

RULES OF PROCEDURE FOR ARBITRATION

ARTICLE 1

BASIC PROVISION

§ 1

- (1) These Rules of Procedure are issued by the arbitrator Mgr. Sergey Zariпов, lawyer of Zariпов & Partners s.r.o., with its registered office at Václavské nám. 831/21, 110 00 Praha 1, IČ: 08008647, DIČ: CZ08008647 (hereinafter only the Arbitrator), id. ČAK: 18682.
- (2) These Rules of Procedure regulate the procedure in arbitration proceedings so as to ensure fair protection of the rights and legitimate interests of the participants, as well as education for the observance of laws, honest performance of obligations and respect for the rights of other persons.
- (3) An arbitrator decides property disputes if their authority for the given dispute is established by way of:
- a) a valid arbitration agreement or arbitration clause (provisions of § 2 and § 3 of the Arbitration Act),
 - b) written statements of the participants in the arbitration proceedings already initiated, from which the undoubted will to submit to the Arbitrator's authority is evident.
- (4) Arbitration proceedings according to the Rules of Procedure are single-instance.
- (5) Unless the participants agree otherwise, the arbitration proceedings pursuant to the Rules of Procedure shall not be public.
- (6) The arbitrator proceeds in the proceedings in such manner as he considers appropriate so that, while maintaining the equal status of the parties and providing the same opportunity



to exercise the rights of all parties, without useless formalities, the factual state of affairs necessary for the resolution of the dispute has been ascertained (§ 18 and § 19 para. 2 of the Arbitration Act).

ARTICLE 2

PROCEEDING

Head I.

General conditions

§ 2

Meeting place

- (1) The meeting place is the Arbitrator`s office: Václavské nám. 831/21, 110 00 Prague.

- (2) Based on the agreement of the parties and with the consent of the Arbitrator, the meeting may be held in another place in the Czech Republic.

§ 3

Submission of documents

- (1) The participants are obliged to submit all documents relating to the arbitration proceedings in such a number that each of the parties and the Arbitrator receives one copy.

- (2) Documents, with the exception of written evidence, will be submitted in Czech language. The arbitrator is entitled, at his own discretion or at the request of the participants, to



request a translation in Czech from the participant who submitted written evidence in a foreign language or to provide such a translation at his own cost.

§ 4

Language of proceedings

- (1) Proceedings are held and a decision is issued in Czech. Interpretation into a foreign language can be arranged at the request of one of the participants. The arbitrator, at this request of the participants and on their behalf, provides the service of an interpreter or arranges for the translation of decisions as well as other documents.

- (2) For the purpose of arbitration proceedings, the Czech and Slovak languages are equivalent.

§ 5

Applicable law

- (1) In arbitration proceedings, disputes are resolved in accordance with relevant substantive norms of Czech law, unless participants validly agree otherwise.

- (2) The arbitrator is entitled to decide the dispute according to the principles of justice, but only if participants have agreed to it before the commencement of the proceedings.

§ 6

Acts of participants

- (1) The submission is made in writing. Submissions are sent to the address specified in § 2.

§ 7

Delivery

- (1) Documents are sent to the participants during the arbitration proceedings to the addresses specified in the legal action. If the participant has an established data box (datová schránka) he expressly agrees that the Arbitrator will deliver documents to the participant's data box (datová schránka).

- (2) If the participant has a representative with a power of attorney, it is delivered only to this representative. If the party to the proceedings has attends in person, the document is also delivered to him.

- (3) If a participant has changed his address after the commencement of the proceedings without notifying the Arbitrator in writing, service will be validly carried out by the transmission of the documents in the manner specified in paragraph 1.

- (4) The Arbitrator is not bound by the agreements of the parties to the contractual relationship, in which the Arbitrator agrees on the possible resolution of disputes arising from this relationship, and by which they agree among themselves on rules on mutual information on changes in delivery addresses. However, the arbitrator may take these arrangements into account.

- (5) Legal action, complaints, summonses, and decisions are sent by registered mail with acknowledgment of receipt (delivery note) from the recipient according to the conditions of the holder of the postal license.

