recommendation will have full effect.

14.6 In the event of material error, omission, obscurity, doubt or contradiction of the Decision or Recommendation, the Parties will have a time limit of 10 (ten) days from the date of its receipt to formulate a request for clarification, which will interrupt the time limit for possible objection.

14.7 Upon receipt of the request for clarification, the DB will summon the opposite Party to manifest within ten (10) days, after which the DB will deliberate within twenty (20) days.

14.8 The Decision or Recommendation will be admitted as evidence in any judicial or arbitral proceeding between the Parties, concerning the Dispute settled by the DB.

XV. CAMARB FEES, EXPENSES, AND DB MEMBERS' FEES

15.1 All fees of CAMARB, expenses of the *Board* and fees of the DB members will be borne equally between the Parties.





15.2 Unless otherwise stated, the Contracted Party to the Contract shall pay, on a monthly basis, the full fees of each DB member, and include in the measurement of the Contract one-half of such fees, which shall be reimbursed to it by the Contracting Party.

15.3 The Fees Table (Attachment II) sets out the amounts due to CAMARB for the services of appointing members of the DB and deciding challenge of the members of the *Board*. The CAMARB's Board of Directors may update or amend the Fees Table at any time.

15.4 The expenses related to travel and lodging of the DB members, as well as the rental of equipment and venue for the hearing, if it does not take place on the site, shall be borne by the Parties, who shall pay for them in advance, unless otherwise provided.

15.5 The fees of the DB members will be determined by mutual agreement with the Parties in the DB Constitution Instrument.

15.6 In the event of non-payment by either Party of the CAMARB Fees, Expenses, or DB Members' Fees, in the time and amounts set forth in the **DB Constitution Instrument**, the other Party may pay in advance the respective amount in order to allow the continuity of the DB, submitting the settlement of accounts at the end of the proceeding.

15.7 The Party that makes such payment, without this implying novation or waiver of its rights, shall be reimbursed by the Defaulting Party for all amounts it has paid, plus a fine of ten percent (10%) and late interest of one percent (1%) per month.

15.8 In the event of non-payment of Expenses or DB Members' Fees for more than sixty (60) days, the DB may suspend its services.

15.9 The suspension for non-payment may not exceed ninety (90) days, at the end of which the DB will be dissolved, and the DB Constitution Instrument will be considered terminated for all purposes of law, with the exception of overdue credit of the DB members.

XVI. FINAL PROVISIONS

16.1 The DB proceeding shall be confidential and CAMARB, the members of the Board, and the Parties themselves, shall be prohibited from disclosing any information to which they may have access as a result of their employment or participation in the proceeding without the consent of all Parties, except in cases where there is a legal obligation to disclose.

16.2 The DB shall, once constituted, interpret, and apply these Rules. It shall be the responsibility of the CAMARB's Board of Directors, prior to the constitution of the DB, to interpret and apply the Rules.

16.3 Any dispute between the members of the DB regarding the interpretation or application of these Rules will be settled by majority or, if no majority decision is possible, by the Chairman of the DB, whose decision will be final.

