

ARBITRATION REGULATIONS OF THE COMMODITY EXCHANGE OF BOLOGNA / A.G.E.R.
(in effect from 1 September 2008)

Art. 1 – Application framework and nature of the arbitration

These Regulations govern the arbitration procedure set up at the Commodity Exchange of Bologna – in accordance with the General Regulations for the Commodity Market approved with Ministerial Decree on 17 April 1959 – for the settlement:

- of the disputes arising over or due to trading and contracts taken place and entered into by the Parties as per Article 2 below, and following the procedures envisaged therein;
- of all disputes that the parties refer by mutual consent to arbitration according to the procedure and rules stated in these Regulations regarding the interpretation and performance of contracts concerning the production, marketing, sale, supply, transport, processing, and transformation of grains, flours and meals, oleaginous seeds, legumes, seeds in general, animal feeds, fertilizers, and products and equipment connected with and related to the activities and products indicated above;
- of all disputes or all legal cases concerning the payment of amounts and fees owed in relation to the contracts indicated above.

The listing stated in this article is not obligatory, but given by way of example, since it is meant to comprise all the contractual relationships which, in various ways, arise in relation to – and due to the effect of – activities mentioned above.

The disputes covered in this article comprise all matters concerning the validity of the contract from which the dispute arises, and the matters concerning the validity of the Arbitration Deed or Arbitration Agreement or arbitration clause entered into by the Parties. The matters concerning the validity of the contract may not in any case invalidate the Arbitration Agreement signed on joining the AGER, *Associazione Granaria Emiliana Romagnola* (Grain Association of Emilia Romagna) or the Arbitration Deed signed by the Parties, or the arbitration clause signed by the Parties.

The arbitration governed by these regulations has an informal and negotiatory nature.

The management of the arbitration procedure envisaged by these Regulations is entrusted to the Associazione Granaria Emiliana Romagnola AGER, to which resolution No. 374 of 21 November 1960 of the Chamber Executive Board entrusted the management of the services of the Commodity Exchange of Bologna.

Art. 2 – Application

These Regulations apply to the contractual relationships and disputes:

A) among the AGER members (except for the explicit agreement to the contrary specified in Article 32 of the AGER charter), even if - during the drawing up of the contract giving rise to the dispute – either they have not made explicit reference to the Arbitration Agreement signed at the time of joining the AGER, or to these Regulations, or if they have not inserted an arbitration clause into the contract. In fact, these Regulations apply owing to and by virtue of the signing of the Arbitration Agreement by the Members on joining the AGER, an Agreement that determines the application of the Arbitration Regulations for the settlement of all disputes specified in Article 1 to all contracts drawn up among the Members, and thus determines for all intents and purposes the full and perfect application of and reference to these Arbitration Regulations.

B) between Members and Frequenters of the Commodity Exchange of Bologna, as well as among Frequenters, on condition that the contract agreement and/or the deal confirmation refers to the

AGER's conditions and/or these Arbitration Regulations, a reference that completes the full and perfect application of these Regulations. The aforesaid reference is valid and effective even if contained within a contract agreement and/or deal confirmation signed only by the broker, which the latter has transmitted to both Contracting Parties.

The broker has the power to insert the arbitration clause into the document of purchase and sale, thus binding the contracting parties to compliance in that it is a condition deriving from their own will, expressed by granting the broker the mandate for drawing up the purchase and sale contract.

C) among Contracting Parties that are neither AGER Members, nor Frequenters of the Commodity Exchange of Bologna, if there is an arbitration clause – signed by both Contracting Parties – inserted in the contract that expressly refers to the AGER's conditions and/or these Regulations;

D) among Contracting Parties who are neither AGER Members, nor Frequenters of the Commodity Exchange of Bologna, if there is an arbitration clause inserted in the contract that expressly refers to the AGER's conditions and/or these Regulations and the contract has been totally or partially performed by the Parties. With the performance, the Parties acknowledge and accept the arbitration clause contained in the contract;

E) among Contracting Parties who are neither AGER Members, nor Frequenters of the Commodity Exchange of Bologna, who sign an arbitration agreement that refers to the procedure governed by these Regulations.

