

Fidelis Dispute Resolution Inc. Rules of Procedure

Parties who have elected to resolve disputes through Fidelis Dispute Resolution Inc. ("Fidelis" or the "Institute") agree to incorporate these rules (as amended from time to time by the Institute) into their arbitration agreement.

Parties adopting these rules covenant to use all reasonable efforts to try to resolve their dispute, minimizing the costs for all involved. Parties also covenant that, if they are unable to resolve their dispute, they will prosecute or defend the arbitration in good faith and attempt to minimize costs for all involved throughout the proceedings.

Article 1: Designation of Director; Designation of Arbitrators

(a) The Director of the Institute shall serve as the supervisor of the Institute and of all of its functions. When parties initiate arbitration or any other dispute resolution activity under the auspices of the Institute, including mediation or negotiation, the parties thereby appoint the Director, or the Director's designee, as the administrator of the proceeding.

(b) The obligations of the Director or designee shall be as prescribed in these Rules. Every obligation of the Director may be delegated to a designee at the discretion of the Director.

(c) The Institute shall select arbitrator(s) on a case-by-case basis. Arbitrators may include clergy, lay professionals, or other qualified individuals. There shall be no requirement that any panel include a Catholic arbitrator.

(d) The then-prevailing version of these Rules and any amendments thereto (as published on the Fidelis website) shall apply to every matter presented to the Institute for resolution. The parties shall be deemed to have incorporated these rules into their agreement to arbitrate.

(e) When a matter is brought to the Institute for resolution, the arbitrator or arbitrators shall be selected by the Institute. The Institute may, but is not required to, solicit non-binding input from the parties concerning the selection of arbitrators, as it deems appropriate. All arbitrators shall be neutral and subject to disqualification as set forth in these Rules.

Article 2: Jurisdiction of the Institute to Arbitrate

(a) The jurisdiction of the Institute to arbitrate a dispute shall arise when the parties have entered into a written agreement to submit the dispute to arbitration by the Institute.

(b) If a party fails or refuses to participate in the arbitration after having agreed to do so and after receiving reasonable notice of the proceedings, the arbitration may proceed in that party's absence.

(c) No award shall be made solely by reason of a party's failure to appear or participate. The tribunal shall require the attending party to submit such evidence as the tribunal deems necessary to support an award on the merits of the case.

(d) The tribunal shall have the power to rule on its own jurisdiction, including any objection concerning the existence, validity, effectiveness, or scope of (a) the arbitration agreement, or (b) a claim, counterclaim, set-off, or defense submitted in the arbitration. An arbitration clause that forms part of a contract shall be treated as an agreement independent of the other terms of the contract. A decision by the tribunal that the underlying contract is null, void, or nonexistence shall not by itself render the arbitration clause invalid. A

party shall raise any objection to the tribunal's jurisdiction as soon as reasonably practicable in the proceedings, and no later than a party's pleading. The tribunal may admit a later objection if it considers the delay justified under the circumstances.

Article 3: Choice of Law and Principles Governing Decision

(a) The parties shall be free to agree upon the governing law to be applied by the tribunal to the merits of the dispute.

(b) In the absence of such an agreement, the tribunal shall apply the rules of law it determines to be appropriate, taking into account the nature of the dispute, the expectations of the parties, and applicable principles of justice.

(c) In all cases, the tribunal may, but is not required to, consult and apply principles of Catholic moral teaching, Catholic social teaching, canon law, or the natural law, to the extent that such principles are relevant, consistent with the parties' expectations, and not contrary to applicable public policy--all as determined in the judgment of the tribunal.

(d) The tribunal may also take into account the common commercial practices of any relevant trade, profession, or community, to the extent the tribunal deems such practices appropriate.

(e) The tribunal shall endeavor to render an award that is just and equitable under the applicable law and consistent with the public policy of the jurisdiction in which enforcement of the award may be sought.

Article 4: Initiation of Arbitration

(a) Arbitration under these Rules may be initiated either:

- (i) pursuant to a pre-existing written agreement between the parties to submit disputes to arbitration before the Institute; or
- (ii) by a submission agreement executed by all parties after the dispute has arisen.

(b) Where arbitration is initiated pursuant to a pre-existing agreement, a party shall commence the proceeding by filing a written Demand for Arbitration with the Institute, accompanied by a statement of the matter in dispute.

(c) Where arbitration is initiated by Submission Agreement, the Submission Agreement shall include a statement of the matter in dispute to be resolved by the Institute.

