CLDP
COMMERCIAL LAW DEVELOPMENT PROGRAM

المركز السعودي للتحكيم التجاري
Saudi Center for Commercial Arbitration

منافسات التحكيم التجاري الطلابية
SCCA Arabic Moot

SCCA Arabic Moot Program

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Organized By:

Saudi Center for Commercial Arbitration

The Case

Version no. (1)

1 September 2019

Saudi Center for Commercial Arbitration
8th Floor, 7982 King Fahd Branch Road - Almutamarat
Postal code: 12711 - 4183
Riyadh, Saudi Arabia
Telephone: +966 920003625

1 April 2019

To: Professor Yousif Ibrahim

On behalf of my client, **Advanced Robotics Ltd.**, we are requesting arbitration under Article 4 of the Saudi Center for Commercial Arbitration's arbitration rules. Enclosed with this letter is a copy of the power of attorney to represent Advanced Robotics Ltd. in arbitration proceedings.

Copies of the request for arbitration has been sent to SCCA and to the respondent, and the required registration fees have been paid.

The Claimant merely seeks payment of its contractual entitlements.

Sincerely,

Turki Abdulhakim

cc:
Grendizer for Automatic Equipment LLC

Annexes:
The request for arbitration with its annexes
Power of attorney (not attached)
Proof of sending the arbitration request to the respondent - expedited delivery (not attached)
Copy of the registration fees payment receipt (not attached)

Request for Arbitration

(Under Article 4 of the Saudi Center for Commercial Arbitration

arbitration rules effective as of 31 July 2016)

Advanced Robotics Ltd

("Claimant")

v.

Grendizer for Automatic Equipment LLC

("Respondent")

1. Introduction

1. Advanced Robotics Ltd **("Advanced Robotics"** or **"the Claimant"**) submits this request for arbitration (**"the Arbitration Request")** in accordance with Article 4 of the Saudi Center for Commercial Arbitration's arbitration rules of July 2016 (**"the Arbitration Rules"**) against Grendizer for Automatic Equipment LLC (**"Grendizer"** or **"the Respondent"**).
2. The Arbitration Request concerns the Claimant's claim for the Respondent to pay the third payment due pursuant to the 15 March 2018 contract to design, manufacture, supply, and sell automatic products (**"the Contract"**).
3. The Arbitration Request is divided into nine parts as follows:
    (a) Section **2** introduces the parties to the dispute.
    (b) Section **3** summarizes the subject of the Contract.
    (c) Section **4** addresses the facts of the dispute.
    (d) Section **5** addresses the arbitration agreement.
    (e) Section **6** addresses the applicable law.
    (f) Section **7** addresses procedural matters.
    (g) Section **8** addresses the formation of the arbitral tribunal.
    (h) Section **9** covers the Claimant's requests.

2. The Parties and Their Representatives

a) **Claimant**

4. The Claimant is a global leader in the field of robot manufacturing. Its head office is in Somerville, Somer, United States of America.
5. Claimant's contact information:

Postal address
48-69 Somerville Drive
Somerville 02143
USA
advancedrobotics@ar.com

b) **Claimant's representative**

6. The Claimant is represented in this dispute by the office of Counsellor Turki Abdulhakim in association with Will & Smith LLP. Contact information for the Claimant's representative:

Postal address

Emaar Tower
30th Floor
P.O. Box 20765
Riyadh
Kingdom of Saudi Arabia

Turki Abdulhakim
Turki.abdulhakim@willsmithlaw.com
John Will
John.will@willsmithlaw.com

c) **Respondent**

7. The Respondent is a limited liability company incorporated on 7 March 2004 in accordance with the law in force in the Kingdom of Saudi Arabia ("KSA"). It is one of the largest importers of advanced electronic devices in KSA.

8. Respondent's contact information:

Postal address
Grendizer for Automatic Equipment LLC
Al-Ta'awun Tower, 48th Floor
P.O. Box 67380
Riyadh
Kingdom of Saudi Arabia
info@grendizer.com

3. The Contract

9. This dispute concerns the Contract whereby the Claimant agreed to design, manufacture, and supply to the Respondent 1,000 robots capable of performing household cleaning work. The final delivery of the products to the Respondent was to take place within 14 months of the Contract's signing.

