



**RULES OF THE PRAGUE STOCK EXCHANGE  
ARBITRATION COURT**

# RULES OF THE PRAGUE STOCK EXCHANGE ARBITRATION COURT

ISSUED PURSUANT TO SECTION 54(3) OF ACT NO. 256/2004 COLL., ON UNDERTAKING IN THE CAPITAL MARKET, AND SECTION 13(2) OF ACT NO. 216/1994 COLL., ON ARBITRATION AND THE ENFORCEMENT OF ARBITRATION AWARDS

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## PART I. PROCEEDINGS

### A. GENERAL PROVISIONS

#### Article 1 Types of Decisions

- 1) The court decides the merits of the claim by the award and other matters by a decision.
- 2) Decisions issued in the same proceeding are numbered in ascending Arabic numerals.

#### Article 2 Place of Arbitration

Unless the parties agree otherwise, the place of arbitration and issuance of the arbitration award shall be the Czech Republic.

### **Article 3**

#### **Place of the Oral Hearing**

- 1) The regular place of oral hearings shall be the seat of the Prague Stock Exchange Arbitration Court (hereinafter referred to as "**PSEAC**"). Based on an agreement of the parties and with the consent of the arbitration tribunal, oral hearings may be held at another place.
- 2) The arbitration tribunal shall notify the Secretary of oral hearings held at a place other than the seat of the stock exchange.

### **Article 4**

#### **Submission of Documents**

- 1) All documents relating to the commencement and conduct of arbitration must be submitted in both paper and electronic form.
- 2) Documents referred to in paragraph 1) submitted in paper form shall be provided in such number of copies that each party, all members of the arbitration tribunal and the Office all receive one copy.
- 3) Documents referred to in paragraph 1) submitted in electronic form shall be provided in PDF format on a permanent storage medium, typically on a portable USB Flash Disk. In the case of very large memory requirements, it is possible, upon agreement with the Secretary, to use another medium, such as a portable mass storage disk.
- 4) Save for written evidence, all documents shall be submitted in the language of the arbitration.
- 5) The arbitration tribunal may adopt rules for submission of documents different from those specified in paragraphs 1) to 4) of this Article.

### **Article 5**

#### **Language of the Arbitration**

- 1) Based on an agreement of the parties, the arbitration shall be conducted in the Czech or in the English language. The arbitration tribunal may, with the consent of the parties, decide that the arbitration will be conducted in another language, provided that the parties agree on the payment of the costs of translation and interpretation and make the required deposit with PSEAC for that purpose.
- 2) If the parties fail to agree on the language of the arbitration, the arbitration tribunal shall decide whether the arbitration will be conducted in the Czech or in the English language, taking into consideration all circumstances, including the language in which the contract, giving rise to the dispute to be settled in the arbitration was (or is claimed to have been) concluded.
- 3) If the arbitration proceedings are held in the Czech language, any documents, as well as oral statements, in the Slovak language shall be accepted without further requirements.

### **Article 6**

#### **Basis for Settlement of Disputes**

- 1) The arbitration shall be conducted in accordance with the PSEAC Rules.
- 2) The arbitrators shall conduct proceedings in a manner they consider appropriate; so as to establish, without unnecessary formalities, the facts of the case necessary for the adjudication of the dispute, while maintaining equality of the parties and providing all parties with an equal opportunity to exercise their rights. The arbitrators are authorized to decide on conduct of the proceedings by means of distant communication (online) also without the parties' request.
- 3) The arbitrators may also decide a dispute according to the principles of equity, but only if expressly authorized to do so by the parties.

- 4) PSEAC and the arbitrators shall use reasonable efforts to ensure that the arbitration awards issued in the proceedings conducted under the PSEAC Rules be legally enforceable.

## **Article 7**

### **Delivery**

- 1) Pursuant to Article 4, documents shall be delivered in both paper and electronic form.
- 2) Prior to the constitution of the arbitration tribunal, the parties shall deliver documents to the Secretary who shall distribute them to the other parties and to the arbitrators. As soon as the parties learn about the constitution of the arbitration tribunal, they shall deliver documents directly to the other party, the arbitrators, and PSEAC.
- 3) Copies of all communications from the arbitration tribunal to the parties shall be sent to PSEAC.
- 4) Deliveries are made to a chosen authorized representative of a party to an address notified by the representative. If there is no such representative, deliveries to a party are made to an address specified by the party or, if there is no such address, at the last known address of the party.
- 5) Requests for Arbitration, Answers, arbitration awards and decisions in paper form shall be delivered by registered mail with notice of receipt.
- 6) Other documents in paper form may be sent by registered or regular mail and notices and summons to an oral hearing also by electronic mail with subsequent confirmation sent by registered mail within 3 days.
- 7) Any of the documents referred to above may also be delivered in person or by a courier with notice of receipt.
- 8) All deliveries shall be deemed valid if made according to paragraphs 1) to 7), even if the addressee refuses to receive a document or fails to collect it despite a post office notification. However, it is sufficient that delivery be made according to the procedural law of the country of the place of delivery.
- 9) If a party changes its address following the commencement of the arbitration without notifying PSEAC, the delivery shall be deemed valid if made in a manner specified in paragraphs 1) to 6) at the last known address of the party.
- 10) If a delivery could not be made at the last known address of a party who has neither a counsel nor an authorized representative for receiving documents, the chairperson of PSEAC may appoint a guardian to such party for receiving documents. The day of delivery to the guardian shall be deemed to be the day of delivery to the party.
- 11) Requests for delivery by a foreign court or body, or other requests for legal help of such court or body, are in the competence of the chairperson of PSEAC.
- 12) The arbitration tribunal may adopt rules for delivery of documents different from the rules provided in paragraphs 1) to 11) of this Article.

## **Article 8**

### **Stay of Proceedings**

Upon request of a party or upon the initiative of the arbitration tribunal, proceedings may be, stayed for a serious reason and for a definite period of time. The decision to stay the proceedings shall be issued by the presiding arbitrator or, if the arbitration tribunal has not been constituted, by the Presidium. The proceedings shall continue if the period of stay of the proceedings is not extended within one month from its expiry upon request of the parties or the arbitration tribunal's initiative.