(d) Unless the parties expressly provide otherwise, the tribunal shall be empowered to resolve all disputes between the parties that are related to the subject matter of the Demand for Arbitration or Submission Agreement, even if particular aspects of the dispute are not explicitly mentioned therein.

(e) At the time the Demand or Submission Agreement is filed, the party or parties initiating the arbitration shall concurrently submit to the Institute the required administrative fee in the amount prescribed by the Institute's current fee schedule. Full payment of this fee shall be required to initiate the proceeding.

Article 5: Number and Selection of Arbitrators

- (a)** Unless the parties agree otherwise, the Institute shall appoint a single arbitrator to hear and determine the dispute.
- (b)** In any case, the Institute may, in its discretion, direct that the dispute be heard and determined by a panel of three arbitrators if it determines that the circumstances of the case warrant a larger panel.
- (c)** If the parties have agreed that the dispute shall be heard by three arbitrators, or if the Institute directs that a panel of three arbitrators shall be appointed, the Institute shall appoint the three arbitrators.
- (d)** The Institute shall notify the parties of the appointment of the arbitrator(s). Upon such notification, the parties shall have a reasonable period of time, as set forth in Section 6 of these Rules, to challenge the neutrality of any appointed arbitrator.

Article 6: Disclosure and Challenge Procedure

- (a)** Any party may object to the appointment of an arbitrator on the grounds that the arbitrator has a bias, a financial or personal interest in the outcome of the arbitration, or a past or present relationship with any party that is likely to affect impartiality.
- (b)** Each person appointed to serve as an arbitrator shall, prior to appointment and throughout the course of the arbitration, disclose to the Institute in writing any circumstances that might give rise to justifiable doubts as to the arbitrator's impartiality or independence, including any potential bias, financial or personal interest in the outcome of the arbitration, or past or present relationship with any party.
- (c)** Upon receipt of such information, the Institute shall promptly inform the parties and, where appropriate, the arbitrator. Any party may, within the time period established by the Institute, submit an objection to the continued service of the arbitrator.
- (d)** The Director of the Institute shall decide whether the challenged arbitrator shall be disqualified. The Director's decision shall be final and not subject to further appeal within the Institute.
- (e)** An arbitrator who has a financial interest in any matter at issue in the arbitration shall be automatically disqualified.

Article 7: Vacancies

- (a)** If any arbitrator should be unwilling or unable to perform the duties of the office, the Director may declare the office vacant.
- (b)** Any vacancy occurring before the proceedings are closed shall be filled in accordance with the procedures for selection of arbitrators set forth in these Rules.
- (c)** If a replacement arbitrator is appointed, the tribunal, including the replacement arbitrator, shall determine in its discretion whether it is necessary to repeat any prior hearings or portions thereof.
- (d)** Any vacancy occurring after the proceedings have been closed shall not be filled, and the matter shall proceed to award unless the parties agree otherwise.

Article 8: Pre-Hearing Conference and Efficiency Measures

(a) At the request of any party, or in the discretion of the Director of the Institute, a pre-hearing conference may be scheduled to assist in the organization and efficient conduct of the arbitration.

(b) The purposes of a pre-hearing conference may include, without limitation:

- (i) arranging for the exchange of information between the parties;
- (ii) identifying and stipulating to uncontested facts;
- (iii) identifying relevant documents;
- (iv) identifying witnesses to be called; and
- (v) addressing any other matters that may serve to expedite or streamline the arbitration proceedings.

(c) The tribunal shall conduct the arbitration with due regard to the importance of reconciliation and the resolution of disputes by agreement between the parties where possible. At any stage of the proceedings, the tribunal may, in its discretion, invite the parties to consider settlement or reconciliation, and may order that the parties participate in a settlement conference or other appropriate procedure designed to facilitate such resolution.

(d) The tribunal shall have the discretion to take appropriate measures to ensure that the proceeding is efficient for all parties, taking into account the complexity and value of the dispute, provided that the parties are given a reasonable opportunity to present their case. Appropriate measures could include, for example, (i) conducting a remote hearing; (ii) issuing a non-reasoned award; (iii) the use of artificial intelligence tools for non-adjudicative tasks; (iv) limiting the length or content of submissions, witness evidence, or document production; (v) allocating costs or drawing adverse inferences to curb dilatory or disproportionate conduct.

Article 9: Time and Place of Hearing

(a) The Institute, or the tribunal once constituted, shall fix the time and place for each hearing and any other procedural meetings.

