



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

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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 proceedings and on the execution of arbitral awards (hereinafter referred to as the “**Arbitration Act**”)

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## PART I. INTRODUCTORY PROVISIONS

### Article 1 Prague Stock Exchange Arbitration Court

- 1) The Prague Stock Exchange Arbitration Court attached to Burza cenných papírů Praha, a.s. (Prague Stock Exchange), ID No.: 471 15 629, with its registered office at Rybná 14/682, 110 05 Prague 1 (hereinafter referred to as the **“Stock Exchange”**), is a permanent court of arbitration established by the Stock Exchange pursuant to Section 54 (1) of Act No. 256/2004 Coll., on carrying on business activities in the capital market (hereinafter referred to as **“PSEAC”**).
- 2) In its decision-making and organisational activities, PSEAC is completely independent of the Stock Exchange and its bodies.
- 3) The registered office of PSEAC is the registered office of the Stock Exchange.

### Article 2 Powers and Jurisdiction

- 1) PSEAC shall resolve disputes in cases where its jurisdiction over the dispute arises from:
  - a) a valid arbitration agreement entered into by the parties, or
  - b) written declarations by the parties in the initiated arbitration proceedings, showing beyond doubt their intention to submit to the jurisdiction of PSEAC.
- 2) PSEAC shall provide administrative support to ad hoc arbitration proceedings if the parties have agreed that the Rules of the Prague Stock Exchange Arbitration Court (hereinafter referred to as the **“PSEAC Rules”**) will be applied in such a dispute. In such a case, the dispute shall be decided by the arbitration tribunal or by the sole arbitrator under the PSEAC Rules.
- 3) The Statutes and regulations issued pursuant hereto, in particular the PSEAC Rules and its annexes, the Code of Ethics for Arbitrators and the Arbitrator Compensation Schedule, as effective at the commencement of the arbitration proceedings, except for ad hoc proceedings in which the wording attached to the arbitration agreement applies, shall apply to arbitration proceedings conducted by PSEAC pursuant to Article 2 (1) and (2) of the Statutes.
- 4) Arbitration proceedings may only be decided by persons who have been appointed as members of the arbitration tribunal, the sole arbitrator or the chairperson of the arbitration tribunal by a decision of the Presidium adopted pursuant to Article 15 of the Statutes (hereinafter referred to as **“arbitrators”**).
- 5) Arbitration proceedings shall be of one instance, unless the parties agree otherwise.

### Article 3 Relationship of PSEAC to the Stock Exchange and Other Parties

- 1) PSEAC's bodies and arbitrators may ask other persons for assistance in hearing disputes, in particular to request information and evidence necessary to hear the dispute.
- 2) The provisions of Article 3 (1) of the Statutes and Article 11 of the PSEAC Rules shall apply mutatis mutandis to contacts with foreign persons.

## PART II

### BODIES AND ORGANISATION OF PSEAC

#### **Article 4** **PSEAC's Bodies**

- 1) PSEAC consists of a five-member presidium of PSEAC (hereinafter referred to as the "**Presidium**"), secretary of PSEAC (hereinafter referred to as the "**Secretary**") and a three-member nomination committee of PSEAC (hereinafter the "**Nomination Committee**") (together jointly as the "**PSEAC's bodies**").
- 2) PSEAC's office (hereinafter referred to as the "**Office**"), persons enrolled at the list of PSEAC's arbitrators pursuant to Article 14 of the Statutes and the arbitrators shall also participate in PSEAC's activities.
- 3) All members of PSEAC's bodies and arbitrators shall perform their tasks to the best of their knowledge and belief, shall be independent in the performance of their offices and shall not be bound by any instructions other than those given in accordance with the Statutes.
- 4) The liability of the arbitrators, members of PSEAC's bodies, the Office and all PSEAC's personnel for any act or decision in connection with arbitration proceedings shall be excluded, except for damage caused intentionally or through gross negligence or damage to natural rights.

#### **Article 5** **Confidentiality**

- 1) PSEAC's activities are of confidential nature which must be cherished by each member of PSEAC's bodies and by all persons involved in any way in PSEAC's activities.
- 2) The arbitrators and members of PSEAC's bodies shall be obliged to maintain confidentiality of any facts they have learned in connection with the performance of their offices, unless they have been exempted from this obligation by the persons concerned within the meaning of Section 6 of the Arbitration Act or unless they are obliged to share or report such a fact under the law.
- 3) The arbitrators and members of PSEAC's bodies shall not be obliged to provide information on arbitration proceedings or assistance to any body other than to the court deciding on annulment of the arbitral award and to third parties if so provided by the law.