## **Article 9**

### **Restitution of a Deadline**

If in the period until the announcement of the arbitration award or, if it was not announced, until its issuance, a party was not able to participate, fully or partially, in the proceedings for serious reasons, or failed to perform, through no fault of its own, certain act necessary for exercise of its right, the arbitration tribunal or, if it has not been constituted, the Presidium shall take, upon such party's request, reasonable measures to enable the party to subsequently perform what it has missed.

## **Article 10**

### **Securing of Evidence and Preliminary Measures**

- 1) After the filing of a Request for Arbitration and before the constitution of the arbitration tribunal, the Presidium may, in urgent cases and upon request of one or both parties, secure evidence and, for that purpose, appoint one or more experts or take other appropriate measures.
- 2) After the constitution of the arbitration tribunal, decisions on securing evidence are made by the arbitration tribunal. Paragraph 1) of this Article shall apply mutatis mutandis to the securing of evidence by the arbitration tribunal.
- 3) If it becomes evident during or before the commencement of the arbitration that the enforcement of the arbitration award may be at risk, any party may file a request for preliminary measures with the competent court. The party shall notify PSEAC of such request.

## **Article 11**

### **Letters Rogatory**

- 1) PSEAC may make a request to a general court or, with the consent of the parties, another arbitration court (letter rogatory) or a relevant public body to perform any acts that may be difficult to perform for PSEAC or that could be performed by PSEAC only with increased, inefficient costs.
- 2) PSEAC shall make such a request through a letter specifying the information from the file, knowledge of which is necessary for proper performance of the relevant act, in particular if multiple courts or authorities are requested to perform the act. If necessary, PSEAC shall attach the files and refer to the parts thereof where such necessary information is provided. The request shall also specify whether and which representative of the parties is to be notified of the act of the requested court or body.
- 3) The request should be complied with as quickly as possible, in particular in situations where another hearing is scheduled before PSEAC.

## **B. PARTIES**

### **Article 12**

#### **Parties**

- 1) The parties to the arbitration are the claimant and the respondent.
- 2) Unless the parties agree otherwise with the consent of the arbitration tribunal, no joinder of additional parties is allowed in the proceedings.

## **C. COMMENCEMENT OF THE PROCEEDINGS**

### **Article 13 Filing the Request for Arbitration**

Arbitration proceedings shall commence upon receipt of the Request for Arbitration by PSEAC.

### **Article 14 Contents of the Request for Arbitration**

- 1) The Request for Arbitration must include:
  - a) Identification of PSEAC,
  - b) Identification of the claimant, the claimant's address and other information for delivery purposes,
  - c) Identification of the respondent, the respondent's address and other information for delivery purposes,
  - d) The claim raised by the claimant,
  - e) Signature of the claimant or the claimant's representative and date,
  - f) Reference to the basis for jurisdiction, including but not limited to a reference to an arbitration agreement or an arbitration clause,
  - g) Statement of the factual and legal circumstances, on which the claimant bases its claims, and a reference to the evidence which can be used to prove these circumstances,
  - h) The proposed language of arbitration,
  - i) The amount in dispute,
  - j) The proposed number of arbitrators and the method of their selection,
  - k) First name, last name and contact details of the arbitrator nominated by the claimant, or a request that such arbitrator be nominated by the Presidium.
- 2) The request that the arbitrator be nominated by the Presidium may be included in the Request for Arbitration, or in a separate document submitted together with the Request for Arbitration.
- 3) The text of the Request for Arbitration shall be divided into paragraphs numbered consecutively using Arabic numerals; written evidence shall be identified according to Article 38(7). This shall apply, mutatis mutandis, also to the claimant's other submissions..

### **Article 15 Amount in Dispute**

- 1) The claimant shall specify in the Request for Arbitration the amount in dispute also in cases where its claim, or any part thereof, is of a non-pecuniary nature.
- 2) The amount in dispute shall be, in particular, determined based on
  - a) the claimed amount, in the case of claims for money,
  - b) the value of the claimed property, in the case of claims for surrender of such property,
  - c) in terms of the value of object of legal relations at the time of filing the Request for Arbitration, in the case of claims seeking a declaratory decision or claims for a change of legal relations,
  - d) on the basis of available information on the material interests of the claimant, in the case of claims seeking performance or forbearance.

- 3) In Requests for Arbitration consisting of multiple claims, the value of each claim must be specified separately; the amount in dispute shall be determined as the sum of all claims.
- 4) If the claimant fails to specify the amount in dispute or specifies it incorrectly, PSEAC determines, upon its own initiative or the respondent's request, the amount in the dispute on the basis of available information.

## **Article 16**

### **Fee and Security for the Costs of Respondent's Legal Representation**

- 1) Consideration of the Request for Arbitration shall be conditional upon payment of the arbitration fee according to the Principles Governing Arbitration Costs.
- 2) Upon the respondent's request, the arbitration tribunal may decide that the claimant shall provide a security for the reimbursement of the costs of respondent's legal representation. If the arbitration tribunal decides that the security is to be provided, consideration of the Request for Arbitration shall be conditional upon the payment of the security.
- 3) PSEAC shall request the claimant to pay the fee depending on the amount in dispute according to Article 15 and pay the security according to paragraph 2) of this Article if the decision to request the security has been made.
- 4) The request shall be submitted to the claimant by the Secretary.
- 5) The time limit granted to the claimant to pay the security for the costs of legal representation shall not be less than 30 days. In the event of failure to pay the security, the proceedings shall be discontinued.

## **Article 17**

### **Rectification of Defects**

- 1) If the Secretary finds that the Request for Arbitration does not include the essentials specified in Article 14, it shall request the claimant to rectify the defects found; with respect to the requirements specified in Article 14(1), the time limit for the rectification of the defect shall not be more than one month from the day of the delivery of the said request of the Secretary. If the defects are rectified within the time limit set, the day stated in Article 13 shall be deemed to be the day of filing of the Request for Arbitration. The Request for Arbitration will not be considered until the defects have been rectified.
- 2) In cases where the claimant insist on continuation of the proceedings irrespective of the request for rectification of the defects found, the proceedings shall continue, provided that the nature of the defects of the Request for Arbitration allows such continuation; otherwise the proceedings shall be discontinued.

