

## ARBITRATION AGREEMENT

1. This arbitration agreement is made between ..... residing at the address of ..... and ..... residing at the address of ....., and the parties who have enacted the Agreement, hereinafter shall be referred to as THE PARTIES.

(The address and titles of both parties shall be written in the blank spaces, if the contract is signed by a real person (sole proprietorship), then the name and surname of that person shall be written.)

2. The parties have agreed on the settlement of any dispute arising out of or in connection with the ..... dated.....subjected Agreement by arbitration through the Arbitration Council in accordance with the Arbitration Rules.

The parties, by reading the Rules, shall declare that they have accepted to comply with its terms, obligations and consequences beforehand.

(It is required for the parties to clearly state the subject and date of the agreement of which the parties would like to seek the settlement of any dispute arose out through the Arbitration process, within the blank spaces. If there are more than one commercial agreement between the parties, then they should prepare and sign a separate arbitration agreement for each of them.)

3. The parties have decided to have the arbitration conducted at.....

(The parties shall write the name of the city as the place of arbitration in this section, if they wish. the Arbitration Council shall determine the place of arbitration, if there is no such determination of the parties.)

4. The parties have agreed on ..... as the applicable law to this arbitration.

(This article is important for the disputes arising out of international commercial agreements. The parties shall state the name of the country, if they agree on whose law be applicable. If there is no such agreement on this matter, then the arbitrator(s) shall, by himself, determine the law to be applied. It is natural to apply the \_\_\_\_\_ Law to the arbitration between the \_\_\_\_\_ companies.)

5. The parties each undertake to pay half of the arbitration expenses that shall be notified subsequent to filing the suit before the Arbitration Council as an advance payment. Each party also undertakes to pay his share of the total expenses determined within the Arbitral Award approved by the Council.

In the case where the defendant does not pay half of the advance payment, then the claimant shall be obliged to pay the total advance payment amount.

6. It is determined by the parties that disputes shall be settled by..... arbitrator(s).

(The above blank space, depending on the disputes settled by a sole arbitrator or more than one arbitrator, shall be filled accordingly.)

## OPTIONAL TERMS

7. a) The parties have agreed on the appointment of a sole arbitrator by the Arbitration Council.

(This article shall be included, if the parties agree on the disputes settled by a sole arbitrator and who is appointed by the Arbitration Council.)

7.b) The parties have nominated, as the sole arbitrator,  
..... residing at the address of  
.....

However, in the case where the sole arbitrator is not approved by the Arbitration Council, then the parties accept that the arbitrator shall be appointed by the Council.

(This article shall be included in the case of an agreement between the parties for the sole arbitrator beforehand.)

7.c) The parties accept to nominate the sole arbitrator by themselves within 30 days from the notification of the arbitration request to the defendant and the appointment of the sole arbitrator by the Council if the parties cannot agree on the nomination of the sole arbitrator or in the case where the nomination of the sole arbitrator by the parties is not approved by the Council.

(The provision within this article may be included in the agreement when the parties leave the appointment of the sole arbitrator until after the dispute occurs.)

8.a)The parties accept to have one of the 3 arbitrators to be nominated by the claimant in its petition of arbitration request and the second arbitrator to be nominated by the defendant in its response and the third arbitrator to be selected by these two arbitrators within 15 days;

The appointment of the arbitrators by the Council if the claimant or the defendant does not state the name of its arbitrator or if they leave the nomination of the arbitrators to the Council;

The appointment of the third arbitrator by the Council, when the parties' arbitrators do not nominate the third arbitrator within 15 days.

(This article may be included in the agreement in the cases where it is envisaged that the disputes be settled by three arbitrators and the appointment of the two arbitrators by the claimant and the defendant, and the third arbitrator by the parties' arbitrators.)

8. b) The parties accept to have one of the 3 arbitrators to be nominated by the claimant in its petition of arbitration request and the second arbitrator to be nominated by the defendant in its response and the third arbitrator to be nominated by the Council;

The arbitrators appointed by the Council in the cases where the plaintiff or the defendant does not nominate an arbitrator or if they leave the appointment of the arbitrators to the Council.

(This article may be included in the agreement in the cases where the appointment of the third arbitrator is left to the Arbitration Council).

8.c) The parties agree upon the appointment of all three arbitrators by the Arbitration Council.

(This article shall be included if the appointment of three arbitrators is completely left to the Arbitration Council.)

9. The parties accept to sign the Terms of Reference to be drawn up in the presence of the arbitrator(s) upon the invitation of the arbitrator (or the Chairman of the Arbitral Tribunal), that the arbitration procedures shall still continue without interruption and be effectual even if they abstain from signing it, and the abstention of either one or both parties from signing the Terms of Reference shall not affect the validity of the Arbitral Award.

10. The parties undertake to pay the arbitration expenses in accordance with the Arbitration Rules in the case of the reconciliation of the parties or the claimant waiving his claim after the dispute is submitted to the Arbitration.

11. We hereby undertake to accept and to comply with the provisions of this arbitration agreement comprising 10 articles as above.

On behalf of

\_\_\_\_\_

\_\_\_\_\_

On behalf of

\_\_\_\_\_

\_\_\_\_\_

(It is necessary for the parties to include the list of the authorized signatures showing the authority for representation and to sign.)