- (6) If, the holder of the postal license upon attempting delivery to the participant to the dispute is unable to locate the recipient, although staying at the place of delivery, then it applies that failure of the addressee to pick up the item within 10 days of deposit, will result in the last day of this period being considered the day of delivery, even if the addressee did not collect the delivery. It also applies in cases where the participant to the dispute is not



present at the place of delivery but has not communicated the change of address, unless the arbitration clause states otherwise or the participant was unable to do so for reasons not caused by him/her/themself. If the holder of a postal license returns the item for these reasons without the item being stored, the day of delivery is considered the day of return of this shipment.

- (7) Other documents may be served by registered letter or ordinary letter, including by telegraph, telefax or electronic mail (public data network).
- (8) Any of the above documents may also be delivered in person at the hearing against the recipient's signature.
- (9) All documents are considered to have been delivered if they have been delivered in accordance with the preceding paragraphs, even if the addressee has refused to accept the document.
- (10) If it is not possible to deliver the document to the last known address of the participant who did not elect either a lawyer or an agent to receive the documents without the fiction of service, the Arbitrator is entitled to appoint a curator to receive the documents.

§ 8

Return the legal action

If one of the participants was unable to take part in the proceedings in whole or in part due to serious reasons, or if he / she has failed to do so through any fault necessary to exercise or defend his / her right, the Arbitrator will take appropriate measures at the request of that participant to perform additionally.



§ 9

Securing evidence and precautionary measures

- (1) After filing a legal action, but before issuing a decision on the same object, the Arbitrator may, in urgent cases, at the request and on behalf of the participant, secure evidence and appoint one or more experts for this purpose, or take other appropriate measures.

- (2) If it becomes apparent that the enforcement of the arbitration award may be jeopardized, during or before the arbitration proceedings, any participant may apply to the competent court for an interim measure. The participant is obliged to notify the Arbitrator of the submission of such a proposal.

Head II.

Initiation of proceeding

§ 10

Filing a legal action

- (1) The arbitration proceedings are initiated by the delivery of the legal action with the requisites pursuant to § 11. The condition for the hearing of the legal action is the payment of the fee for the arbitration proceedings in accordance with the Rules on the Costs of Arbitration.

- (2) The date of filing the legal action is considered to be a day on which the legal action was delivered to the Arbitrator.



§ 11

Content of the legal action

(1) In the legal action the following information must be stated:

- a) name, surname, and residence of the participants (commercial business or name and registered office of legal entities), names of statutory representatives, alternatively lawyers,
- b) birth certificate numbers, alternatively date of birth of participants (IČ),
- c) the value of the subject matter of the dispute,
- d) a description of the factual or legal status of the case on which the complainant bases claims,
- e) an indication of means by which the complainant proves his claims, if evidence is proposed in the form of documents held by the complainant, as a rule, attach these to the legal action an original or a certified copy thereof,
- f) a reference for the legal fact establishing the Arbitrator's competence pursuant to § 1 para. 3,
- g) what the complainant claims (legal actions),
- h) the date on which the action was filed,
- i) signature.

(2) The application must be accompanied by:

- a) the power of attorney of the legal representative, if the complainant is deputized,
- b) proof of payment of the legal proceedings fee.



§ 12

Elimination of defects in the legal action

- (1) If the legal action does not contain the requisites stipulated in § 11 par. 1,2 (i.e. the legal action is not properly passed) the Arbitrator will invite the complainant, in writing, to eliminate the detected defects within a time limit which he will specify for this purpose. Until the defects are remedied, the legal action is not heard in fact and the deadlines for issuing a decision will not have run.
- (2) If the defects in the legal action are not remedied within the period specified in accordance with paragraph (1), the Arbitrator will discontinue the proceedings by a resolution. The applicant must be informed of this consequence in the letter of formal notice referred to in paragraph (1).

§ 13

Interruption of the proceeding

- (1) The hearing of a dispute may be suspended for a certain period of time at the request of all participants or at the initiative of the Arbitrator for serious reasons. The Arbitrator decides on the suspension of the proceedings by a resolution. After the expiry of the period for which the proceedings were suspended, the proceedings will continue, unless it has been decided to extend the arbitration.