## **D. PREPARATION OF THE HEARING OF THE DISPUTE**

### **Article 18**

#### **Answer**

- 1) If the Secretary considers that the Request for Arbitration can be referred to the proceedings according to these PSEAC Rules, he shall notify the respondent of the filing thereof and shall send to the respondent a copy of the Request for Arbitration, including attachments, as well as the list of arbitrators and the PSEAC Rules.
- 2) At the same time, the Secretary shall request the respondent to submit an Answer to the Request for Arbitration within one month of the receipt of the Request for Arbitration. This time limit may be extended upon the respondent's request.

- 3) The Answer shall include:
  - a) Identification of PSEAC,
  - b) Identification of the claimant, the claimant's address and other information for delivery purposes,
  - c) Identification of the of the respondent, the respondent's address and other information for delivery purposes,
  - d) Response to the claim,
  - e) Signature of the respondent, or the respondent's representative, and date,
  - f) Response to the claimant's reference to the basis for jurisdiction,
  - g) Statement of the factual and legal circumstances, on which the respondent bases its response to the claim, and a reference to the evidence which can be used to prove these circumstances,
  - h) Response to the proposed language of the arbitration,
  - i) Response to the amount in dispute,
  - j) Response to the number of arbitrators and the method of their selection in light of the claimant's proposal,
  - k) First and last name of the arbitrator nominated by the respondent, or a request that such arbitrator be nominated by the Presidium.
- 4) The request that the arbitrator be nominated by the Presidium may be included in the of the Answer, or in a separate document submitted together with the Answer.
- 5) The text of the Answer shall be divided into paragraphs numbered consecutively using Arabic numerals; written evidence shall be identified according to Article 38(7). This shall apply, mutatis mutandis, also to other submissions.
- 6) The respondent shall assert all counterclaims in the Answer, specifying:
  - a) the factual and legal circumstances on which the respondent bases its counterclaims, and a reference to the evidence by which the respondent intends to prove these counterclaims,
  - b) the value of these counterclaims, if possible.
- 7) The provisions of paragraph 6) shall proportionally apply to the assertion of the respondent's counterclaim in the form of set-off, if it stems from a legal relationship different than the claim asserted by the Request for Arbitration.
- 8) If the respondent fails to deliver the Answer or if the Answer does not contain all items referred to in paragraph 3), the process according to Article 19 of these Rules shall apply.

## **Article 19**

### **Rectification of Defects**

- 1) If the Secretary finds that the Answer does not include the essentials specified in Article 18, he shall ask the respondent to rectify the defects found; with respect to the requirements specified in Article 18(3), the time limit for the rectification of the defects shall not be more than one month from the day of the delivery of the said request of the Secretary to the respondent. If the defects are rectified within the time limit set, the day when the Answer was first received by PSEAC shall be deemed to be the day of filing of the Answer.
- 3) If the Answer contains defects related to the definition of the respondent's counterclaims according to Article 18(6), these counterclaims will not be considered until the defects have been rectified. In cases where the respondent insists on continuation of the proceedings concerning the counterclaims irrespective of the request for rectification of the defects found, the proceedings concerning the counterclaims shall continue, provided that the nature of the defects of the Answer

allows such continuation; otherwise the proceedings concerning the counterclaims shall be discontinued.

## **Article 20**

### **Arbitrators and their Fees**

- 1) Presiding arbitrator or sole arbitrator may only be an arbitrator registered in the list of arbitrators of PSEAC maintained by PSEAC. An arbitrator – member of the arbitration tribunal not acting as the presiding arbitrator may be also a person not registered in the list of arbitrators if the Presidium decides to appoint him or her.
- 2) Unless the parties have agreed otherwise, disputes with the amount in dispute not exceeding CZK 10,000,000 shall be decided by a sole arbitrator and disputes with the amount in dispute exceeding CZK 10,000,000 shall be settled by an arbitration tribunal consisting of three arbitrators. The amount in dispute shall mean the sum of the value of all claims and counterclaims made in the proceedings.
- 3) The constitution of the arbitration tribunal or election or nomination of the sole arbitrator shall be governed by Article 21 of the PSEAC Rules. Unless the meaning of the individual provisions implies otherwise, the provisions related to the arbitration tribunal shall equally apply to the sole arbitrator.
- 4) The rules governing fees of arbitrators within the arbitration proceedings and in the performance of other activities of PSEAC are governed by the the Arbitrator Compensation Schedule.

## **Article 21**

### **Constitution of the Arbitration Tribunal and Election or Nomination of a Sole Arbitrator**

- 1) The presiding arbitrator, arbitrator nominated according to Articles 14 and 18 by a party or by the Presidium, or a sole arbitrator (hereinafter also referred to as “**arbitrators**” or “**arbitrator**”) shall, within 14 days of the notification by PSEAC of their nomination or election as arbitrators, in writing:
  - a) Accept their nomination as arbitrator without reservation,
  - b) Accept their nomination as arbitrator stating any circumstances which may give rise to doubts as to his or her impartiality or independence; or
  - c) Refuse their nomination as arbitrator.
- 2) When assessing the circumstances that may give rise to doubts as to the arbitrator’s impartiality or independence, the arbitrator shall proceed according to the IBA Guidelines on Conflicts of Interests in International Arbitration (“**IBA Guidelines**”).
- 3) If an arbitrator accepts the nomination, he or she must do so in writing, in the form prescribed by PSEAC.
- 4) The Secretary shall deliver the arbitrator’s response to his or her nomination pursuant to paragraphs 1) to 3) of this Article to the parties without undue delay.
- 5) The decision on the appointment of a nominated arbitrator shall be made by the Presidium.
- 6) If an arbitrator refuses his or her nomination as arbitrator or fails to respond to the nomination within the provided time limit, or if the Presidium refuses to appoint the arbitrator, a new arbitrator shall be nominated or elected using the same procedure as was used in the case of the original arbitrator.
- 7) In the event of lapse of the period for rejection according to Article 22, the Secretary shall request the arbitrators nominated by the parties to elect, within 14 days, a presiding arbitrator from the list of arbitrators and inform PSEAC accordingly.
- 8) If there are multiple claimants or multiple respondents in a dispute, each party to the dispute shall nominate one arbitrator regardless of the number of claimants or respondents.

