

REGULATIONS FOR HEARINGS OF MINOR DISPUTES

KRISTIANSAND CHAMBER OF COMMERCE

1 THE ARBITRATION PROXY.

- 1.1 When a dispute is referred to arbitration in accordance with these regulations the court of arbitration (henceforth The Court), in lack of another agreement, shall be seated in Kristiansand. The Court may arrange with the parties that meetings, hearing of evidence and negotiations may take place at other locations, but the Court's settlement of disputes, including out-of-court settlement, shall in every regard considered to be made at the Court's seat.
- 1.2 The Court has the authority to determine its own judicial decisions, including objections regarding design, existence, validity, or scope of the arbitration agreement. Furthermore the Court shall have the authority to determine the existence or validity of an agreement which the arbitration agreement is part of.

2 THE COURT OF ARBITRATION.

- 2.1 The Court shall consist of one arbitrator appointed jointly by the parties no later than three weeks after a party as received a notice of arbitration from the other party (henceforth Arbitration notice). If the parties do not agree within the time-limit each of the parties may request that the Arbitration Board in Kristiansand Chamber of Commerce (henceforth the Arbitration Board) undertakes the appointment. The Arbitrator must be a lawyer/legal professional.
- 2.2 If requested by one of the parties the arbitrator must master English (or possibly another language) on a judicial contract level.

3 MINOR DISPUTES.

- 3.1 The arbitration agreement shall ordinarily contain a ceiling for payment (henceforth the Payment Ceiling) for disputes were the parties want it heard according to these regulations. Lacking such an agreement in advance, and if the parties do not come to agreement later, the Payment Ceiling shall be the amount set at any given time by the Chamber of Commerce Arbitration Board, at the time NOK 500,000.00. When this Payment Ceiling shall be put to use the dispute falls under these regulations where the sum of claims and counterclaims, raised in the Arbitration Notice and Response, will not exceed the Payment Ceiling.
- 3.2 By assessing the Payment Ceiling set by the parties or the Arbitration Board the claim for interests and costs shall be included. Running services are summed up based on the given or reasonable expected term to maturity.

- 3.3** If a party presents claim that is not directly expressed in currency, the party shall, when the claim is presented, indicate an amount that he assumes is equivalent to the money value of the claim. The Court may ask the opposing party to express their opinion about the amount. The Court is not bound by the parties' assessment.
- 3.4** If the claim presented is in a different currency than the Payment Ceiling the claim shall be converted to that of the Payment Ceiling based on DNB's bid price on dispatching day of the Arbitration Notice.
- 3.5** If a party wants to plead that these Hearing Regulations does not come into play because of the Payment Ceiling a defendant must bring forth the objection no later than in the Response and a claimant no later than 14 days after the Response is received. The Court shall immediately give the opposing party the opportunity to express themselves within 7 days. The question will be settled by the Court based on the Arbitration Agreement and the abovementioned regulations.
- 3.6** The Court's handling of the question regarding the Payment Ceiling shall not entail a prolonging of other time-limits unless the court decides on such an extension.
- 3.7** The stipulations in item 3.5 and 3.6 shall also be applied to other objections to the Court's qualifications according to item 1.2 higher up. Objections according to this stipulation may however brought forth after the expiration of the time-limit in item 3.5 if it is documented without reasonable doubt that the objection could not have been brought forth any earlier.
- 3.8** The Parties relinquishes any right to demand the Court's decision regarding the Payment Ceiling to be reviewed by another judicial authority.
- 3.9** The Court's decision according to this item shall be made in writing and include a short justification. The Court may decide that the case is heard, that it is dismissed or, if this is in accordance with the arbitration agreement, is transferred to General Arbitration by Kristiansand Chamber of Commerce.
- 3.10** The parties may not present new claims after they have handed over the Arbitration Notice and the Response respectively, cf. item 4 below. If a party wants to bring forth new claims it has to be done in a new Arbitration Notice. The parties may agree to have Court hear both disputes together. Lacking such an agreement a new Arbitration Notice must be heard as a new dispute according to item 2.1 and following. Claims for interests, costs and claims based on missing guarantees from the opposing party are not considered as new claims according to this stipulation.
- 3.11** The parties may not increase existing claims after handing over the Arbitration Notice or the Response respectively, yet a party may increase his/her total claim by up to 20 percent of the claim in the Arbitration Notice or the Response. Such an adjustment must be made no later than in the Points of Claim or the Points of Defense. Such and increase shall not affect the Court's decision according to item 3.9.
- 3.12** A party's access to submit new statements ceases when the party is cut off from bringing in additional evidence, cf. Stipulations in item 6.