4. Facts of the Dispute

10. Pursuant to Article 4(3)(e) of the Arbitration Rules, the Claimant hereunder provides a description of its claim and the facts supporting it.

11. Several companies that are global leaders in their fields participated in KSA's Future Investment Initiative conference (**"the Conference"**) in October 2017, seeking investment opportunities in KSA. During the Conference, discussions took place between the Claimant and the Respondent.

12. The Respondent indicated its desire to purchase the Claimant's latest product, the Sofia 600 model robot **("the Product"** or **"the Products"**), which can perform household cleaning tasks. The two parties reached a preliminary agreement on the deal during the Conference.

13. Negotiations took place between the Claimant, represented by Mr. Brad Pitt, the company's CEO, and the Respondent, represented by Mr. Nasser Abdullah, the company's director. In those negotiations, the two parties discussed the capabilities of the Product to be supplied by the Claimant. The Respondent asked at the time about the potential for the Product to cook as one of its household tasks. Mr. Brad Pitt explained that the Products can be programmed to cook, but this would require additional programming and therefore an additional cost to the Respondent (Claimant Exhibit 1).

14. The Parties concluded a contract on 15 March 2018 (**"the Contract"**) (Claimant Exhibit 2) in which they agreed that the Claimant would manufacture the Products to perform household cleaning tasks excluding cooking. The Claimant committed to deliver the Products to the Respondent by 30 October 2018 (**"the Original Delivery Date"**) in consideration of USD 100 million (**"the Price"**), to be paid as follows:

    a) USD 50 million upon Contract signing (**"First Payment"**)
    b) USD 30 million upon the completed delivery of the Products (**"Second Payment"**)
    c) USD 20 million (**"Third Payment"**) after the Product passes quality tests and is approved by Grendizer.

15. The Respondent paid the First Payment of the sale Price in the amount of USD 50 million upon signing the Contract.

16. About a month after the Contract was concluded, on 30 April 2018, the Respondent contacted the Claimant with a request to amend the robot's specifications by adding a cooking feature to the household cleaning feature (Claimant Exhibit 3), whereby Mr. Nasser Abdullah sent an email to the Claimant's CEO, Mr. Brad Pitt, asking about the possibility of adding a cooking feature to the robot.

17. Mr. Michael Douglas, the vice president of Advanced Robotics for the Middle East and North Africa, responded to Mr. Nasser Abdullah's email because the CEO, Mr. Brad Pitt, was absent on a business trip followed by his annual holiday. Although Mr. Michael Douglas was not familiar with the Contract and was not present for the Parties' negotiations, he said the change could be made, based on his general knowledge of the Product, especially because the Claimant's engineers had not yet begun designing the robot subject of the Contract (Claimant Exhibit 4).

18. It was agreed that some amendments would be made to the technical specifications. Due to Mr. Brad Pitt's absence, Mr. Douglas signed an addendum to the Contract on 15 May 2018 to add the cooking feature to the Products (**"the Addendum"**) (Claimant Exhibit 5) and extend the delivery date to 1 December 2018 (**"the Amended Delivery Date"**).

19. Mr. Douglas also agreed that the requested amendments would be implemented without consideration, for the sake of strengthening the commercial relationship between the Claimant and the Respondent and with a view to signing similar contracts with the latter in the future. In addition, Mr. Douglas mentioned that this amendment would not substantially increase the manufacturing costs and stated that the cooking is a household task. Mr. Nasser Abdullah agreed to this despite knowing that programming the cooking feature has its own cost, based on his discussion with Mr. Brad Pitt before signing the Contract.

20. After the Claimant delivered all the Products to the Respondent on 1 December 2018 (the Amended Delivery Date), the Claimant paid USD 30 million as the Second Payment.

21. On 15 January 2019, Mr. Nasser Abdullah contacted Mr. Brad Pitt to complain that the Products failed to perform the agreed work, in particular the cooking feature. He stated that the Products were unable to cook Saudi dishes. Mr. Brad Pitt was surprised that Mr. Nasser's letter mentioned that the Claimant had agreed to program the cooking feature, when the Parties did not agree to that in the Contract. Mr. Brad Pitt asserted that the Addendum was not valid given that he was not the one to sign it himself, because he alone has exclusively authority to sign contracts for the Claimant, in addition to the fact that this was agreed to in the Contract.