- 9) If the parties fail to nominate an arbitrator or the arbitrators fail to elect the presiding arbitrator within the period specified by these Rules, the arbitrators or the presiding arbitrator shall be chosen by the Presidium from the list of arbitrators of PSEAC.
- 10) A sole arbitrator shall be elected by an agreement of the parties. In the event of failure to reach an agreement within a period of 14 days of the date when the claimant received the Answer, or when the time limit for the submission thereof expired with no result, the sole arbitrator shall be appointed by the Presidium. The provisions of the PSEAC Rules applicable to the presiding arbitrator shall also apply to the sole arbitrator.
- 11) Until the constitution of the arbitration tribunal or appointment of a single arbitrator, the Presidium is entitled to perform all acts entrusted to it, unless they have been entrusted to the Secretary, with the exception of decisions on jurisdiction according to Article 28(1).

## **Article 22**

### **Rejection of an Arbitrator**

- 1) Each party shall have the right to reject an arbitrator or the presiding arbitrator, if it has justifiable doubts as to their independence or impartiality.
- 2) Rejection of an arbitrator must be done in writing, within the period of 14 days from the receipt of the statement of acceptance of nomination according to Article 21(4). If the rejection takes place at a later time, it can only be upheld if it is based on the circumstances that the respective arbitrator failed to disclose in the statement of acceptance according to Article 21(1) to (3).
- 3) The other party and all arbitrators shall be notified, without delay, about the rejection of the arbitrator. The rejected arbitrator, the other party and the other arbitrators shall be granted a period of 14 days for their response.
- 4) A decision on the rejection of an arbitrator shall be made by the Presidium, within 14 days of the receipt of the response from the rejected arbitrator, the other party and the other arbitrators, or after expiry of the time limits for such responses without any result. When deciding on the rejection of an arbitrator, the Presidium shall take into account, among other things, the IBA Guidelines.
- 5) If the rejection is upheld, a new arbitrator shall be elected or nominated using the procedure according to these PSEAC Rules.
- 6) Rejection of an arbitrator shall be without prejudice to the validity of his or her acts which he or she has performed in the proceedings so far.

## **Article 23**

### **Resignation of an Arbitrator**

- 1) An arbitrator may resign in writing.
- 2) The resignation of an arbitrator shall be without prejudice to the validity of his or her acts which he or she has performed in the proceedings so far.

## **Article 24**

### **Removal of an Arbitrator**

- 1) In the event that an arbitrator, the presiding arbitrator or a new arbitrator cannot, in the long term, participate in the proceedings or repeatedly do not participate in the proceedings, either party or another arbitrator may request that such arbitrators be removed.
- 2) When making a decision on the request for removal, the procedure shall be similar to the one referred to in paragraphs 3) or 6) of Article 22.

## **Article 25**

### **Replacement of the Original Arbitrator**

If an arbitrator is successfully rejected, removed, or resigns, the new arbitrator to replace him or her shall be nominated or elected using the same procedure as the one used in case of the original arbitrator, within the time limit specified by the Secretary, unless the Presidium decides according to Article 26.

## **Article 26**

### **Decision of PSEAC to Replace the Original Arbitrator**

If an arbitrator nominated or elected by the procedure referred to in Article 21(6) or Article 25 refuses the nomination, fails to respond to his or her nomination within the provided time limit, the Presidium refuses to appoint him or her, is successfully rejected, removed, or resigns, the Presidium may, based on its own discretion, decide that the new arbitrator will be nominated by the Presidium.

## **Article 27**

### **New Hearing of the Dispute**

Taking into account the parties' proposals, the arbitration tribunal may again hear the issues that have already been discussed at the previous hearings, before the change of the arbitrators according to Articles 22-26.

## **Article 28**

### **Decisions on Jurisdiction**

- 1) Decisions on jurisdiction shall always be made by the relevant arbitration tribunal, regardless of whether the decision on jurisdiction is to be made with regard to a party's objection or with regard to doubts of the arbitrators or the Secretary.
- 2) If the arbitration tribunal concludes that it has no jurisdiction to hear and decide the case, it shall issue a decision on discontinuance of proceedings. If the arbitration tribunal concludes that it has jurisdiction to hear the case, it shall issue a decision rejecting the objection to jurisdiction.
- 3) Prior to making the decision, the arbitration tribunal may order an oral hearing.
- 4) An objection to jurisdiction based on the non-existence, invalidity or termination of an arbitration agreement, unless such invalidity has been caused by the fact that the subject matter of the dispute is not arbitrable, may be raised by a party no later than together with its first act in the proceedings concerning the merits of the case. Any acts performed in connection with the provisions of Article 30 shall be deemed to be the acts concerning the merits of the case performed in the proceedings.

## **Article 29**

### **Terms of Reference**

- 1) Within two months of its constitution, the arbitration tribunal shall verify the progress of the preparation of the dispute for hearing and, unless it finds it clearly redundant given the nature and complexity of the dispute, shall implement additional measures for the preparation of the dispute, including but not limited to preparing and specifying, following a discussion with the parties, in the Terms of Reference:
  - a) list of the parties, their representatives and their delivery addresses,
  - b) time schedule of the proceedings,
  - c) list of the relevant (i) undisputed issues, and (ii) disputed issues that shall be addressed in the

- proceedings, including factual issues with respect to which evidence will be taken,
- d) place of the oral hearing, if it is different from the seat of PSEAC,
  - e) language of the arbitration,
  - f) governing law or, if applicable, the authorization to settle the dispute in accordance with the rules of equity.
- 2) The Terms of Reference may provide for more detailed procedural rules and deadlines for the conduct of the proceedings, including deadlines for the submission of the statements of fact, evidence and legal arguments, if so agreed by the parties or deemed appropriate by the arbitration tribunal and if such procedural rules are not inconsistent with these PSEAC Rules.
  - 3) The Terms of Reference shall be signed by representatives of the parties. If one or both parties do not sign the Terms of Reference, they shall be approved by a decision of the arbitration tribunal.
  - 4) After signing of the Terms of Reference or after their approval by the arbitration tribunal, the parties may not raise new claims and add another disputed issues. The Terms of Reference may only be amended following prior approval by the arbitration tribunal, which shall assess the nature thereof, status of the proceedings, and other relevant circumstances.

