

RULES OF ARBITRATION PROCEDURE

SANTIAGO ARBITRATION AND MEDIATION CENTER Santiago Chamber of Commerce

I. SCOPE OF APPLICATION

ARTICLE # 1

In reiteration of the stipulations in article 3 of the bylaws, whenever the parties have agreed to submit litigation to the Arbitration and Mediation Center of the Santiago Chamber of Commerce in application of the arbitration clause or any other indenture, the litigation shall be resolved in accordance with these regulations, notwithstanding the amendments that may be agreed upon in writing by the parties.

All events or circumstances not foreseen in the present regulations will be subject to the will of the parties concerned or, failing that, to the will of the arbitration tribunal, in which case such will shall be deemed to form a part of these rules of procedure.

These rules of procedure will govern the arbitration except when they conflict with a specific rule of Law applicable to the particular case being heard.

ARTICLE # 2

In accordance with these rules of procedure, all notices will be deemed received if they have been delivered personally to the addressee or, in default thereof, sent by certified mail to the notification address specified in due course by the parties, whether an habitual residence, business or postal address or, as the case may be, the address of representatives. If, after reasonable inquiry, it is impossible to determine any of such addresses, a notice will be deemed valid when sent by certified mail to the addressee's last known habitual residence, business or postal address.

The notice will be deemed received upon the third day from the date of forwarding.

The arbitration procedure commences on the date when the arbitration notice is received by the respondent.

ARTICLE # 3

The periods of time specified in these rules of procedure are deadlines and are expressed in

business days, excluding Saturdays.

ARTICLE # 4

Each party shall appoint a licensed attorney to represent him/her before the arbitration tribunal. The appointment will be made either in the request or in the brief of response to the claim, as the case may be.

ARTICLE # 5

Arbitration shall be held in Santiago, Chile, although the arbitration court may hear witnesses and hold meetings among its members in any place it deems suitable in consideration of the circumstances of the arbitration. It may also be constituted in the location it deems appropriate to inspect documents, merchandise or other goods. The parties will be given at least four days' advance notice in order to attend, if they wish.

Should the parties and the arbitrator so agree, the arbitration may be held in a location other than Santiago but in the country. The tribunal shall be responsible for maintaining appropriate communications with the Center's Secretariat.

The decision shall be rendered in the arbitration location.

ARTICLE # 6

The arbitration shall be conducted in Spanish.

II. COMPOSITION OF THE ARBITRATION TRIBUNAL

ARTICLE # 7

The arbitration tribunal will be comprised of one or three arbitrators, a matter that must be addressed by the parties in the mandate specified in the article that follows.

ARTICLE # 8

The parties must decide on the appointment of the arbitration tribunal, unless they delegate this power to the Santiago Chamber of Commerce by means of a limited power of attorney. The Santiago Chamber of Commerce shall appoint the tribunal from among the members on the list of arbitrators of the Arbitration and Mediation Center, at the recommendation of the

Council of said Center.

The appointment of the tribunal as specified above will be communicated to the parties within three days from the date of signature of the instrument of appointment.

III. ACCEPTANCE AND OATH

ARTICLE # 9

The Secretariat of the Arbitration and Mediation Center will adopt all the measures necessary to secure the acceptance of the assignment by the designated arbitrators and have them take an oath of office pursuant to the law.

Should all or part of the tribunal appointed refuse the assignment, the Secretary General of the Arbitration and Mediation Center will proceed as stipulated by the parties. Absent such stipulations, the Secretary General will convene the parties to a hearing to appoint all or part of the tribunal.

IV. RECUSATION AND SUBSTITUTION

ARTICLE # 10

The arbitrators appointed directly by the parties may be disqualified by legal impediment or recusation pursuant to the law.

The foregoing notwithstanding, whenever the arbitrators are appointed by the Santiago Chamber of Commerce, the parties may petition for the disqualification of the appointee for relevant reason. They shall have a period of six business days as from receipt of the notice stipulated in Article 8. The notice is presumed to have been received by the third day after forwarding.

