

WORLD FEDERATION OF DIAMOND BOURSES



BY-LAWS AND INNER RULES

OCTOBER 2012

WORLD FEDERATION OF DIAMOND BOURSES (WFDB)

BY-LAWS

SEAT

Article 1:

The seat of the World Federation of Diamond Bourses (hereinafter: "**The WFDB**") will be in Antwerp.

The seat of the elected President of the WFDB (hereinafter: "**The President**") will be in the country where the elected President resides.

The seat of the elected Secretary-General of the WFDB will be determined by the elected Secretary-General.

OBJECT

Article 2:

The purpose of the WFDB is to protect the interests of the affiliated bourses and their individual members, and to further the amicable settlement or arbitration of differences and disputes between the individual members of the affiliated bourses and between the affiliated bourses.

An individual member is not allowed to sue the board of directors and/or any other competent authority including its members, of another bourse without the prior consent of the board of directors of his own bourse.

The object of the WFDB is to promote understanding and closer cooperation between people all over the world who earn their livelihood in the diamond trade.

In the furtherance of this object it is the aim of the WFDB to participate in the promotion of World Trade and to encourage the establishment of bourses, with a view to eventual affiliation in all centres where diamonds are actively traded.

AUTONOMY

Article 3:

The affiliated bourses shall retain their autonomy in everything related to their internal matters.

Each affiliated bourse shall be bound by the By-Laws, Inner rules, resolutions and recommendations of the WFDB and in addition be bound by the decisions of the Congress, the Presidents' meetings and the Executive Committee, which may be made and/or amended from time to time.

The affiliated bourses agree to take all measures necessary to ensure compliance by their own individual members with the decisions taken by the Congress, Presidents' Meetings, and by the Executive Committee and the WFDB International Arbitration Panel and to be bound by the present rules or sub rules which would subsequently be introduced, all of which would be subject to the prevailing laws and regulations in their jurisdiction. If no provision for this aim exists in their own By-Laws, Rules, Regulations or Constitutions, they will take all measures necessary to have such provisions introduced at the earliest opportunity or at least at their own next General Meeting.

DELEGATES

Article 4 :

- a) Each affiliated bourse shall be represented at the Congress of the WFDB by a maximum of three members, thereto duly empowered. The president of each bourse is by right one of the three delegates.
- b) When a delegate is elected an Executive Officer of the WFDB either as President, Vice-President, Secretary-General, or Treasurer-General, his bourse may appoint an additional delegate, in order to have the full complement of three delegates.
- c) Where the word president is used in these By-Laws and Inner Rules to mean the president of a bourse, this shall mean and include the Chairman of a bourse if such is the office that heads the bourse.

CONGRESS

Article 5 :

- a) The delegates of the bourses affiliated to the WFDB shall meet every two years in a Congress under the direction of the President.
- b) Under exceptional circumstances, the Executive Committee or the Presidents' Meeting may decide, when it deems necessary, to hold a Congress in the alternate year and to determine the time and place of that Congress..
- c) In the event that at least ten (10) affiliated bourses from five (5) different countries submitted a written request, to the President, to hold a special Congress, the Congress must be convened by the Executive Committee within three months, from the receipt of such request. The time and place of the special Congress shall be determined by the Executive Committee.
- d) A written notice regarding a Congress shall be sent by the Secretary-General to each bourse affiliated to the WFDB, entitled to participate therein, no later than thirty (30) days prior to the time of the convening thereof.
- e) The notice shall specify the time and place of the Congress. The fact that an affiliated bourse did not receive the notice shall not invalidate the Congress. The agenda of the Congress shall be determined by Executive Committee.
- f) The Congress Working Session shall not be called to order unless there is a quorum at the opening of the meeting. A quorum shall be constituted when delegates representing at least ten (10) affiliated bourses from five (5) different countries are present.
- g) If one hour after the scheduled time for the commencement of the Working Session there be no quorum, the delegates who are present shall be deemed to be a quorum provided that delegates representing at least three of the five major manufacturing and trading centers i.e.: Antwerp, Tel Aviv, New York, Mumbai, and Johannesburg (or other center in Africa as determined by the Congress), are present at the meeting.
- h) The President shall sit as Chairman at every Congress and in his absence; the Vice President shall take his place.

- i) Each affiliated bourse present at the Congress shall be entitled to one vote during every vote held at the Congress. Any vote, act, or participation by an affiliated bourse, shall be carried out in person by its delegates and it will not be possible to empower any other entity or third party, whether by proxy or in any other manner, to act or vote in its name or on its behalf.
- j) All resolutions at a Congress, with the exception of resolutions relating to the elections of the Executive Committee members, the Deputy-Secretary General and a Deputy-Treasurer-General, must be adopted by at least two thirds of the affiliated bourses present at the Congress in a meeting that has a quorum.
- k) A resolution which has been brought for voting at the Congress shall be passed by a show of hands.
- l) Notwithstanding clause "K" above, the Chairman of the Congress shall be entitled to decide that a vote regarding any proposed resolution shall be carried out by secret ballot, and he shall be obligated to do so in the event that a majority of the affiliated bourses present at the Congress have demanded to hold a secret ballot during the course of the Congress, or prior thereto.
- m) In the event of a decision to hold a secret ballot, the manner and the time of the vote shall be determined by the Chairman of the Congress and shall be conducted under the supervision of the Secretary General.
- n) An affiliated bourse shall be entitled to participate but shall not be entitled to vote at a Congress if it has not discharged all payments due to the WFDB including the annual membership fee, unless the Executive Committee approved its right to vote in advance.

In the event that the affiliated bourse is in default of such payments to the WFDB for a period exceeding one (1) year, that bourse shall not be entitled to participate and vote at a Congress.

In such cases, the Treasurer-General shall notify the above mentioned fact prior to a vote.

- o) The following issues shall be decided only by the Congress:
1. To amend the By-Laws and/or Inner Rules of the WFDB (with a draft circulated by at least one month's prior notice to the affiliated bourses).
 2. To decide upon the admission of new members.
 3. To decide upon the suspension of WFBD membership or expulsion from the WFDB.
 4. To elect the Executive Officers of the WFDB.
 5. To nominate the Honorary Officers of the WFDB.
 6. To decide (subject to clause 5b above) upon the place where the next Congress shall be held.
 7. To determine the amount of the yearly contribution payable by each bourse to the Treasurer-General not later than January 1st each year.

