

ARBITRATION RULES OF THE BUSINESS ARBITRATION CHAMBER – BRAZIL 2004

I – INTRODUCTION

1.1 The BUSINESS ARBITRATION CHAMBER - BRAZIL, hereinafter referred to as CAMARB, is an institutional body for the extrajudicial resolution of disputes.

1.2 The Arbitration Rules of CAMARB, hereinafter referred to as the "Rules", shall apply whenever the arbitration clause stipulates the adoption of the arbitration rules of CAMARB, the International Chamber of Commerce of Brazil, or when adopted by agreement between the parties.

1.3 Cases not covered by the Rules shall be governed by Law No. 9,307, of September 23, 1996, and by treaties and conventions on arbitration that are applied in Brazilian territory. In the absence of stipulation in such instruments, the omitted cases will be resolved by deliberation of the Board of Directors of CAMARB or by decision of the Arbitral Tribunal.

II – INSTITUTION OF ARBITRATION

2.1 Anyone wishing to settle a dispute relating to available property rights under the administration of CAMARB must communicate their intention to the Secretariat of this entity, indicating, from the outset, the name, address and full qualification of the other party(ies), the object of the dispute and its estimated value, attaching a copy of the essential documents pertaining to it.

2.2 The CAMARB Secretariat will send the respondent(s) a copy of the request and its attachments, as well as a copy of these Rules and the list of names that make up its List of Arbitrators, inviting them within 14 (fourteen) days from receipt, to express their agreement with the institution of arbitration.

2.3 After the respondent(s) express their agreement with the institution of arbitration, the General Secretariat of CAMARB will request the parties to appoint, within 7 (seven) days, principal arbitrator(s) and respective alternate(s) to serve in the arbitration procedure. When the parties appoint arbitrators in an even number, they will be authorized to immediately appoint, within 7 (seven) days, one more principal arbitrator and respective alternate to join the arbitral tribunal. If they do not reach a consensus within this period, the Board of Directors of CAMARB will, within 7 (seven) days, proceed with the aforementioned appointment, from among the names that make up the List of Arbitrators.

2.4 When more than one party is claimant or respondent, the right to appoint arbitrator(s) will be exercised jointly by the parties that are in the same procedural position.

2.5 Once the arbitrator(s) have been appointed, the General Secretariat of CAMARB will request them to express their acceptance within 7 (seven) days. Upon accepting the referral, the arbitrator(s) must sign a declaration of non-impediment, attaching it to the respective manifestation.

2.6 Within 7 (seven) days of the appointment of the arbitrator(s), the General Secretariat of CAMARB will prepare the arbitration agreement, if applicable, which will contain:

a) the name, profession, marital status and address of the parties;

- b) the name, profession and address of the arbitrator(s) indicated by the parties, as well as their alternate(s);
- c) the matter that will be the object of arbitration;
- d) the place or places where the arbitration will take place, and where the arbitral award will be rendered;
- e) the authorization for the arbitrator(s) to judge by equity, outside the rules of law, if so agreed by the parties;
- f) the deadline for submitting the arbitral award;
- g) the language in which the arbitration procedure will be conducted;
- h) the determination of the form of payment of the arbitrator(s)' fees and the Administrative fee, as well as the declaration of responsibility for the respective payment and for the expenses of the arbitration;
- i) the signature of 2 (two) witnesses.

2.7 The parties and the arbitrator(s) must sign the arbitration agreement within 7 (seven) days following the CAMARB's call to do so, and must, at the same time, pay the Administrative Fee and deposit the arbitrator(s)' fees.

2.8 If any of the parties, having entered into an arbitration clause that designates the Arbitration Rules of CAMARB to govern the arbitration, or, after agreeing to the institution of arbitration administered by CAMARB, fails to appoint its arbitrator and the respective alternate, or fails to sign the arbitration agreement, within the deadlines stipulated above, the Board of Directors of CAMARB may, as the case may be, designate the arbitrator not appointed by one of the parties, or a sole arbitrator for the resolution of the dispute, from among the names that make up its List of Arbitrators. If applicable, the General Secretariat of CAMARB will again call the missing party to sign the arbitration agreement, within 7 (seven) days from receipt of the call.

