

World Mediation Center Mediation Rules

(Effective from 1 January 2020)

World Mediation Centre

The World Mediation Centre (“the WMC”) was established in 2019 to assist parties to resolve their disputes through mediation methods administered or assisted by a neutral. The WMC is sponsored by business and law professionals and it is completely independent of any administrative agency. The WMC may accredit persons with appropriate qualifications as mediators. A settlement agreement reached through mediation administered by the WMC or a mediation statement recorded by the WMC mediator(s) is binding on the parties and enforceable within the scope permitted by law.

Model Mediation Clause

The World Mediation Centre (“the WMC”) recommends the following mediation clause to the parties who are interested in using the WMC mediation services. The clause may be incorporated into the underlying contract prior to the occurrence of dispute, or made by the parties after the dispute arises.

“Mediation

The parties shall endeavor to resolve amicably by negotiation all disputes arising out of or in connection with this contract, including any question regarding its existence, validity, interpretation, performance, breach or termination. If the dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute by mediation administered by the World Mediation Centre (the WMC), a permanent mediation institution registered and established in Hong Kong, under the WMC Mediation Rules in force when the Notice of Mediation is submitted.

If no settlement agreement reached within three months after commencement of the mediation process, either party may resort to arbitration.

The seat of mediation shall be Hong Kong.

The number of arbitrators shall be one (or two).

The mediation proceedings shall be conducted in English or Chinese.

The mediation documents shall be served upon the parties through the following email addresses:

Party A’s email..., Party B’s email..., Party C’s email...”

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Chapter I General Provisions

Article 1 WMC Rules

The Mediation Rules of the World Mediation Centre (“the WMC Rules”) are formulated by the World Mediation Centre. For convenience, the WMC Rules are referred to hereinafter as “the Rules”.

Article 2 Mediation

Mediation conducted under the Rules means a process that, under the condition that the parties are voluntary thorough the entire proceedings, one or more neutrals ("mediators") selected in accordance with the Rules make effort to assist the parties in negotiation to reach a settlement of dispute.

Article 3 Purpose and Principles of Mediation

Mediation shall follow the principle of voluntariness, take into account of the relevant facts and rules of law, refer to international practices, promote the parties mutually understand and mutually concede so as to reach a fair and reasonable settlement.

Article 4 Application of the Rules

1. If the parties wish to settle their dispute by friendly negotiation and have agreed to adopt the Rules in their contract or agreement, the Rule applies to the existing or future disputes between the parties.
2. If one party submits an application for mediation to the World Mediation Centre ("the Centre"), and the other party agrees to mediation by the Centre, the parties shall be deemed to agree to the application of the Rules.

3. The parties may agree to change whole or part of the Rules at any time.

Article 5 Service

1. Where the parties have agreed upon the means of service, such agreement shall prevail.
2. Unless otherwise agreed by the parties, all written documents, notices and materials in relation to the mediation may be delivered in person or sent by mail, fax, email, any other means of electronic data interchange that can provide a record of delivery, or by any other means the Centre considers appropriate.
3. Any mediation document, notice or material sent by the Centre to a party or its representative shall be deemed to have been properly delivered if:
 - (1) it is delivered to the recipient's email address; or
 - (2) it is delivered to the place of business, domicile, place of residence, address indicated on household registration or on the identification card, address confirmed with the Centre orally or in writing, any effective address for external use, address provided in the parties' agreements or any other address deemed appropriate by the Centre;

Chapter 2 Commencement of the Mediation Process

Article 6 Application for Mediation

1. Any party may apply to the Centre for mediation, regardless of whether there is an agreement to submit mediation beforehand between the parties.
2. If one party applies for mediation, it shall submit a mediation application to the Centre. The mediation application should contain a brief description of the facts of the dispute, the amount of the dispute (if any), the relief or compensation sought, and valid contact details of the parties to the dispute or their agents. If a party entrust an agent to participate in the mediation, it shall submit a power of attorney to the Centre.