PRESIDENTS' MEETINGS

Article 6 :

- a) The presidents of the bourses affiliated to the WFDB shall meet at least once a year. In the event of his absence, the president of each bourse may appoint his Deputy to attend the meeting, or failing his attendance too, another member of his board. Each President's Meeting shall decide upon the place and date of the next Presidents' Meeting.
- b) Each affiliated bourse has the right to petition for a special Presidents' Meeting clearly stating its reasons. The Executive Committee will be empowered to take the decision as to whether or not the requested meeting will be held and shall decide upon the time and place thereof.
- c) In the event that at least ten (10) presidents from five (5) different countries request in writing for a special Presidents' Meeting to be held, a Presidents' Meeting must be convened by the President within one month from the date of receipt of such a request. The time and place of that Presidents' Meeting shall be determined by the President.

- d) A written notice regarding a Presidents' Meeting shall be sent by the Secretary-General to each affiliated member of the WFDB, entitled to participate therein, no later than twenty one (21) days prior to the time of the convening thereof.
- e) The notice shall specify the time and the place of the meeting, the agenda, and the matters which are to be discussed. The fact that an affiliated bourse did not receive the notice shall not invalidate the Presidents' Meeting.
- f) The agenda of the Presidents' Meeting shall be determined by the President.
- g) The Presidents' Meeting Working Session shall not be called to order unless there is a quorum at the time of the opening of the meeting. A quorum shall be constituted when delegates representing at least ten (10) affiliated bourses from five (5) different countries are present.
- h) If one hour after the scheduled time for the commencement of the Working Session there be no quorum, the delegates who are present shall be deemed to constitute a quorum provided that delegates representing at least three of the five major manufacturing and trading centers i.e.: Antwerp, Tel Aviv, New York, Mumbai and Johannesburg (or other center in Africa as determined by the Congress) are present at the meeting.
- i) The President shall sit as Chairman at every Presidents' Meeting and in his absence the Vice President shall chair the meeting.
- j) Each president of any affiliated bourse present at the meeting is entitled to one vote at the Presidents' Meeting.
- k) Every resolution and recommendation at a Presidents' Meeting must be adopted by at least a majority of votes of the presidents present at the meeting that has a quorum.
- l) Proposal of a resolution which has been put forward for voting at the Presidents' Meeting shall be passed by a show of hands.
- m) Notwithstanding clause L above, the Chairman of the Presidents' Meeting shall be entitled to decide that a vote regarding any proposed resolution shall be carried out by secret ballot and he shall be obligated to do so in the event that a majority of the presidents present at the meeting have demanded to hold a secret ballot during the course of the Working Sessions or prior thereto.
- n) In the event that a secret ballot has been determined, the manner and the time of the vote shall be determined by the Chairman of the Presidents' Meeting and conducted under the supervision of the Secretary General.

- o) Each president will have the right to cast one vote at the Presidents' Meeting. The vote must be made in person and any other form, such as a vote in writing, by proxy etc, shall not be permitted.
- p) A president shall be entitled to participate but shall not be entitled to vote at a Presidents' Meeting if his bourse has not discharged all payments which are due from it at such time in respect of the WFDB including the annual membership fee, unless the Executive Committee approved its right to vote in advance.

In the event that the affiliated bourse is in default of such payments to the WFDB for a period exceeding one (1) year, that bourse's president shall not be entitled to participate and vote at a Presidents' Meeting.

In such a case, the Treasurer-General shall notify the above mentioned fact prior to a vote.

- q) Apart from the issues provided in Article 5 (o) above, Presidents' Meetings shall be empowered to take any decision on behalf of the WFDB provided that the meeting has been duly convened, has an adequate quorum, and that such matters have been placed on the agenda.

EXECUTIVE COMMITTEE

Article 7 :

- a) The Executive Committee of the WFDB shall administer the affairs of the WFDB according to the policy of the Congress and the Presidents' Meetings and shall give effect to decisions of the Congress and the Presidents' Meetings.
- b) The Executive Committee shall consist of the President, the Vice-President, the Secretary-General, the Treasurer-General and eight (8) additional executive members, all of whom shall be nominated by their bourses at least three (3) months before the date of Congress. When a bourse nominates a candidate, that nomination shall be signed by a minimum of two (2) members of the board of directors of that bourse. Such nominations shall be communicated to all bourses.
- c) The President, the Vice-President and the eight (8) additional executive members shall be presidents of their own bourses, and the Secretary-General and the Treasurer-General shall be members of the board of directors of their own bourses.
- d) No country may have more than two (2) seats on the Executive Committee.

- e) Subject to clause 7 (d) above, the five major manufacturing and trading centres: Antwerp, Tel Aviv, New York, Mumbai and Johannesburg (or other center in Africa as determined by the Congress) shall each nominate the president of one of its bourses for membership in the Executive Committee (hereinafter: "**The Major Centres**"). Each of these five Major Centres shall be represented on the Executive Committee at all times.
- f) The members of the Executive Committee shall be elected by the Congress for a period ending at the next Congress, subject to the principles stated in this clause 7. Each bourse shall be allowed to propose their president as a candidate in the elections for office on the Executive Committee, provided that the candidate fulfils the requirements stated in this clause 7 and provided that a written notice has been delivered by the bourse to the Secretary General at least fourteen (14) working days before the Congress.

A simple majority of votes shall be required for any election under this article. If more than two candidates compete for an office and no one obtains a majority after the first round, then the two candidates who obtained most of the votes will compete and the candidate that received the majority of the votes shall be elected for office. The voting shall be conducted under the supervision of the Secretary-General.

The President and the Vice-President shall not be elected for more than three (3) consecutive terms of office.

If there is only one candidate representing a Major Centre who fulfils the requirements stated in this clause 7e, no elections will be held with respect of that candidate and he shall be automatically appointed to the Executive Committee. In the event of more than one candidate representing a Major Centre, the elections will take place only between those candidates.

All candidates for the various offices, when nominated, shall accept their nomination in writing.

- g) The Congress shall appoint a Deputy-Secretary-General and a Deputy-Treasurer-General who shall be members of the board of directors of their bourses...
- h) The elections conducted under clause 7 shall be carried out by way of secret ballot under the supervision of the Secretary-General unless the President or a majority of the Congress member present at the meetings decided that the vote shall be by show of hands.

- i) Where a bourse nominates a candidate for the function of President, Vice-President, Secretary-General, Treasurer-General or executive member three (3) months before the date of the Congress, and such candidate no longer remains – for whatever reasons – member of the board of his bourse, such bourse shall have the right to nominate a replacement candidate up to the commencement of the Congress.
- j) If the President is not re-elected as president of his own bourse, or if he is unable or unwilling to continue in office, the Vice-President shall become President and act as such until the next Congress. Should the past President have been a nominee from one of the Major Centres such centre shall nominate another president to complete the Executive Committee.

If the Secretary-General or the Treasurer-General is not re-elected as director of his own bourse's board of directors he shall nevertheless be entitled to complete his mandate until the following Congress. If he is unable or unwilling to continue in office for any other reason, his Deputy shall succeed him.