2.9 After the deadline provided for in the preceding item, and if any of the parties persists in failing to sign the arbitration agreement, the other party(ies) may:

- (i) request, in accordance with the law, the summons of the defaulting party(ies) to appear in court in order to sign the arbitration agreement, or
- (ii) provided that the arbitration clause determines the application of the CAMARB Arbitration Rules, request it to promote the progress of the arbitration, and the defaulting party, in this case, must be notified of all procedural acts, and may, at any time, assume the arbitration procedure in the state in which it is found.

2.10 The procedural acts must be carried out within the deadlines provided for in these Arbitration Rules, or as determined by the arbitrator(s), and will be counted from the date of receipt of the notification issued by the General Secretariat of CAMARB for the respective performance.

III – OF THE ARBITRATORS

3.1 Both members of the CAMARB List of Arbitrators and others who are not part of it may be appointed as arbitrators, provided that they are not prevented from doing so, under the terms of the law and the subsequent rules, and that their names are approved by the Board of Directors.

3.2 The person(s) appointed to serve as arbitrator(s) will sign a statement declaring, under penalty of law, that they are not subject to any impediment or suspicion, and must inform any circumstance that may cause reasonable doubt as to their impartiality or independence, in relation to the parties or the controversy submitted to their consideration.

3.3 The following may not serve as arbitrator, in case they:

- a) are a party to the dispute;
- b) have intervened in the dispute as an agent of any of the parties, mediator, witness or expert;
- c) are the spouse or relative up to the third degree of any of the parties or their attorney;
- d) participate in a management or administration body of a legal entity that is a party to the dispute, or participate in its capital;
- e) are close friends or enemies of any of the parties, or their attorney;
- f) are in any other way interested, directly or indirectly, in the decision of the case in favor of any of the parties.

3.4 If any of the hypotheses referred to in the previous item occur, it is up to the arbitrator to immediately declare their impediment and refuse their appointment, or submit their resignation, even when they have been appointed by consensus of the parties, being personally responsible for the damages they may cause as a result of non-compliance with this duty.

3.5 If not designated in the agreement itself, the president of the arbitral tribunal will be chosen by consensus or, if necessary, by the majority of the arbitrators appointed by the parties, in the first session of the arbitral tribunal. If neither consensus nor majority is reached, the oldest will be designated as president.

3.6 If any appointed arbitrator dies, is declared impeded or suspected, or becomes unable to perform the function, they will be replaced by the alternate arbitrator appointed in the arbitration agreement. In this hypothesis, a new alternate arbitrator will be appointed, within 7 (seven) days from the removal of the replaced arbitrator, by the same party that appointed them; if this is not done within the stipulated period, it will be up to the Board of Directors to designate the new alternate arbitrator, from among the names that make up the CAMARB List of Arbitrators.

IV – OF ATTORNEYS

4.1 The parties may be represented by attorneys, who are legally qualified lawyers to practice the profession, with sufficient powers to act on behalf of the represented party in all acts relating to the arbitration procedure.

4.2 All communications, notifications or summons of procedural acts will be made to the party, or to the attorney appointed by it, by letter, fax, telegram, e-mail or any other form of written communication, addressed to the address known by the CAMARB Secretariat.

V – PROCEDURE

5.1 Once the arbitration is instituted, the president of the arbitral tribunal will immediately designate a secretary, who will prepare the Commencement of Procedure Term, in which the procedural issues relevant to the proper conduct of the process will be established.

5.2 The parties will have, each, a successive period of 7 (seven) days, from the date of the Commencement of Procedure Term, to present their written statements, containing the list of evidence they intend to produce. After the aforementioned period, the arbitral tribunal will set the date of the inaugural hearing, to be held within 14 (fourteen) days.

5.3 At the inaugural hearing, the arbitral tribunal will initially promote an attempt at settlement between the parties. If settlement fails, the arbitral tribunal will grant the parties a common period of 7 (seven) days to, if they wish, challenge the statements of the other(s).

