

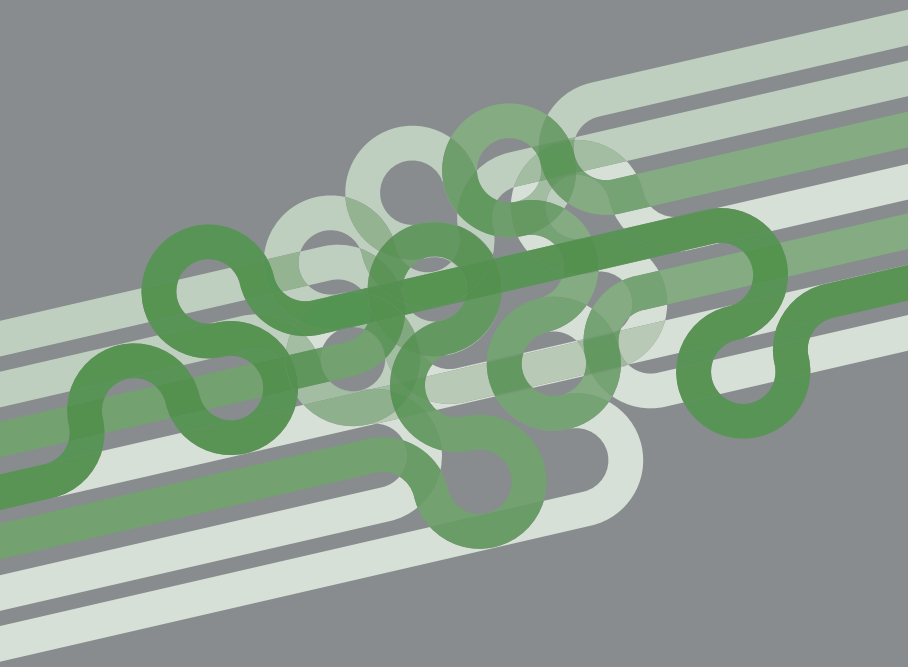


MEDIATION RULES

LJUBLJANA ARBITRATION CENTRE

AT THE CHAMBER OF COMMERCE AND INDUSTRY OF SLOVENIA

LJUBLJANA MEDIATION RULES



Dispute Resolution
Since 1928



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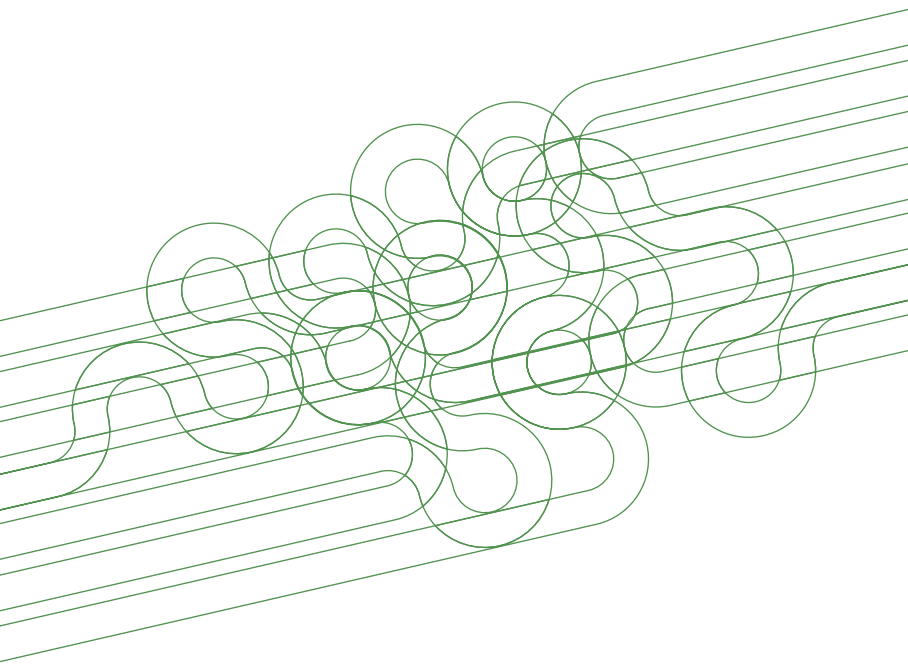