4 PROGRESS AND TIME-LIMITS.

- 4.1** The Courts shall, as soon as it is established, send a notice to the parties about the time-limits that will be applied to further hearings (henceforth Notice of Time Limit). Furthermore the Notice of Time-limit shall include the addresses, points of contact, phone and fax numbers, and possibly e-mail addresses to the parties, the Court and possible counsels. Subsequent correspondence which uses this information is to be considered correctly dispatched, unless one of the parties in writing have informed about changes to the Court and the other party.
- 4.2** Communication from the parties to the Court is to be done by Arbitration Notice, Response, points of claim, points of defense, or written pleading (henceforth jointly Court Documents). One party or the counsel is not to have unilateral contact with the Court, unless this directly corresponds to the organization of the arbitration case.
- 4.3** The parties may agree upon changes in regards to progress and time-limits. Failing to have such an agreement one party may apply to the Court for an extension.
- 4.4** Time-limit for handing in Points of Claim shall not ordinarily exceed 14 days from the Notice of Time-limit is dispatched. The time-limit for Points of Defense shall be the same as for the Points of Claim, calculated from the day of expiration of the Time-limit for Points of Claim. In addition a time-limit is to be set for written pleadings from each of the parties, normally one week. The Court may set a longer time-limit when the Court finds special grounds for it. Additional written pleadings may not be presented unless the Court allows this on the count of special grounds.
- 4.5** The claimant may choose to send Points of Claim together with the Arbitration Notice in order to reduce the expended run time.
- 4.6** An application for a time-limit delay must be conveyed to the Court and the opposing party per fax or e-mail by the expiry of the time-limit. The Court shall only give a delay when a party cannot comply with the time-limit due to extraordinary circumstances, and such can be documented in a reasonable fashion. If a delay is granted the other party shall have a corresponding delay. Correspondingly delays of possible main hearings apply.
- 4.7** If the defendant fails to comply with the time-limit for submitting the Points of Claim the Court shall decide to adjourn the arbitration hearing. If the claimant does not submit Response or Points of Defense, or a party does not submit a written pleading within the given time-limit, the Court shall inform the parties that the dispute will be settled by arbitration award on the basis of what is available, unless the delaying party submits within 7 days. If the dispute is settled because a party does not submit, the arbitration award is made without a main hearing, even though such is previously decided.
- 4.8** Main hearings are only to be held if
- (1) Both parties demand it.
 - (2) The Court finds it necessary in order to shed sufficient light on the case.
- 4.9** When the Court has initiated the main hearing the Court may decide that this should be limited to admission of evidence, which are not documentary evidence, plus a closing statement from each of the parties and/or their counsels.

The Court sets the date, in consultation with the parties, for the main hearing. Only in exceptional cases shall the date be set to be more than 3 months after the establishment of the Court. The Court sets the date if the parties do not come to an agreement.

If a party or his counsel does not show for the main hearing the Court shall make an award unless the non-appearance is due to extraordinary events where the concerned party is not to be blamed.

5 INITIATION OF AN ARBITRATION CASE.

5.1 Arbitration is initiated by the claimant sending an Arbitration notice to the defendant. The arbitration is initiated when the Arbitration notice reaches the defendant.

5.2 The Arbitration Notice shall contain;

- (1) A short description of the controversial points that the claimant demands arbitrated.
- (2) An overview of the economic claims the claimant wishes to bring before the court.
- (3) A copy of the Arbitration agreement.

5.3 The defendant shall send a response within two weeks of receiving the notice of arbitration (henceforth the Response) to the claimant.

The Response shall contain;

- (1) A short comment on the claimants claim.
- (2) A short descriptions of a possible counterclaim.
- (3) An overview of the economic claims the defendant wishes to bring before the court.

5.4 If in the dispute prior mediation has taken place according to the Chamber of Commerce's Out-of-Court Arbitration Regulations the Mediation Petition and the Response shall come into force in place of the abovementioned notices. In this case both documents are sent to the Court at the same time, and the case preparation will continue from there. The time-limit for appointment according to item 2.1 runs from the date a party in writing informed the other party that arbitration is required.

5.5 Points of Claim and Points of Defense shall contain;

- (1) A complete examination of the facts the party pleads.
- (2) A complete examination of the legal arguments the party pleads.
- (3) An exact account of the claims, including counterclaims, the party advances.
- (4) An overview of the possible witnesses/expert witnesses the party request examined.
- (5) An overview of possible objects the party requests the Court to inspect.
- (6) An overview of possible documents that is requested produced by the opponent.
- (7) The party's statement of claim.

(8) In the Response, which of the claimant's statements of fact and law the defendant contests.

5.6 As an attachment to the Points of Claim and the Points of Defense shall as far as possible all documentary evidence the party wishes to plead (except when these are already presented).