In the case of disputes as per Article 2 a) above:

- the arbitrators appointed by the parties must be chosen from among the AGER Members; for this purpose the representatives under Art. 6 of the AGER Charter are also considered Members;
- the arbitrators appointed ex officio and third arbitrators must be chosen from among those included on the official List made up in accordance with the AGER Charter.

In all other cases:

- the arbitrators appointed by the parties must be chosen from among those included on an official List, prepared and updated by the AGER. Only AGER Members or Frequenters of the Commodity Exchange may request inscription on the List.
- the arbitrators appointed ex officio and third arbitrators must be chosen from among those included on the official List made up in accordance with the AGER Charter, approved yearly and supplemented as necessary by the Deputation.

Art. 4 – Establishment of the arbitration

The Party that intends to resort to the arbitration procedure must, within six months from the contractual delivery/pick-up deadline or from the arising of the dispute, send a communication to the other party, by registered letter with return receipt, expressing the intention to initiate the arbitration procedure if, within seven days from receipt of the aforesaid communication, no agreement is reached between the Parties with regard to said dispute.

During the six months following the above-indicated deadline, under penalty of cancellation, the Party intending to resort to arbitration must file, with the AGER Secretariat, the "Arbitration Deed", drawn up on the specific form attached to these Regulations and which constitutes, for all intents and purposes, an integral part thereof, or on another equivalent form, duly signed and containing the following information:

- a) the name, company name, and main address or domicile of the Parties;

- b) the contract(s) that gave rise to the dispute, with indication of the information necessary for identifying it/them;
- c) the questions to be submitted to the Arbitrators;
- d) the name and address of the Party's Arbitrator.

The Party that intends to resort to arbitration must also file with the AGER Secretariat a copy of the contract or contracts that gave rise to the dispute, as well as a copy of the registered letter and return receipt envisaged in the first paragraph.

If the aforesaid deadlines are not observed, the acting Party loses the right to resort to arbitration and act on its complaint.

The Party that intends to initiate the procedure must also put down a deposit of the amount set as an advance for expenses, as well as administration fees, set yearly by the AGER Board of Directors.

The AGER Chairman, or the person acting in his stead, following receipt of the Arbitration Deed, transmits a copy of the Arbitration Deed received, by registered letter with return receipt, to the Party with regard to whom the arbitration procedure is being initiated, requesting that the latter file, within 15 days from receipt, the Arbitration Deed signed and containing the information and elements stated above, as well as the amount for the advance for expenses and administration fees, set yearly by the Association's Board of Directors.

Art. 5 – Forming of the Board

The Arbitrators appointed by the Parties appoint, at the request of the Secretariat and by common agreement, the Third Arbitrator. If the appointed Arbitrators do not reach an agreement on the choice of the Third Arbitrator, said Third Arbitrator is appointed in accordance with Article 6 below.

Art. 6 – Ex-officio arbitration

If, in the disputes envisaged in Article 2, letters B), c), and d), the Party summoned does not appoint its Arbitrator by the deadline established under Article 4, the AGER Chairman, at the request of the Party concerned, sends the defaulting Party, by registered letter with return receipt, a communication requesting that the aforesaid Party appoint its Arbitrator, by the final deadline of 7 days from receipt of the communication, with the warning that, failing such appointment, it will be made ex officio.

If, even after sending the second request, the summoned Party does not appoint its Arbitrator, the AGER Secretariat transmits the dossier to the Exchange Deputation Chairman who, after ascertaining the existence of the requirements stated in Article 2, makes an ex-officio appointment of the other Party's Arbitrator, choosing him from the official List stated in Article 3.

The AGER Secretariat gives notification, within 15 days, of the appointment to the defaulting Party by registered letter with return receipt, also sent in copy to the Party concerned.