(b) The Institute or tribunal shall provide the parties with reasonable notice of the time and place of each hearing.

(c) In its discretion and as circumstances warrant, the tribunal may conduct hearings, and parties may present evidence, by means of video conference, teleconference, or other suitable means of communication, in whole or in part.

Article 10: Record

(a) The tribunal shall determine whether any hearing or portion thereof shall be recorded electronically or otherwise.

(b) Any party may request that an official transcript of any hearing or portion thereof be prepared by a court reporting service. The cost of such transcript shall be borne by the requesting party or parties, unless the parties agree otherwise.

Article 11: Interpreter

(a) Unless otherwise agreed by the parties and approved by the Institute, all hearings shall be conducted in English.

(b) Any party may request that an interpreter be provided for the benefit of one or more parties or witnesses. The requesting party or parties shall bear the cost of such interpreter services unless the parties agree otherwise.

Article 12: Representation

(a) Any party may be represented in the arbitration by counsel (or by another representative of the party's choice, with the permission of the tribunal).

(b) A party may claim the right to representation at any time with respect to any portion of the arbitration that has not yet occurred.

(c) A party that appears at any hearing without a representative shall be deemed to have waived the right to representation for that hearing only.

(d) The tribunal shall have the authority to take such steps as it deems necessary to ensure that the arbitration is conducted in a fair, orderly, and efficient manner, including regulating the conduct of party representatives.

Article 13: Attendance at Proceedings

(a) Unless required by applicable law, the proceedings shall be open to the public unless the tribunal finds good cause for excluding such persons.

(b) Each party and its representatives shall be entitled to attend all hearings and other proceedings.

(c) The tribunal shall have discretion to determine whether any other persons may attend all or any part of the proceedings.

(d) The tribunal shall also have discretion to determine whether any witnesses, other than parties or their representatives, shall be excluded from attending proceedings during the testimony of other witnesses.

Article 14: Recess

The tribunal shall have discretion to recess or adjourn any hearing or other proceeding as it deems appropriate, taking into account the circumstances of the case and the interests of the parties.

Article 15: Oaths

(a) Arbitrators shall not be required to take an oath.

(b) The tribunal shall have discretion to require that any witness testify under oath or affirmation. The absence of such a requirement shall not affect the admissibility or weight of the testimony.

Article 16: Order of Proceedings

The tribunal shall have discretion to determine the order and manner in which the parties shall present their claims, defenses, evidence, and arguments.

Article 17: Arbitration in the Absence of a Party

If a party, after receiving reasonable notice of the arbitration proceedings, fails to appear or otherwise participate, the tribunal may proceed in that party's absence. No award shall be made solely by reason of a party's failure to appear or participate. The tribunal shall require the attending party to present such evidence as the tribunal deems necessary to support an award on the merits of the case.

Article 18: Evidence

(a) The tribunal shall have discretion to determine the admissibility, relevance, materiality, and weight of all evidence offered. Conformity to legal rules concerning the taking of evidence shall not be required.

(b) The tribunal may require the parties to produce such documents or other evidence as it deems necessary. Where permitted by applicable law, the tribunal may issue subpoenas or similar orders to compel the production of evidence or the attendance of witnesses.

(c) Evidence shall generally be presented in the presence of all parties and the tribunal, unless a party defaults or waives the right to be present.

(d) The tribunal may, on its own initiative, seek additional testimony or documents that it considers relevant, provided that the parties are afforded an opportunity to participate in and respond to such inquiries.

Article 19: Evidence in the Form of Witness Statements

The tribunal may receive the evidence of witnesses in the form of affidavits or written statements. The tribunal shall determine the weight to be given to such evidence.

Article 20: Investigation

The tribunal may decide, in its discretion, to conduct inspections of property, goods, or documents relevant to the dispute, in such manner as it considers appropriate. The parties shall be given reasonable notice of any such inspection and shall be permitted to attend or to submit comments regarding the inspection.

Article 21: Interim Measures

The tribunal may, at the request of a party or on its own initiative, order any interim or conservatory measure it deems appropriate to preserve property or safeguard rights that are the subject of the arbitration. Any such measure shall be without prejudice to the final determination of the merits of the dispute.

Article 22: Closing of Proceedings

The tribunal shall declare the proceedings closed when it is satisfied that the parties have had a reasonable opportunity to present their cases and that the record is complete. The tribunal may, at its discretion, reopen the proceedings at any time before the award is rendered.