22. Mr. Brad Pitt added that despite the Addendum being inoperative, the Products were in fact fully able to successfully perform household tasks and to cook as well. The

mere fact that the Products were unable to cook Saudi dishes has no bearing on the Product's quality and craftsmanship.

23. Although the Claimant fulfilled its contractual obligations, the Respondent refused to pay the Third Payment, alleging that the Product failed to pass the quality division's test because the Product was unable to cook local Saudi dishes.

24. The Respondent refused to pay the Third Payment and requested that the Claimant repair the Products as soon as possible. The Claimant rejected this request, particularly because the cooking feature was added at no cost to the Respondent and because the Products were actually able to cook. That the Products did not cook the dishes that the Respondent desired is a personal standard that cannot be used to evaluate the Claimant's work.

25. Over the course of more than 30 days, the Claimant made every effort to resolve the dispute amicably. After the Respondent ignored the Claimant's determined efforts to reach an amicable solution, the Claimant filed this arbitration to receive the money it is owed under the Contract.

Analysis of the Facts

26. Pursuant to the Contract and the applicable regulation, specifically Article 2.2.5 of the UNIDROIT Principles, the Addendum is not binding on the Claimant because it was not approved or signed by the person that the Claimant had authorized to do so. The Respondent, specifically Mr. Nasser Abdullah, should have known that Mr. Michael Douglas was not authorized to sign the Addendum and that, in fact, it was illogical that the Claimant would add this feature without increasing the contract price.

27. Furthermore, even if we were to assume that the Addendum is valid (which the Claimant denies), the Claimant did not commit to cooking Saudi dishes. The Addendum stipulates no such thing, and the Claimant, through Mr. Douglas, did not guarantee that this would be possible. All Mr. Douglas actually promised was its bestefforts to produce robots capable of cooking Saudi dishes. The commitment the Claimant made was merely to make its best efforts, not to achieve the specific result sought by the Respondent (robots that cook Saudi dishes).

5. The Arbitration Agreement

28. The Claimant refers this dispute to arbitration pursuant to Article 9 of the Contract, which provides:

a) If a dispute arises between the Parties regarding any matter related or linked to the interpretation or execution of this Contract, the Parties shall seek amicable resolution of the dispute. If the Parties are unable to resolve the dispute amicably within third days of the request by one of the Parties to pursue amicable negotiations, then either of the Parties may refer the dispute to arbitration.

b) Any dispute, disagreement, or claim arising from or related to this Contract, or from a breach of the Contract, or its termination or nullity, shall be settled via arbitration administered by the Saudi Center for Commercial Arbitration in accordance with its arbitration rules. Arbitration shall be by a tribunal of three arbitrators. Each party shall nominate an arbitrator, and these two arbitrators shall nominate a chairman for the arbitral tribunal. They shall be appointed by SCCA. The language of arbitration shall be Arabic, and the arbitration venue shall be in Riyadh, Kingdom of Saudi Arabia.

6. Applicable Regulation

29. Pursuant to Article 8 of the Contract, the regulation applicable to the subject of the dispute is the Principles of International Commercial Contracts, issued by the International Institute for the Unification of Private Law (UNIDROIT) in 2010.

7. Procedural Matters

a. Arbitration place and regulation applicable to arbitration proceedings

30. Pursuant to Article 9 of the Contract, the place of arbitration is the city of Riyadh in the Kingdom of Saudi Arabia. The regulation applicable to arbitration proceedings is the Saudi Arbitration Law issued by Royal Decree No. M/34 on 24/05/1433H [16 April 2012].

b. Arbitration rules

31. Pursuant to Article 9 of the Contract, the Arbitration Rules shall be SCCA's arbitration rules in effect upon the commencement of arbitration proceedings. Thus, the Arbitration Rules are SCCA's arbitration rules that took effect on 31 July 2016.

c. Language of arbitration

32. Pursuant to Article 9 of the Contract, arbitration shall be conducted in Arabic.

8. Formation of the Arbitral Tribunal

33. Pursuant to Article 9 of the Contract and Article 11 of the Arbitration Rules, the arbitral tribunal consists of three arbitrators. Each party shall nominate one arbitrator whom SCCA shall appoint, and the third arbitrator is selected by the arbitrators nominated by the parties.