### **Article 30**

#### **Preparation of Dispute for Hearing**

Within the preparation of the dispute for hearing, the arbitration tribunal may request written statements, evidence and other supplemental documents from the parties and set reasonable deadlines for the submission thereof. The arbitration tribunal may also order one or several preparatory hearings, which may take place also via telecommunication means.

### **Article 31**

#### **Summons to Oral Hearing**

- 1) PSEAC shall notify the parties of the time and place of the oral hearing by summons which shall be sent to the parties in advance, such that each party will have a period of at least 21 (twenty-one) days to prepare for the hearing and to travel to the oral hearing. No summons shall be required if the oral hearing is held at the time and place specified in the Terms of Reference, provided that the Terms of Reference were delivered to the parties at least 21 (twenty-one) days before the oral hearing.
- 2) With the consent of all parties to the proceedings, the time limit referred to in paragraph 1 may be shorter.

## **E. HEARING OF THE DISPUTE**

### **Article 32**

#### **Oral Hearing**

- 1) The dispute shall be heard in closed session. Persons who are not parties to the proceedings may be present, provided that the arbitration tribunal and the parties agree.
- 2) Parties may attend an oral hearing either directly or through their representatives.
- 3) For serious reasons and upon a request of a party or on the initiative of the arbitration tribunal, an oral hearing may be adjourned prior to its commencement. The request for adjournment of the oral hearing must be made without delay after the party becomes aware of the existence of such a serious reason.

- 4) If the date of the oral hearing has been fixed by agreement of the parties in the Terms of Reference or according to Article 31(2), neither the absence of the parties or their counsels at the place of the hearing at the set time, nor the time conflict of the parties' counsels may constitute grounds for adjournment, unless all the parties agree to adjourn for these reasons.
- 5) The decision on adjournment of a hearing shall always be made by the relevant arbitration tribunal.
- 6) If a party that has been properly informed of the time and place of the oral hearing fails to attend an oral hearing, its absence shall not prevent the hearing of the dispute. In extraordinary circumstances, the arbitration tribunal may accept the absence in the oral hearing and order a new oral hearing upon the party's justified request.
- 7) Either party may declare that it agrees that an oral hearing can be held in its absence.

### **Article 33**

#### **Decision on the Basis of Written Documents**

The parties may agree that the arbitration tribunal will decide the dispute without an oral hearing, solely on the basis of written documents. The arbitration tribunal may, however, order an oral hearing if the submitted written documents prove to be insufficient for a decision on the claim.

### **Article 34**

#### **Counterclaims**

- 1) The respondent may assert its counterclaims in the Answer. The respondent may assert its counterclaims at a later time only with the consent of the other party to the dispute.
- 2) Counterclaims shall be subject, mutatis mutandis, to the requirements regarding the Request for Arbitration according to Article 14.

### **Article 35**

#### **Consolidation of Arbitration Proceedings**

- 1) PSEAC may, at the request of a party, consolidate two or more arbitration proceedings commenced under the PSEAC Rules into a single arbitration proceeding if:
  - a) the parties have agreed to the consolidation, or
  - b) all claims in the arbitration proceedings in question were made under a single arbitration agreement, or
  - c) the claims in the arbitration proceedings in question are asserted on the basis of more than one arbitration agreement, the arbitration proceedings are conducted between the same parties, the disputes submitted to the arbitration proceedings have arisen in connection with the same legal relationship, and the arbitration agreements are compatible.
- 2) When deciding on the consolidation of arbitration proceedings, PSEAC may take into account any circumstances it considers relevant, including whether one or more arbitrators have been appointed in more than one of these arbitration proceedings, and if so, whether the same or different persons have been appointed.
- 3) If arbitration proceedings are consolidated, they shall be consolidated into the arbitration proceeding that was commenced first, unless all parties have agreed otherwise.

## **Article 36**

### **Attempt at Amicable Settlement**

- 1) The arbitrators attempt to achieve an amicable settlement by the parties. Depending on the circumstances of the case, the arbitration tribunal may, at any stage of the proceedings, call on the parties to reach an amicable settlement, making proposals, recommendations and suggestions which, in their opinion, are likely to facilitate the settlement.
- 2) Upon the parties' request, the amicable settlement may be issued in the form of an arbitration award, if both parties so wish and the relevant fee has been paid.

## **Article 37**

### **Minutes of the Oral Hearing**

- 1) During the oral hearing of the claim, an audio recording is made, which shall be attached to the file.
- 2) Brief minutes of the oral hearing of the dispute shall be made in the language of the proceedings. The minutes shall include the following information:
  - a) identification of PSEAC,
  - b) number of the dispute,
  - c) place and date of the session,
  - d) identification of the parties and their representatives,
  - e) information on the attendance of the parties,
  - f) names of arbitrators, witnesses, experts, interpreters and other attendees of the oral hearing,
  - g) concise but precise description of the course of the hearing,
  - h) requests of the parties and the contents of other important statements,
  - i) reasons for adjournment of the oral hearing,
  - j) signatures of the arbitrators.
- 3) A copy of the brief minutes shall be sent to the parties after the hearing.
- 4) The parties shall have the right to inspect the contents of the minutes and co-sign them. Upon request of a party, changes or amendments may be made to the minutes by a decision of the arbitration tribunal.
- 5) The arbitration tribunal may decide, on its own initiative or at the request of one of the parties, that a literal transcript based on audio recording referred to in paragraph 1) of this Article will be made instead of the brief minutes referred to in paragraph 2) of this Article after the oral hearing. The literal transcript shall be subject, mutatis mutandis, to the provisions of this Article regulating the brief minutes of the hearing.
- 6) In the event that the arbitration tribunal decides to make the literal transcription, the parties shall place a deposit with PSEAC for the increased costs of the proceedings specified by the arbitration tribunal.

