

## ARBITRATION CLAUSE

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The parties hereby agree that any disagreement or dispute arising out of or in connection with this agreement, or in respect of any legal relationship associated with or derived from this agreement, shall be finally resolved by means of arbitration, and to the exclusion of the State Courts of Justice.

The parties furthermore and expressly agree that the arbitration award to be rendered in the present affair shall be final, enforceable and without appeal ; and they hereby give to the Arbitration Tribunal the mandate to dispose of the disagreement or dispute according to the rules of law.

Any arbitration the value of which is less than FIVE MILLION DOLLARS (5 000 000 \$) will be heard and decided by a sole arbitrator. And any arbitration the value of which does not exceed ONE HUNDRED AND FIFTY THOUSAND DOLLARS (150 000 \$) will be decided on written submissions only, unless the arbitrator decides otherwise. In all other cases, the Arbitration Tribunal shall consist of three arbitrators. But in cases where the claim or counterclaim is not for an amount of money, the parties must agree on the cashable value of such a claim or counterclaim. Failing agreement on the cashable value, the Arbitration Tribunal shall consist of a sole arbitrator. The value of the arbitration refers to the value of the claim and/or of the counterclaim, with the exception of the interests and all the costs of arbitration enumerated further.

The law applicable to the substance of the affair is the Civil Law (Quebec). The rules of evidence and the rules of procedure of the arbitration are the ones contained in sections 2638 to 2643 inclusively of the Civil Code of Quebec and in sections 620 to 651 inclusively of the Code of Civil Procedure of Quebec, the Arbitration Tribunal keeping nevertheless, subject to the measures of public order, the power to waive a rule when he considers it convenient for the sole purpose of assuring a sound and effective dispensing of the evidence and the justice.

The language of the arbitration is [English, French or Spanish]. (Specify).

The locale of the arbitration is \_\_\_\_\_ [City, Country] \_\_\_\_\_. The sessions of arbitration will be held in \_\_\_\_\_ or in any place which may be determined from time to time by the Arbitration Tribunal, after consulting with the parties.

All the sessions of arbitration and the hearings of witnesses are held behind closed doors and all that is said or written during the process of arbitration is formulated under the cover of confidentiality and without prejudice, and is not admissible in evidence in a

procedure, be it either judicial or other. The arbitrators, the parties, their attorneys, their representatives and all the persons accompanying them shall preserve the confidentiality of the whole process of arbitration, of any arbitration award as well as of any document disclosed during the process of arbitration. However, nothing in the present covenant may compromise in any which way the right of the party who disclosed a document, to use it in any procedure, be it either judicial or other, when this party would have had in other respects the right to do so otherwise.

The Arbitration Tribunal must pronounce itself on the disagreement or dispute referred to it. And it will decide supremely in its arbitration award of the allotment of the costs of arbitration, which shall include all the fees, the wages, the expenses and the other costs of the arbitrator(s) and of the Arbitration Tribunal ; all the reasonable fees and disbursements of the expert(s) appointed either by the parties or the Arbitration Tribunal ; all the reasonable fees and disbursements of the attorneys or representatives of the parties ; all the costs of stenography or voice recording of the debates and of the transcriptions of these notes, if necessary ; the rental of hearing room and all other outlays or extrajudicial costs incurred by the arbitrator(s) in or for the exercise of their duties.

The confirmation of the arbitration award may not be petitioned to a State Court of Justice before the expiration of THIRTY (30) days from the date of the arbitration award.

#### WARNINGS :

The hereby presented arbitration clause contains a perfect compromissory clause generally recognized by all the State Jurisdictions where civil, commercial and corporate arbitration is allowed as alternate dispute resolution method [ADR / ARC].

It has also been adapted for application in Quebec in the case of civil dispute, commercial dispute or corporate dispute, as well as for a construction contract dispute.

The experienced reader shall however have to consult a legal counsel on the questions of civil arbitration, of commercial arbitration or of corporate arbitration before using the present arbitration clause to make sure that it suits perfectly to the mandate he wishes to entrust an arbitration tribunal with.

For more information on arbitration clauses, please refer to :

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