- k) If the Vice-President or an additional Executive Member is not re-elected as president of his own bourse or if he is unable or unwilling to continue in office, the incoming president of that bourse shall replace him on the Executive Committee which then in turn may elect a new Vice-President to serve until the next Congress.

If the Vice-President or an additional Executive Member was designated by one of the Major Centres, then such centre shall appoint a president to the Executive Committee which then in turn may elect a new Vice-President to serve until the next Congress.

- l) If the acting President is not re-elected as president of his bourse or fails to continue in office and there is no Vice-President, the Executive Committee shall appoint an acting President from their own members until the next Congress.
- m) Notwithstanding any of the other provisions in this Article 7, if a President is prevented from standing for re-election as president of his own bourse at the end of his term of office due to provisions of his own bourse's rules, he shall nevertheless serve for the full term of his office as President.
- n) The office of a member of the Executive Committee shall be vacated in the event that the member:

- 1) Has given notice in writing to the Secretary General and the President of his resignation. In this case his resignation shall come into force at the expiration of forty eight (48) hours from the date of delivery of the letter of resignation, unless he retracted his notice of resignation within the above-mentioned time.
 - 2) In the event that he has been legally declared incompetent.
 - 3) In the event that he has been declared bankrupt.
 - 4) In the event that he is a shareholder or a director of a legal entity which is engaged in the business or industry of diamonds jewelry and precious stones, and a court order regarding the liquidation or receivership of that legal entity have been issued.
 - 5) In the event that he was suspended or expelled from membership of his bourse.
 - 6) In the event that he was convicted, by final and unappealable judgment, of a major criminal offense.
- o) The Executive Committee shall meet at least twice a year and at every Congress and Presidents' Meeting.

The President shall be entitled to convene the Executive Committee at any time with a prior notice of at least seven (7) working days. The President shall be obligated to convene an Executive Committee meeting, in case at least three Executive Committee members demanded in writing such meeting regarding specific issue/s. The meeting shall be convened within seven (7) working days following such request.

The President shall determine the place and time for the following Executive Committee and the agenda. The agenda shall include matters which the President has determined, and every matter which a member has requested to be included in the agenda at a reasonable time prior to the convening of the meeting and the President has agreed to do so.

- p) Notice of the meeting of the Executive Committee shall be delivered to all its members by the Secretary-General at least seven (7) working days in advance. The notice shall indicate the date and time of the meeting and the matters on the agenda. The notice may be given by telephone or email.

With the agreement of all the members, the President is also entitled to convene a meeting without notice or by shorter notice.

The fact that a member of the Executive Committee did not receive the notice shall not invalidate the meeting.

- q) No discussion shall commence at the Executive Committee meeting unless there is a quorum present at the time of the opening of the meeting, a quorum shall be constituted when the President or the Vice President and at least three (3) additional members of the Executive Committee shall be present.

If there is no quorum one hour after the time scheduled for the meeting to commence, the members who are present shall be deemed to be a quorum on condition that the President or the Vice president and at least two (2) additional members, each from a different Major Centre are present at the meeting.

- r) The President shall sit as Chairman at every Executive Committee meeting and in his absence the Vice President shall take his place.
- s) Each member present at the meeting is entitled to one vote. In case of equality of votes the President shall have a casting vote.
- t) Every Executive Committee decision must be adopted by at least a majority of votes of the members present at the meeting that has a quorum.
- u) Proposal of a resolution which has been put forward for voting at the Executive Committee meeting shall be passed by a show of hands. Notwithstanding the above, the President shall be entitled to decide that a vote shall be conducted by secret ballot and he shall be obligated to do so in the event that not less than three members present at the meeting have requested a secret ballot during the course of the meeting or prior thereto.

In the event that a secret ballot has been determined, the manner and the time of the vote shall be determined by the President and conducted under the supervision of the Secretary General.

- v) Every member must appear, vote or act in person at the Executive Committee meeting, and it shall not be possible to vote in writing, by proxy or in any other manner.
- w) A resolution which is signed by all the members of the Executive Committee or to which all the members of the Executive Committee have agreed in writing or by telegram shall have the same validity for every purpose as though it had been passed at a meeting of the Executive Committee which was lawfully convened.

“Telegram” for the purpose of this clause includes: telex, electronic mail, notice by means of facsimile, conference conversations and a note or protocol recorded by the President with regard to the agreement of members of the Executive Committee given in telephone conversation/s.

- x) A committee member shall be entitled to participate but shall not be entitled to vote at the Executive Committee meeting if the Committee members' bourse has not discharged all payments due to the WFDB including the annual membership fee, unless the Executive Committee approved its right to vote in advance.

In the event that the Committee members' bourse is in default of such payments to the WFDB for a period exceeding one (1) year, that bourse's Committee member shall not be entitled to participate and vote at the Executive Committee Meeting.

In such a case, the Treasurer-General shall notify the above mentioned fact prior to a vote.

- y) The Executive Committee may authorize the President and/or any other representative/s to represent the WFDB regarding specific matter/s.

The Executive Committee shall be entitled to establish committees comprised of members of the Executive Committee, and others, and to grant them such authorities as it shall deem fit provided, that the committees shall not be entitled to act on behalf of and/or obligate the WFDB and shall submit their recommendations for the approval of the Executive Committee. The Executive Committee shall be entitled at any time, to cancel, to revoke or to alter all or part of the authorities granted to any of the committees.

A committee shall be able to convene and to adjourn its meetings as it sees fit. Any question that may arise at one of its meetings shall be decided in accordance with a majority of votes of the members who are present at the meeting.

Article 8 :

The delegates are entitled to make binding agreements only within the limits of these Articles.

No decision or resolution of the WFDB shall be binding on any affiliated bourse if it should be in contravention of the laws of the country where this bourse is established.

APPLICATIONS FOR MEMBERSHIP

Article 9:

- a) Bourses whose members deal in diamonds, precious stones or jewellery shall be entitled to apply for membership of the WFDB provided that the country where the bourse is established, is a member in good standing of the Kimberly Process , provided they have been established for at least one full year under a written Constitution and/or By Laws, have a clearly designated and representative governing body, are able to prove their means of subsistence, and provided that they have agreed in writing to the terms and conditions of their membership, as stipulated by the Executive Committee and approved by the Congress.
- b) The Constitution of an applying bourse shall contain the principal commercial and business rules and procedures in use in the diamond trade. Applications have to be submitted with a certified copy of the Constitution, translated into English and shall state readiness to accept the By-Laws and Inner Rules of the WFDB, and to comply with their provisions and with the resolutions of the Congresses, Presidents' Meetings and Executive Committees of the WFDB.
- c) Applications are to be sent to the Secretary-General, at least six months before the date of the Congress. The Secretary-General shall communicate the applications to each affiliated bourse.
- d) The bourse submitting the application for membership shall file with the WFDB a certified copy of its By Laws and/or constitution documents and its Regulations applicable to arbitrations and shall commit itself and its members not to restrict any trade with the countries where the affiliated bourses are situated. The Constitution and/or By Laws of the applicant shall be reviewed by the Executive Committee and/or anyone on its behalf and the applicant bourse shall undertake to change and/or adjust and/or modify any clause that does not conform to the By Laws and regulations of the WFDB.