## **F. TAKING OF EVIDENCE**

### **Article 38**

#### **Evidence**

- 1) The parties shall prove the facts relied upon by them as basis for their claims or objections, including issues of expert nature and issues of content of foreign law. The arbitration tribunal may request that the parties provide additional evidence. In addition, the arbitration tribunal may order,

at its discretion, an expert opinion and also request that evidence be presented by third parties.

- 2) All written evidence must be submitted in both a paper and an electronic form. Written evidence submitted in paper form must be presented in such number of copies that each party, all members of the arbitration tribunal and the Office all receive one copy.
- 3) Written evidence submitted in an electronic form shall be provided in PDF format on a permanent storage medium, typically on a portable USB Flash Disk. In the case of very large memory requirements, it is possible, upon agreement with the Secretary, to use another medium, such as a portable mass storage disk.
- 4) A party may submit written evidence in original or copy. If a party presents only a copy of the evidence, the arbitration tribunal is entitled to request the original.
- 5) Any written evidence which is in a language other than the language of the proceedings must be submitted together with a translation into the language of the proceedings. If other proposed evidence is in a language other than the language of the proceedings and if it is necessary for taking of the evidence admitted by the arbitration tribunal, the arbitration tribunal may request translation of such evidence. The evidence shall be translated into the language of the proceedings by the party submitting it.
- 6) The arbitration tribunal may adopt rules different from those in paragraphs 2) to 5) of this Article.
- 7) The party submitting written evidence shall number it in consecutive Arabic numerals, with the evidence submitted by the claimant marked with the letter "C" preceding the number and evidence produced by the respondent marked with the letter "R".
- 8) Evidence shall be taken in the extent and in a manner determined by the arbitration tribunal. The arbitration tribunal may decide that evidence will be taken by one of the arbitrators.
- 9) The arbitration tribunal may decide on the deadline for presentation of new facts and new evidence. After such deadline, the arbitration tribunal does not need to take into account the new facts or newly proposed evidence.

### **Article 39**

#### **Evaluation of Evidence**

Evaluation of the evidence shall be in the arbitration tribunal's discretion.

### **Article 40**

#### **Witnesses**

- 1) Witness testimony also constitutes evidence.
- 2) The arbitration tribunal shall admit, at its discretion, witnesses proposed by the parties. The attendance of a witness shall be secured by the party that has proposed the examination of the witness. However, the arbitration tribunal may examine witnesses, experts and the parties only if they appear voluntarily before the tribunal and provide their testimony.
- 3) At the beginning of the examination, the arbitration tribunal shall identify the witness and the circumstances that may affect his or her credibility. The witness shall be informed that he or she is going to be heard as a witness in arbitration proceedings and that his or her testimony is voluntary, and if he or she gives his or her testimony, he or she will be obliged to speak the truth.
- 4) The decision on the method of witness examination shall be made by the presiding arbitrator. Unless the presiding arbitrator decides otherwise, the witness shall be examined by the parties in the following order: first, by the party that has proposed the witness and second, by the other party. The arbitrators may subsequently ask additional questions if they deem it appropriate and desirable.
- 5) The arbitration tribunal may decide that, in addition to the witness examination, a written statement of a witness shall be presented.

## **Article 41**

### **Interpreter**

- 1) If required for the hearing of the dispute, the presiding arbitrator shall engage a certified court interpreter.
- 2) Save for cases where the arbitration is held in a language determined by agreement between the parties to the dispute, the presiding arbitrator is obliged to engage a certified court interpreter whenever it is necessary to ensure equal standing of the parties in the arbitration.

## **Article 42**

### **Expert Opinion**

- 1) If a decision depends on the assessment of facts that require expert knowledge, the arbitration tribunal may, at its discretion, call on a party to submit a written expert opinion or appoint an expert who will prepare a written expert opinion. The expert shall be informed in a similar way as a witness under Article 40(3). The expert may only be examined if he or she appears voluntarily at the examination and gives his or her testimony.
- 2) The arbitration tribunal must inform the parties of the contents of the expert opinion.
- 3) The arbitration tribunal may order the parties to perform or allow something if it is necessary for the preparation of the expert opinion.

## **Article 43**

### **Rejection of an Expert and an Interpreter**

- 1) Each party shall be entitled to reject an expert or an interpreter appointed by the arbitration tribunal, if it has justifiable doubts as to their independence or impartiality.
- 2) The rejection of an expert or an interpreter must be made in writing within 14 days of the date on which the party became aware of the appointment of the expert or interpreter. If the rejection is made at a later time, it can only be upheld if it is based on circumstances which the respective party did not know at the time when it became aware of the appointment of the expert or interpreter.
- 3) The rejected expert or interpreter and the other party shall be notified without delay of the rejection of the expert or interpreter. The rejected expert or interpreter and the other party shall be granted a period of 14 days for their response.
- 4) A decision on the rejection of an expert or interpreter shall be made by the arbitration tribunal within 14 days of the receipt of the response from the rejected expert or interpreter and the other party or after expiry of the time limits for such responses without any result.

## **G. CLOSING OF THE PROCEEDINGS**

### **Article 44**

#### **Closing of the Proceedings**

The decision to close the proceedings shall be made by the arbitration tribunal. After the closing of the proceedings, the arbitration tribunal does not need to take into account additional filings, submitted evidence or newly claimed facts.

## **Article 45**

### **Form of the Decision**

The arbitration ends with the issuance of an arbitration award, or by issuing a decision on discontinuance of the proceedings.

## **Article 46**

### **Issuance of the Arbitration Award**

- 1) After closing the proceedings, the arbitration tribunal shall proceed to issuance of the arbitration award. An arbitration award shall be delivered in cases of decisions on the substance of the claim or where the costs of the proceedings are awarded, including cases where the award is delivered upon the parties' request that an arbitration award be delivered according to an amicable settlement between the parties and cases where the conduct of the party implies that it does not insist on its claim, without expressly withdrawing the claim.
- 2) If the operative part of the arbitration award imposes an obligation to be performed, the arbitration tribunal shall also specify the deadline for such performance.
- 3) If only a part of the dispute is sufficiently clarified, the arbitration tribunal may declare the proceedings closed only with respect to that part and deliver a partial arbitration award, with the proceedings concerning the remaining parts continuing and being decided later.
- 4) If the claim is disputed with regards to both merits and quantum, the arbitration tribunal may first decide on the merits of the claim, by means of an interim award, and continue thereafter, if necessary, with the proceedings concerning the quantum of the claim and decide on it.
- 5) The provisions governing the arbitration award shall apply mutatis mutandis to partial and interim arbitration awards.