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MEDIATION RULES

OF THE LJUBLJANA ARBITRATION CENTRE AT THE
CHAMBER OF COMMERCE AND INDUSTRY OF SLOVENIA

Article 1

The LAC

1. The Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia (the LAC), also known as the Permanent Court of Arbitration attached to the Chamber of Commerce and Industry of Slovenia, is an autonomous and independent institution which administers the resolution of domestic and international disputes pursuant to the Mediation Rules of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia (the Rules), Arbitration Rules of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia, and other rules and procedures agreed upon by the parties.
2. The LAC is composed of the Board and the Secretariat. The provisions on the organisation of the LAC are contained in Appendix I.

Article 2

Scope of Application

1. These Rules apply if the parties agree, before or after a dispute has arisen, to attempt to reach through a neutral third person (mediator) the amicable settlement of their disputes under the auspices of the LAC, irrespective of whether for these proceedings the parties use the term mediation, conciliation, reconciliation or any other similar term.
2. It shall be deemed that the parties have agreed to the use of these Rules and their subsequent amendments, as in force at the time of the commencement of mediation. Appendices I and II are part of these Rules.
3. All parties together may modify individual provisions of these Rules by way of a written agreement; however, after a mediator is appointed, he or she must also agree to any modifications of the Rules. The Board may refuse to administer the mediation if the parties have agreed to modifications which are incompatible with these Rules or which deviate from these Rules to such a degree that the mediation would be disproportionately hindered.

Article 3

Communication with the LAC

Communication between the parties and the LAC shall be in Slovenian or English.

Article 4

Commencement of Mediation

1. When all parties jointly request the commencement of a mediation by filing a written request with the LAC (Request for Mediation), the mediation commences when the LAC receives such request. The LAC notifies the Parties of the commencement of the mediation.
2. When one party files a written Request for Mediation with the LAC, the LAC sends the Request to the other party and invites it to submit an answer. The mediation commences when the LAC receives a written consent of the other party to participate in the mediation. If the other party's written consent to participate in the mediation is not received by the LAC within 15 days of the forwarding of the Request for Mediation to the other party, or within another time period, as determined by the Secretariat, the mediation shall not commence. The LAC notifies the parties thereof.
3. If no prior agreement exists on the application of these Rules, the LAC may assist the parties in establishing contact among them and reaching such agreement.
4. A Request for Mediation shall include:
 - i. The names and contact details of the parties and their representatives;
 - ii. A description of the dispute and the circumstances giving rise to the dispute;
 - iii. The monetary value of the amount in dispute; and
 - iv. A joint nomination of a mediator by all parties, or if the parties do not agree on the nomination of a mediator, the required characteristics of a mediator to be appointed.
5. Upon filing of the Request for Mediation, a party must pay the registration fee in accordance with the Schedule of Costs (Appendix II) as in force at the time of the commencement of the mediation. When all parties jointly request the commencement of the mediation, they shall, upon filing of the Request for Mediation, pay the registration fee in accordance with the Schedule of Costs (Appendix II) in equal or agreed shares. If a party fails to pay the registration fee or its share thereof upon filing of the Request for Mediation, the Secretariat directs that party to make the payment and sets a time period for payment; the LAC shall not process the Request for Mediation until the

registration fee has been paid in full. If any of the parties does not pay the registration fee or its share thereof as directed by the Secretariat, any of the parties may make the payment instead of the defaulting party. If the party fails to make the payment within the additional time period, the Secretariat may extend the time period or terminate the mediation.