Article 7 Acceptance of the Application

1. After receiving the mediation application, the Centre shall promptly notify the other party. The other party shall confirm in writing whether it agrees to participate in the mediation within 10 days from the date of receipt of the application for mediation;
2. After the parties have confirmed to the Centre that they agree to participate in the mediation and pay deposit of the mediation fee in accordance with Article 25 of the Rules, the mediation process shall commence. The Centre shall promptly send the notice of mediation, the mediation rules and Panel of Mediators to the parties.
3. After receiving the Centre's notice of mediation, each party to the dispute and its agent must exchange their names, addresses, telephone/fax numbers and email addresses, and send such information to the Centre.

Article 8 Place of Mediation

The mediation is conducted at the place where the Centre is located or any other place agreed by the parties.

Chapter 3 Mediator(s)

Article 9 Number of Mediators

The number of mediators shall be one unless the parties agree that the number of mediators shall be two or more.

Article 10 Panel of Mediators

1. The Centre maintains a Panel of Mediators which is for reference by the parties and the Centre when designating mediators.
2. The parties and the Center may designate a mediator from within or from outside of the Panel of Mediators.
3. Where the parties designate mediator(s) from outside the Panel of Mediators, the designated mediator(s) must be subject to confirmation by the Centre before they can serve as mediator(s). If the Centre refuses to confirm a mediator candidate, it shall notify the party designating the mediator to reappoint a mediator within 10 days for

confirmation by the Centre.

Article 11 Appointment of Mediator(s)

1. Where the number of mediators is one, the parties to the dispute shall jointly designate a mediator and notify the Centre of his/her name within 10 days after receiving the notice of mediation sent out by the Centre, or jointly entrust the Centre to appoint a mediator. If the parties fail to jointly appoint or jointly entrust the Centre to appoint a mediator within this time period, the Centre shall appoint a mediator to mediate the case.
2. If the parties agree that the number of mediators is two, the parties to the dispute shall each designate a mediator and notify the Centre of their names within 10 days after receiving the notice of mediation sent out by the Centre. Either party can also entrust the Centre to appoint a mediator on its behalf within that time period.
3. Where the parties agree that the number of mediators is three or more, unless the parties have otherwise specifically agreed on the procedure for the appointment of the mediators, the Centre shall appoint all mediators.
4. When the Center appoints a mediator, it shall consider the expertise, experience, independence, impartiality and time availability of the mediator in the light of the facts of the case. Where necessary, consideration should also be given to whether the nationality of the mediator should be different from the nationalities of the parties.

Article 12 Disclosure by the Mediator(s)

1. A mediator confirmed shall promptly disclose to the Centre and the parties any circumstances that may affect his/her independence and impartiality in conducting mediation.
2. A mediator shall, during the entire process of mediation, disclose to the Centre and the parties, without delay, any circumstances described in paragraph (1) above (if any).
3. After receiving the information disclosed by the mediator, the Centre shall immediately notify the parties and solicit their opinions. If any party requests the

mediator to withdraw within 7 days and the reasons are justified and reasonable, the Centre shall appoint another suitable mediator to substitute the removed mediator.

Article 13 Replacement of Mediator(s)

If a mediator is unable to perform, unable to continue performing or is unfit to perform his/her duties, the mediator shall be re-appointed in accordance with the provisions of Article 11 or Article 12 of the Rule, unless otherwise agreed by the parties.

Chapter 4 Conduct of Mediation

Article 14 Time Limit of Mediation

1. The parties may agree on the time limit for mediation.
2. After obtaining the consent of the parties, the mediator may also determine the time limit of mediation.
3. If the time limit of mediation has not been fixed, a mediator must start the mediation work as soon as possible, and make every effort to end the mediation within 45 days after he/she is appointed. Unless the parties agree in writing, the term of office of a mediator shall not be extended for more than three months.

