



**ADR PARTNERS
MEDIATION AND
ARBITRATION CENTER
RULES FOR
MEDIATION AND ARBITRATION**

Adopted by the ADR Board on 2nd February 2015

Revised on 23 December 2016

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ADR Partners is a specialized company which, through its permanently working ADR Partners Mediation and Arbitration Center, offers mediation, arbitration and other services in alternative dispute resolution. These Rules are applicable in any mediation and/or arbitration organized within ADR Partners Mediation and Arbitration Center.

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SECTION ONE THE RULES

CHAPTER I RULES OF INTERPRETATION

Article 1. Definitions

Definitions are in alphabetical order and Clause numbers may not correspond to the Clause numbers in the Armenian text.

- 1.1 ADR Center:** means the mediation and arbitration center established by ADR Partners, which provides services for alternative dispute resolution by means of mediation and arbitration.
- 1.2 ADR Board:** means the Board of the ADR Center appointed in accordance with the Internal Rules of the ADR Center in charge of its administrative management.
- 1.3 ADR Council:** means an internal authority of the ADR Center comprising of individuals with necessary educational and experience background who may or may not also be members of the ADR Board and who shall be appointed in accordance with the Internal Rules of the ADR Center and shall discharge the functions vested in it in accordance with these Rules.
- 1.4 ADR Rules or Rules:** mean the present rules which will apply to the conducting of mediation and arbitration in all Domestic and International Disputes referred to the ADR Center.
- 1.5 Accredited Mediator:** means a person who, in due compliance with the relevant legislation of the Republic of Armenia, has been listed in the Registry of Accredited Mediators, is included in the Mediators List of ADR Center and discharges the duties and exercises the rights of mediators provided for under the relevant legislation.
- 1.6 Arbitration Agreement:** means an agreement between the Parties in accordance with which settlement of all or part of disputes that have arisen or may arise in future from a defined legal relationship, whether contractual or non-contractual, are referred for final settlement to arbitration. The Arbitration Agreement may be in the form of an arbitration clause contained in a contract or a separate agreement.
- 1.7 Arbitration Law:** means the Law of the Republic of Armenia on Commercial Arbitration adopted on 25 December 2006 by the National Assembly of the Republic of Armenia, and any subsequent changes and amendments thereof, providing for the rules and procedure applicable to settlement by arbitration of domestic and international commercial disputes, or any new legislation, rules or regulations adopted by the

competent authorities of the Republic of Armenia, providing for the rules and procedure applicable to resolution, by arbitration, of domestic and international disputes.

- 1.8 Arbitrator:** means a sole arbitrator or a panel of arbitrators of the ADR Center or approved by it, except where in the context of these Rules, it is meant to refer to one member of the Arbitration Panel.
- 1.9 Arbitration Panel:** means a panel of more than one Arbitrator but in all cases being an odd number appointed in accordance with these Rules and the Arbitration Agreement.
- 1.10 Award:** means the final decision of the Arbitrator in connection with the Dispute referred to it under these Rules.
- 1.11 Award on Agreed Terms:** means an Award issued on the basis of the agreement of the Parties in settlement of the Dispute referred to arbitration under these Rules.
- 1.12 Claimant:** means the Party or Parties, whether a natural person or legal entity, who has/have filed the Claim for arbitration at the ADR Center.
- 1.13 Competent Court:** means a court of the judiciary of the Republic of Armenia which, in accordance with the relevant Laws, has jurisdiction over the specific matters, as the case may be, to be decided by a judicial court.
- 1.14 Counterclaim:** means the counterclaim filed by the Respondent in its pleadings against the Claimant, which should arise from or relate to the subject matter of the Claim.
- 1.15 Dispute:** means a dispute that is referred to the ADR Center for mediation or arbitration, as the case may be.
- 1.16 Domestic Disputes:** means disputes arising in relations or transactions between Parties (i) who were, at the time of the referral of the Dispute to the ADR Center, as well as at the time when the dispute arises, nationals of the Republic of Armenia; and/or (ii) the subject matter of the dispute and the object of the relationship is located in Armenia, and/or (iii) the act or event of which the dispute has arisen or to which it relates has taken place in Armenia, and/or (iv) there is no other foreign element in the Dispute.
- 1.17 International Disputes:** means disputes arising in relations and transactions between Parties (i) where at least one or both of them are nationals of a country other than the Republic of Armenia; and/or (ii) where the dispute is about a subject matter that is not located in or related to the Republic of Armenia; and/or (iii) there is other Foreign Element in the relationship of the Parties under controversy.
- 1.18 Interim Measures:** means decisions aimed at securing the subject of the Claim which the Arbitrator is authorized to make according to the Arbitration Law.
- 1.19 Law or Laws:** means all legislation, laws, rules and regulations in force at the relevant time in the Republic of Armenia including any subsequent amendments or replacements thereof.