5.7 The parties' written pleadings shall include;

(1) The parties' interpretation of the actual and legal matters the opposing party has brought up in the preceding Court Document.

(2) The parties' statement of claim.

(3) Possible new witnesses/expert witnesses the party requests examined.

6 CONCLUSION OF THE CASE PREPARATION.

6.1 The parties may not present new evidence or demand other submission of evidence after the expiry of the time-limit for submission of their respective final Court Document. The following exceptions apply;

- If the defendant in his written pleading submits new documentary evidence or requests any other submission of evidence the claimant shall have the right to put forward new counter-evidence within 14 days of taking delivery of the written pleading.

- If a party has put in a claim for the other party to submit specific documents, and the request is not met by the expiry of the time-limit for submission of evidence, the former party may request that the Court demand the submission of the document. Such a claim must be presented to the Court no later than 7 days after the expiry of the time-limit for submission of evidence. The Chairman shall give notice that the document is to be submitted within 7 days. If the document is not presented and no reasonable explanation is given within the time-limit, the Court may base its theory on the fact that the contents of the document is not in the best interest of the party refusing to present.

6.2 After the expiry of the time-limit mentioned in item 6.1 the case preparations are considered concluded.

6.3 Should one party make new claims or produce new evidence after the expiry of the respective time-limits, the court shall decide to exclude the claims or evidence and return that which is sent to the court. An exception only applies if one party can substantiate that the claim or evidence could not be brought before the court within the given time-limit due to unfortunate circumstances created by the other party. The parties agree that the Court's decision in this matter is final.

7 EVIDENCE.

7.1 Documentary evidence in the Scandinavian languages, and in English, shall ordinarily be allowed to be submitted in the original language. The Court may however demand that the party submitting the document in any foreign language shall translate the document into Norwegian using an authorized translator. If the document is extensive the Court may allow for a partly translation of the document, but the other party may request additional translations. The Court sets the time-limit for the translation. If the

document is not translated in accordance with the Court's decree the Court may decide that the document is to be considered not submitted. The parties agree that the Court's decision is final.

7.2 Written statements may be presented as an alternative to verbal calling of witnesses. This applies correspondingly to statements from experts. If the Court finds it necessary to get supplementary information verbally, cf. item 4.9, and the one that gave the account or statement does not show up, without a lawful excuse for non-appearance, the written account or statement shall not be ascribed any importance as evidence in the dispute.

8 AWARD, PARTLY-AWARD, DECISIONS AND IN-COURT SETTLEMENT.

8.1 The award shall be made as soon as possible after the case preparation and possible main hearing is brought to conclusion. This should happen within 3 weeks from the decision in the case is made.

8.2 The award shall be made in accordance with the regulations of the Arbitration Act. Unless the parties make an arrangement about complete judgment the grounds for the award may be made brief.

8.3 The Court's decisions during the case preparation and the Court's award shall be final with the exceptions given by mandatory rule of law in Arbitration Act.

8.4 If the dispute or parts of it is settled the Court shall affirm the settlement as an in-court settlement if the parties request it. An in-court settlement shall, with the exception of grounds, have the equivalent content as an arbitration award.

8.5 Within 30 days of the making of the arbitration award a party may, by written notice to the Court and the other party request that;

(1) The Court shall correct spelling and calculation errors/misprints or other similar distinct errors in the award. If there are grounds for an appeal the Court shall within thirty days undertake the corrections by way of an additional award.

(2) The Court shall make an additional award for the decision on claims that have been presented and should have been settled during the arbitration case, but that was not included in the award. When receiving such a request the Court shall give the other party a time-limit of 14 days to make remarks. If the Court finds that the appeal is just it shall make an additional award within 30 days after the request for an additional award was received.

(3) Additional awards shall be clearly connected to the award and shall satisfy the requirements in item 8.2 above.

The time-limit for an appeal according to (1) and (2) may only be extended if a party clearly proves that he, by reasons outside of his reasonable control, received the award more than 15 days after the award was made. An extension of the time limit shall not exceed 30 days after the party received the award, and an extension shall not be valid beyond 3 months after the award was made.