34. The Claimant nominates as an arbitrator in these arbitral proceedings:

Mr. Basil Mahmoud
Ross & Partners Law Firm and Legal Consultancy
Address: 123 Suits Avenue, New York, NY
Telephone: +1 (212) 555-8989
Fax: +1 (212) 555-8900
Email: basilmahmoud@ross.com

9. Requests

35. The Claimant petitions the arbitral tribunal to:

a) Order the Respondent to pay the third payment of USD 20 million in exchange for the Products' delivery and proper manufacturing.

b) Order the Respondent to bear all the costs of arbitration as well as the Claimant's legal expenses.

c) Take any other decision the arbitral tribunal deems fair.

36. The Claimant maintains its right to amend its defenses and/or requests in subsequent pleadings during this arbitration.

1 April 2019

Acting for the Claimant

Counsellor Turki Abdulhakim in association with Will & Smith LLP

ADVANCED ROBOTICS

From: advancedrobotics@ar.com
Date: 18 November 2017, 10:34 a.m.
To: grendizer@grendizerllc.com
Re: Sofia 600

Dear Mr. Nasser,

We were honored to meet and talk with you about the opportunity to reach a contract between us for the manufacture and supply of the Sofia 600, which we believe will revolutionize and transform the field of household assistance. As we discussed, the Sofia 600 is our latest technology and uses artificial intelligence to perform all types of household tasks.

Regarding your question about adding a cooking feature to Sofia, after having discussed it with our technical team, we have learned that we are already able to add a cooking feature in Sofia's programming, especially given that it falls within the same sphere of household work. Programming the cooking feature, however, will have its own cost, which will be estimated if we agree to include the feature. I will wait for your reply as to whether you wish to add the cooking feature.

Sincerely,

Brad Pitt
CEO
Advanced Robotics Ltd

Claimant Exhibit 2

Contract to Manufacture and Supply Robots

On 15 March 2018, an agreement was signed between:

1) Advanced Robotics Ltd, located at 48-69 Somerville Drive, Somerville, Somer., USA, represented in this agreement by Mr. Brad Pitt, the company's CEO

(First Party)

and

2) Grendizer for Automatic Equipment LLC, located at Al-Ta'awun Tower, 48th Floor, P.O. Box 67380, Riyadh, Kingdom of Saudi Arabia, represented in this agreement by Mr. Nasser Abdullah in his capacity as the company's director per the Commercial Register

(Second Party)

Preamble

Whereas First Party works in the field of manufacturing robots and has extensive experience in the field;

Whereas Second Party wishes to buy robots that perform household cleaning tasks;

Therefore, the Parties agreed that First Party will manufacture and supply 1,000 robots to Second Party in accordance with the following terms:

Clause 1:

The Preamble is an integral part of this Contract.

Clause 2: Product specifications

2-1 The Parties agreed that First Party shall manufacture and supply to Second Party robots of the type Sofia 600, programmed to perform household cleaning tasks (**"the Product"** or **"the Products"**), including but not limited to:

- Cleaning floors and windows
- Washing and ironing clothes
- Sweeping floors and dusting shelves
- Straightening rooms, including making beds

2-2 Cooking is not a household cleaning task.

2-3 The Product's technical specifications can be found in Schedule 1 of the Contract.

Clause 3: Contract execution

3-1 First Party shall manufacture and supply **1,000** (one thousand) Products in consideration of USD 100 million (**"the Price"**) to be paid by Second Party as follows:

(أ) USD 50 million upon Contract signing (**"First Payment"**).

(ب) USD 30 million upon the completed delivery of the Products (**"Second Payment"**).

(ت) USD 20 million (**"Third Payment"**) after the Product passes quality tests and is approved by Second Party.

3-2 First Party shall deliver the Products on 30 October 2018 (**"Delivery Date"**).

Clause 4: Quality testing

4-1 The Parties agreed that Second Party shall inspect the Products after receiving them to verify that they conform to the agreed specifications. The inspection period shall not exceed 30 days from the date of receipt of the Products. Second Party shall then pay the Third Payment if the Products pass the quality tests.