- 1.20 List of Mediators:** means a list of individuals who may or may not have official legal education, but have taken part in mediation training and are chosen by the ADR Board in accordance with its internal rules for conduction of mediation. The list may classify mediators on the basis of their special qualifications.
- 1.21 List of Arbitrators:** means a list of individuals, who may or may not have official legal training but who are chosen by the ADR Board in accordance with its internal rules for conduction of arbitration. The list may classify arbitrators on the basis of their special qualifications.
- 1.22 Mediation Agreement:** means an agreement between the Parties in accordance with which settlement of all or part of disputes that have arisen or may arise in future from a defined legal relationship, whether contractual or non-contractual, are referred for mediation. The Mediation Agreement may be in the form of a separate agreement or in the form of a mediation clause contained in a contract for dispute resolution.
- 1.23 Mediation Law:** means any existing and/or future law or set of rules adopted by the National Assembly of the Republic of Armenia, and any subsequent changes and amendments thereof, providing for the rules and procedure applicable to mediation of Domestic and International disputes.
- 1.24 Mediation:** means a process whereby the Dispute is, by the consent of the Parties, submitted to the Mediator for resolution by mutual agreement.
- 1.25 Mediator:** means a person who, as an impartial third party, is appointed by the Parties of the Dispute, the ADR Board or the Competent Court to settle the Dispute by mutual agreement of the Parties.
- 1.26 Partial Award:** means an Award that relates to and decides part of the Claim or Counterclaim referred to arbitration.
- 1.27 Party and Parties:** means each of the parties to the Dispute referred to ADR Center for mediation or arbitration, as the case may be.
- 1.28 Party Appointed Arbitrator(s):** means the Arbitrator appointed by each of the Parties, by the Competent Court and/or by the ADR Center, as the case may be, as member of the Arbitration Panel.
- 1.29 Respondent:** means the Party or Parties, whether a natural person or legal entity, against whom the claim is brought and filed by the Claimant with the ADR Center for arbitration.
- 1.30 Secretariat:** means the secretariat of the ADR Center which is in charge of the administrative and case management matters relating to mediation and arbitration at the ADR Center.

- 1.31 Settlement Agreement:** means an agreement reached between the Parties as a result of mediation or in the process of arbitration which finally settles the Dispute by mutual agreement and which is binding and enforceable against the parties in accordance with the Law.
- 1.32 Statement of Claim:** means the claim filed by the Claimant against the Respondent for arbitration at the ADR Center in accordance with the present Rules.
- 1.33 Statement of Defense:** means the answer filed by the Respondent with ADR Center in response to the Claimant's Claim.
- 1.34 Umpire:** means the presiding member of the Arbitration Panel elected by the Party Appointed Arbitrators or the ADR Center, as the case may be, in accordance with these Rules.
- 1.35 Working Day:** means a day that banks are open for regular business at the location to which it relates.
- 1.36** In these Rules the terms Mediation and Mediator are used as synonyms to conciliation and conciliator and must be interpreted as a process of intervention by a third party to bring about agreement.
- 1.37** Terms used in singular are also meant to include the plural, as the context may require.
- 1.38** Terms used in one gender are meant to include all genders, as the context may require.

CHAPTER II GENERAL PROVISIONS

Article 2.The ADR Center

2.1 The ADR Center performs its duties and functions by way of coordination, organization, supervision and management of the mediation and/or arbitration process.

2.2 All mediation and arbitration conducted by the ADR Center shall be conducted at the offices of the ADR Center or a location designated by ADR Center and agreed by the Parties unless otherwise agreed by the Parties and accepted by the ADR Board and the Mediator or Arbitrator, as the case may be.

Article 3.Documents and Notices

3.1 All documents submitted by a Party to the ADR Center shall be provided in number of copies sufficient to provide one copy to the other Party or Parties and for each Mediator or Arbitrator, as the case may be, plus one copy for the Secretariat.

3.2 All correspondence from the Secretariat and the Mediator or Arbitrator to the Parties shall be made to the last address of the Parties or their representative as advised by each of the Parties to the Secretariat in writing. Such correspondence may be sent by registered mail, personal delivery, courier service, facsimile transmission, email or any other means of written form that provides a record of the sending thereof.

3.3 All correspondence shall be deemed to have been received on the date of delivery, if by registered mail, personal delivery or courier service, and the next day of dispatch, which is a Working Day in the location of the recipient in case sent by facsimile or email. In case of avoidance of a Party or its appointed representative to receive any correspondence, such correspondence shall be deemed received on the date that, as documented by the Secretariat based on facts, it was delivered to the receiving Party or his representative by registered mail, in person or by courier.

Article 4.Scope of Application

4.1 All natural persons or legal entities that in accordance with the Law and the law applicable to them have the legal capacity of commencing legal proceedings against another person may, by order of the Competent Court or by mutual consent with the other Party, as the case may be, refer their dispute to the ADR Center for mediation. The mutual consent referred to in this Article may arise from the order of a Competent Court or the Mediation Agreement signed by Parties or referral of the claim by one Party to the ADR Center for mediation and the acceptance thereof by the other Party.