5.4 After the deadline for challenge, the arbitral tribunal, if it deems necessary an evidentiary hearing, will designate the day, time and place for it to take place, which must occur within a period compatible with the evidence to be produced. If it understands that no new evidence is necessary, the arbitral tribunal will declare the instruction closed and will grant the parties a common period of 7 (seven) days to offer their final statements.

5.5 If there is evidence to be produced, the parties must, up to 14 (fourteen) days before the date of the evidentiary hearing, conclude the presentation of all that they deem useful for the instruction of the process and the clarification of the arbitrators, except those to be produced in the hearing, and it is up to the arbitral tribunal to decide on the acceptability of the requested evidence.

5.6 If any of the arbitrators considers necessary, for their conviction, a diligence outside the seat of the arbitration, the president of the arbitral tribunal will determine the day, time and place of the diligence, informing the parties so that they can accompany it, if they so wish.

5.7 Expert evidence will be admitted when, at the discretion of the arbitral tribunal, it is necessary to ascertain a matter of fact that cannot be elucidated in another way. The expert evidence may be requested by the party that wishes it, or determined by the arbitral tribunal, and must be carried out until the date of the hearing, by a single expert, appointed by the tribunal among people of recognized knowledge in the matter object of the controversy. Granting the request for the expert examination, the arbitral tribunal will determine to the party(ies) that deposit(s) the value of the expert fees, will present the questions it deems necessary and will allow the parties to present questions within a common period of 7 (seven) days, counted from the date on which they are notified about the granting of the expertise.

5.8 The evidentiary hearing will be installed by the president of the arbitral tribunal, with the presence of the other arbitrators and the secretary, on the day, time and place designated.

5.9 Once the hearing is installed, the president of the arbitral tribunal will invite the parties and/or their attorneys to produce the oral evidence, starting with the clarifications of the expert, followed by the personal testimony of the parties and, after, the questioning of listed witnesses.

5.10 Once the production of evidence is concluded, the parties will have a common period of 7 (seven) days to present their final statements.

5.11 If any witness refuses to appear at the hearing, or excuses themselves from testifying without legal reason, the president of the arbitral tribunal may, at the request of any of the parties or ex officio, request the judicial authority to take appropriate measures to take the testimony of the defaulting witness.

5.12 The secretary will provide, at the request of any of the parties, a copy of the depositions taken at the hearing, as well as interpreter or translator services, and the party requesting it must previously collect from the CAMARB Secretariat the estimated amount of its cost.

5.13 The hearings will take place even if any of the parties, duly notified, does not appear at them, and the award may not, however, be based on the absence of the party to decide.

5.14 The adjournment of the hearing will only be granted for a relevant reason, at the discretion of the president of the arbitral tribunal, who will immediately designate a new date for it to take place

5.15 The arbitral tribunal will render the award within 30 (thirty) days, counted from the end of the deadline for the final statements of the parties, unless another deadline has been set in the agreement.

5.16 The arbitral award will be deliberated in conference, by majority, with one vote for each arbitrator, including the president of the arbitral tribunal. The arbitrator who disagrees with the majority must justify the dissenting vote, which will be transcribed in the award.

5.17 The award will be reduced to writing by the president of the arbitral tribunal and will be signed by all the arbitrators, being, however, sufficient for its effectiveness the signature of the majority, if any of them, proven, refuses or cannot sign it.

5.18 The arbitral award will contain:

- a) the report, with the name of the parties, and a summary of the dispute;
- b) the grounds for the decision; where the issues of fact and law will be analyzed, with express mention, when applicable, of having been rendered by equity;
- c) the operative part, in which the arbitrator(s) will resolve all the issues submitted and will set the deadline for compliance, if applicable;
- d) the date and place in which it was rendered.

5.19 The award will also contain the determination of the costs and expenses of the arbitration, in accordance with the CAMARB's Schedule of Costs, as well as the responsibility of each party in the payment of these installments, respecting the limits established in the agreement.