Head III.

Preparation for the dispute hearing

§ 14

Statement of the legal action

- (1) The Arbitrator will notify the defendant of the filing of the legal action, to whom he will send a copy of the action with relevant documents.
- (2) At the same time, the Arbitrator will invite the defendant to submit, within 7 days of the delivery of the legal action, his written statement to it, supported by the evidence relied on



by the defendant. In the event that defendant does not do so, the facts stated in the application are considered undisputed.

§ 15

Decision-making on authority

- (1) The arbitrator is entitled to decide on his authority. If he concludes that his right to a decision is not given, not even by a resolution to discontinuation the proceedings.
- (2) Objections of lack of authority, based on the non-existence, invalidity or termination of the arbitration agreement, unless it is invalid due to the fact that it was not possible to conclude the arbitration agreement in the case, may be raised by the participant at the latest in the first act in the proceedings concerning the substance.

§ 16

Preparation for the dispute hearing

- (1) The arbitrator will take all measures necessary for the prompt and economical hearing and resolution of the dispute. If it deems it necessary, it is entitled to request written opinions, evidence, and other documents from the participants and to set a reasonable time limit for this.

Head IV.

The dispute hearing

§ 17

Dispute resolution method

- (1) The arbitrator decides the dispute without an oral hearing on the basis of the submitted documents.



- (2) The arbitrator is entitled to order an oral hearing without the consent of the participants. The Arbitrator will notify participants of the time and place of the oral hearing by a summons, which will be sent to them in advance so that each of participants has at least 7 days to prepare for the hearing and to attend the oral hearing. With the consent of the participants, this period may be shorter.
- (3) The course of the oral hearing will be acknowledged in the report of the hearing, which is signed by the Arbitrator.

§ 18

Mutual action and objection to set-off

- (1) Before a decision on the same matter, the defendant is entitled to assert his mutual action against the complainant in the arbitration proceedings already initiated:
- a) by a mutual legal action in the event of a claim which is higher than that which has been employed by the legal action; or
 - b) by a debt consolidation in the event of an earlier or higher application of the request, or by a legal action.
- (2) If the defendant causes delays in the arbitration proceedings by unjustifiably prolonging the filing of a mutual legal action or by a debt consolidation, he may be ordered to reimburse the accrued, increased costs incurred both for himself as well as the other party. Late filing of a mutual legal action or raising a debt consolidation are deemed to be, in particular, a filing which is sent after the time limit set by the Arbitrator for comment to the defendant.
- (3) The provisions adjusting the requirements of the legal action are appropriately applied on the mutual legal action and to the netting off objection.

§ 19

An attempt of settlement

- (1) Depending on the circumstances, the arbitrator is entitled to invite the participants to conclude a settlement at each stage of the proceedings and to state motions,

recommendations, and suggestions which, in his opinion, may contribute to the conclusion of proceedings.

- (2) If, in the course of the proceedings, the participants terminate the dispute by a settlement and the participants request it, the Arbitrator will issue a settlement in the form of an arbitral finding, the contents of which will be the agreement of the participants on the subject of the dispute, providing the contents of the settlement do not conflict with the law.

§ 20

Proving

- (1) Participants are obliged to mark the evidence to prove their claims. Everything that can prove factual claims can serve as evidence.
- (2) The Arbitrator is entitled to take the identical statements of the participants as his findings of fact.
- (3) It is not necessary to prove facts that are generally known, nor legal regulations published in the Collection of Laws of the Czech Republic.
- (4) The arbitrator decides which of the proposed pieces of evidence will be accepted.
- (5) Documentary evidence is submitted by the participant in the original version or as an officially certified copy. The arbitrator is entitled to place an uncertified copy of the documentary evidence in the file after submitting the evidence in the original or an officially certified copy.
- (6) The arbitrator can decide that the witness will be heard and the manner in which he or she will be heard.



§ 21

Evaluation of evidence

- (1) The arbitrator evaluates the evidence at his discretion, each piece of evidence individually and all pieces of evidence in their interrelationship.
- (2) Documents issued by state authorities of the Czech Republic within the limits of their competence, as well as documents that are declared public by special regulations, confirm that it is an order or declaration of the authority that issued the document and, unless proven otherwise, the truth of what is in them is certified or confirmed.