Article 5

Appointment of a Mediator

1. Unless the parties have agreed otherwise, the mediation shall be conducted by a one mediator. The LAC may, considering the circumstances of the case, recommend to the parties that the mediation be conducted by more than one mediator.
2. The parties may jointly nominate a person to act as mediator. If the parties fail to do so the LAC shall set a time period for the nomination. If the mediator has not been nominated within this time period, the appointment shall be made by the Board.
3. The LAC may assist the parties in the joint selection of the mediator, in particular by preparing a list of persons, from which the parties may jointly nominate one or more mediators.
4. A person nominated as a mediator shall submit to the Secretariat a signed declaration of acceptance, availability, impartiality and independence, where he or she shall disclose any circumstances, which may give rise to justifiable doubts as to his or her impartiality or independence. The Secretariat shall send a copy of the declaration to the parties and set a period of time, within which they may submit comments. Where any circumstances under this paragraph arise during the course of the mediation, the mediator shall immediately notify the parties and the LAC thereof in writing.
5. Each nominated mediator is subject to confirmation by the LAC. Upon confirmation, the nominated mediator is considered appointed. The confirmation of a nominated mediator shall be decided on by the Secretariat. In doing so, the Secretariat shall consider the declaration referred to in the previous paragraph and all circumstances which may give rise to doubts as to his or her impartiality or independence, availability and ability to conduct the mediation properly and with due dispatch as well as any comments by the parties. The Secretariat may refer the decision-making on the confirmation of a mediator to the Board, if it deems necessary to do so considering the circumstances of the case.

6. In appointing a mediator under these Rules, the Board shall consider the nature of the dispute and other circumstances of the case.
7. The Board shall release the mediator from appointment where the mediator is unable to perform his or her duties or fails to do so. Before making the decision the Board shall give the parties and the mediator an opportunity to submit comments on the release.
8. If the term of the mediator terminates for any reason the new mediator shall be appointed in accordance with the provisions of this Article.

Article 6

Advance on the Costs of the Mediation

1. After the commencement of the mediation the Secretariat shall determine the amount to be paid by the parties as an advance on the costs of the mediation. The advance shall correspond to the estimated amount of the costs of the mediation as defined in Article 12(1). The payment of the advance shall be made by transfer to the bank account of the LAC.
2. The parties shall pay the advance in equal shares, unless they have expressly agreed otherwise. If a party fails to pay its share of the advance in accordance with the Secretariat's request, any party may make such payment instead of another party.
3. If the advance does not suffice to cover the costs of the mediation, the Secretariat may, at any time during the mediation, at the request of the mediator or of its own motion, order the parties to pay an additional advance.
4. The LAC may use the advance during the mediation to cover the costs of the mediation as they arise.
5. If the required advance is not paid in full within the time period set by the Secretariat, the Secretariat may stay or terminate the mediation in part or in whole.
6. After the mediation has been concluded, any unused amount of the advance shall be returned to the parties in proportion to their payments. If the advance does not suffice to cover the costs of the mediation, the LAC orders the parties to pay the balance.

Article 7

Conduct of the Mediation

1. As soon as the mediator has been appointed and the advance has been paid, the Secretariat shall transmit the case to the mediator.
2. After the case has been transmitted to the mediator he or she shall consult the parties on the timeline and the course of mediation without delay.
3. The mediator shall conduct the mediation in accordance with these Rules, in such manner as he or she considers appropriate, taking into account the circumstances of the case, the wishes of the parties and the need for an expeditious and permanent resolution of the dispute. In doing so, the mediator shall act impartially and independently.
4. A mediator may meet and communicate with all parties together or with each party separately. With regard to the disclosure of information concerning the dispute, which the mediator learns from one party at a separate meeting, the mediator shall act in accordance with the wishes of each party.
5. As a rule, all notices and communications shall be sent in electronic form.
6. Mediation sessions are private. Persons who are not parties to the dispute or their representatives may be present only upon permission of all parties and the mediator.
7. No minutes are kept during mediation sessions, unless the parties agree otherwise.
8. The parties may suggest that the mediator propose, orally or in writing, an appropriate manner to settle the dispute.
9. The parties and other participants of the mediation shall act in good faith throughout the mediation.

Article 8

Settlement Agreement

1. If the parties reach an agreement on the resolution of the dispute, such agreement may be drawn up in the form of a written settlement. The settlement agreement is binding upon the parties and has the effect in accordance with the applicable law.