#### **Article 6** **Prohibition of Conflict of Interest**

- 1) Any PSEAC's body member may not be simultaneously a member of another PSEAC's body, with the exception of the Secretary who may also be a member of the Presidium.
- 2) The members of the Presidium and the Secretary may not act as arbitrators or legal representatives and advisers in cases submitted to arbitration proceedings conducted under the PSEAC Rules.
- 3) The prohibition set out in Article 6 (2) of the Statutes shall also apply to any legal entity a member of the Presidium or the Secretary cooperates with or is employed by or related in a comparable manner to as well as to any persons cooperating with, employed by or related in a comparable manner to such a legal entity.
- 4) Members of the Presidium and members of the Nomination Committee may not hold any office at another permanent arbitration court or a similar institution in the Czech Republic or elsewhere as long as they serve in the PSEAC's body, except for the office of an arbitrator.

#### **Article 7** **Decision-making**

- 1) PSEAC's body shall have a quorum in the presence of more than half of its members and shall decide by an absolute majority of its members present at the session of the PSEAC's body.

- 2) PSEAC's bodies may adopt their decision per rollam. For such a decision to be valid its written draft must be delivered to all members of the concerned PSEAC's body by letter, personally, by email or via data box.
- 3) In assessing the quorum of the PSEAC's body and its ability to adopt decisions, the votes of those of its members who are excluded from the hearing and decision-making or otherwise cannot exercise their right to vote shall be disregarded.

## **Article 8**

### **Appointment of the PSEAC's Bodies**

- 1) The Stock Exchange shall appoint and recall the members of the Presidium and, on proposal of the Presidium, shall appoint and recall the Secretary.
- 2) The Presidium shall elect the chairperson and vice-chairperson of the Presidium from its members on proposal of the Stock Exchange. The chairperson of the Presidium is the chairperson of PSEAC, and the vice-chairperson of the Presidium is the vice-chairperson of PSEAC.
- 3) The Nomination Committee shall be appointed by the Presidium from the arbitrators enrolled at the list of PSEAC arbitrators. The Presidium also has the right to recall any member of the Nomination Committee.
- 4) The term of office of a member of the Presidium and a member of the Nomination Committee shall be three years.
- 5) The term of office of the Secretary shall be five years.
- 6) If any member of the PSEAC's body ceases to be competent to perform his office or is recalled from his office, the PSEAC's body shall appoint a replacement member with a term of office ending as of the end of the term of office of the replaced member of the PSEAC's body.

## **Article 9**

### **Presidium**

- 1) The Presidium shall manage PSEAC's activities, approve, amend and issue PSEAC regulations, including the PSEAC Rules and its annexes, the Arbitrator Compensation Schedule and the Code of Ethics for Arbitrators, perform the tasks entrusted to it by the Statutes and all other acts which fall within the competence of PSEAC and which are not in discretion of other PSEAC's bodies.
- 2) The Presidium shall decide on the appointment of a nominated arbitrator as the chairperson of the arbitration tribunal, the sole arbitrator or a member of the arbitration tribunal pursuant to Article 15 of the Statutes.
- 3) The Presidium shall decide on the arbitrator's independence and impartiality. For this purpose, the Presidium may request the assistance of the Secretary or the Nomination Committee.
- 4) The Presidium shall supervise the proper course of arbitration proceedings, control the compliance of conduct of the proceedings with the PSEAC's regulations and perform all the administration related to PSEAC's activities via the Secretary and the Office.
- 5) The Presidium shall act on behalf of PSEAC via its chairperson and vice-chairperson who are each entitled to act individually.

## **Article 10**

### **Secretary**

- 1) The Secretary shall ensure PSEAC's activities in organisational terms, prepare and attend meetings of the Presidium and provide assistance to the arbitration tribunal in performing of its tasks.
- 2) The Secretary shall provide assistance to the Presidium in connection with the assessment of the arbitrator's independence and impartiality pursuant to Article 15 of the Statutes and, for this purpose, may submit a special opinion to the Presidium.
- 3) The Secretary shall head and manage the Office, assume responsibility for its proper operation, assign work to the Office's personnel, supervise its due performance and submit proposals concerning the Office's activities to the Presidium.