In this case the Party that requested the ex-officio procedure must pay the entire amount owed as an advance for expenses and administration fees.

The Exchange Deputation Chairman also appoints the Third Arbitrator if, under Article 5 above, it is impossible to reach an agreement between the Parties' Arbitrators with regard to the appointment of the Third Arbitrator.

In disputes between AGER Members stated in Article 2 a), the ex-officio appointment of the Party's Arbitrator or Third Arbitrator is entrusted, instead, to the AGER Chairman.

The Exchange Deputation Chairman and the AGER Chairman, when appointing the Party's Arbitrator or Third Arbitrator, exercise a power similar to that of the President of the Court as per Article 810 of the Italian Code of Civil Procedure in relation to binding arbitration procedures, and their appointment measure is binding and incontestable. When appointing the Party's Arbitrator or Third Arbitrator under this article, they act as representatives of the defaulting party, or of both parties in the event of failure to appoint the Third Arbitrator, by virtue of the impartiality, independence, and objectivity characterizing their role, which the parties expressly acknowledge. Therefore, the parties agree to recognize, anywhere and at any time, the full validity and effectiveness of the appointment made this way, and the full validity and effectiveness of the arbitration ruling made by the Board thus formed.

Art. 7 – Challenging of the Arbitrators

Arbitrators who have been involved in the deal giving rise to the dispute, whether as Vendor, Buyer, Broker, Receiver, or in any other role, or who may have any sort of permanent relationships of interest, kinship, or dependence with one of the parties involved, may not be appointed.

The parties have the right to challenge one or more Arbitrators, for serious and justified reasons.

The challenge request must be presented by the party recognizing the grounds for such action within 10 days from receipt of the communication of the appointment, or from the moment the reason justifying the challenge became known, filing it with the AGER Secretariat, giving an analytic and detailed indication of the reasons underlying the challenge.

The Exchange Deputation Chairman issues a final decision on the challenge request presented.

Art. 8 – Length of mandate

Following their appointment the Arbitrators may not withdraw from their mandate, except for well-grounded and justified reasons.

The Parties, once the Party's Arbitrator is appointed, may not revoke the appointment except for serious reasons that have occurred, and which must be notified promptly, by registered letter with return receipt, to the Exchange Deputation Chairman, who issues a final decision on whether or not to accept the revocation requested.

Art. 9 – Forfeiture of mandate

If one of the Arbitrators does not participate in three consecutive meetings without justified reason, he forfeits his mandate, and is replaced as per the following article.

Art. 10 – Replacement of Arbitrators

The replacement of one or more challenged or resigning Arbitrators, or Arbitrators whose mandate has been revoked, pursuant to the preceding articles, or Arbitrators who for any reason leave during the course of the Arbitration, or who are in any case unable to fulfil their mandate, is made by the Parties concerned, at the request of the AGER Chairman, within 15 days from receipt of said request.

If the Parties do not see to the replacement, steps are taken pursuant to Article 6 of these Regulations.

Art. 11 – Procedure and Powers of the Board of Arbitration

The procedure for the judgment is established by the Board of Arbitration, which sets, where necessary, the deadlines for the presentation of documents, correspondence, and evidence, in observance of the principle of hearing both sides.

The Board of Arbitration has the power to hear the broker of the contract causing the dispute, if there is one.

The Parties always have the right to be heard during the course of the procedure; for this purpose, the AGER Secretariat communicates, by telegram, the date set for the meeting of the Board of Arbitration for the examination of the dispute. Such communication may also be transmitted by fax, on condition that the receiving Party sends written confirmation of regular receipt of the communication to the AGER.

Art. 12 – Accesses of the Board. Sampling and experts' evaluations

If it is necessary to carry out a joint examination or sampling of the goods being disputed, the Parties must help the Arbitrators or their representatives in the regular and precise carrying out of these activities. If the Parties prevent, or in any way hinder, tests, samplings, and in general the acquisition of data and elements of significance for the inquiry, the arbitrators may draw elements from such conduct on which to base their decision.