## **Article 47**

### **Content of the Arbitration Award**

- 1) An arbitration award shall include, in particular, the following information:
  - a) name of PSEAC,
  - b) place and date of issuance of the award,
  - c) first and last names of the arbitrators,
  - d) identification of the parties and other participants in the dispute,
  - e) decision on the claims, the fees and the costs of the dispute,
  - f) object of the dispute and a brief description of the facts and legal circumstances of the dispute,
  - g) grounds of the decision with the exception stated in paragraph 2), with a statement on all disputed issues according to the Terms of Reference,
  - h) signatures of the majority of the arbitrators or the sole arbitrator.
- 2) Until the proceeding has been declared closed, the parties may agree that the grounds of the decision does not need to be provided in the arbitration award. Such agreement also may be concluded in the form of joint declaration in the minutes of the oral hearing before the arbitration tribunal (the sole arbitrator).
- 3) The arbitration award shall be co-signed by the chairperson of PSEAC and by the Secretary; their signatures shall thus also legalize the signatures of the arbitrators.

## **Article 48**

### **Preparation of the Draft Arbitration Award**

- 1) The arbitration tribunal shall prepare a draft arbitration award and submit it for potential observations to PSEAC.
- 2) The Secretary shall ensure a review of the draft arbitration award in order to verify whether the draft award complies with these Rules and with the requirements of generally binding regulations governing the arbitration proceedings at the place of the arbitration proceedings. The Secretary may submit to the arbitration tribunal written observations on the draft award within 30 days of receipt of the draft according to paragraph 1 of this Article. The arbitration tribunal shall consider the observations thus submitted, but it shall be bound only by those that relate to the form of the award or its essentials according to Article 47 above.
- 3) Independence of the arbitrators in their decision making is not affected by the procedure according to this Article.

## **Article 49**

### **Voting on the Arbitration Award**

- 1) The arbitration tribunal shall adopt an arbitration award by a majority vote in a closed session.
- 2) The voting may be substituted by a written or electronic (typically e-mail) exchange of statements of consent of the majority of the arbitrators with the proposed wording of the arbitration award.

## **Article 50**

### **Announcement of the Arbitration Award**

- 1) A written counterpart of the arbitration award shall be delivered to the parties.
- 2) The arbitration tribunal may decide that a written arbitration award will also be announced orally in the presence of both parties.
- 3) Until the written counterpart of the arbitration award has been sent or until the oral announcement of the award, the arbitration tribunal may decide to reopen the proceedings, including potential ordering of a new oral hearing or other procedural steps, if it is, in the arbitration tribunal's opinion, necessary for the adjudication of the dispute.
- 4) The typical time limit for the issuance of the arbitration award is 6 months and shall commence on the date of signing of the Terms of Reference or the approval thereof by the arbitration tribunal or, if the arbitration tribunal deems the preparation of the Terms of Reference to be evidently redundant given the nature and complexity of the dispute, on the date of constitution of the arbitration tribunal. The Presidium may extend this time limit upon a justified request of the arbitration tribunal.
- 5) A written counterpart of the arbitration award must be always delivered to the parties and, after delivery, provided with the confirmation that it is final and binding. The confirmation that the award is final and binding shall be marked on the award by the Secretary upon the parties' request.

## **Article 51**

### **Supplementation and Correction of the Arbitration Award**

- 1) At the request of a party submitted within 30 days of the receipt of the arbitration award by the parties, the arbitration tribunal shall issue a decision on this request, namely:
  - a) a supplemental arbitration award if the arbitration award does not include a decision on all disputed claims of the parties specified in the Terms of Reference or, if the Terms of Reference are not made, asserted in the filings and presentations of the parties;
  - b) a supplemental arbitration award if the arbitration tribunal did not decide on other part of the

- object of the proceedings, including but not limited to the costs of the proceedings; or
- c) a decision rejecting the request.
- 2) A typical time limit for the decision on the request for a supplemental award is 1 month and shall commence from the date of receipt of the request for a supplementing award by the arbitration tribunal. The Presidium may extend this time limit upon a justified request of the arbitration tribunal.
  - 3) Typographical or numerical errors and other obvious inaccuracies appearing in the arbitration award shall be corrected by the arbitration tribunal at any time upon request of any party or on its own initiative.
  - 4) The usual time period for the decision on the request for correction of the award is 2 weeks and commences on the date of receipt of the request for correction of the award by the arbitration tribunal. The Presidium may repeatedly extend this time limit upon a justified request of the arbitration tribunal.
  - 5) The supplementation and correction of the award according to paragraphs 1) and 3) must be decided, signed and delivered as an arbitration award.
  - 6) The supplemental award or corrective decision regarding the arbitration award shall become an integral part of the supplemented or corrected award. The parties are not obliged to pay any costs associated with the supplementing or correction of the arbitration award.

## **Article 52**

### **Discharge of the Arbitration Award**

An arbitration award shall be final and binding. The parties shall discharge all obligations imposed upon them in the arbitration award within the time limits set therein. If they fail to do so, the arbitration award shall be subject to enforcement.

## **Article 53**

### **Discontinuance of the Proceedings without Issuance of the Award**

- 1) If an arbitration award according to Article 45 is not issued in the dispute, the proceedings shall be terminated by a decision.
- 2) A decision to discontinue the proceedings shall be issued, in particular, in situations where
  - a) the Request for Arbitration is withdrawn by the claimant,
  - b) the arbitration fee according to Article 16(1) hereof or the security for the respondent's legal costs according to Article 16(2) hereof have not been properly paid, even within a reasonable additional period,
  - c) the parties have concluded a settlement confirmed by the arbitration tribunal without an award pursuant to Article 36(1),
  - d) the court has no jurisdiction.
- 4) The issuance and delivery of a decision of the arbitration tribunal to discontinue the proceedings shall be governed mutatis mutandis by the provisions of Articles 45 to 50. If the arbitration tribunal has not been constituted yet, the decision on discontinuation shall be issued by the Presidium.