Article 23: Oral Hearings and Waiver

The tribunal shall have discretion to determine whether any oral hearing shall be held or whether the arbitration shall proceed on the basis of documents and written submissions only.

In making this determination, the tribunal shall ensure that each party is given a reasonable opportunity to present its case.

Article 24: Communications with Tribunal; Service of Process

(a) No party or anyone acting on behalf of a party shall have any ex parte communication with any arbitrator concerning the arbitration.

(b) Unless otherwise permitted by the tribunal, all communications by a party with the tribunal shall be made through the Institute or in a manner directed by the tribunal.

(c) Unless otherwise agreed by the parties or directed by the tribunal, any notices, documents, or other communications required or permitted under these Rules may be served by email, mail, courier, personal service, or any other means of communication that provides a record of delivery.

Article 25: Decision and Timing of Award

(a) Unless otherwise agreed by the parties or directed by the Director or the tribunal, any award shall be made by a majority of the arbitrators.

(b) The tribunal shall endeavor to render its award as promptly as practicable after the close of the proceedings, taking into account the nature and complexity of the case.

(c) The tribunal, in consultation with the Director as appropriate, may establish deadlines for the rendering of the award and may extend such deadlines at its discretion.

Article 26: Form of Award

The award shall be in writing and shall be signed by the arbitrator(s). Unless otherwise agreed by the parties or directed by the tribunal, the award shall be rendered in English. Whether to provide reasons for the award shall be within the discretion of the tribunal, unless otherwise agreed by the parties. The award shall be executed in any manner required by applicable law.

Article 27: Scope of Award

The tribunal shall have broad discretion to grant any remedy or relief it deems just and equitable, including without limitation specific performance, injunctive relief, or monetary damages. The tribunal may, in its discretion, issue interim or partial awards.

Article 28: Award upon Settlement

If the parties settle their dispute during the arbitration, the tribunal may, at its discretion and upon the request of the parties, record the terms of the settlement in an award.

Article 29: Delivery of the Award

The award shall be delivered to the parties in any manner prescribed or permitted by applicable law.

Article 30: Modification of Award

(a) Within twenty (20) days after the delivery of the award to the parties, any party may request the tribunal to correct any clerical, typographical, or computational error, or any error in the form of the award.

(b) The tribunal may also correct any such error on its own initiative within twenty (20) days after the delivery of the award.

(c) Any correction made pursuant to this Section shall be issued in writing and shall become part of the award.

Article 31: Application to a Court

(a) The parties shall be deemed to have consented that judgment upon the award may be entered in any court of competent jurisdiction.

(b) The parties shall be deemed to have consented that neither the Institute nor any arbitrator shall be liable to any party in any action for damages or injunctive relief for any act or omission in connection with the arbitration conducted under these Rules.

(c) No arbitrator shall be deemed a necessary party to any judicial proceeding relating to the arbitration.

Article 32: Fees

(a) The Institute shall prescribe a fee schedule applicable to proceedings conducted under these Rules.

(b) The parties shall be required to make advance payments of fees, as determined by the Institute, prior to the commencement of the arbitration and as may be required during the course of the arbitration.

(c) If any party fails to pay the required fees, the Institute may suspend or terminate the proceedings unless another party advances the unpaid amounts.

(d) The tribunal shall have discretion to allocate fees and costs among the parties in the final award.

Article 33: Expenses

(a) Unless otherwise determined by the tribunal, each party shall bear its own legal and other costs, including the costs of its own witnesses.

(b) The tribunal shall have full discretion to allocate all other costs and expenses of the arbitration, including the fees and expenses of the tribunal, the administrative fees of the Institute, and the costs of any expert or other assistance engaged by the tribunal or the parties, in the final award.

Article 34: Deposits

The Institute may require the parties to deposit in advance such sums as it deems necessary to cover the costs and expenses of the arbitration.

Article 35: Waiver

A party who proceeds with the arbitration with knowledge that any provision or requirement of these Rules has not been complied with, and who fails to state an objection in writing in a timely manner, shall be deemed to have waived the right to object, unless otherwise provided by applicable law or these Rules.

Article 36: Interpretation of these Rules

The tribunal shall interpret and apply these Rules insofar as they relate to the conduct of the arbitration and the powers of the tribunal or any individual arbitrator in the proceeding.

The Director of the Institute shall interpret and apply these Rules insofar as they relate to the powers and responsibilities of the Institute and its administration of the arbitration.

Last revised: August 1, 2025