Article 15 The Ways of Mediation

1. After considering the circumstances of the case, the wishes of the parties and the need to resolve the dispute promptly, the mediator(s) may conduct mediation in a manner they consider appropriate.
2. The ways of mediation include, but are not limited to:
 - (1) After the mediation process commences, the mediator(s) may meet with the parties and their agents individually or collectively to conduct mediation;
 - (2) In the process of mediation, the mediator(s) may work separately or jointly after consultation with the parties;
 - (3) During the process of mediation, the mediator(s) may ask the parties to put

forward written or oral suggestions or proposals for settlement;

(4) In the process of mediation, the mediator(s) may use facilitation, evaluation or other methods that the mediator(s) consider appropriate to conduct the mediation;

(5) In the process of mediation, the mediator may make suggestions to the parties to settle the dispute according to the situation they have grasped and pursuant to the principle of fairness and reasonableness.

Article 16 Responsibilities of the Parties

1. The mediator may liaise with all parties or any of the parties, including convening private meetings. Each party shall cooperate with the mediator(s). The parties may request to meet with the mediator(s) at any time. The parties shall fully assist in the mediation so that the mediation can be completed within the prescribed time limit.

2. The parties shall participate in mediation in good faith. The representatives or agents involved in the mediation of the parties shall have all the necessary powers for settlement or be accompanied by persons with the aforementioned powers for the settlement.

Article 17 Information Disclosure

When a mediator receives information about a dispute from a party, he/she may disclose the substance of that information to any other party to the mediation. However, if a party provides any information to the mediator with specific condition that it must be kept confidential, that information must not be disclosed to any other party.

Article 18 Confidentiality

1. Unless otherwise agreed by the parties, mediation shall be conducted in private.

2. Mediator(s), the parties, the parties' agents, the staff of the Centre and other persons involving in the mediation process shall have the obligation to keep confidential the mediation matters, unless otherwise agreed by the parties, otherwise required by laws and regulations, or otherwise required for execution or enforcement

of the settlement agreement.

Article 19 Termination of Mediation

The mediation process shall come to end in any of the following circumstances:

- (1) Upon the signing of a settlement agreement by the parties;
- (2) Upon the decision of the mediator(s) to terminate mediation in their opinion further attempts at mediation are no longer justified;
- (3) Upon written notification by any party to the Centre that the mediation is terminated;
- (4) The time limit of mediation expires; or
- (5) Any other circumstances that warrant the Centre to terminate the mediation.

Chapter 5 Settlement Agreement

Article 20 Settlement Agreement

1. If a settlement agreement is reached through mediation, the parties shall sign or seal the settlement agreement.
2. At the request of the parties, the mediator(s) may also sign the settlement agreement in witness of the parties' reaching a settlement agreement.
3. At the request of the parties, the mediator(s) may also make a mediation statement based on the content of the settlement agreement. The mediation statement shall be signed by the parties and the mediator(s) and it takes effect after it is served on the parties.

Article 21 Evidence Showing That the Settlement Agreement Results From Mediation

For the purpose of enforcement of a settlement agreement, the following materials may be deemed as evidence showing that the settlement results from mediation:

- (1) The mediator's signature on the settlement agreement;

- (2) A mediation statement or other document signed by the mediator(s) indicating that the mediation was carried out;
- (3) An attestation by the Centre that it administered the mediation.

Chapter 6 Supplementary Provisions

Article 22 Mediator's Role in Subsequent Proceedings

The parties undertake that the mediator shall not be appointed as adjudicator, arbitrator or representative, counsel or expert witness of any party in any subsequent adjudication, arbitration or judicial proceedings whether arising out of the mediation or any other dispute in connection with the same contract. No party shall be entitled to call the mediator as a witness in any subsequent adjudication, arbitration or judicial proceedings arising out of the same contract.