The petition for disqualification shall be heard by the Council, which shall give notice of the petition to the other party or parties before rendering a decision. If all parties are willing to accept the disqualification, it shall be declared by the Council without further proceeding. Otherwise, the Council shall hear the petition. There shall be no appeal or remedy against its decision.

ARTICLE # 11

If the parties do not set a special mechanism for arbitrator substitution, the procedure governing their appointment will apply.

Once the substitution of one or more members of the arbitration tribunal has taken place, such tribunal will decide on the proceedings and hearings that must be repeated within eight days following the acceptance of the appointment by the last of the new judges.

When the court decides on the subjects specified in the preceding paragraph, it may only decide to repeat the proceedings and hearings it considers strictly indispensable to a thorough understanding of the process.

The substitution of one or more arbitrators or the repetition of proceedings and hearings referred to in the preceding articles will not mean an extension of the term within which the tribunal must complete the assignment, unless otherwise agreed by the parties.

V. JUDICIAL PROCEEDINGS

ARTICLE # 12

All judicial proceedings must be conducted in the appropriate location during business hours.

The appropriate location for arbitration proceedings is the seat of the arbitration tribunal.

Business hours are from 9:00 a.m. to 6:00 p.m., excluding Saturdays, Sundays and holidays.

ARTICLE # 13

Judicial proceedings will be authorized by the Minister of Faith designated by the tribunal or, in absence thereof, by the Secretary of the Center.

ARTICLE # 14

All proceedings necessary for the formation of the process must be undertaken by the arbitration tribunal except in those cases where the tribunal or the parties agree to delegate certain functions to a Minister of Faith or the Center Secretary.

VI. THE ARBITRATION PROCEDURE

ARTICLE # 15

The arbitration tribunal shall be deemed constituted as of the date the position of arbitrator is accepted by the arbitrator or by the last thereof, if several.

The acceptance of the appointment and consequent oath of office are the acts that install the arbitration tribunal. These acts shall be performed before the Center Secretary, who shall be accompanied by a Minister of Faith who shall administer the oath.

ARTICLE # 16

Subject to the provisions herein, in the case of an arbitrator *ex aequo et bono*, the arbitral tribunal may direct the arbitration in the manner it deems appropriate provided the parties are treated equally and each of the parties is given a full opportunity to enforce its rights during each stage of the procedure.

The Center Secretariat shall be responsible for administrative matters in relation to the arbitrations conducted pursuant to these rules and for notifications, if entrusted with this function by the arbitrator.

ARTICLE # 17

All briefs submitted to the tribunal must be presented with a copy for the parties involved in the arbitration claim.

ARTICLE # 18

The brief of claim must be accompanied by as many copies of the contract and arbitration agreement -if not included in the contract- as there are parties and arbitrators hearing the matter.

ARTICLE # 19

The brief of claim must contain:

1. The name and surnames, address, profession or occupation of the claimant and of his/her representatives and the nature of the representation.
2. The name and address of the respondent.
3. An account of the events and grounds on which the claim is based.
4. The points at issue and petitions that are submitted to the decision of the tribunal.

The claimant may accompany all documents he/she deems convenient or refer to documents and other evidence that he/she will be presenting together with the writ of claim.

ARTICLE # 20

Once notified, the respondent shall respond to the claim in writing within fifteen days.

ARTICLE # 21

The response must contain:

1. The name and surnames, address, profession or occupation of the respondent.
2. The defenses of the claim and an account of the events.
3. The petitions that are submitted to the ruling of the tribunal.

The respondent may accompany the documents on which his/her response is based or refer to documents and other evidence that he/she will be presenting together with the writ of response.

ARTICLE # 22

The respondent may make a counterclaim or enforce a right based on the same contract. The claimant will have a ten-day period to respond to the counterclaim, subject to the requirements stipulated in article 19.