In addition the Executive Committee will appoint a representative to visit the applicant bourse, to examine the manner in which it operates, or intends to operate, the identity of its members, etc. and to report to the Executive Committee about its findings.

- e) Each bourse undertakes to notify the Secretary General, in writing, about any changes to the By Laws and the regulations of that bourse, soon after the changes have been made, accompanied by an updated copy of the By Laws.
- f) If any original text of any of the above documents is not in English, an English translation must be added.
- g) The bourse name must include at all times the word "Diamonds".
- h) A bourse shall be entitled to attend Congresses and Presidents' Meetings; its representatives shall be entitled to stand for any office, or to be elected to any office, or to vote, all subject to the provisions of these By Laws.
- i) Applications shall be submitted for decision of the Congress at the next Congress subject to fulfilling all demands and conditions of the Executive Committee

Article 10

- a) A diamond producing country duly represented by applicable government ministry or department or semi-governmental corporation, shall be entitled to apply to the WFDB as a Nation Affiliated Member, provided it is, and in the case of semi-governmental corporation, its country is, a member in good standing of the Kimberly Process, and provided it has agreed in writing to the terms and conditions of its membership, as stipulated by the Executive Committee.
- b) Applications must be submitted with a certified copy of the By Laws, if applicable, translated into English and shall state readiness to comply with the resolutions of the Congresses, Presidents' Meetings and Executive Committees of the WFDB.
- c) Applications are to be sent to the Secretary-General, at least six months before the date of the Congress. The Secretary-General shall communicate the applications to each affiliated bourse.
- d) The By Laws of the applicant, if applicable, shall be reviewed by the Executive Committee and/or anyone on its behalf to ensure their compatibility with the rules and regulations of the WFDB.

In addition the Executive Committee will appoint a representative to visit the applicant, to examine the manner in which it operates and report to the Executive Committee about its findings.

- e) Changes to the By Laws should also be notified in writing to the Secretary General soon after the changes have been made accompanied with an updated copy of the By Laws.
- f) If any original text of any of the above documents is not in English, an English translation shall be provided
- g) A Nation Affiliated Member, duly represented as aforesaid, shall be entitled to attend Congresses and Presidents' Meetings, but shall not be entitled to stand for any office, or to be elected to any office, or to vote, nor shall it be bound by the provisions related to arbitration and disciplinary proceedings.
- h) Notwithstanding article 12A hereunder, the entrance fee, annual contribution and any other matter related to the terms and conditions of the membership of a Nation Affiliated Member shall be determined by the Executive Committee. Applications shall be submitted for decision of the Congress at the next Congress subject to fulfilling all demands and conditions of the Executive Committee.

Article 11

The Congress, shall be entitled, to cancel the membership of any affiliated bourse and of a Nation Affiliated Member, if it or its country, ceases to be a member in good standing of the Kimberly Process and/or it does not act in accordance with the rules and objectives of the WFDB, and/or breaches the terms and conditions of its membership and/or acts in contradiction to the interests of the world diamond trade and industry and/or avoids paying the annual fees due, without having to justify their decision.

The bourse or the Nation Affiliated Member shall be advised in writing prior to a Congress, that the cancellation of its membership is on the agenda of that Congress and will be given the opportunity to appear before the Congress and present its arguments.

Article 12 :

The acceptance of new constituents and the suspension and expulsion of members including a Nation Affiliated Member shall require the agreement of two thirds of the affiliated bourses.

Article 12 a) :

An approved bourse which complies with the By-Laws as set out in Articles 9-10 shall be required to pay an entrance fee, as decided upon from time to time by the Executive Committee as a fundamental pre-condition of such membership. In addition, each bourse shall pay an annual membership fee as determined upon from time to time by the Congress.

RESIGNATION OF MEMBERSHIP

Article 13 :

Any affiliated bourse wishing to resign its membership of the WFDB shall submit a letter of resignation to the President and to the Secretary-General, sent by registered air-mail or delivered by hand, receipt of which must be acknowledged immediately by the Secretary-General.

Copies of these letters must be communicated at once to all affiliated bourses. The resignation letter must be sent to the WFDB at least six months before the date of the next Congress, to which it must be submitted for consideration.

All dues or subscriptions by the resigning body must be paid to the end of the financial period of the WFDB in the Congress year.

Article 14 :

If a resignation as set out in Article 13 is not accepted by the Congress, the resigning body shall be bound to conform to any decision or penalty reached at that time.

DUTIES OF MEMBERS

Article 15

- a) Members of the affiliated bourses shall be members of such bourses as individuals and in their own names.

In the event that this provision contravenes local laws and/or practices, Congress may approve the dispensation of this rule.

- b) A member of a bourse shall be obliged to use the bourse arbitration and disciplinary proceedings exclusively subject to the provisions of the Inner Rules.

INDEMNITY OF OFFICERS

Article 16

Any Officer acting on behalf of the WFDB ,such as a member of the Executive committee ,shall be indemnified and secured harmless by the WFDB, from and against all actions, costs, charges, losses, damages, and expenses which they or any of them shall or may incur or sustain by reason of any act done or omitted, in or about the execution of their respective duty or supposed duty in their respective offices except such, if any, as they shall incur or sustain by or through their own wilful act, and none of them shall be answerable for the acts, neglects or defaults of the other or others or for any loss or damage which may occur in the execution of their respective offices or in relation thereto, unless these occur by or through their own wilful act.

INSURANCE OF OFFICERS

Article 17

The WFDB shall be entitled to insure the liability of any Officer acting on behalf of the WFDB ,such as a member of the Executive committee, in whole or in part, from and against all actions, costs, charges, losses, damages, and expenses which they or any of them shall or may incur or sustain by reason of any act done, or omitted, in or about the execution of their respective duty or supposed duty in their respective offices, except such, if any, as they shall incur or sustain by or through their own wilful act.

INNER RULES

Article 1 :

These Inner rules form an inseparable part of the By Laws of the World Federation of Diamond Bourses.

Access to the premises of the affiliated bourses is to be granted only to that person who can prove clearly that he is engaged in the trade of diamonds, precious stones or jewellery, in accordance with the legislation of the country of his residence and the rules and regulations of the relevant bourse.