4.2 All natural persons or legal entities that in accordance with the Law and the law applicable to them have the legal capacity of commencing legal proceedings against another person may, by mutual consent with the other Party, refer their dispute to the ADR Center for arbitration. The mutual consent referred to in this Article may arise from the Arbitration Agreement or referral of the claim by one Party to the ADR Center for arbitration and the acceptance thereof by the other Party.

4.3 In case of Disputes originally filed with judicial authorities, ADR Center will accept referral only subject to presentation of satisfactory evidence that:

- (1) In case of mediation, (a) the court has, according to the requirement of the Law referred the Parties to mediation; or (b) the court has suspended the proceedings at the request of the Parties or by the court until completion of the mediation process; or (c) the claim originally filed with judicial authorities has been withdrawn by the Claimant.
- (2) In case of arbitration, the claim originally filed with judicial authorities has been withdrawn by the Claimant or the relevant court has denied jurisdiction over the Dispute or has refused to adjudicate it or for other reasons provided under the Arbitration Law.

4.4 Mediation and/or arbitration, as the case may be, of all Disputes referred to the ADR Center shall be conducted in accordance with mandatory provisions of the Law and these Rules as such Rules may be amended by the Parties upon written agreement of ADR Center and the Mediator and/or Arbitrator, as the case may be; provided that mandatory provisions of the applicable law are not subject to change by agreement.

Article 5. Acceptance of the ADR Rules

Subject to the provisions of Article 4.4 hereof, the agreement to refer Disputes to the ADR Center constitutes the undertaking of the Parties to be bound by and comply with these Rules.

Article 6. Costs

6.1 Commencement of the mediation or arbitration process, as the case may be, is subject to payment by the Parties of the mediation or arbitration costs or, as the case may be, a part thereof determined as advance payment by the Secretariat.

6.2 Exempted from the requirements of Article 6.1 are free of charge mediation cases required by and for number of hours specified under the relevant law.

Article 7. Commencement

7.1 The mediation or arbitration process, as the case may be, shall commence from the date when (1) all or one of the Parties apply to the Secretariat to conduct mediation or arbitration in connection with a specific Dispute and (2) the amount fixed in accordance with Article 6.1 is paid.

7.2 The period fixed by the Parties for mediation or arbitration, as the case may be, shall commence from the date that the file of the case is submitted by the Secretariat to the Mediator or the Arbitrator or the Arbitration Panel, as the case may be.

7.3 Except if otherwise required by law, court referred arbitration commences upon appointment of the Mediator. The free of charge 4 (four) hours commences upon the Secretariat's advice to the Parties of the Mediator's acceptance of his appointment and the date and time of the first meeting with the Mediator whereafter the time spent by the Mediator and the Center in preparation for and administration of the mediation may be counted towards the said 4 (four) hours provided that in all cases the Parties should have at least 2 (two) hours of mediation time.

Article 8. Waiver of the Right to Object

If a Party, after becoming aware of any non-compliance with these Rules or with the provisions of the Arbitration or Mediation Agreement, continues to participate in the mediation or arbitration process without making any objection within 10 (ten) days after becoming aware of the same, he will be deemed to have waived his right of objection and cannot object after elapse of such 10 (ten) days.

CHAPTER III MEDIATION

Article 9 Request for Mediation

9.1 The request for mediation shall be in writing, shall be signed by all Parties to the Dispute and shall include the following information:

- (1) Full details of the Parties, including postal and electronic mail address;
- (2) Description and full details of the Dispute;
- (3) Explanation of the transaction, contract or events giving rise to the Dispute, the origin of the Dispute and the evidence thereof;
- (4) Details of the Court Order or Mediation Agreement, as the case may be, and a copy thereof;
- (5) Name of the Mediator appointed by the court or, as the case may be, elected from the List of Mediators in absence of which nomination of the Mediator shall be in accordance with Article 10.2 hereof.

9.2 Submission of an incomplete request for mediation to the Secretariat, unless completed within 15 (fifteen) days of notice by the Secretariat to the Parties, does not create an obligation for the ADR Center to proceed with mediation.

Article 10. List of Mediators

10.1 The Mediator shall be chosen by the mutual agreement of the Parties or by the Competent Court, as the case may be, from the List of Mediators.

10.2 In absence of appointment by Competent Court or agreement of the Parties, the Mediator shall be chosen from the List of Mediators by the ADR Board.

10.3 In case of resignation or disqualification of the Mediator or the Mediator otherwise becoming incapacitated or unable to continue with mediation, his substitute shall be elected in accordance with the provisions applicable to the election of the original Mediator.