- 4) The Secretary shall organise the administration related to PSEAC's activities and perform other activities set forth in the Statutes or by the Presidium; in particular, the Secretary shall request the claimant to pay the fee under the Principles Governing Arbitration Costs, ensure the timely conduct of the arbitration proceedings, the proper execution of all decisions of PSEAC and the escrow of all documents of PSEAC, sign the clause on the entry into force of decisions and, with the approval of the Presidium, publish the decisions of essential importance in an appropriate manner. The Secretary may attend all oral hearings held before the arbitrators.
- 5) The Secretary shall ensure that drafts of arbitral award are revised with regard to the requirements of binding legal regulations at the seat of arbitration before their publication in accordance with Article 50 of the PSEAC Rules. This shall not affect the independence of the arbitrators in decision-making.

### **Article 11 Office**

- 1) The Office shall perform administrative and other office work for the arbitration tribunal and the individual arbitrators in dispute resolution. For this purpose, the Office shall, in particular, keep registration and filing records, manage files, provide access to files to the parties to arbitration proceedings or, in cases specified by the PSEAC Rules and with the approval of the chairperson of the arbitration tribunal, to other applicants. It shall also provide common information concerning arbitration proceedings.
- 2) The Office may keep a list of interpreters/translators and experts.

### **Article 12 Nomination Committee**

- 1) The Nomination Committee is an advisory body of PSEAC, assessing candidates' applications for enrolment at the list of PSEAC's arbitrators pursuant to Article 14 of the Statutes and nominations to the office of an arbitrator pursuant to Article 15 of the Statutes.
- 2) The Nomination Committee is an advisory body of PSEAC also in matters of assessing the arbitrator's independence and impartiality pursuant to Article 15 of the Statutes.
- 3) Only a natural person enrolled at the list of PSEAC's arbitrators pursuant to Article 14 of the Statutes may be a member of the Nomination Committee.
- 4) A natural person may be re-elected as a member of the Nomination Committee, but no more than twice in a row.
- 5) Any member of the Nomination Committee who is in conflict of interest pursuant to the provisions of the IBA Guidelines on Conflicts of Interest in International Arbitration in relation to a matter being deliberated on by the Nomination Committee shall be excluded from deliberating and deciding on the matter by the Nomination Committee.

## **PART III. ARBITRATORS**

### **Article 13 Arbitrators**

- 1) In the performance of their offices, the arbitrators shall decide impartially and independently and shall not represent any party.
- 2) The arbitrators' rights and obligations are regulated by the law, the Statutes and the regulations issued on the basis thereof, in particular by the PSEAC Rules, the Code of Ethics for Arbitrators and the Arbitrator Compensation Schedule.
- 3) In addition to their decision-making powers, the arbitrators shall be entitled to submit to the Presidium suggestions and proposals regarding arbitration proceedings before PSEAC.

## **Article 14**

### **List of Arbitrators**

- 1) PSEAC shall keep a list of arbitrators.
- 2) Decisions on the enrolment of a person at the list of arbitrators and on the removal of a person from that list shall be made by the Presidium based on the Nomination Committee's opinion.
- 3) Any natural person may be enrolled at the list of arbitrators if such a person:
  - a) is fully legally competent,
  - b) has a clean criminal record,
  - c) is older than 30 years,
  - d) has acquired the competence to perform the office of arbitrator based on his activity and if such a person's knowledge and experience, including knowledge of law and knowledge of the Czech or English language, in connection with his personal characteristics, guarantee the proper performance of the office of arbitrator,
  - e) agrees with the conditions of performance of the office of arbitrator set forth by the Statutes and regulations issued on the basis thereof, in particular by the PSEAC Rules, the Code of Ethics for Arbitrators and the Arbitrator Compensation Schedule.
- 4) The applicant shall submit a written application to PSEAC based on the template application published on the PSEAC's website, including his affidavit and other documents evidencing that he has met all conditions for enrolment at the list of arbitrators in accordance with Article 14 (3) of the Statutes, as well as a structured CV/resume.
- 5) The Nomination Committee shall assess whether the applicant for enrolment at the list of arbitrators meets the conditions set out in Article 14 (3) of the Statutes sufficiently for his enrolling at the list of PSEAC's arbitrators. For this purpose, the Nomination Committee shall be entitled to require the applicant to submit documents proving the statements made in the application or request the applicant to complete his application or, as the case may be, conduct an oral interview with the applicant if there are doubts as to the required level of language knowledge.
- 6) For the purpose specified in Article 14 (5) of the Statutes, the Nomination Committee shall adopt opinions and provide them to the Presidium. The Nomination Committee's opinions shall not be binding on the Presidium.
- 7) The Presidium shall decide on the enrolment of the applicant at the list of arbitrators based on the submitted application and regularly also on the basis of the Nomination Committee's opinion.
- 8) The Presidium shall decide on the removal from the list of arbitrators regularly on proposal of the Nomination Committee or on proposal of the Stock Exchange.
- 9) The Presidium shall inform the Stock Exchange of its decision taken pursuant to Article 14 of the Statutes within 5 days from the date of adoption of the decision. The Stock Exchange has the right to exercise its right of veto over such a decision within 14 days from the date on which it was informed of the decision. The Presidium shall only enrol the applicant on the list of arbitrators or remove an arbitrator from the list of arbitrators after this period of time has expired or sooner given the Stock Exchange grants its consent with the decision. This shall not apply if the decision on removal from the list of arbitrators is made on proposal of the Stock Exchange.