Such person's bourse is to confirm in advance to the bourse to be visited that such a person is a current member of his own bourse. Access does not entitle the visitor to trade without complying with the visiting bourse's regulations and the local laws of its country.

Article 2 :

Every member of a bourse affiliated to the WFDB, emigrating to another country and in good standing with his bourse, will be admitted by the Bourse to which he is applying, after complying with the bourse's application procedure.

Article 3 :

Should a member of one of the affiliated bourses be suspended or expelled, for any of the following reasons:

- a) Failure to make payment to a bourse and/or a bourse member of any sum lawfully due.
- b) Not fulfilling agreements regularly made in accordance with commercial usage or the Concluding of secret agreements
- c) Not submitting himself to the judgment of the bourse or Arbitration Committees
- d) Non-payment of dues

- e) Prejudicing the moral or material interests of the industry by failure to comply with Standards of integrity as laid down by the WFDB.
- f) Not complying with a final arbitration judgment.
- g) Breach of the terms and conditions of a bourse membership and/or not acting in the best interests of the world diamond trade and industry.
- h) In the event that the bourse member has been declared bankrupt.
- i) In the event that the bourse member is a shareholder or a director of a legal entity engaged in the business or industry of diamonds, jewelry and precious stones, and a court order regarding the liquidation or receivership of that legal entity has been issued.
- j) Any other relevant reason according to the By Laws of an affiliated bourse.

Such facts shall at once be communicated by the relevant bourse to the Secretary-General, who shall transfer the notification to the affiliated bourses. The affiliated bourses will then sanction and/or take any measure possible against the bourse member concerned in accordance with their By Laws and the laws of their respective countries.

Should a member of one of the affiliated bourses be suspended or expelled for any other reason than those mentioned in the previous article, the bourse in question shall, through the Secretary-General, convey information as to the cause of the measure unless the local laws of the bourse's country prohibit this.

Article 4 :

ARBITRATION BETWEEN MEMBERS OF DIFFERENT BOURSES

Section A: Submission to Arbitration

- A. Any member of a bourse affiliated to the WFDB shall submit to exclusive adjudication of a dispute involving a member of a different bourse affiliated to the WFDB, as set out hereunder. Such dispute shall, directly or indirectly, be related to the diamond, precious stones or jewellery business. He may not take action in any other forum, unless he has received written authorisation by the bourses concerned.

- B. When implementing this article each party shall use English as the arbitration language and all documents related to the arbitration including the bourse Arbitration rules and regulations, the arbitration agreement, the claim, the defence, arbitration protocols, and arbitration award. etc. shall be recorded inland/or translated to, English

Section B: Commencement of Arbitration

The commencement of the arbitration takes effect when a member of a bourse files a claim in writing against a member of another bourse to his own bourse. A copy of the claim submitted to the plaintiff's bourse must be delivered immediately and without delay, by the Plaintiff's bourse to the Defendant's bourse, in English. Such claim should clearly state the grounds on which the plaintiff claims jurisdiction.

Section C : Jurisdiction

Where a dispute arises between members of different bourses, the jurisdiction shall be determined in accordance with the articles listed in sections A-J below, in their order of appearance, meaning that the section appearing first takes precedence over the subsequent section:

- A. The plaintiff shall always have the right to lodge a dispute for arbitration at the defendant's bourse. If the plaintiff lodged the claim at the defendant's bourse, that bourse shall have jurisdiction over the dispute.
- B. If prior to the dispute, a party to the dispute signed, an undertaking towards a bourse, committing himself to its arbitration in the event of disputes arising between him and members of that bourse, or between him and other parties signing similar undertakings, that bourse shall have jurisdiction over the dispute.
- C. The parties shall always have the right to agree either before or after a dispute arises, as to which bourse shall have jurisdiction to hear the existing or future dispute, provided that such bourse agrees to hear the dispute, and if so done, that bourse shall have jurisdiction over the dispute.
- D. If the dispute arises from a transaction concluded on the internet, the jurisdiction shall be determined by the legal terms and conditions of that site, if such terms and conditions exist and if they include an exclusive jurisdiction clause.
- E. If the dispute arises from a transaction concluded or an incident occurring on the trading floor of a bourse, that bourse shall have jurisdiction over the dispute.

- F. If the dispute arises from a transaction concluded or an incident occurring not on the trading floor of a bourse but in the office building where a bourse exists, that bourse shall have jurisdiction over the dispute.
1. If more than one bourse exists in that building the presidents of the bourses will try to reach an agreement as to which bourse shall have jurisdiction over the dispute. Such agreement reached by these bourses shall bind the parties to the dispute.
 2. If the bourses fail to reach an agreement within seven (7) working days, the matter shall be referred to the WFDB for a decision. Each bourse claiming or opposing jurisdiction shall clearly state its detailed written grounds and its arguments to the Secretary General within seven (7) additional working days following the receipt of the notification as described above. Each bourse shall be entitled to attach to its statements a written position of its member involved in the dispute.
 3. The President, the Vice-President and the Chairman of the Judicial Committee of the WFDB shall decide, as soon as possible, at their sole discretion and without the need to justify their decision, where the arbitration is to be conducted and shall be entitled to demand additional relevant information and/or documents from the from the relevant bourses. If the President, Vice-President, or the Chairman of the Judicial Committee is a member of a bourse involved in the dispute, another member/s of the Executive Committee shall be appointed in his/their stead.
- G. If the dispute arises from a transaction concluded or an incident occurring not on any trading floor, but in a city where a bourse exists, that bourse shall have jurisdiction over the dispute, and if more than one bourse exists in that city, the provisions of clause F (1-3) above shall apply.
- H. If the dispute arises from a transaction concluded or an incident occurring not on any trading floor, but in a country where a bourse exists, that bourse shall have jurisdiction over the dispute, and if more than one bourse exists in that country, the provisions of clause F (1-3) above shall apply.

“Transaction” shall be deemed to be the place where the buyer’s offer has been or is due to be accepted. If export is involved, this shall mean a direct exportation of goods from one country to a specified buyer in another country.