Head V.

Termination of proceedings.

§ 22 Decision

- (1) According to these Rules of Procedure, the arbitration proceedings end with the issuance of an arbitral finding or a resolution to discontinue the proceedings (discontinuance hereinafter also falling within the ambit of a decision). The decision is usually issued within 3 months of the proper filing of the legal action.
- (2) If there is a change in the legal action before the arbitral finding is issued, a new 3-month period (1 month in case of acceleration) starts from delivery of the change of legal action and completion of any requirements pursuant to § 11. However, this does not apply if the change of the legal action consists only in limiting the motion of the legal action.

§ 23

Issue of an arbitral finding

- (1) The arbitral finding decides on the same matter.
- (2) The arbitrator decides on the basis of the ascertained factual state of the case. The state of matters at the time of its issuance is decisive for the arbitral finding.

- (3) The arbitral finding contains the information specified in § 24. The statement of the arbitral finding includes a decision on the matter and a decision on the obligation to reimburse the costs of the proceedings. If the arbitral finding contains a statement of reasons, it must be clear what evidence the arbitrator has made, what considerations he has been following in assessing the evidence, which facts he has established and which he has not, and on which findings of fact he has based his decision. The statement of reasons must also divulge why no further evidence has been adduced. If the arbitral finding contains a statement of reasons, it must be clear from which legal provisions the Arbitrator has been making the decision. If the Arbitrator has decided according to the principles of justice (§ 5 para. 2), this fact must also be stated in the statement of reasons.
- (4) The statement of an arbitral finding for pecuniary performance may be expressed in a foreign currency if circumstances of the case so require and if it does not contradict legal regulations.
- (5) If the obligation to perform is imposed in the statement of the arbitral award, the time limit for performance is 3 days from the legal force of the decision, unless the Arbitrator sets another time limit.
- (6) If only a part of the subject matter of the dispute is sufficiently clarified, the Arbitrator is entitled to decide by a partial arbitral finding, provided that the other parts of the proceedings will be continued and decided on separately.
- (7) If there is a disputed claim, both in terms of reason and amount, the Arbitrator is entitled to first decide on the reason for this claim by an interim arbitral finding and, only then, if necessary, to continue the proceedings on the amount of the claim.
- (8) The provisions on the arbitral finding also apply to partial and interim arbitral findings.
- (9) The arbitral finding must be delivered to participants.

§ 24

Content of the arbitral finding

The arbitral finding contains, in particular, the following information:

- a) the name of the arbitrator,
- b) date of issue,
- c) the designation of the participants and secondary participants and their representatives,
- d) the subject of the dispute,
- e) a statement including a decision on the obligation to reimburse the costs of the proceeding,
- f) statement of reasons (optional)
- g) instructions on enforceability,
- h) signature of the arbitrator.

§ 25

Additions to and corrections of the arbitral finding

- (1) At the request of the participant, submitted within 15 days from the delivery of the arbitral finding to the participant, the Arbitrator is entitled to issue an additional arbitral finding if it turns out that the arbitral finding has not decided on all claims of the participants. Otherwise, all provisions of the Rules of Procedure on the arbitration finding apply to the supplementary arbitral finding.

- (2) Mistakes in writing or counts and other obvious inaccuracies that occur in the arbitral finding will be corrected by the Arbitrator, at any time, at the request of any participant or on his own initiative and the corrected copy of the arbitral finding will be sent to the participants without delay.



§ 26

Enforceability of the arbitral finding

- (1) The arbitral finding takes effect on the day of delivery of the final court decision. After entering into force and enforceability, the arbitrator, at the request of a participant, will provide the arbitral finding with a clause of legal force and enforceability.

- (2) Participants are obliged to fulfil all obligations imposed in the arbitral finding within the time limits specified therein. If this fails to happen, the arbitral finding is subject to enforcement of the decision (execution) in accordance with the relevant legal regulations.

§ 27

Discontinuation of proceedings without the issuance of an arbitral finding

- (1) If no arbitral finding is issued in the dispute, the Arbitrator will decide, by a resolution, on the termination of the proceeding.

