

THE DANISH INSTITUTE OF ARBITRATION

INSTITUTE FOR ARBITRATION, CONCILIATION AND MEDIATION

(DANISH ARBITRATION, CONCILIATION AND MEDIATION)

RULES OF SIMPLIFIED ARBITRATION PROCEDURE OF THE DANISH INSTITUTE OF ARBITRATION

Article 1

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

Article 2

The venue of the arbitral tribunal shall be Copenhagen unless otherwise agreed between the parties.

A. Submission of statement of claim under the rules of 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. The claimant's claim.
3. A presentation of the actual and legal circumstances upon which the claim is relied.
4. A specification of the documents and other evidence upon which the claimant intends to rely, including the agreement to have the dispute settled by the simplified arbitration procedure.
5. Any comments regarding the arbitration venue, 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 the Danish Institute of Arbitration for the appointment of the arbitrator in accordance with Article 13.

Par. 2: 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 each party and to the arbitral tribunal.

Article 4

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

Article 5

The date on which the Danish Institute of Arbitration received the statement of claim shall in all respects be considered to be the date on which the arbitration case was filed. A statement of claim forwarded by standard mail shall be deemed to have been received on the date it is stamped by the Danish Institute of Arbitration as being received. A statement of claim forwarded by fax or e-mail shall be deemed to have been received at the time it was registered by the Danish Institute of Arbitration as being received. If the amount stated in Article 4 has not been received by the time the statement of claim is received at the latest, the arbitration case shall be deemed to have been filed only at such time as the amount is received.



Article 6

If the submitted statement of claim does not comply with the above provisions, the Danish Institute of Arbitration shall set a short deadline for compliance. Failure to supply any missing elements before the deadline may cause the Danish Institute of Arbitration to terminate the case, but this shall not preclude the claimant from filing another 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, the Danish Institute of Arbitration shall inform the parties that the case has been terminated without prejudice to the possibility of the parties filing a new statement of claim.

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

Article 7

The Danish Institute of 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 presentation of the actual and legal circumstances upon which the defence is relied.
4. A specification of the documents and other evidence upon which the respondent intends to rely.
5. Any comments regarding the arbitration venue, 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 the Danish Institute of Arbitration for the appointment of the arbitrator in accordance with Article 13.
7. Any objections to the jurisdiction of the arbitral tribunal.

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

Article 9

Par. 1: If the respondent advances a counterclaim against the claimant, this shall appear from the respondent's statement of defence and the counterclaim shall be included under the claims made by the respondent. Moreover, in the event of a counterclaim the statement of defence submitted by the respondent shall also contain a presentation of the actual and legal circumstances upon which the counterclaim is relied and a specification of the documents and other evidence which the respondent intends to rely on in relation thereto.

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, in exceptional cases, the arbitral tribunal may decide to process together with the case first filed. At the same time as submitting the statement of defence, the respondent shall effect payment of the registration charge stated in Article 4 and lodge security as outlined in Article 11.

C. Final submissions

Article 10

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



Par. 2: If the Danish Institute of Arbitration has received a submission in pursuance of par. 1 above, the Danish Institute of 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 deposit as security for the estimated costs of the arbitration case, including a fee to the Danish Institute of Arbitration.

Par. 2: Not later than upon receipt of the statement of defence, the Danish Institute of Arbitration shall decide the amount to be lodged as security. Normally the two parties will be asked to pay identical amounts.

Par. 3: The parties shall pay the amount within 8 working days of receiving notice of its size. Failure by one party to pay its share shall require the other party to pay the full amount within 8 working days of receiving notice of the non-payment of the other party in order for the case to be processed. In the event that the costs estimated to accrue from the case prove to exceed the amount originally anticipated, the Danish Institute of 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 the Danish Institute of Arbitration by the deadline set may cause the Danish Institute of Arbitration to decide to terminate proceedings, notifying the parties that the proceedings have been terminated due to failure to pay the amount in 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 has advanced a counterclaim as described in Article 9 (2), the provisions of par. 1-3 above shall apply correspondingly to the case concerning the counterclaim. In the event of non-payment of the amount in security, the effect on the respondent shall be the one described above in par. 4 as far as the counterclaim is concerned.

E. Appointment of Arbitrators

Article 12

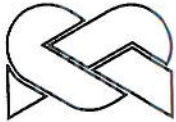
Par. 1: The arbitral tribunal shall consist of 1 arbitrator, who shall have a law degree.