- I. If none of the foregoing applies and/or a dispute or failure to agree persists as to which bourse has jurisdiction the following shall occur:
- 1) The defendant disputing the jurisdiction chosen by the plaintiff must notify its bourse, the plaintiff, and the plaintiff's bourse, in writing, of his objection to the jurisdiction within ten (10) working days following the delivery of the claim to him. The opposition notice must clearly state the reasons for his objections ("**The Rejection Notice**").
 - 2) Within seven (7) working days following the rejection notice, the presidents of the Parties' bourses shall try to reach an agreement as to which bourse shall have jurisdiction over the dispute. Such agreement reached by both bourses shall bind the parties to the dispute.
 - 3) If the bourses fail to reach an agreement within the above mentioned time limit, the matter shall be referred in writing, by the defendant's bourse, to the WFDB for their decision, with a copy to the plaintiff's bourse. Each bourse claiming or opposing jurisdiction shall clearly and in details state the grounds for its arguments to the Secretary General within seven (7) additional working days following the receipt of the defendant Bourse notification as described above. Each bourse shall be entitled to attach to its statements in writing the position of its member involved in the dispute.
 - 4) The President, the Vice-President, and the Chairman of the Judicial Committee of the WFDB shall decide, as soon as possible, at their sole discretion and without the need to justify their decision, where the arbitration is to be conducted and shall be entitled to demand additional relevant information and/or documents from the bourses involved in the dispute.
 - 5) In acting so, the President, the Vice-President, and the Chairman of the Judicial Committee of the WFDB may decide as follows:
 - a. That one of the bourses has jurisdiction over the dispute.
 - b. That one of the bourses has jurisdiction over the dispute but to nominate a neutral observer who will be entitled to attend the arbitration hearings and will report on the conduct of the proceedings to the President.

- c. That the dispute shall be conducted and heard at a neutral designated bourse not located in the same country as the bourses involved in the dispute.
 - d. That the dispute be referred to International Arbitration provided herewith by this Article.
- 6) If any of the WFDB President, Vice-President or Chairman of the judicial committee is member of a bourse involved in the dispute, neutral member/s of the Executive Committee shall replace him/them.
 - 7) The above mentioned decision of the President, the Vice-President and the Chairman of the Judicial Committee of the WFDB shall be final and shall be sent to the bourses.
 - 8) Subject to any judicial decision in a relevant jurisdiction of any of the bourses, none of the bourses shall be entitled to handle the arbitration before the WFDB renders the decision regarding jurisdiction.
 - 9) Any bourse appointed to hear a dispute as set forth in the above mentioned subsections shall, upon request, forward to the parties, all its relevant rules and regulations in force and any other relevant document relating to the arbitration procedures, all in English. The dispute shall be heard and conducted according to the rules and procedures in force at the bourse (including inter alia: the right of appeal or re-hearing to a higher tribunal of that bourse, if this exists, representation or non-representation by a legal counsel, etc.) and shall bind a non-member of that bourse in the same manner as a member.
 - 10) If any bourse appointed under the above mentioned subsections is unwilling or unable to hear the dispute, the President, the Vice-President and the Chairman of the Judicial Committee of the WFDB shall choose an alternate bourse.
 - 11) The above procedures shall be conducted between the WFDB and the relevant affiliated bourses and not directly with the members involved in the dispute.

Section D : Procedures

- A. The President may, at any stage, offer the relevant parties to a dispute, to attempt conciliation or mediation of any such dispute, to be conducted by him or by another suitable bourse member. The President may, at his discretion, request the assistance of another officer of the WFDB or any officer of any other bourse towards this purpose.
- B. Once jurisdiction has been finalised, the bourse that will hear the dispute shall arrange for the arbitration to commence within ten (10) working days following the WFDB decision regarding jurisdiction and to be finalised as expeditiously as possible. The selected bourse shall notify all parties and their bourses, and copy the WFDB Secretary-General of the date, time and place of the hearing, by certified mail with return receipt requested, or by registered mail, or by personal delivery or by fax/email with confirmation to be obtained at least from the bourse. The opposing party's bourse shall deliver the notice to its member after the date and place of the hearing has been fixed.
- C. A party to arbitration shall be warned in writing that should he decide not to appear at the arbitration hearings, the arbitrators shall be authorised to hear the arbitration and reach an award in his absence and that award shall be binding on that party.

Section E : Counterclaims

The bourse hearing the dispute as well as the International Arbitration Panel referred to hereunder shall be qualified to adjudicate upon any counterclaim or related claim originating from the dispute referred to it.

Section F : International Arbitration

Section F1.

The International Arbitration Board will consist of the arbitrators and their alternates appointed by their bourses as follows: Every bourse shall appoint one arbitrator who has to be the president or suitably appointed member of its board of directors or of its board of arbitrators and three alternates who must also be members of the board of directors or of the board of arbitrators, or Honorary presidents of its bourse.

Every bourse shall communicate these names to the Secretary-General at every Congress.

Section F2 .

Any claim, or counter-claim, or a related claim, referred to International Arbitration under the provisions of this article 4, shall be brought before three arbitrators whose election by ballot shall be supervised by the Secretary-General, or in his absence by one other official of the Executive Committee. Their election by ballot shall be held by drawing names from the list of the International Arbitration Board (excluding the arbitrators from the bourses whose members are parties to the arbitration), the first three names so drawn being the arbitrators and the next two names first and second alternate respectively.

Notice of the nominated members of the International Panel shall be delivered to the parties and their respective bourses. One rejection on each side will be permitted by written notification to the Secretary-General within seven (7) working days following the acceptance of the notice.

Should an arbitrator prior to the commencement of the arbitration be unable to preside, his place shall automatically be filled by the alternate appointed by his Bourse. Should any arbitrator during the hearing of the matter be unable to continue presiding, his place shall be taken by the first alternate or second alternate as the case may be. Such arbitrators and alternates shall continue to preside until the conclusion of the hearing notwithstanding their subsequent non-reappointment to the International Arbitration Board by their bourses.

Before the first arbitration hearing, the parties to the arbitration will sign an Arbitration Agreement in a form attached to these Inner Rules, prepared by the Secretary General of the WFDB and based on the principles embodied in these By Laws. Refusal by a party to sign the Arbitration Agreement shall not reduce, prejudice or affect his obligations to appear before the Arbitration Panel and conduct the Arbitration proceedings and the principles embodied in this clause 4 shall be regarded as the Arbitration Agreement.

Section F3.