Article 11. Conduct of Mediation

11.1 In the conduct of mediation the Mediator is free to determine the strategy and the manner in which he intends to carry out the process provided that the basic principles of equity and ethics are complied with.

11.2 In the conduct of the mediation proceedings the Mediator is free to hold joint meetings with participation of all Parties to the Dispute or to have separate meetings with each of the Parties.

11.3 In case of existence of a Mediation Law applicable to the process and the manner in which mediation should be conducted, the Mediator is also required to comply with the rules and requirements of the Mediation Law.

11.4 The Mediator may at his own initiative or upon request of either of parties appoint expert or experts to examine and report on specific matters relating to the Dispute. The Parties are also free to introduce the findings of their own experts relating to the subject matter of the Dispute. The cost of obtaining expert opinions shall be borne by the Party requesting or

producing it except in case the expert or experts is appointed at the initiative of the Mediator in which case the relevant costs shall be born on the equal basis by the Parties.

11.5 The Parties should attend the meetings with the Mediator personally but, subject to the Mediator's consent, they may also be accompanied with their lawyer(s) or other representatives. Should either of the Parties wish to attend the meeting with the Mediator together with his lawyer, he should advise the same to the ADR Center in order to ensure that the other Party is also given the same opportunity.

Article 12. Confidentiality

12.1 All information disclosed during mediation is confidential. Except in cases specified under the Criminal Procedure Code of Republic of Armenia, neither the Mediator nor the Parties or any person that has participated or is participating in the process of the mediation, cannot be called to court as witness, specialist or expert to give evidence on facts or information disclosed during mediation.

12.2 All mediation meetings are closed door except if the Parties specifically agree otherwise.

12.3 The mediation proceedings and the outcome thereof, including the contents of the Settlement Agreement, are confidential except if specifically agreed otherwise by the Parties.

12.4 Persons who are not Parties to the mediation or their authorized representatives may attend mediation sessions only with the permission of the Parties and with the consent of the Mediator.

12.5 The obligation of confidentiality equally extends to the Parties, their authorized representatives, the Mediator and third parties who take part in the mediation sessions.

Article 13. Records

13.1 The Mediator has the right to make written records of his meetings with the Parties.

13.2 Upon written request of the Parties to the ADR Center, the Mediator shall, at the end of the mediation process, destroy all notes taken during the mediation sessions.

13.3 The ADR Center will keep all the filings of the case for 90 (ninety) days and may, after said period, destroy them without any notice to Parties.

Article 14. Completion of Mediation

14.1 At the end of the Mediation process if agreement is reached between the Parties whereby the Dispute is finally settled, the terms of the settlement shall be included in the Settlement Agreement which shall be prepared by the Mediator and shall be signed by the Mediator and the Parties.

14.2 The Settlement Agreement shall include the general scope and details of the agreement reached between the Parties for settlement of the Dispute. On the instruction of the Mediator and upon agreement of the Parties the draft of the Settlement Agreement prepared by the Mediator may be further developed by the Parties and their lawyers to agree upon the final terms of the settlement.

14.3 The signing of the Settlement Agreement shall settle the Dispute, shall be binding and enforceable against the Parties.

14.4 If at any time during the mediation process the Mediator comes to the conclusion that a mediated settlement is incapable of being reached between the Parties, he shall record the

same in a written document, which shall be signed by the Mediator and the Parties. Refusal of either of the Parties to sign said document shall not affect its validity.

14.5 Either Party may terminate the mediation process at any time at his/her own discretion by written notice to the other Party (ies), the Mediator and ADR Center. In such case the Party terminating the process shall pay all Costs due before the time of termination.

14.6 In cases of court referred mediation, the Mediator shall, within the period specified by law, if any, inform the relevant court of settlement of the Dispute, his own resignation or termination of the process by one or all Parties.

CHAPTER IV ARBITRATION

Article 15. Conduct of Arbitration

15.1 All disputes, of any nature, with respect to which arbitration is not specifically barred by Law, may be referred to the ADR Center for arbitration.

15.2 In all Disputes, whether Domestic or International, as such disputes are specifically permitted to be resolved by arbitration under the Arbitration Law, the ADR Center shall conduct the arbitration in accordance with these Rules and, as the case may be, the terms, provisions and requirements of the Arbitration Law.

15.3 In case of Disputes permitted to be settled by arbitration according to laws of the Republic of Armenia, other than the Arbitration Law, ADR Center shall conduct the arbitration by taking into account the terms and requirement of the relevant law.

15.4 All Disputes that are not specifically permitted to be resolved by arbitration in accordance with the Arbitration Law but can be resolved by arbitration according to a foreign law applicable to the Dispute, ADR Center may, upon consultation by the Parties, agree to conduct arbitration applying special rules agreed by Parties and confirmed by ADR Center.