9 CHOICE OF LAW, PRINCIPLE OF PARTLY CONTROL AND SETTLEMENT NEGOTIATIONS.

- 9.1** In the dispute the rule of law at the Court's seat applies. For procedural questions not resolved by these regulations the Arbitration Act and the Dispute Act applies. A common choice of law clause shall not be considered to include the procedural regulations for a dispute resolution.
- 9.2** The Court shall resolve the dispute based on the law or the choice of law rules the parties have chosen. A reference to legislation in another country shall, unless the opposite is clearly stated, be considered as a reference to this country's material legislation and not the country's choice of law rules. When the parties have not chosen, the basis for the legislation to be applied will be the choice of law rules at the Court's seat.
- 9.3** The agreement to hear the dispute by arbitration shall be considered lawful if the Court finds that it is lawful according to the act usable, either according to item 9.1 or 9.2.
- 9.4** The Court shall base its decisions on the presented evidence and those submissions that are brought to bear. The Court shall not exercise material case management.
- 9.5** If both parties ask for it the Court may assist in the settlement negotiations. In case of such assistance the Court may act as "amiable compositeur" and therefore attach more importance to the concrete reasonableness than is allow for in item 9.2 and 9.4.

10 GUARANTEES.

- 10.1** The Court shall in the Notice of Time-Limit state an equal amount that each of the parties is to pay to the Court as a guarantee for the Court's costs. The amounts shall be set in such a way that all of the Court's costs and fees will be covered. The time-limit for payment is three weeks after the date of the Notice of Time-Limit.
- 10.2** If one party does not deposit securities by the end of the time-limit the Court shall give a reminder of payment. If the party can document an obstacle to payment which clearly is out of his control the Court shall give a new time-limit. If after 7 days following the Court's reminder neither a new time-limit is given nor the payment is made, the following applies;
- (1) If the claimant fails to furnish the guarantee the Court shall withdraw the arbitration case.
- (2) If the defendant fails to furnish the guarantee the Court shall inform the claimant. The latter shall within 14 days inform the Court of whether or not the claimant will furnish a guarantee on behalf of the defendant, or whether or not the claimant wants to bring the dispute before the ordinary courts of law. If the claimant furnishes a guarantee on behalf of the defendant within 30 days after the claimant has made his/her decision the arbitration case continues. It shall otherwise be adjourned.
- 10.3** The Court may request that the parties furnish an additional guarantee if this becomes necessary in order to secure the Court's total costs. The remaining stipulations for this item 10 apply correspondingly.

10.4 One party may claim all costs compensated by furnishing a guarantee on behalf of the opposing party, and possibly claim penalty interests. The claim may be brought before the Court who shall make an award for the amount.

10.5 The Court shall not assess or make an award for the claim brought forth by the defendant if he has not furnished a guarantee in accordance with the court's time-limit. Such claims are deemed waived in the case if the guarantee is not furnished. By appraisal of the claimant's claim the Court shall allow for timely filed statements and evidence from the defendant even though he has not furnished a guarantee. If the defendant has any counterclaims this item's first and second sentences apply.

11. COSTS AND INTERESTS.

11.1 The Court shall in the award, in light of all circumstances, but with special importance on the outcome of the case, determine if one party shall cover all or partly the costs of the other party. The Dispute Act's § 10-5 will not apply. Correspondingly the Court shall establish its own fee and costs, and distribute these between the parties.

11.2 The Court shall in the award determine the reasonable costs a party may claim covered due to furnishing a guarantee on behalf of the other party.

11.3 One party's claim according to item 11.1 and 11.2 must be presented no later than in the party's final Court Document or, if a main hearing is held, no later than 3 days after this is concluded.

11.4 The parties are responsible for the Court's fee and costs in solidarity. Distribution according to item 11.1 does not change this.

11.5 An award made for payment in currency shall include a term of payment and a statement of possible running interests that might accrue due to late payment.

12 CONFIDENTIALITY.

12.1 The parties shall not give any information to a third party that arbitration is initiated. The arbitration hearings and the Court's award shall be subject to an obligation to maintain secrecy. The obligation to maintain secrecy does not apply;

(1) Information a party must give in order to collect evidence, apply for temporary protection from claims towards the ordinary court of law or seeking an enforcement of the Court's award.

(2) Information a party is obligated to give a third party (the public authority or others) according to mandatory rule of law or regulation.

(3) Information a party have to give to a third party which he wants, or contemplates, bringing a claim against as a result of the outcome in the arbitration case. In such cases information may also be given to the court which is hearing or settling such a claim.

12.2 If the dispute is transferred to the ordinary courts of law the obligation to maintain secrecy ceases to exist.

12.3 Item 12.1 applies correspondingly to the Court.

13. CHANGES, THE NEW YORK CONVENTION.

- 13.1** The parties may by written agreement change these regulations as long as these changes do not conflict with mandatory rule of law given in the Dispute Act.
- 13.2** In the case of doubt these regulations shall be interpreted in accordance to the New York convention regarding recognition and execution of foreign arbitration awards.
- 13.3** The Arbitration Board may change these regulations as it sees fit. If nothing else is agreed upon the procedural regulations applies as is at the time of dispatching of the Arbitration Notice for the duration of the hearing of the dispute in question.