The Arbitrators must file with the AGER, together with the arbitration ruling, the originals of the reports on the visits made and the certificates of the experts' evaluations and analyses performed or ordered from persons and/or the institution authorized for this purpose.

Art. 13 – Expenses for analyses and experts' evaluations

Any expenses for experts' evaluations or analyses are to be paid by the party that made the request, who must pay the above-said expenses in advance. The Arbitrators later determine, in their ruling, which Party must pay such expenses in the end.

Art. 14 – Arbitration ruling

The Arbitrators decide, *ex bono et aequo*, as representatives of the Parties and amicable compositors, and are thus exempted from any procedural formality, except for those envisaged by these Regulations. In the case of ex-officio procedure, the Arbitrators may also decide only on the basis of the question, the documents, and the evidence presented by the diligent Party.

Art. 15 – Duties of the Arbitrators and procedure expenses

The AGER serves as the Secretariat, for which it receives a fee equal to the fee set for the Parties' Arbitrators and the Third Arbitrator.

In the case of dispute between the Parties and the Arbitrators over the fee amounts, these are determined by the AGER Chairman, with a binding, final decision.

The Board of Arbitration may ask the Parties, through the Secretariat, to complete the amounts paid as advances, if the activity carried out justifies further payments.

Art. 16 – Transaction during the course of the procedure

If the Parties, during the arbitration procedure, reach a settlement of their dispute, at the simple request of the acting Party the Chairman, or the person acting in his stead, orders the case to

be closed. In this case, the Arbitrators acknowledge the settlement that has taken place and the amounts deposited remain acquired to cover the procedure expenses.

Art. 17 – Obligation to sign the Ruling

The Arbitrators make their decision after examination and discussion of all the questions posed by the Parties, the preliminary evidence acquired, and all other useful elements on which to base their decision. The reasons underlying the decision must be expressed clearly and completely in the Arbitration Ruling.

The Arbitrator, even if in disagreement, is in any case obliged to sign the Ruling.

If an Arbitrator refuses to sign the Ruling, or is unable to do so for reasons of force majeure, the other two Arbitrators mention the circumstance in the Ruling, which is intended in any case to be valid and binding for all intents and purposes.

Art. 18 – Deadline for issuing the Ruling

The Arbitrators must issue the Ruling by the deadline of 60 days from the date of communication to the Parties of the appointment of the Third Arbitrator. The Ruling is considered issued once it is signed as per Article 17.

On expiry of the above-said deadline, the AGER Chairman has the power to grant an extension, for a period of no more than 60 days, if he receives a justified request to do so, presented in writing before the expiry of the deadline for issuing the Ruling from the Board of Arbitration, or from both Parties with a joint request signed by both.

Art. 19 – Non-observance of the deadline for issuing the Ruling

If the Ruling is not issued by the set deadline or extended pursuant to Article 18, the procedure is closed.

The parties may request the initiation of a new procedure and the forming of a new Board of Arbitration, under the preceding articles, and on the basis of the Arbitration Agreement already filed.

Art. 20 – Filing of the Ruling and communication of the Secretariat. Completion of the expenses and fees owed.

The Ruling must be filed, in a number of original copies equal to the number of parties, plus another original for the Secretariat, with the AGER Secretariat within 10 days from the date it is issued.

The AGER asks the parties to pay any outstanding expenses and fees, by a deadline no more than 15 days later.

If one of the Parties neglects to pay the expenses and fees owed, the AGER asks the other Party to cover the outstanding amounts.

The Secretariat transmits, by registered letter with return receipt and after receipt of all payments requested, an original copy of the Ruling to all Parties, keeping its own original in its files.

A copy of the Ruling transmitted to the Parties is also given to the Arbitrators.