## **Article 15**

### **Arbitration Tribunal**

- 1) The chairperson of the arbitration tribunal or the sole arbitrator may only be a natural person entered on the list of PSEAC arbitrators pursuant to Article 14 of the Statutes who also:
  - a) has command of the language in which the arbitration proceedings are conducted; and
  - b) has been nominated as a member of the arbitration tribunal based on the procedure under the PSEAC Rules.
- 2) Any natural person may be a member of the arbitration tribunal if such a person:
  - a) meets the conditions set out in Article 14 (3) (a), (b), (d) and (e) of the Statutes;

- b) has command of the language in which the arbitration proceedings are conducted; and
  - c) has been nominated as a member of the arbitration tribunal based on the procedure under the PSEAC Rules.
- 3) If the nominated arbitrator accepts the office in accordance with Article 21 (1), (2) and (3) of the PSEAC Rules, the Nomination Committee shall assess whether the nominated arbitrator is qualified to perform his office under Article 15 (1) or (2) of the Statutes and whether he simultaneously satisfies the condition of independence and impartiality to act as an arbitrator in the dispute in question. If the nominated arbitrator is entered on the list of PSEAC arbitrators pursuant to Article 14 of the Statutes, he is deemed to meet the conditions set out in Article 14 (3) of the Statutes.
  - 4) For the purpose specified in Article 15 (3) of the Statutes, the Nomination Committee shall adopt opinions and provide them to the Presidium. The Nomination Committee's opinions shall not be binding on the Presidium's decisions.
  - 5) Based on the Nomination Committee's opinion and other documents, the Presidium shall decide on the appointment of the nominated arbitrator to the office pursuant to Article 15 (1) or (2) of the Statutes or refuse to appoint the arbitrator.

## **PART IV. MANAGEMENT OF PSEAC**

### **Article 16 Management**

The Stock Exchange shall approve the budget of PSEAC for the following calendar year. The Presidium shall submit to the Stock Exchange a proposal of the expected income and expenses for the following calendar year no later than two months before the end of the current calendar year.

### **Article 17 Financing of PSEAC's Activities**

Following the end of each financial year, the PSEAC chairperson shall consult with the Exchange Chamber all issues relating to the financing of PSEAC's activities.

### **Article 18 Accounting**

- 1) Accounting relating to PSEAC's activities shall be kept by the Stock Exchange on a special account based on documentation recorded and presented by the Secretary.
- 2) As of 31 December of every year, the Stock Exchange shall prepare an income statement of PSEAC's economic activity which shall be approved by the PSEAC chairperson and confirmed by his signature.

### **Article 19 Bank Account**

- 1) PSEAC shall request the Stock Exchange to open a special bank account in which the funds received in connection with PSEAC's activities will be earmarked.
- 2) The parties to arbitration proceedings shall transfer the amounts set forth by the Principles Governing Arbitration Costs to this account. This account is further used to cover all costs associated with the arbitration proceedings and other necessary costs related to PSEAC's activities. The right to dispose of assets on this account shall be vested with the Secretary and may be also vested with the members of the Presidium.



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

### **Article 20 PSEAC's Escrow Activities**

- 1) PSEAC may act as an escrow agent if so agreed by the parties and if the subject of the escrow is directly related to the dispute held before PSEAC.
- 2) If PSEAC receives a request to perform escrow activities, the Secretary shall discuss such a request with the parties and agree with them the terms of the escrow.

### **Article 20 Effective Day**

- 1) This current version of the PSEAC Statutes 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 Statutes shall be published by the Presidium without undue delay in the Commercial Bulletin.
- 2) The Statutes were published in the Commercial Bulletin on October 26<sup>th</sup> 2020.