- (2) The resolution terminating the proceedings is issued in particular:
 - a) in events when the legal action has been withdrawn by the applicant,
 - b) in the event that the participant fails to pay the fee in accordance with the Rules on the Costs of Arbitration,
 - c) if participants agree to terminate the dispute without requesting the Arbitrator to issue a concluded settlement by arbitral finding pursuant to the provisions of Section 19, Paragraph 2,
 - d) if the arbitrator concludes that his authority to decide is not indisputable,
 - e) if the plaintiff does not eliminate the defects according to § 12.



- (3) In the event that there is only a partial withdrawal of the legal action in terms of the provisions of §22 para. 2, the Arbitrator does not issue a resolution by which he admits this partial withdrawal.
- (4) The provisions for the issuance of an arbitral award shall apply appropriately to the issuance of the Arbitrator's resolution.

§ 28

Decision on the costs of the arbitration proceeding

- (1) The costs of the arbitration will be determined by the Arbitrator in accordance with the Rules on the Costs of Arbitration, which are annexed to these Rules of Procedure. The method of determining the reimbursement of costs of proceedings may also follow from the wording of the arbitration clause.
- (2) To the participant who was fully successful in the case, or if he was unsuccessful only in a small part, the Arbitrator will admit the costs necessary for the effective exercise or defence of the right against the participant who was unsuccessful in the case.
- (3) If the participant has been only partially successful in the case, the Arbitrator will separate the costs in proportion, or decide that none of the participants is entitled to the costs.
- (4) An unsuccessful participant is entitled to reimbursement of the costs of the proceedings if his actions did not provide the reason for filing a legal action.
- (5) The arbitrator will admit reimbursement of the costs of the arbitration proceedings in accordance with the principles of the preceding paragraphs and to the entity that incurred these costs and which was not deposited by participants.
- (6) If reasons of exceptional consideration are given, the Arbitrator, , does not have to admit reimbursement of the costs of the arbitration proceedings in whole or in part.



ARTICLE 3

COMMON AND FINAL PROVISIONS

§ 29

Common provisions

- (1) Issues of proceedings that are not regulated in these Rules of Procedure are governed by the provisions of the Arbitration Act. Unless the law of the arbitration proceedings or these Rules of Procedure provide otherwise, the provisions of the Code of Civil Procedure also apply appropriately to arbitration proceedings.
- (2) The Rules on Costs of Arbitration are an annex and an integral part of these Rules of Procedure.

§ 30

Force

These Rules of Procedure came into force on 1.1.2020.

Mgr. Sergey Zariпов, advocate



RULES ON COSTS OF ARBITRATION

§ 1

Costs of arbitration proceeding

(1) Costs of the arbitration proceedings consist of:

- a) arbitration fee
- b) special costs incurred in the arbitration proceedings
- c) own costs of participants.

(2) The arbitration fee is the amount that the plaintiff is obliged to pay for the performance of the arbitration proceedings by the Arbitrator (hereinafter referred to as the fee).

(3) Special costs are costs incurred in hearing a dispute by taking evidence, paying an expert fee, holding an oral hearing outside the usual place, making translations, paying an interpreter, travel and subsistence costs according to actual expenses, etc.

(4) Own costs of participants are expenses incurred by the participants in connection with the protection of their interests (travel, legal representation, etc.).

§ 2

The arbitration fees

(1) Fees are charged for resolving a dispute according to the value of the subject matter of the dispute. The fee must be paid by the plaintiff, when filing the legal action, and the defendant, when filing a mutually legal action or netting off objection.



- (2) Until the fee is duly paid, the legal action, mutually legal action or netting off objection will not be discussed. If the fee is not paid additionally on the basis of a written request, within the period specified by the Arbitrator for that purpose, the proceedings will be terminated. In such circumstances, the plaintiff or the defendant must be notified in the summons.
- (3) The amount of the fee will be determined according to the value of the dispute based on the tariff specified in § 9 of these rules.
- (4) As a rule, the fee is calculated in the currency in which the value of the dispute is expressed. Where claims are made in different currencies, one currency is normally agreed upon for payment of the fees. The amount of the fee will be determined according to the value of the dispute based on the tariff specified in § 9 of these rules.