15.5 In all cases where arbitration is conducted in accordance with any arbitration rules other than the Arbitration Law, with respect to all matters not provided for in such special arbitration rules, the provisions of these Rules and, as the case may be, the Arbitration Law shall apply provided that in case of conflict between the provisions of Arbitration Law and the special arbitration rules drafted or chosen by the Parties, the provisions of the latter, to the extent not in violation of mandatory Law, shall apply.

15.6 Parties may vest the right to Arbitrator to conduct mediation during the process of arbitration proceedings, as the case may require. Arbitrator may serve as Mediator in the same case upon confirmation thereof by the ADR Board.

15.7 Unless otherwise agreed by the Parties the seat of arbitration will be Yerevan, Republic of Armenia. The Arbitrator may choose to conduct the arbitration at any location he/she considers appropriate.

Article 16. Statement of Claim

16.1 The Claimant shall submit his Statement of Claim to the Secretariat.

16.2 The Statement of Claim shall include the following information:

- (1) Full details of the Parties, including postal and electronic mail address, and evidence of representation if the Statement of Claim is submitted by a representative or counsel;
- (2) Description and full details of the claim;
- (3) Explanation of the transaction, contract or events giving rise to the dispute, the origin of the Dispute and the evidence thereof;
- (4) Detail description of the relief sought and, in monetary claims, the amount of the claim;
- (5) Details of the Arbitration Agreement and a copy thereof;

- (6) To the extent possible, information regarding agreed number of arbitrators and method of appointment in accordance with the Arbitration Agreement;
- (7) Nomination of Party appointed Arbitrator, in case of Arbitration Panels and the name of the proposed single Arbitrator in case arbitration is to be conducted by a single Arbitrator;
- (8) In case of International Arbitrations, information regarding agreed place and language of arbitration as well as applicable law.

16.3 Submission of an incomplete Statement of Claim to the Secretariat, unless completed within 15 (fifteen) days of notice by the Secretariat to the Claimant, does not create an obligation for the ADR Center to proceed with arbitration.

16.4 In the event the Statement of Claim relates to a transaction, contract or legal relationship concerning which arbitration proceedings have already been initiated at the ADR Center at the request of either of the Parties, the new Statement of Claim will be included in the proceedings filed earlier, provided that

- (1) The Arbitrator appointed in the earlier proceedings agrees with the consolidation by taking into account the subject of the new Statement of Claim, the stage of the earlier proceedings and other matters related to the case; and
- (2) There are no other legal impediments for consolidation.

Article 17. Statement of Defense–Counterclaim

17.1 The Secretariat shall serve a copy of the Statement of Claim and its attachments on the Respondent. The Respondent shall have 15 (fifteen) days from service in National and 30 (thirty) days from service in International Arbitration to submit his Statement of Defense to the Secretariat. The Statement of Defense shall contain the following information:

- (1) Full description of the Respondent, including his postal and electronic mail address, and evidence of representation if the answer is submitted by a representative or an counsel;
- (2) Answer to the Statement of Claim and the relief sought, including any objections and defenses and any evidence thereof;
- (3) The number of Arbitrators and the method of their appointment in due compliance with the terms of the Arbitration Agreement and (i) in case of a single Arbitrator his agreement or disagreement with the Arbitrator nominated by the Claimant or (ii) in case of an Arbitration Panel, nomination of his Arbitrator in the Arbitration Panel; and
- (4) In case of International Arbitration, stating the place and language of arbitration and the applicable law.

17.2 The Counterclaim of the Respondent, if any, shall be submitted to the Secretariat, together with the Respondent's Statement of Defense. The Counterclaim shall contain the following information:

- (1) A statement of the Counterclaim, its origin and supporting evidence, attaching the substantiating documents;
- (2) The relief sought under the Counterclaim and the amount thereof, except if the relief sought is non-pecuniary.

17.3 The Secretariat shall serve the Statement of Defense and the Counterclaim to the Claimant and the Claimant shall have 10 (ten) days from service in National and 30 (thirty) days from service in International Arbitration to submit his Statement of Defense to the Counterclaim. If the Claimant's response to the Statement of Defense and Counterclaim is not

received within the relevant time periods as specified in this Article, or prior to expiry of the relevant time periods the Claimant advises the Secretariat in writing that it does not wish to file a response to the Statement of Defense and Counterclaim, the Secretariat may proceed without waiting for the expiry of said time periods.

17.4 Immediately upon completion of the exchange of the preliminary pleadings, appointment of the Arbitrator(s) in accordance with these Rules and his/their acceptance, the Secretariat shall submit the file to the Arbitrator(s). The arbitration period shall commence from the date of submission of the file of the case to the Arbitrator(s).

17.5 The Secretariat may, on the request of the Claimant or the Respondent, extend the time periods provided in this Article provided that the applicant for the time extension has nominated his Arbitrator or has stated his views on the manner of appointment of the Arbitrator(s), as the case may be.