2. Upon the request of the parties, the mediator may participate in the drafting of the text of the settlement agreement.
3. If the parties reach a settlement agreement, they may, subject to the consent of the mediator, agree in writing to appoint the mediator as a sole arbitrator in accordance with the Arbitration Rules of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia, and authorise him or her to record the settlement agreement in the form of an arbitral award on agreed terms.

Article 9

Confidentiality

All information relating to the mediation, including the settlement agreement, are confidential, unless the parties expressly agree otherwise, or if disclosure is required under applicable law, or if disclosure is required for the implementation or enforcement of the settlement agreement.

Article 10

Admissibility of Evidence in Other Proceedings

1. The parties, the mediator and any third person that has participated in the mediation shall not in arbitral, judicial or similar proceedings rely on, introduce as evidence or give testimony regarding any of the following:
 - i. An invitation by a party to engage in mediation or the fact that a party was willing to participate in mediation;
 - ii. Views expressed or suggestions made by a party in the mediation in respect of a possible settlement of the dispute;
 - iii. Statements or admissions made by a party in the course of the mediation;
 - iv. Proposals made by the mediator;
 - v. The fact that a party had indicated its willingness to accept a proposal for settlement of the dispute;
 - vi. A document prepared solely for purposes of the mediation.
2. The previous paragraph applies irrespective of the form of the information or evidence referred to therein. Information and evidence referred to in the previous paragraph may only be

disclosed or admitted in evidence in a proceeding before an arbitral tribunal, court or other competent authority under conditions and to the extent required under the law or insofar as necessary for the implementation or enforcement of the settlement agreement.

Article 11

Termination of the Proceedings

1. The mediation shall terminate upon written confirmation of the LAC of the occurrence of one of the following circumstances:
 - i. The signing of the settlement agreement by the parties;
 - ii. A written declaration of the mediator, after consultation with the parties, to the effect that the continuation of the mediation is no longer justified;
 - iii. A written declaration of the parties addressed to the mediator, to the effect that the mediation is terminated;
 - iv. A written declaration of a party to the other parties and the mediator, to the effect that the mediation is terminated. If several parties participate who are willing to proceed with the mediation among themselves, the mediation shall be terminated only for the party that has made the declaration;
 - v. The LAC issues a written declaration to the parties that the time limit for mediation, agreed between the parties, has expired and the parties have not agreed on an extension;
 - vi. The LAC issues a written declaration to the parties, not earlier than eight days after the expiration of a time limit, that the mediation is terminated due to the fact that one or more parties have failed to effect any payment within a set time limit, which the party was obliged to effect under these Rules.
2. A mediator shall immediately notify the LAC of the signing of a settlement agreement referred to in item (i) of the previous paragraph, and of the written declarations of the parties or the mediator referred to in items (ii)–(iv) of the previous paragraph, and submit the copies of those declarations or of the settlement agreement to the LAC.

Article 12

Costs of the Mediation

1. The costs of the mediation consist of:
 - i. The fees of the mediator;
 - ii. The administrative fee of the LAC; and
 - iii. The expenses of the mediator and the LAC.
2. The amounts referred to in the previous paragraph shall be finally determined by the Secretariat in accordance with the Schedule of Costs (Appendix II), in force on the date of commencement of the mediation.
3. The registration fee, administrative fee of the LAC and the fees of the mediator set forth in Appendix II do not include any value added tax. Upon appointment, the mediator shall inform the Secretariat of the rate of value added tax that is to be charged on his or her fees.
4. The parties bear the costs of the mediation in equal parts, unless expressly agreed otherwise.
5. The parties are jointly and severally liable to the mediator and the LAC for the costs of the mediation.
6. The costs of the mediation do not include the costs incurred by the parties, including costs of legal representation, costs of presenting evidence, travel expenses and other costs. Such costs are borne by each party itself.

Article 13

General Rules

1. Unless all of the parties have agreed otherwise in writing or unless prohibited by applicable law, the parties may commence or continue any arbitral, judicial or similar proceedings in respect of the dispute, that is subject to the mediation under these Rules.
2. Unless otherwise agreed by the parties in writing, the mediator shall not act in subsequent arbitral, court or other similar proceedings as an arbitrator, judge, expert, representative or counsellor of any party to the dispute, that was or is the subject of the mediation under these Rules or in respect of another dispute that arises from or is related to the same legal relationship.

