

ANNEX 4

(See Article 25)

Arbitration

1. The party which appeals to arbitration shall initiate the arbitration procedure by transmitting to the other party to the dispute a notice of the submission of the dispute to arbitration.

2. The parties shall decide by agreement whether the arbitration is to be entrusted to individuals, administrations or governments. If within one month after notice of submission of the dispute to arbitration, the parties have been unable to agree upon this point, the arbitration shall be entrusted to governments.

3. If arbitration is to be entrusted to individuals, the arbitrators must neither be nationals of the parties involved in the dispute, nor have their domicile in the countries parties to the dispute, nor be employed in their service.

4. If arbitration is to be entrusted to governments, or to administrations thereof, these must be chosen from among the Members or Associate Members which are not parties to the dispute, but which are parties to the agreement, the application of which caused the dispute.

5. Within three months from the date of receipt of the notification of the submission of the dispute to arbitration, each of the two parties to the dispute shall appoint an arbitrator.

6. If more than two parties are involved in the dispute, an arbitrator shall be appointed in accordance with the procedure set forth in paragraphs 4 and 5 above, by each of the two groups of parties having a common position in the dispute.

7. The two arbitrators thus appointed shall choose a third arbitrator who, if the first two arbitrators are individuals and not governments or administrations, must fulfill the conditions indicated in paragraph 3 above, and in addition must not be of the same nationality as either of the other two arbitrators. Failing