Art.21 – Secrecy of the decision

The Arbitrators are obliged to keep the contents of the discussions leading to their decisions secret, even with regard to the appointing Parties.

Art. 22 – Conduct obligations. Disciplinary measures

The Arbitrators, Parties, and those who have had a part in the disputed deal are obliged to observe these Regulations. This is in any case notwithstanding and without prejudice to all of the AGER's rights in relation to the obligations contracted by the Parties.

Art. 23 – Contestation of the Ruling

The Ruling issued at the end of the procedure envisaged by these Regulations is informal in nature, and the Arbitrators are considered and act for all intents and purposes as representatives of the Parties.

It is permitted to contest the Ruling under Article 24 below only if one or more Arbitrators accepted the assignment knowing they were in one or more of the situations stated in Article 7, or if the Arbitrators based their decision on evidence or documents acknowledged as false.

Art. 24 – Contestation procedure. Examination of the appeal. Suspension of the temporary application of the Ruling

The Ruling is contested with an appeal addressed to the Exchange Deputation, filed with the AGER Secretariat, indicating the reasons underlying the contestation.

The contestation of the Ruling may be presented by the Parties, or by one of them, within 10 days from the date of notification of the Ruling made in accordance with Article 20, if the Parties reside in Italy. The deadline is increased up to 30 days if the appealing Party resides outside of Italy.

After receiving the appeal, the Exchange Deputation appoints a Board of three members, including the Chairman who heads it, which decides on the acceptance of the appeal, after carrying out the necessary investigations, which the Board prepares with wide discretionary powers and methodological freedom.

The presentation of the appeal temporarily suspends the application of the Ruling, and must be accompanied by the payment of the expenses for the review procedure, set yearly by the AGER Board of Directors.

In the case of acceptance of the appeal, the Board declares the Ruling null and void, and instructs the Parties to appoint new Arbitrators within 10 days. These must be chosen exclusively from the List of the Arbitrators authorized to act as Third Arbitrators or Single Arbitrators, and they must not have taken part in any way in the procedure concluded with the Ruling declared null and void.

The new arbitration procedure takes place with the rules and according to the methods stated in these Regulations.

The new Ruling is not contestable for the purposes of these Regulations.

Art. 25 – Execution of the arbitration decision

Within 10 days from the date of notification of the Ruling, the parties are obliged to give the Ruling full execution, and to fulfil the obligations envisaged therein and those deriving from it.

With the exception of the contestation hypothesis described in Article 24 above, the Ruling is immediately effective and binding for the Parties. The Parties acknowledge that the amounts paid in the Ruling constitute a certain, liquid, and demandable credit.

For the parties who reside outside of Italy, the deadline is extended to 30 days.

Art. 26 – Request for application of disciplinary measures and sanctions

Once the deadlines stated in the preceding article have passed in vain, the diligent Party may ask the Association's Board of Directors:

- a) if the defaulting party is an AGER Member, to decide on the disciplinary measures envisaged by the Charter;
- b) in all cases, to report the non-fulfilment to the Exchange Deputation, so that it can arrange and apply the sanctions envisaged by Article 9, paragraph 3 of Law no. 272 of 20 March 1913, Article 20 of Royal Decree no. 1068 of 4 August 1913, Article 12 of the General Regulations for the Commodity Market approved with Ministerial Decree on 17 April 1959, the Internal Regulations of the Commodity Exchange of Bologna, and the law and regulatory provisions in force.

Notification, by registered letter with return receipt, of the measures taken is made to the Parties concerned, to the Chamber of Commerce of jurisdiction for the matters concerning it, to the sister Associations, and to the Members, by publication on the special Roll in the Trading Room.

(Approved with Chamber Board resolution No. 14 of 28 April 2003; approved with A.G.E.R. Board of Directors resolution of 29 May 2003)

(Amended with Chamber Board resolution No. 07 of 25 June 2007 and A.G.E.R. Board of Directors resolution of 21 December 2006)

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