3. A mediator cannot act as a witness in arbitral, judicial or other similar proceedings concerning the dispute which is the subject of mediation under these Rules, unless all parties and the mediator agree otherwise in writing, or if so required by the applicable law. The same applies to the members of the Board and the Secretariat of the LAC, and to the employees of the Chamber of Commerce and Industry of Slovenia.
4. The arbitrators, the LAC, the members of the Board and the Secretariat, the Chamber of Commerce and Industry of Slovenia and its employees shall not be liable for any act or omission in connection with the mediation to the extent permissible under the applicable law.
5. The decisions of the LAC are final. Generally, the LAC will give reasons for its decisions but may, when it considers it appropriate, issue decisions without reasons.
6. In all matters not expressly provided for in these Rules, the mediators, the parties and the LAC shall act in the spirit of these Rules.

Article 14

Entry into Force

These Rules enter into force on 1 January 2019 and apply to all mediations commenced after 31 December 2018.

APPENDICES

APPENDIX I

ORGANIZATION OF THE LAC

Article 1

The LAC

1. The Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia (the LAC) is an autonomous and independent institution providing administrative services for the resolution of disputes.
2. The LAC is composed of the Board and the Secretariat. The conditions for the functioning of the LAC are provided by the Chamber of Commerce and Industry of Slovenia.

Article 2

Functions of the LAC

The LAC:

- i. administers the resolution of domestic and international disputes by arbitration, mediation and other forms of alternative dispute resolution in accordance with its rules and other rules and procedures agreed by the parties; and
- ii. provides information concerning arbitration, mediation and other forms of alternative dispute resolution.

Article 3

The Board

1. The Board consists of the Chairperson, Vice-Chairperson and five members.
2. Within the scope of individual proceedings, the Board shall adopt decisions within its competence pursuant to these Rules or other rules of the LAC agreed by the parties. The decisions of the Board are final.
3. Board meetings shall be convened and conducted by the Chairperson or, in his or her absence, by the Vice-Chairperson. Three Board members shall constitute a quorum. The Board shall adopt decisions with a majority of the votes of the members present. If a majority cannot be achieved, the Chairperson shall have the casting vote. A Board member may not abstain from voting.
4. In urgent cases, the Chairperson, or in his or her absence the Vice-Chairperson, may adopt decisions on behalf of the Board.

5. A Board member shall have no right to vote if the vote concerns proceedings, in which he or she was appointed as a mediator. This fact shall not affect the required quorum of the Board.

Article 4

Appointment of the Board

1. The Board shall be appointed by the Board of Directors of the Chamber of Commerce and Industry of Slovenia (the Board of Directors).
2. The term of office of the Chairperson, Vice-Chairperson and members of the Board shall be four years with the possibility of re-appointment.
3. In exceptional circumstances, the Board of Directors may recall a Board member. If a Board member's term of office terminates because of resignation, recall or for another reason, the Board of Directors shall appoint a new Board member for the remainder of the term of office.

Article 5

The Secretariat

1. The Secretariat supervises the efficiency of the proceedings and the work of the mediators as well as performs other tasks in accordance with these Rules. The Secretariat is managed by the Secretary General.
2. Within the scope of individual proceedings, the Secretariat shall adopt decisions within its competence pursuant to these Rules or other rules of the LAC agreed by the parties. The decisions of the Secretariat are final.
3. The Secretariat may take decisions that fall within the competence of the Board, which have been transferred to the Secretariat by the Board.

Article 6

Appointment of the Secretary General

The Secretary General shall be appointed by the President of the Chamber of Commerce and Industry of Slovenia with the consent of the Chairperson of the Board for the term of office of four years with the possibility of re-appointment.

Article 7

Work of the LAC

The LAC shall maintain the confidentiality of the mediation. In all proceedings, the LAC shall be impartial and act in an expeditious manner.