ARTICLE # 23

The arbitration tribunal may decide on the existence or validity of the arbitration clause and the defense of incompetence of the tribunal, which should be presented in the brief of response to the claim, or, with respect to a counterclaim, in the response to such counterclaim. The arbitration tribunal shall first decide on the defenses relative to its competence.

The arbitration tribunal shall be empowered to determine the existence or validity of the contract of which the arbitration clause forms a part. For these purposes, an arbitration clause forming part of a contract that orders arbitration within the purview of these Regulations shall be considered an agreement separate from the other stipulations in the contract. The decision by the arbitration tribunal that the contract is void shall not entail ipso jure the invalidity of the arbitration clause nor vice versa.

ARTICLE # 24

Upon submission of the brief of response to the claim or counterclaim, as the case may be, or upon expiration of the terms to do so, the tribunal shall call upon the parties to reconcile.

ARTICLE # 25

The arbitration tribunal may appoint one or more experts to issue a written report on matters determined by the tribunal.

The parties must make all pertinent information requested by the expert available thereto.

Any difference between a party and an expert in this regard shall be resolved by the arbitration tribunal.

The tribunal shall send a copy of the expert opinion to the parties upon receipt, who shall have the opportunity to express their opinion in the period set by the tribunal.

ARTICLE # 26

Should the parties fail to attend a conciliation hearing or not reach a resolution of the litigious matter thereat, the arbitrator may grant a maximum period of ten days to supplement initial briefs in support of the points of litigation stipulated in the briefs of claim, response, counterclaim or response to the counterclaim.

Nonetheless, the arbitrator shall always have the discretion to decree the proceedings of replication and rejoinder.

ARTICLE # 27

Upon expiration of this period, the tribunal may, by virtue of office or at the request of a party, based on information submitted by the parties, set an evidence period not to exceed twenty days that may be extended for the period the tribunal deems necessary.

ARTICLE # 28

The arbitration tribunal shall give sufficient notice to the parties of any hearing.

If witnesses are to testify, each party shall advise the arbitration tribunal and, through the intermediary thereof, the other party ten days in advance of the hearing, indicating the name and address of the witnesses who will testify, the subject and language in which they will do it. The notice to the tribunal should be given during the probatory period.

The tribunal may decide on the way in which witnesses will be interrogated and whether or not it will accept signed answers to questions in writing.

The tribunal shall have the discretion to determine the admissibility, pertinence and materiality of the evidence presented.

ARTICLE # 29

If the respondent has not presented his/her response in the period indicated in article 20 or any of the parties, although duly convened within the purview of these rules of procedure, fails to appear at the hearing without sufficient cause, in the opinion of the arbitration tribunal, the procedure shall continue.

If one of the parties fails, although duly requested to do so, to present documents or provide the other evidence that the arbitrator deems necessary in the periods set without sufficient cause, the arbitration tribunal may render the arbitral decision on the basis of the evidence available.

ARTICLE # 30

The value of the means of proof will be appreciated in conscience.

ARTICLE # 31

Upon expiration of the probatory period, the arbitration tribunal shall declare the hearings closed and convene the parties to hear a decision.

If the tribunal considers it necessary, because of exceptional circumstances, it may, either by virtue of office or at the request of a party, reopen the hearings at any time before the arbitral decision is rendered.

ARTICLE # 32

The arbitral decision will be issued within a period of ten days following the decree convening the parties to hear it. It is only during this period that the tribunal may officially decree measures in furtherance of securing more facts, which shall be notified to the parties and should be fulfilled in the period set in each case by the tribunal. The measures not implemented in the period set shall be deemed not decreed.

The ten-day period to render the arbitral decision will be understood to be suspended while the measures in furtherance of securing more facts are being fulfilled.

ARTICLE # 33

The arbitration tribunal should render its arbitral decision in a period of six months, extendible for the same period of time, if the tribunal deems it necessary. The period will begin on the date of acceptance of the assignment by a single arbitrator, or on the date of acceptance of the appointment of the last of three arbitrators.

The extension referred to in the preceding paragraph should be notified to the parties by the Center Secretariat before expiration of the original term.