§ 3

Refund of the arbitration fee in case of objection of lack of jurisdiction

In the event that the participant raises an objection of lack of jurisdiction, and it is granted, the plaintiff will be refunded 20% of the arbitration fee he paid.

§ 4

Arbitration fee in case of mutual action and objection to set-off

- (1) When filing a mutual action, the defendant is obliged to pay a fee in the same amount as if he had asserted the claim initiated by the main action.
- (2) When filing an objection to set-off, the defendant is obliged to pay a fee in the amount of 80% of the fee which he would be obliged to pay if he asserted the claim filed by the objection in an action.

§ 5

Special costs of arbitration proceedings

- (1) The special costs of arbitration proceedings will be used to cover costs arising from the settlement of specific disputes. Special costs include the cash expenses of the Arbitrator incurred for travel, accommodation, meals etc. To cover these costs, the parties are usually obliged to make a reasonable deposit within the time limit set by the Arbitrator. This obligation may also be imposed on one party if he has initiated these special costs. If necessary, the parties may be asked to increase the advance during the proceedings. The dispute may not continue until these advances are paid.

- (2) Special costs will be finalized upon in an arbitral award or in a resolution on the termination of the proceedings. In the event that the Arbitrator does not decide in the arbitral award or in the resolution on the termination of the proceedings on the reimbursement of his own cash expenses, he is obliged to return the advances provided to the participants.

§ 6

Parties' own costs

Each party to the dispute will bear the costs they have incurred, including the remuneration of their legal representative. The common costs shall be paid by the parties in accordance with the proportion of participation in the case and in the proceedings in accordance with the rules laid down in the Rules of Procedure and these Rules on the Costs of Arbitration.

§ 7

Payment and maturity of fees

- (1) The arbitration fee is payable upon filing a lawsuit, counterclaim or filing an objection to set-off.

- (2) The arbitration fee must be paid to the account of the Arbitrator No. 1181628001/2700, kept with UniCredit Bank Czech Republic a.s. Payment of fees is identified by a variable symbol, which comprises the birth or identification number of the participant - payer. Payment of fees for each case that is the subject of arbitration shall be made by a separate payment.
- (3) Fees will be deemed to have been paid at the time of crediting the account referred to in paragraph 2.

§ 8

Refund of the fee upon withdrawal of the action

- (1) If the plaintiff withdraws an already filed lawsuit before the Arbitrator issues an arbitral award in the case, but no later than within 2 months from the filing of the lawsuit, 1/10 of the paid arbitration fee will be refunded.
- (2) The Arbitrator shall decide on the refund of the arbitration fee pursuant to paragraph 1.
- (3) Para. Paragraphs 1 and 2 shall also apply to the withdrawal of a counterclaim.
- (4) The participant is not entitled to a refund of the advance payment for special costs under the following circumstances: if evidence has already been taken, an expert payment has been made, or other activities and acts have taken place in connection with the discussion of the dispute for which the advance payment was provided.

§ 9

Fee schedule

- (1) The basis of the arbitration fee is the price of the subject of the proceedings expressed in a monetary amount, unless otherwise specified below.



- (2) The arbitration fee is 3% of the value of the dispute, but at least EUR 3,000. In the event that one of the parties to the dispute has its registered office outside the territory of the Czech Republic, the remuneration is increased by 100%.
- (3) If the subject of a chargeable act is a recurring performance, the basis of the fee shall be the price corresponding to the sum of all recurring performances. If the performance is for an indefinite period or for a period longer than 5 years, the basis of the fee is considered to be five times the price of the annual performance.
- (4) If more than one pecuniary benefit is requested in the claim, the basis of the arbitration fee is their sum, including auxiliaries, if its amount is quantifiable.
- (5) If the subject-matter of the fee is extended, after the action has been brought, the plaintiff is obliged to pay the fee.

§ 10

Effectiveness of the rules

These rules on the costs of arbitration shall take effect on 1 January 2020.

Mgr. Sergey Zariпов, lawyer