5.20 The award will be disclosed to the parties by the president of the arbitral tribunal until the last day of the deadline set for its pronouncement, and an original copy must be sent to each of them, with proof of receipt. The General Secretariat will keep in its archives a full copy of the award, together with a copy of the records, duly authenticated by the president of the arbitral tribunal.

5.21 The parties are obliged to comply with the arbitral award in the form and within the deadline consigned therein, and no appeal is allowed, except for the actions and defenses expressly provided for in the Brazilian arbitration law.

VI – OF THE ADMINISTRATIVE FEE; FEES AND OTHER EXPENSES

6.1 The Board of Directors of CAMARB will prepare the Schedule of Costs, to be applied in the arbitral procedures administered by CAMARB, which may be periodically reviewed by the same Board of Directors.

6.2 The Administrative Fee will be charged by CAMARB based on the economic value of the dispute, and will be intended to cover the operating expenses of CAMARB.

6.3 The fees of the arbitrator(s) will be fixed in each case by the Board of Directors, immediately after the appointment of the members of the arbitral tribunal, within the minimum and maximum limits established in the aforementioned Schedule, with due consideration to the economic value of the dispute, the complexity of its object, the time to be spent by the arbitrator(s) and other relevant circumstances of the case. However, the Board of Directors may, considering exceptional circumstances, propose fees outside the limits established in the Schedule, subject to the acceptance of the arbitrator(s) appointed by the party(ies).

6.4 When requesting the institution of the arbitral procedure under the auspices of CAMARB, the interested party must deposit the amount that is fixed by the General Secretariat to face the initial expenses until the celebration of the arbitration agreement, this amount not being subject to reimbursement:

6.5 At the act of celebration of the arbitration agreement, each of the parties will deposit 50% (fifty percent) of the Administrative Fee and the fees of the arbitrator(s), according to the criteria defined in these Rules.

6.6 In the case of non-payment, by any of the parties, of the Administrative Fee and/or the fees of the arbitrator(s), in the time and in the stipulated amounts, the other party may advance the respective amount in order to allow the arbitration to take place, proceeding to the settlement of accounts at the end of the arbitral procedure.

6.7 If, in the course of the arbitration, it is verified that the economic value of the dispute informed by the parties is lower than the real economic value ascertained based on the elements produced during the procedure, the General Secretariat of CAMARB or the arbitrator(s) will proceed with the respective correction, and the parties must, if applicable, complement the amount initially

deposited as administrative fee and fees of the arbitrator(s), within 7 (seven) days, from the receipt of the summons that is made to them.

6.8 The expenses incurred for the arbitration to take place will be borne by the party that requests the respective measure, or by both parties if the measure is of the initiative of the arbitrator or the arbitral tribunal. The General Secretariat of CAMARB may request from the parties an advance of a sufficient amount to face the expenses foreseen for the process, in an amount to be stipulated according to the specific case, this amount being subject to accountability.

6.9 The losing party in the arbitration will be responsible for the payment of the Administrative Fee, the fees of the arbitrator(s) and the other expenses incurred in the arbitral procedure, unless the parties have agreed that they will be jointly responsible for the payment of the referred burdens.

6.10 No additional amount will be charged from the parties in the case of the arbitrator(s) or the arbitral tribunal being requested to correct any material error of the arbitral award, to clarify any obscurity, doubt or contradiction in the same or, still, to pronounce on an omitted point regarding which the decision should manifest itself.

VII – FINAL PROVISIONS

7.1 It will be up to the arbitrator(s) to interpret and apply these Rules in everything that concerns their competence, their duties and their prerogatives.

7.2 Any controversy between the arbitrators concerning the interpretation or application of these Rules will be resolved by the president of the arbitral tribunal, whose decision in this regard will be final.

7.3 The arbitral procedure will be strictly confidential, and the members of CAMARB, the arbitrators and the parties themselves are prohibited from disclosing any information to which they have access as a result of their office or their participation in the process, without the consent of all the parties and the president of the Board of Directors of CAMARB.

7.4 These Rules, registered in the Registry Office of Deeds and Documents of Belo Horizonte, Minas Gerais, may only be altered by deliberation of the Board of Directors of CAMARB.