ARTICLE # 34

The arbitration tribunal shall decide as an arbitrator *ex aequo et bono* unless the parties have mutually decided otherwise, provided such procedure adheres to the law. In all cases, the arbitration tribunal shall abide by the contract stipulations and take into account the mercantile uses applicable to the case.

ARTICLE # 35

Should the parties reach an agreement during the arbitration, such agreement shall be approved

by the tribunal and upon approval, shall have the nature and force of a final decision.

ARTICLE # 36

If it is impossible or unwarranted to continue the procedure before an arbitral decision is rendered, the arbitration tribunal shall notify the parties of the need to issue an order of conclusion of the procedure. Any of the parties may oppose this if he/she has grounded reasons to do so, as qualified by the tribunal.

ARTICLE # 37

If there are three arbitrators, the arbitral decision shall be rendered by a majority of votes. Failing a majority agreement, the arbitral decision shall be rendered by the Chairman.

ARTICLE # 38

The arbitral decision will be rendered in writing and shall contain:

1. A precise identification of the litigating parties, their addresses, profession or occupation.
2. An account of the petitions, actions, defenses and allegations made by the parties.
3. A brief account of the evidence.
4. The arbitration decision and principles of equity on which the ruling was based, and if arbitration-at-law, the laws on which it was grounded.
5. A decision shall be rendered on the costs of the arbitration in relation to reasonable expenses of the arbitrators, notarial filing expenses, notification expenses, evidence and other expenses.
6. The date and signature of the arbitrator(s) who heard the case. If any of the arbitrators does not sign the arbitral decision, or is a minority vote, it will be deemed that he/she adheres to the majority decision.

ARTICLE # 39

The arbitration decision, certified by a minister of faith, shall be notified to the parties in the manner determined by the arbitrator. Upon notification, a copy shall be filed in the Secretariat

of the Santiago Arbitration and Mediation Center.

ARTICLE # 40

The parties may petition the tribunal to correct any numerical error, error in calculation or clarify an obscure concept or omission in the ruling within five days following notification. This petition shall be made through the Center Secretariat, who shall advise it promptly to the arbitrator(s) for a decision within eight days thereafter. The petition shall be deemed denied if they do not render a decision in that period.

ARTICLE # 41

Only the remedy of reconsideration shall be available against the resolutions of an arbitrator ex aequo et bono during the processing of the arbitration and the parties shall undertake to do what is ordered in good faith. The remedy of clarification, rectification and amendment shall be available against the final decision rendered by an arbitrator ex aequo et bono as shall the remedy of appeal, but only when the provisions in article 642 of the Code of Civil Procedure have been fulfilled and a power of attorney has been previously conferred upon the Santiago Chamber of Commerce to appoint a second-instance arbitral tribunal from among the members of the arbitration corps of the Santiago Arbitration and Mediation Center.

ARTICLE # 42

A second-instance tribunal, comprised of three members appointed by the members of the Center's arbitration corps, shall hear any remedies against decisions of arbitrators-at-law when the parties have so stated in the arbitration covenant or agreed thereto by subsequent act prior to the commencement of the arbitration procedure.

ARTICLE # 43

The arbitrator who rendered the resolutions shall order their enforcement. The provisions governing the matter in existing law shall apply to enforcement of the final decision.

TRANSITORY ARTICLES

TRANSITORY ARTICLE # 1

Arbitration claims shall be governed by the regulations stipulated by the parties in the arbitration agreement or clause. Nonetheless, the parties may unanimously submit to the regulations in effect at the time of the first hearing convened by the tribunal.

TRANSITORY ARTICLE # 2

The fees charged by the arbitrators who act within the framework of the Santiago Arbitration and Mediation Center and the Center's administrative fee shall follow the fee schedules in effect at the time the arbitration claim begins.

The arbitral tribunal and the Center shall have the authority to request that the parties supply funds to defray expenses, fees and the administrative fee during the course of the arbitration in the amount they deem pertinent, based on the corresponding arbitrator fee schedule and administrative fee schedule.