

ANNEX 3

(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 fulfil 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 an agreement between the two arbitrators as to the choice of a third arbitrator, each of these two arbitrators shall nominate a third arbitrator who is in no way concerned in the dispute. The Secretary General of the Union shall then draw lots in order to select the third arbitrator.
8. The parties to the dispute may agree to have their dispute settled by a single arbitrator appointed by agreement; or alternatively, each party may nominate an arbitrator, and request the Secretary General of the Union to draw lots to decide which of the persons so nominated is to act as the single arbitrator.
9. The arbitrator or arbitrators shall be free to decide upon the procedure to be followed.
10. The decision of the single arbitrator shall be final and binding upon the parties to the dispute. If the arbitration is entrusted to more than one arbitrator, the decision made by the majority vote of the arbitrators shall be final and binding upon the parties.
11. Each party shall bear the expenses it shall have incurred in the investigation and presentation of the arbitration. The costs of arbitration other than those incurred by the parties themselves shall be divided equally between the parties to the dispute.
12. The Union shall furnish all information relating to the dispute which the arbitrator or arbitrators may need.