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: The Danish Institute of 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 such factors as will secure the appointment of an independent and impartial arbitrator.

Par. 2: Before being appointed by the Danish Institute of 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 Danish Institute of Arbitration shall submit the statement to the parties.

Par. 3: The arbitrator shall immediately inform the Danish Institute of 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 party wishing to challenge an arbitrator as outlined in the first sentence of this paragraph shall do so in writing within 15 days of receiving notice of the circumstance to which the challenge relates. A party may challenge an arbitrator appointed on its proposal only for reasons of which said party becomes aware after the appointment has been made.

Par. 5: The chairmanship of the Danish Institute of Arbitration shall decide whether the arbitrator shall be deemed to be impartial or independent or to lack the qualifications agreed to by the parties, or whether a person appointed arbitrator shall have to resign on those grounds. If a member of the chairmanship is prevented from participating in this decision-making process, another Council member shall participate.

Article 14

If, after having been appointed, the arbitrator dies, wishes to resign or has his appointment revoked by the Danish Institute of Arbitration, after hearing the parties the Danish Institute of Arbitration shall appoint a substitute arbitrator according to the rules that were applicable to the appointment of the arbitrator being replaced.

Article 15

As soon as the arbitrator has been appointed by the Danish Institute of Arbitration, the Danish Institute of Arbitration shall inform the parties that the arbitral tribunal has been established, stating the name, address, telephone and fax number, and e-mail address of the arbitrator.

F. Conduct of the Arbitral Proceedings

Article 16

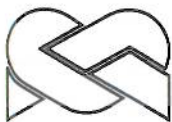
When it has appointed the arbitrator and received the amount demanded in deposit, the Danish Institute of Arbitration shall forward the documents of the case together with a copy of existing correspondence to the arbitrator.

Article 17

The arbitral tribunal shall take over the handling of the case upon receipt of the documents, etc., described in Article 16 and shall prepare a timetable for the further processing of the case. Henceforth, all correspondence shall be directly between the arbitral tribunal and the parties with copies to the Danish Institute of Arbitration which will follow developments in the case by means of the copies so that, if necessary, it can assist the arbitral tribunal in ensuring that the case progresses effectively and efficiently.

Article 18

Par. 1: The arbitration case shall be processed in accordance with these rules. If an issue is not covered by these 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 rules which the arbitral tribunal may see fit to lay down.



Par. 2: The arbitral tribunal 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 19

Par. 1: Failing an agreement between the parties on the language(s) to be used in the arbitration case, the arbitral tribunal shall make the decision of the language(s) to be used in the arbitration case after hearing the parties. Unless otherwise provided by the parties' agreement or the arbitral tribunal's decision, the agreement or the decision shall apply to written submissions by the parties, to oral hearings before the tribunal and to awards, decisions and other communications from the arbitral tribunal.

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

Article 20

The parties shall decide on the question of the country of applicable law. Failing such agreement, the question shall be decided by the arbitral tribunal taking into account all relevant circumstances.

Article 21

Par. 1: The arbitral tribunal shall decide the dispute in accordance with such rules of law as have been 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 choice by the parties of the rules of law applicable to the decision of the substance of the dispute, the arbitral tribunal shall apply the rules of law which follow from the conflict of laws rules which it considers applicable.

Par. 3: The arbitral tribunal shall decide the dispute on the principles of equity only if the parties have expressly authorised it to do so.

Par. 4: The arbitral tribunal 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 22

Par. 1: At the request of either party, the arbitral tribunal may decide to appoint one or more experts to report to it on specific issues to be determined by the arbitral tribunal.

Par. 2: At the request of either party, said party shall be given an opportunity to put questions to the expert.

Article 23

The arbitral tribunal shall generally decide on the preparation of the case, taking into account the wishes of the parties to the extent possible, and shall ensure that the case progresses effectively and efficiently.

Article 24

At any time during the case, at the request of the parties the arbitral tribunal may attempt to mediate a settlement between them.



Article 25

Once it 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, cf. Article 18 (2), the arbitral tribunal shall end the preparation of the case.

Article 26

The case shall be settled on the basis of written submissions only, unless the arbitral tribunal 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 arbitral tribunal 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 27

Par. 1: A case in which arbitration has been agreed and an arbitral tribunal has been appointed by the Danish Institute of 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 arbitral tribunal 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 arbitral tribunal. The arbitral tribunal shall make its award on the basis of the information made available to it.