Article 18. Number of Arbitrators and Appointment

18.1 The Parties may, in the Arbitration Agreement or in a separate document, agree on the number of the Arbitrator(s) and the manner of his/their appointment provided that in the following cases the Arbitrator or Arbitrators, as the case may be, shall be appointed by the ADR Board, primarily from the List of Arbitrators:

- (1) If there is no agreement between the Parties on the number of Arbitrator(s) and the manner of their appointment;
- (2) If the Parties disagree on the number of Arbitrator(s) or the manner of their appointment; or
- (3) If the Respondent does not, within 15 fifteen days of service of the Statement of Claim, does not appoint its Arbitrator or, in case of sole Arbitrator, does not give its written consent to the Arbitrator proposed by the Claimant.

18.2 If the Parties have not determined the number of Arbitrators, the ADR Board shall appoint a sole Arbitrator except if due to the complexity of the case it considers it more appropriate to conduct the arbitration by an Arbitration Panel in which case the Secretariat, on the instruction of the ADR Board, shall advise the Parties to proceed with appointment of their Arbitrators.

18.3 In case of resignation or disqualification or incapacitation of the sole Arbitrator or any member of the Arbitration Panel or any such Arbitrator becoming unable to continue with arbitration, his substitute shall be elected in accordance with the provisions applied in the election of his predecessor.

Article 19. Appointment by Arbitration Agreement

If in the Arbitration Agreement the Parties have agreed that in case of a dispute a specified person or persons shall act as Arbitrator(s) and that person or persons refuse to act as Arbitrator, do not declare their acceptance or cannot be accessed within the period(s) specified in these Rules or if for whatever reason he/they cannot act as Arbitrator in the given case, the ADR Center shall declare the arbitration as terminated and shall notify the Parties of the same. In such case the Parties may, mutually agree on another procedure for appointment of Arbitrator(s) or delegate the appointment of Arbitrator(s) to the ADR Board.

Article 20. List of Arbitrators

The List of Arbitrators has an advisory nature and the Parties are free to choose their own Arbitrator(s) provided that:

- (1) In case of Arbitration Panel, the Umpire should be chosen from the List of Arbitrators;
- (2) In cases where the Arbitrator is appointed by the ADR Board, the Arbitrator should be chosen primarily from the List of Arbitrators;
- (3) In case the Arbitrator is not chosen from the List of Arbitrators, the appointment of the Arbitrator shall be accepted only after the approval by the ADR Board.

Article 21. Challenging and Replacement of the Arbitrator

21.1 The Arbitrator may be challenged only on the grounds provided for such challenge in the Arbitration Law.

21.2 The procedure of the challenge shall be in accordance with the Arbitration Law.

Article 22. Decision on Jurisdiction

The Arbitrator shall decide whether or not he has jurisdiction to hear the case. The Arbitrator shall also make decision on the existence and validity of the Arbitration Agreement. Submission of their Dispute to the ADR Center for arbitration constitutes the agreement of the Parties on said authority of the Arbitrator.

Article 23. Objection to Jurisdiction of Arbitrator

23.1 Objection to the jurisdiction of the Arbitrator shall be made together with the first Statement of Defense. The mere fact that a Party has appointed or has participated in appointment of the Arbitrator(s) does not bar him from raising an objection to the jurisdiction of the Arbitrator(s).

23.2 Decision on the objection to the jurisdiction of the Arbitrator shall be made in accordance with the Arbitration Law, except in cases where the Parties have specifically agreed otherwise.

Article 24. Interim Measures

24.1 The Arbitrator may, to the extent permitted by Law, issue Interim Measure Orders on the grounds and in accordance with the terms of the Arbitration Law.

24.2 Application to the courts in exceptional cases for purpose of obtaining an order of the court on interim measures before commencement of or during the arbitration process shall not be deemed to be a breach or a waiver of the Arbitration Agreement nor will it stop commencement or continuation of the arbitration proceedings. The Party who has applied to the courts for an interim measure order should, without delay, inform the Secretariat of such application as well as the decision of the court with respect thereto.

Article 25.Arbitration Proceedings

The arbitration proceedings shall be carried out in accordance with the Arbitration Law except in cases where the Parties have chosen special arbitration rules or if in cases where application of certain mandatory rules in specific arbitration cases is required by other Laws of the Republic of Armenia.

Article 26.End of Proceedings

26.1 When satisfied that the Parties have had sufficient and reasonable opportunity to present their case, the Arbitrator shall declare the proceedings closed and shall render the Award.

26.2 In the event the arbitration involves different claims (whether principal or derivative), the Arbitrator may bifurcate the case and declare closure of proceedings on those claim(s) which is/are ripe for decision, issue an Interim Award on such claim(s) and continue the proceedings with respect to other Claim or Claims.

26.3 The Arbitrator shall, within maximum 30 (thirty) days after closure of the proceedings, submit the draft of the Award to the Secretariat for the purpose of application of provisions of Article 28 of these Rules. In the event that the Arbitrator requires more time for preparation of the Award, he may only once extend the time limit of 30 (thirty) days by a maximum of another 30 (thirty) days.