## **H. TIME LIMITS**

### **Article 54**

#### **Common Provisions**

- 1) Unless a different time limit is set for the performance of an act by the PSEAC Rules or the law, it

shall be determined, if necessary, by the presiding arbitrator. The presiding arbitrator may also extend the time limit determined by him or her.

- 2) The time limit shall not include the date of occurrence of the circumstance determining the commencement thereof.
- 3) Time limits determined in terms of weeks, months or years shall expire on the day the designation of which is the same as that of the day when the circumstance determining the commencement of the time limit occurred; if such date does not occur in the relevant month, it shall expire on the last day of such month. If the end of the time limit falls on a Saturday, Sunday or a public holiday, the last day of the time limit shall be the next business day.
- 4) The time limit shall be deemed to have been complied with if the act is performed with PSEAC or a filing is handed to the body obliged to deliver it on the last day of such time limit.
- 5) Upon request, the presiding arbitrator shall excuse a failure to comply with a time limit if the party or its representative has missed it for an excusable reason and have therefore been excluded from the act, which it would otherwise be entitled to perform. Such request shall be made within one week of the day when the obstacle ceased to exist and the missed act shall be executed together with the request.
- 6) All counterparts of decisions, copies of which must be made, and any other documents, including instructions, that must be implemented within the prescribed period, shall be dated by the Secretary of PSEAC based on when they were received by the Office of PSEAC and when they were dispatched.

## **PART II. CONCILIATION PROCEDURE**

### **Article 55 Rules of Conciliation Procedure**

PSEAC is entitled to issue rules of conciliation procedure.

## **PART III. OTHER ACTIVITIES OF PSEAC**

### **Article 56 Activities of PSEAC as an Appointing Authority**

- 1) PSEAC may serve as an Appointing Authority if the contractual parties so agree.
- 2) If PSEAC receives a request for carrying out the activity of an Appointing Authority, the Secretary shall discuss this request with the parties and submit the request for appointment to the Presidium.
- 3) The Presidium appoints mainly specialists, experts, professionals.
- 4) Appointment shall mean, in particular, an appointment, authorization, specification, designation of somebody as something, into an office, specification of a time, place, period, time limit, etc.

### **Article 57 Administrative Support to ad hoc Arbitrations**

- 1) PSEAC may also provide administrative support to ad hoc arbitrations in cases where the parties to the dispute have agreed in their arbitration agreement that

- a) the dispute is to be settled according to these Rules, and
- b) it is not a dispute referred to in Section 54 of Act No. 256/2004 Coll., on trading on the capital market.

If the conditions provided in the previous sentence are not met, PSEAC shall refuse to provide administrative assistance to ad hoc arbitrations. A decision on provision and refusal of the administrative assistance shall be made by the Secretary of PSEAC.

- 2) Administrative support referred to in paragraph 1) shall mean, in particular, the appointment, removal and rejection of arbitrators, maintaining of the file, delivery of documents, provision of hearing rooms and other technical facilitation of arbitrations, in a similar manner as if it were a dispute decided by PSEAC.
- 3) In cases where these Rules provide that the decisions in the arbitration proceedings are to be made by PSEAC or its bodies, decisions in ad hoc proceedings shall be made solely by the arbitration tribunal or the presiding arbitrator or, as the case may be, the sole arbitrator. This provision shall not apply to the cases referred to in paragraph 2).

## **Article 58**

### **Publication of Decisions**

- 1) With the consent of the parties to the proceedings, PSEAC may publish the arbitration awards and other decisions issued in the proceedings conducted under the PSEAC Rules.
- 2) The Parties may require that individual decisions, to the publication of which parties consented, be anonymized. PSEAC shall always fully comply with the parties' request for anonymization of a decision.
- 3) PSEAC shall also anonymize the published decisions in the extent necessary for compliance with data protection regulations.

## **Article 59**

### **Fees for the Other Activities of PSEAC**

The amount of the fees for the other activities carried out by PSEAC is regulated in the Principles Governing Arbitration Costs.

## **PART IV. MODEL ARBITRATION CLAUSES**

### **Article 60**

#### **Model Arbitration Clause for Arbitration Proceedings According to the Rules**

*“All disputes arising from or in connection with this agreement (including its formation, termination or validity) shall be finally decided by one or three arbitrators according to the Rules and Statutes of the Prague Stock Exchange Court of Arbitration (PSEAC). The place of the arbitration shall be Prague; the language of the arbitration shall be Czech.”*

## **PART V. FINAL AND TRANSITORY PROVISIONS**

### **Article 61**

#### **Language Versions of the PSEAC Rules**

- 1) These PSEAC Rules have been adopted in Czech and English language versions.
- 2) Both language versions have the validity of an original.
- 3) Both language versions are published in the Commercial Bulletin (Obchodní věstník).

### **Article 62**

#### **Transitory Provisions**

Disputes initiated before the adoption of these Rules shall be governed by the existing regulations of PSEAC.

### **Article 63**

#### **Applicability of Provisions Governing the Proceedings**

The provisions of these PSEAC Rules applicable to the proceedings before the arbitration tribunal shall adequately apply to the acts performed by a sole arbitrator, by the Presidium, chairperson of PSEAC, or the Secretary, unless these PSEAC Rules state otherwise.

### **Article 64**

#### **Effective Date**

- 1) This current version of the PSEAC Rules was adopted at a meeting of the Presidium on September 14<sup>th</sup> 2020 and shall enter into effect on November 1<sup>st</sup> 2020. These PSEAC Rules shall be published by the Presidium without undue delay in the Commercial Bulletin.
- 2) The Rules were published in the Commercial Bulletin on October 26<sup>th</sup> 2020.
- 3) These PSEAC Rules supersede the PSEAC Rules published in the Commercial Bulletin on July 25<sup>th</sup> 2012.