In the performance of their duties and without limitation by the following subsections, the International Arbitration Panel so chosen shall have the following powers and authorities:

- a) To investigate the facts charged in the claim, counterclaim and the defence;
- b) To summon litigants and witnesses and to call, to convene and to hear the litigants and the witnesses;
- c) To order the presentation of books, objects, documents and records essential to the facts as charged in the claim (s), defence, and counter-complaint (s);

- d) To impose fines in favour of the WFDB in the event of a refusal or failure of a party or a witness to appear and testify, or produce records, or objects, as set forth herein, pertinent to the cause of action, or in the event of contemptuous behaviour during the process of hearing, or if the member does not abide by any decision of the arbitrators, or for any other reason, in an amount not exceeding 10,000\$, to be determined by unanimous decision of the Arbitration Panel;
- e) To determine the procedure and to act in a manner which, to the best of their conscience and knowledge, shall be most appropriate to the settlement of the dispute and most beneficial for determining a just and speedy resolution to the dispute;
- f) To designate the time of the hearings;
- g) To determine the costs and expenses of the arbitration and, if so decided, to impose them on a party, whether finally or provisionally;
- h) To engage the services of experts, to consult with them and to determine their costs and fees;
- i) To reach a decision that will be binding on all parties;
- j) To ensure that all necessary steps are taken to conclude the arbitration as quickly as possible;
- k) To require collateral from a party or from the parties.
- l) The International Arbitration Panel empowered to hear and determine any claim may render a decision by a majority vote. Such decision must be rendered within thirty (30) working days from the last hearing. In the event that no decision is rendered within thirty (30) working days, the arbitrators will have an extension of an additional thirty (30) working days, and they must reach a final judgement within the above mentioned period.
- m) To transmit a copy of the award to any bourse whose member is affected thereby, or a bourse against whose member an order has been made, and the latter bourse shall be responsible for the implementation thereof as if it were an order of its own Arbitration Committee, subject to the prevailing laws and regulations in its jurisdiction.
- n) The arbitrators authorized to hear and adjudicate the claim and counterclaim, are entitled to issue interim decisions, to issue an order to deposit stock or any other asset, whether it is at issue between the parties or not, including 'notes' and cheques deposited with the arbitrators, or in with whomever the arbitrators will instruct.

- o) The arbitrators shall be entitled, in the event they deem this to be appropriate, to impose the expenses of the arbitration upon any of the parties.
- p) A party to the arbitration that wishes to be represented by an attorney during the arbitration proceedings must inform the Secretary General and the arbitrators of his intentions, in writing, at least twenty (20) working days prior to the arbitration meeting. The Secretary General will convey the above message without delay to the other party and to its bourse, which shall be entitled likewise. Failing such notice, the party shall not be entitled to be represented by an attorney.
- q) Failure by one of the parties to appear at a hearing of the arbitration without advance notice approved by the arbitrators, or failure to sign the Arbitration Agreement shall not prevent the arbitrators from conducting the arbitration and from issuing their decision, but this on condition that a notice, verbally or in writing, has been delivered to the party in which he has been warned that the hearing may be held even in his absence.

Section F4.

The President, the Vice-President and the Chairman of the Judicial Committee of the WFDB shall designate the place for the hearings. The Secretary-General shall be charged with ensuring that each party receives a copy of all documents filed and shall collect an arbitration filing fee which shall be paid by the plaintiff in each international arbitration case.

The amount of the filing fee for any claim and counter claim, if any, will be one per cent (1%) of the value of the claim and counterclaim, with a minimum fee of US\$ three thousand (3,000) and a maximum fee of US\$ fifty thousand (50,000). The fee shall be paid by the claimant and counterclaimant, if any, upon filing the claim and counterclaim.

Further arbitration fees covering the costs and expenses of the arbitration including but not limited to travel and hotel accommodations expenses of the arbitrators, and the alternates and any expert engaged by the WFDB or the arbitrators, shall be determined by the arbitrators during the course of the arbitration, pursuant to Article 4, Section F3. The claimant and the counter claimant, if any, shall deposit the amount of US\$ fifteen thousand (15,000) on account of the anticipated costs and expenses with a final amount and/or additional payment/s on account still to be decided by the arbitrators.

If a litigant is called to appear before the International Arbitration Panel and does not do so, without having applied for a postponement and granted such, then the said Panel may continue with the hearings in his absence, and adopt a final decision in the arbitration, which will be binding on all parties.

All decisions reached by the International Arbitration Panel shall be final and no appeal will be permitted on a decision reached by the International Arbitration Board.

Section G.

No member of any International Arbitration Panel shall be held responsible, in any matter, for any of his acts and/or omissions carried out or overlooked advertently or inadvertently in his official capacity, or be subject to any legal suits or proceedings whatsoever for any decision rendered, on condition that the member did not act with malice.

Section H.

A copy of all decisions of the International Arbitration Panel shall be forwarded to the President and the Secretary-General, and to the respective bourses of each party who shall be charged with the duty of taking the necessary action to enforce such decisions strictly in accordance with the wording of each decision. To that purpose only, the decision shall be regarded as if it is an arbitration award rendered by a bourse.

Section I.

Section Ia.

Failure to comply with International Arbitration Panel decisions or decisions rendered by a bourse, or if no action has been taken by the relevant bourse within two (2) weeks shall result in the party's immediate suspension from its bourse and all bourses affiliated to the WFDB, which may lead to the party's permanent expulsion. Notice of such failure to comply shall be made to the offices of the WFDB' Secretary-General and President, and to the non-complying party's bourse informing them of such non-compliance and requesting an immediate suspension of said party from all bourses affiliated to the WFDB. This clause shall be subject to the prevailing laws and regulations in the jurisdiction of that bourse.

Section Ib.

a) When a final arbitration decision is rendered in accordance with due Process between members of different bourses, or results from an international Arbitration, this decision must be communicated in writing by the bourses where the decision was rendered by registered mail to:

1. The parties to the arbitration
- 2 the parent Bourses'
3. The Secretary-General of the WFDB.

b) The parent Bourse shall, within fourteen (14) working days of receipt of the decision, take all measures required in accordance with its own By-Laws and Rules to ensure that its member complies with the decision.

In the event that a parent bourse fails to act in accordance with the above, the bourse of which the affected party is a member has the right to complain in writing to the President and the Secretary-General.

The WFDB, through the Executive Committee, shall give the bourse concerned the opportunity to be heard in connection with the complaint against it.

In the event the Executive Committee finds the said bourse to be in default, the Executive Committee shall be entitled to:

1. Admonish the bourse and request it to comply with the provisions of this article and/or
 2. Fine the bourse in the amount to be determined by the Executive Committee and/or
 3. Bring a recommendation to the Congress to suspend or expel the defaulting bourse from the WFDB until such time as it shall have complied with the provisions of this section.
- c) The provisions stated herein shall not be applicable in the event that the laws of the country in which the defaulting bourse is located, do not permit it to act in accordance with the provisions contained herein.

Article 5 :

Any change of the Inner Rules shall require the agreement of two thirds of the affiliated bourses.

Article 6 :

English shall be the only official language of correspondence between affiliated bourses.

ARBITRATION AGREEMENT

Made and entered into in _____ on ___ day of _____

Between

1. _____

2. _____

Hereinafter: "first Party"

All jointly and severally

Of the one part;

And

1. _____

2. _____

Hereinafter: "second Party"

All jointly and severally

Of the other part;

WHEREAS Disputes have arisen between the Parties, relating to the trade and manufacture of diamonds and precious stones and specified in the claims attached as schedule A to this Agreement (Hereinafter: "**The Disputes**");

WHEREAS the Parties have agreed to refer the Disputes to the sole and final decision of three arbitrators to be nominated as detailed hereunder;

Therefore it is agreed, declared and stipulated by the parties as follows:

- 1. The preamble to this Agreement constitutes an integral part hereof.