Article 28

Par. 1: Before making its award the arbitral tribunal shall forward a statement of the costs of the arbitration case to the Danish Institute of Arbitration.

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

Article 29

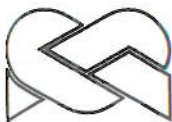
Par. 1: The arbitral tribunal shall make its award as soon as possible and not later than three months after the submission to the arbitral tribunal of the documents of the case and a copy of any correspondence, cf. Article 16. The Danish Institute of Arbitration may extend the deadline for the making of the award.

Article 30

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

Par. 2: The award shall carry a date and shall indicate the venue of the proceedings and, unless otherwise agreed between the parties, a brief presentation of the case, including an outline of the claims and submissions made by the parties, and the decision of the issues in dispute. Unless the parties have agreed otherwise, the decision shall be accompanied by a brief presentation of the grounds on which it was made. The award shall also indicate whether or not one party shall pay costs to the other party. In its decision on the costs to be paid by one party to the other, the arbitral tribunal shall rely on the principles for the determination of costs applied by the Danish courts of law.

Par. 3: The award from the arbitral tribunal shall contain provisions regarding the size and payment of the costs of the arbitration case, including the reimbursement of outlays, payment to experts appointed



by the arbitral tribunal, the fee to the arbitrator, and the charge payable to the Danish Institute of Arbitration, cf. Article 28.

Par. 4: After the making of the award a copy thereof carrying the signatures of the arbitrator shall be sent to each party.

Article 31

Par. 1: The costs stated in the award that exceed the deposit made shall be paid to the Danish Institute of Arbitration who will handle payments to the arbitrators, 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 lawyers of 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 the Danish Institute of Arbitration without addition of interest.

Article 32

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

Article 33

Par. 1: If, during the arbitral proceedings, the parties settle the dispute, the arbitral tribunal shall terminate the proceedings. If requested by the parties and not objected to by the arbitral tribunal, the arbitral tribunal 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 30 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 34

Par. 1: Within 15 days of receipt of the arbitral award either party may apply to the arbitral tribunal 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 arbitral tribunal,
- 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 arbitral tribunal and should have been decided by it, 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 arbitral tribunal and the other parties with copy to the Danish Institute of Arbitration. The parties must be given an opportunity to give their opinion. The arbitral tribunal will allow the request if it 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 8 days of receipt of such request by the arbitral tribunal.

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



Par. 4: Under special circumstances the arbitral tribunal 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 35

Par. 1: The arbitration case shall be terminated by the making of the final arbitral award or by a decision by the arbitral tribunal in pursuance of par. 2 below, Article 27 (1, 2nd sentence), or Article 33 (1, 1st sentence), or by the Danish Institute of Arbitration making a decision in pursuance of Article 6 or Article 11 (4).

Par. 2: The arbitral tribunal 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 arbitral tribunal 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 arbitral tribunal finds that, for other reasons, a continuation of the arbitral proceedings has become unnecessary or impossible.

Par. 3: The mandate of the arbitral tribunal shall terminate upon the termination of the arbitral proceedings, however cf. Article 34.

Article 36

Par. 1: When the arbitration case has been terminated and the costs of the case have been paid, the Danish Institute of 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 the Danish Institute of Arbitration.

Par. 2: The Danish Institute of Arbitration shall keep awards and settlements reached before an arbitral tribunal in its files for a minimum of 20 years.

G. Miscellaneous provisions

Article 37

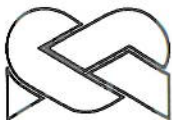
The arbitral tribunal and the Danish Institute of Arbitration shall treat all matters relating to the arbitration case as confidential.

Article 38

All communications and announcements from the Danish Institute of Arbitration or the arbitral tribunal shall be deemed to have been validly received by a party when forwarded by registered mail to a party's address or last known address or if proven to have reached the party. Correspondence may generally be made by fax or e-mail, while written submissions and documents shall be forwarded by messenger, courier or registered mail.

Article 39

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



Article 40

The rules of simplified arbitration procedure of the Danish Institute of 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 41

These rules shall enter into force on 1 April 2006.

As adopted by the Council of the Danish Institute of Arbitration on 16 January 2006.