APPENDIX II

SCHEDULE OF COSTS

Article 1

Registration Fee

1. The registration fee referred to in Article 4 of these Rules shall be determined on the basis of Table A and is non-refundable.
2. The registration fee is not included in the administrative fee of the LAC referred to in Article 3 of this Appendix.
3. If prior to, during or after the mediation arbitral proceedings in accordance with the Arbitration Rules of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia commence among the same parties and concerning the same dispute, the registration fee in subsequent proceedings is not charged in the amount it was paid in the previously commenced proceedings.
4. The amount in dispute shall be determined as the aggregate value of all claims, counterclaims and set-off claims. Where the amount in dispute cannot be established, the Secretariat shall determine the registration fee taking into account all relevant circumstances of the case.

Article 2

Fees of the Mediator

1. The Secretariat shall determine the fees of the mediator taking into consideration the amount of time reasonably spent on joint or separate meetings, other communication with the parties and his or her participation in the preparation of the settlement agreement. The hourly rate of the mediator shall be determined by the Secretariat at the time of his or her confirmation, after consultation with the mediator and the parties, and shall in principle be between EUR 100 and EUR 350.
2. In exceptional circumstances, the Secretariat may depart from the amounts set out in the previous paragraph.
3. The Secretariat has the exclusive authority under these Rules to determine the fees of the mediator. Any separate arrangements between the mediator and the parties concerning the amount of the fees of the mediator are ineffective.

Article 3

Administrative Fee of the LAC

1. The mediator pays to the LAC 10% of his or her fees as determined in accordance with Article 2 of this Appendix to cover the administrative fee of the LAC.
2. After the termination of the mediation the Secretariat deducts the administrative fee of the LAC from the fees of the mediator at the time of its payment.

Article 4

Expenses of the Mediator and the LAC

In addition to the fees of the mediator and the administrative fee of the LAC, the Secretariat shall determine an amount to cover any reasonable expenses incurred by the mediator and the LAC. In doing so, the LAC shall apply mutatis mutandis the Arbitrator's Guidelines of the LAC.

TABLE A

Amount in dispute (in EUR)	Registration fee (in EUR)
to 25,000	500
from 25,000 to 100,000	750
from 100,001	1,000

MODEL CLAUSES

Model LAC Mediation Clause

Clause 1:

Obligation to refer the dispute to the Ljubljana Mediation Rules

Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall be referred to mediation in accordance with the Mediation Rules of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia.

Model LAC Combined Clauses

Clause 2:

Obligation to refer the dispute to the Ljubljana Mediation Rules followed by LAC arbitration if required

Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall first be referred to mediation in accordance with the Mediation Rules of the of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia.

If the mediation is terminated or if the dispute has not been resolved pursuant to the said Rules within [60]* days following the commencement of the mediation or within such other period as the parties may agree in writing, such dispute shall be finally resolved by arbitration in accordance with the Arbitration Rules of the of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia.

Recommended additions:

- *The Arbitral Tribunal shall be composed of [three arbitrators / a sole arbitrator].*
- *The seat of the arbitration shall be [city and state].*
- *The language to be used in the arbitral proceedings shall be [...].*
- *The governing law of the contract shall be the substantive law of [...].*

* The Parties may wish to amend this time period according to their needs.

Clause 3:

Obligation to refer the dispute to the Ljubljana Mediation Rules followed by LAC expedited arbitration if required

Any dispute, controversy or claim arising out of or in connection with this contract, or the breach, termination or invalidity thereof, shall first be referred to mediation in accordance with the Mediation Rules of the of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia.

If the mediation is terminated or if the dispute has not been resolved pursuant to the said Rules within [60]* days following the commencement of the mediation or within such other period as the parties may agree in writing, such dispute shall be finally resolved by arbitration in accordance with the Arbitration Rules of the Ljubljana Arbitration Centre at the Chamber of Commerce and Industry of Slovenia with the application of the Rules for Expedited Arbitral Proceedings.

Recommended additions:

- *The Arbitral Tribunal shall be composed of [a sole arbitrator / three arbitrators].*
- *The seat of the arbitration shall be [city and state].*
- *The language to be used in the arbitral proceedings shall be [...].*
- *The governing law of the contract shall be the substantive law of [...].*

* The Parties may wish to amend this time period according to their needs.

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