Article 23 Exclusion of Liability

The parties jointly and severally release, discharge and indemnify the mediator and the Centre in respect of all liability whatsoever, whether involving negligence or not, from any act or omission in connection with or arising out of or relating in any way to any mediation conducted under the Rules, save for the consequences of fraud or dishonesty.

Article 24 Combination of Mediation and Arbitration

If the parties have reached a settlement agreement through mediation and are willing to record the content of the settlement agreement in the form of an arbitral award, any party may, upon an agreement that refers to arbitration administered by the World Arbitration Centre, apply to the World Arbitration Centre for arbitration in accordance with its arbitration rules prevailing at the time of application so as to make an arbitral award quickly based on the content of the settlement agreement.

Article 25 Fees and Expenses

1. The parties shall prepay the mediation fee according to the Mediation Fee Schedule within 5 days from the date of receiving the notice of prepayment of mediation fee sent out by the Centre. The mediation fee shall be paid in advance by the applicant, and if the parties agree to pay in advance in proportion, their agreement shall prevail.
2. Unless otherwise agreed, each party shall bear its own costs regardless of the outcome of the mediation. All other costs and expenses shall be borne equally by the parties and the parties shall be jointly and severally liable to pay to the mediator(s) such costs, including:
 - (1) the mediator's fees and expenses;
 - (2) expenses for any witness or expert advice or opinion requested by the mediator with the consent of the parties; and
 - (3) any administrative costs in support of the mediation including Centre's costs.
3. The mediator(s) may at any time during the mediation require the parties to make deposits to cover any anticipated fees and expenses and suspend the process until such deposit is made.
4. If the mediation is unsuccessful, after deducting the actual expenses incurred during the mediation process (including the Centre's administrative, remuneration of the mediator(s), travel expenses, etc.), the surplus funds deposited shall be returned to the parties at the conclusion of the mediation .

Article 26 Entry into Force and Interpretation of the Rules

1. The Rules shall come into effect on January 1, 2020.
2. The power of interpreting of the Rules is vested to the World Mediation Centre.

Appendix:

Mediation Fee Schedule

Sum in Dispute (HKD)	Administration Fees (HKD)	Mediator's Fees of All Members (HKD)
Up to (and including) 500,000	4,000	10,000
From 500,000 to (and including) 1 million	4,000 + 1.3% of the sum over 500,000	10,000 + 3% of the sum over 500,000
From 1 million to (and including) 5 million	10,500 + 1% of the sum over 1 million	25,000 + 2.8% of the sum over 1 million
From 5 million to (and including) 10 million	50,500 + 0.8% of the sum over 5 million	137,000 + 2.5% of the sum over 5 million
From 10 million to (and including) 50 million	90,500 + 0.6% of the sum over 10 million	267,000 + 2.1% of the sum over 10 million
From 50 million to (and including) 100 million	330,500 + 0.4% of the sum over 50 million	1,102,000 + 1.5% of the sum over 50 million
From 100 million to (and including) 300 million	530,500 + 0.2% of the sum over 100 million	1,852,000 + 0.7% of the sum over 100 million
From 300 million to (and including) 500 million	930,500 + 0.075% of the sum over 300 million	3,252,000 + 0.2% of the sum over 300 million
Over 500 million	Capped 1,085,000	Capped 3,652,000

Notes:

1. If the disputed amount is not fixed when applying for mediation or the circumstances are special, the World Mediation Centre shall determine the amount of mediation fee.
 2. The mediation fee includes the daily administrative fee of the Centre and the remuneration of the mediator(s). The Centre's administrative fee includes: staff service fee, postage fee, communication fee, venue use fee, facilities use fee, and other expenses for mediation.
 3. If the parties request to inspect on site and the mediator(s) also consider it necessary, the actual expenses such as accommodation and transportation expenses of the mediator(s) shall be separately charged to the parties according to a reasonable fee standard.
- If the parties and the mediator(s) have agreed otherwise on the remuneration of the mediator(s), such agreement shall prevail.