Article 27.Award on Agreed Terms

27.1 If in the course of the proceedings the Parties settle their dispute by entering into a Settlement Agreement, the Arbitrator shall, at the request of the Parties, record the Settlement Agreement, including the terms of the settlement in the form of an Award on Agreed Terms. Upon issuance of the Award on Agreed Terms the arbitration proceedings shall be terminated.

27.2 The Award on Agreed Terms made in accordance with Article 27.1 hereof, is final and binding on the Parties.

Article 28.Examination of the Draft Award

To ensure that the process of arbitration and issuance of the Award in accordance with applicable law and these Rules has been fully complied with in issuing the Award, the Arbitrator shall, prior to signing of the Award, submit the draft thereof to the Secretariat. The Secretariat shall submit the draft of the Award to the ADR Council. The ADR Council shall review the Award and without interference in the freedom and authority of the Arbitrator, draw his attention to matters of form and/or substance, which, in the opinion of the ADR Council, require further review and possible revision. The Arbitrator is free to accept or reject the recommendations of the ADR Council on the matters of substance but shall comply with such recommendations on matters of form.

Article 29.Termination of Arbitration

Arbitration proceedings shall be concluded or shall terminate by an Award or decision of the Arbitrator in cases and as provided in the Arbitration Law.

Article 30. Notification of the Award

30.1 The Award, after being duly signed by the Arbitrator and stamped by the Secretariat, shall be notified to the Parties by the Secretariat within 10 (ten) Working Days, provided that all costs of arbitration have been paid and settled by the Parties.

30.2 On its own initiative, the Arbitral Tribunal may correct a clerical, computational or typographical error, or any errors of similar nature contained in an Award, provided such correction is submitted for approval to the ADR Council within 15 (fifteen) days of the date of such Award.

CHAPTER V

EFFECT OF THE SETTLEMENT AGREEMENT AND THE AWARD

Article 31. Finality and Binding Effect of the Settlement Agreement and the Award

31.1 The Settlement Agreement, which may be prepared by the Mediator in cases of mediation, upon signature by the Parties, becomes binding on the Parties.

31.2 The Award issued by the Arbitrator in cases of arbitration is final and upon being served on the Parties in accordance with the relevant provisions of these Rules, shall be binding on and enforceable against the Parties.

31.3 The Settlement Agreement or the Award, as the case may be, may be filed by the interested Party with the court of competent jurisdiction for enforcement.

CHAPTER VI RULES OF ETHICS

Article 32. Independence and Impartiality of the Mediator and Arbitrator

32.1 The process of mediation and arbitration is conducted on the basis of principles of voluntary consent, confidentiality, Party's equality and impartiality of the Mediator or Arbitrator.

32.2 The Mediator and Arbitrator are required to comply with the following ethical rules (1) Disclose any interest or relationship that may adversely affect the impartiality of the Mediator/Arbitrator, which is also confirmed by the written declaration of conflict of interest signed by the Mediator/Arbitrator; (2) ensure equal and respectful treatment of the disputing Parties and under no circumstances presume the role of counsel to either of Parties; (3) explain the process of mediation/arbitration and the role of the Mediator/Arbitrator to the Parties; (4) maintain the confidentiality of mediation/arbitration; (5) complete the mediation/arbitration in the shortest possible time; (6) assist in establishing reputability and trust to mediation/arbitration.

32.3 The Mediator/Arbitrator must be and must remain independent and impartial at the date of appointment, commencement of mediation/arbitration until end of the relevant process.

32.4 Simultaneously with acceptance of appointment, the Mediator/Arbitrator shall sign and submit to the Secretariat a declaration confirming his independence and impartiality as well as disclosing all facts and conditions which may cause the Parties to doubt his independence and impartiality. In case such information is included in the declaration, the Secretariat will advise the Parties for decision.

32.5 After commencement of mediation/arbitration also the Mediator/Arbitrator is required to disclose any facts or conditions which may have occurred during the process of mediation/arbitration and which cause the Parties to doubt his impartiality and independence. In absence of objection by the Parties following appropriate disclosure of information in accordance with this Article, the Mediator/Arbitrator may continue the process of mediation/arbitration.

CHAPTER VII

COSTS

Article 33.Payment of Costs

Unless otherwise agreed by the Parties or determined by the Award as the case may be, the mediation or arbitration costs shall be paid by the Parties in equal share. If any of the Parties fails to pay its share of the costs, the other Party may pay the defaulting Party's share in order to avoid suspension of or delay in proceedings.

Article 34.Failure to Pay

If the Parties do not pay or refuse to pay the mediation or arbitration costs, as the case may be, within the relevant time limit, the Secretariat may, after consultation with the Mediator or Arbitrator, as the case may be, suspend the proceedings. In such event, the Secretariat shall extend the time limit by an additional period not exceeding 30 (thirty) days and shall notify the same to the Parties. Non-payment of the mediation or arbitration costs, as the case may be, within said extended period shall be considered withdrawal of the request for mediation or arbitration of the Dispute as the case may be and shall close the proceedings at the ADR Center.