2. The Parties agree that the Disputes shall be brought before and resolved by three arbitrators whose election by ballot shall be made in accordance with Section F2 of the World Federation of Diamond Bourses ("**The WFDB**") Inner Rules. The arbitrators' election by ballot shall be held by drawing seven (7) names from the list of members of the International Arbitration Board of the WFDB excluding members nominated by Bourses of which one of the Parties is a member. The first three names so drawn being the arbitrators and the next two names first and second alternate respectively. The above mentioned election of the arbitrators shall be done immediately following the execution of this Agreement.
3. Notice of the nominated arbitrators shall be delivered to the Parties and their Bourses. One rejection on each side will be permitted within seven (7) working days following the acceptance of the notice.
4. Should any arbitrator during the hearing of the matter be unable to continue presiding, his place shall be taken by the first or second alternate as the case may be, who shall continue the hearing.
5. Each Party shall pay to the WFDB, prior to the commencement of the arbitration hearings, a filing fee of one per cent (1%) of the value of the claim and counterclaim, if any, with a minimum fee of US\$ three thousand (3,000) and a maximum fee of US\$ fifty thousand (50,000).
6. In addition each Party shall deposit within the WFDB the amount of US\$ fifteen thousand (15,000) on account of the anticipated costs and expenses of the arbitration, including but not limited to airfare and hotel accommodations of the arbitrators, the alternates and any expert engaged by the WFDB or the arbitrators. Further arbitration payment/s whether final or additional on account of payments shall be decided by the arbitrators.
7. The arbitrators shall not be bound by any substantive law, the laws of evidence and of civil procedure and shall be entitled to conduct, consider and decide on the Disputes at their sole discretion and in a manner that appears to them to be best and most beneficial for a fair, honest, and speedy resolution of the Disputes and in accordance with trade rules and commercial practices prevailing in the diamond trade.

The arbitrators shall be entitled to prescribe rules and/or procedures pursuant to which the hearings before them will be conducted and will determine the time for the hearings. The place of the hearing shall be determined by the WFDB.

8. Without derogating from clause 7 above, the arbitrators shall have the following powers and authorities:
- a. To investigate the facts charged in the claim, counterclaim and the defence.
 - b. To summon litigants and witnesses and to call, to convene and to hear the litigants and the witnesses.
 - c. To order the presentation of books, objects, documents and records essential to the facts as charged in the claim, counterclaim, and the defence.
 - d. To levy fines, in favour of the WFDB, in the event of a refusal or failure of a party to appear and testify, or produce records, or objects, as set forth herein, or in case of contemptuous behaviour during the process of hearing, or if he does not abide by any decision of the arbitrators, or for any other reason, in an amount not exceeding 10,000\$, to be determined by unanimous decision of the arbitrators.
 - e. To determine the procedure and to act in a manner which, to the best of their conscience and knowledge, shall be most appropriate to the settlement of the Disputes and most beneficial for determining a just and speedy resolution to the Disputes.
 - f. To designate the time of the hearings in accordance with the WFDB Inner Rules.
 - g. To fix the costs and the expenses of the arbitration and if so decided to impose them upon any of the Parties.
 - h. To engage the services of advisors and experts, to consult with them, and to make a suitable decision as to their costs.
 - i. To issue interim decisions including partial judgments, to order the deposit of stock or any other asset in the care of the arbitrators or in the care of whomever the arbitrators will instruct, all as they deems fit and at their sole discretion.
 - j. To come to a decision that will be final and binding on all parties.
 - k. To require collateral from a party or from the parties.

1. To ensure that all necessary steps are taken to conclude the arbitration as quickly as possible.
9. The first Party shall present in writing and submit to the other Party, with four (4) copies to the office of the WFDB, all the arguments regarding its claims, within 30 (thirty) days following the execution of this Agreement (hereinafter: "**The First Party Claims**").

The Second Party shall then present in writing and submit to the other Party, with four (4) copies to the office of the WFDB, all the arguments regarding its claims (hereinafter: "**The Second Party Claims**") and its response to The First Party Claims (hereinafter: "**The Second Party Response**") ,within 30 (thirty) days following the receipt of the First Party's Claims.

The First Party will then present in writing and submit to the other Party, with four (4) copies to the office of the WFDB, its response to The Second Party Claims (hereinafter: "**The Additional First Party Response**") within 15 (fifteen) days following the receipt of the second Party's Claims.

10. The arbitration shall be conducted in English. Each Party shall be summoned, personally or through its legal counsel and/or its Bourse to the arbitration meetings.
11. The arbitrators shall not be obliged to keep records and to handle protocols but they will give grounds for their decisions and their award.
12. Any decision, judgment or award by the arbitrators may be rendered by a majority vote. The award must be rendered within thirty (30) working days after the last hearing. In the event that the award is not rendered within thirty (30) working days the arbitrators will have an extension of an additional thirty (30) working days, and they will have to reach the award within the above mentioned period.
13. Failure by one of the Parties (whether in person or through its lawful representative) to appear at a hearing of the arbitration without advance notice approved by the arbitrators, shall not prevent the arbitrators from conducting the arbitration and from issuing their decision which shall be binding on all Parties.
14. The decisions of the arbitrators and the award shall be final and absolute and shall be binding on the Parties who shall be obliged to act in accordance therewith. No appeal will be permitted on the decisions and the award.

15. A copy of this Agreement and a copy of all decisions and the award shall be transferred by the arbitrators to the President and the Secretary-General of the WFDB, and to the respective bourses of each party, to any bourse whose member is affected thereby or to any bourse against whose member an order has been made, who shall be charged with the duty of taking the necessary action to enforce and/or implement such decisions. To that purpose only, that decision and/or award shall be regarded as if it has been rendered by the bourse and/or as if it were an order of its own Arbitration Committee, all subject to the prevailing laws and regulations in its jurisdiction.
16. The Parties hereby agree that failure to comply with the arbitrator's decisions and the award shall result in the party's immediate suspension from its bourse. Notice of such failure to comply shall be made to the Secretary-General and President of the WFDB, and to the non-complying party's bourse, informing them of such non-compliance and requesting an immediate suspension of said party from all bourses affiliated to the WFDB.
17. The arbitrators shall not be held responsible, in any matter, for any of their acts and/or omissions in their official capacity or be subject to any legal suits whatsoever for any decision rendered.

**In witness whereof the Parties have hereunto signed
At the place and on the date first fore written:**

**Amended version adopted on
October 2012 in Mumbai**