

ANNEX

**PROCEDURES FOR THE SETTLEMENT OF DISPUTES REFERRED TO
IN ARTICLE 31 OF THE CONVENTION AND ARTICLE XVI
OF THE OPERATING AGREEMENT****Article 1**

Disputes cognizable pursuant to Article 31 of the Convention or Article XVI of the Operating Agreement shall be dealt with by an arbitral tribunal of three members.

Article 2

Any petitioner or group of petitioners wishing to submit a dispute to arbitration shall provide each respondent and the Directorate with a document containing:

- (a) A full description of the dispute, the reasons why each respondent is required to participate in the arbitration, and the measures being requested.
- (b) The reasons why the subject matter of the dispute comes within the competence of a tribunal and why the measures requested can be granted if the tribunal finds in favour of the petitioner.
- (c) An explanation why the petitioner has been unable to achieve a settlement of the dispute by negotiation or other means short of arbitration.
- (d) Evidence of the agreement or consent of the disputants when this is a condition for arbitration.
- (e) The name of the person designated by the petitioner to serve as a member of the tribunal.

The Directorate shall promptly distribute a copy of the document to each Party and Signatory.

Article 3

(1) Within sixty days from the date copies of the document described in Article 2 have been received by all the respondents, they shall collectively designate an individual to serve as a member of the tribunal. Within that period, the respondents may jointly or individually provide each disputant and the Directorate with a document stating their individual or collective responses to the document referred to in Article 2 and including any counter-claims arising out of the subject matter of the dispute.

(2) Within thirty days after the designation of the two members of the tribunal, they shall agree on a third arbitrator. He shall not be of the same nationality as, or resident in the territory of, any disputant, or in its service.