CHAPTER VIII MISCELLANEOUS

Article 35.Limitation of Liability

Neither the Arbitrators or Mediators nor the ADR Center, ADR Partners or its Board or its members or its staff, the Secretariat, the ADR Board or its members or the ADR Council or its members shall be jointly or individually liable to any person for any act or omission in connection with the mediation or arbitration process or any other process or procedure under this Rules. In all cases none of the above named shall bear any liability for consequential, indirect, punitive damages, loss of profit or failure to achieve the desired results. In case the limitations set forth in this section are not enforceable in accordance with the applicable law, in all cases the total liability of the above mentioned persons is limited to the half of the paid fees for the specific case.

Article 36.Language and Amendments

The present ADR Rules are executed in Armenian and English languages. In case of discrepancies, the Armenian text will prevail. ADR Board reserves the right to amend the ADR Rules at any time on the condition that all commenced and not completed mediations and arbitrations shall be conducted in accordance with the rules according to which they were commenced.

SECTION TWO

Sample Mediation and Arbitration Clauses

Recommended Mediation Clause

All disputes arising out of or in connection with the execution, interpretation or implementation of this Contract, or the breach, termination or invalidity thereof (“Dispute”), shall be resolved by mediation at the ADR Center of ADR Partners LLC in accordance with the Mediation and Arbitration Rules of the ADR Center (“the ADR Rules”). The Parties to this agreement agree to participate in mediation in good faith and agree to abide by the terms of any agreement reached during and/or as a result of the mediation.

Unless otherwise agreed by the Parties the place of mediation is the premises of the ADR Center in Yerevan, Armenia. The language of mediation shall be [Armenian]. If for any reason it was not possible to resolve the Dispute through mediation within 45 days, each Party has the right to refer the Dispute to the competent courts of the Republic of Armenia.

Recommended Arbitration Clause in a Contract

All disputes arising out of or in connection with the execution, interpretation or implementation of this Contract, or the breach, termination or invalidity thereof (“Dispute”), shall be referred for final settlement to the ADR Center of ADR Partners LLC for arbitration in accordance with the Mediation and Arbitration Rules of the ADR Center (the “ADR Rules”). The Parties commit and submit themselves to the said ADR Rules.

Arbitration shall be carried out by a [single arbitrator] / [a panel of three arbitrators] appointed in accordance with the said Rules.

The seat of the arbitration shall be in [Yerevan, Armenia]. The language of arbitration shall be [Armenian].

The Award of the arbitration conducted in accordance with the ADR Rules shall be final, binding and enforceable against the Parties and may be entered into any court of competent jurisdiction for enforcement.

Recommended Arbitration Clause Separately Agreed

- A. It is agreed by the Parties that the dispute briefly defined under section (B) hereof is referred, for final settlement to the ADR Center of ADR Partners LLC for arbitration in accordance with the Mediation and Arbitration Rules of the ADR Center (the “ADR Rules”). The Parties commit and submit themselves to the said Rules.

Arbitration shall be carried out by a [single arbitrator] / [a panel of three arbitrators] appointed in accordance with the said Rules.

The seat of the arbitration shall be in [Yerevan, Armenia]. The language of arbitration shall be [Armenian].

The Award of the arbitration conducted in accordance with the said Rules shall be final, binding and enforceable against the Parties and may be entered into any court of competent jurisdiction for enforcement.

B. The dispute hereby referred to the ADR Center for arbitration is -----

Recommended Combined Mediation and Arbitration Clause

All disputes arising out of or in connection with the execution, interpretation or implementation of this Contract, or the breach, termination or invalidity thereof ("Dispute"), shall be resolved by mediation at the ADR Center of ADR Partners LLC in accordance with the Mediation and Arbitration Rules of the ADR Center ("the ADR Rules"). The Parties to this agreement agree to participate in mediation in good faith and agree to abide by the terms of any agreement reached during the mediation. Unless otherwise agreed by the Parties the place of mediation is at the premises of the ADR Center in Yerevan, Armenia. The language of mediation shall be [Armenian]. If for any reason it was not possible to resolve the Dispute through mediation within 45 days, the Dispute shall be finally settled by arbitration at the ADR Center of ADR Partners LLC in accordance with the ADR Rules. Arbitration shall be carried out by a [single arbitrator]/ [a panel of three arbitrators] appointed in accordance with the said Rules. The seat of the arbitration shall be in [Yerevan, Armenia]. The language of arbitration shall be [Armenian].

The Award of the arbitration conducted in accordance with the said Rules shall be final, binding and enforceable against the Parties and may be entered into any court of competent jurisdiction for enforcement.

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