4-2 The Products must conform to the agreed technical specifications (in order to pass quality testing), as follows:

a) The Product consists of 20 engines, 24 joints, and 129 motion sensors.
b) Programming of sensors and cameras using the RW1 B21 rule to add a vision feature so that the Product can see and navigate its surroundings.
c) The Product has a vacuum feature with 12L/min flow at 80% vacuum.
d) Visual field of 400 feet and sensitivity of -103 dBm.

Clause 5: Notices

5-1 Notices between the Parties and claims and data relating to this Contract shall be written in Arabic and sent via email to the addresses listed and the representative authorized for that purpose for each Party in Clause 5-2.

5-2 For notices, the below shall represent the Parties:

- First Party:
  Brad Pitt
  CEO
  advancedrobotics@ar.com
- Second Party:
  Nasser Abdullah
  General Director
  grendizer@grendizerllc.com

Clause 6: Intellectual property rights

First Party shall retain all intellectual property rights for the Products. If Second Party requires the use of intellectual property licenses, it must inform First Party and obtain a license from the latter for use of the intellectual property.

Clause 7: Contract's completeness

Claimant Exhibit 2

This Contract was signed by legally competent parties authorized to sign it by the Parties. This Contract is complete and includes everything agreed upon by the Parties. This Contract represents the will of the Parties, and they have fully understood it. Each Party received a copy in order to act accordingly and reference it when necessary.

Clause 8: Applicable Law

The Parties agreed that the law applicable under this Contract is the Principles of International Commercial Contracts, issued by the International Institute for the Unification of Private Law in 2010 ("UNIDROIT Principles").

Clause 9: Dispute resolution

9-1 If a dispute arises between the Parties regarding any matter related or linked to the interpretation or execution of this Contract, the Parties shall seek amicable resolution of the dispute. If the Parties are unable to resolve the dispute amicably within third days of the request by one of the Parties to pursue amicable negotiations, then either of the Parties may refer the dispute to arbitration.

9-2 Any dispute, disagreement, or claim arising from or related to this Contract, or from a breach of the Contract, or its termination or nullity, shall be settled via arbitration administered by the Saudi Center for Commercial Arbitration in accordance with its arbitration rules. Arbitration shall be by a tribunal of three arbitrators. Each party shall nominate an arbitrator, and these two arbitrators shall nominate a chairman for the arbitral tribunal. They shall be appointed by SCCA. The language of arbitration shall be Arabic, and the arbitration venue shall be in Riyadh, Kingdom of Saudi Arabia.

Clause 10: Copies of the contract

This Contract has been prepared in duplicate and signed by each Party. Each copy is an original of the Contract and shall be enforceable with regard to the Parties.

First Party
Advanced Robotics Ltd
Signature: *Brad Pitt*
Date: 15 March 2018

Second Party
Grendizer for Automatic Equipment LLC
Signature: *Nasser Abdullah*
Date: 15 March 2018

Claimant Exhibit 3

ADVANCED ROBOTICS

From: grendizer@grendizerllc.com
Date: 30 April 2018, 11:00 a.m.
To: advancedrobotics@ar.com
Re: Modifying Sofia 600's features

Dear Brad,

I'm writing you about the robots that your company will supply for us. As stipulated in our contract, we agreed that Advanced Robotics will manufacture and supply Sofia 600 robots capable of performing household cleaning tasks that do not include cooking. But we have conducted some questionnaires, and the results of our studies have shown us that Saudi families want robots that can cook the same dishes they cook. Therefore, after a feasibility study and a lengthy discussion with the Board of Directors at Grendizer, we have determined that the Products will be more successful if they can cook local Saudi dishes. As you told me earlier, the robots can be programmed for a cooking feature. We are confident that your advanced technology can handle programming for local dishes.

We can discuss whether there is an additional cost for modifying the features. Please note that if the robots are as successful in cooking local food as we hope, it is anticipated that Grendizer will order more of the robots on the basis of that projected success. I do not believe that Grendizer should bear additional costs, considering the already high cost of the contract.

Finally, if you agree, I would suggest signing an addendum to the contract to this effect.

I look forward to your prompt response.

Sincerely,

Nasser Abdullah
General Director
Grendizer for Automatic Equipment LLC

Claimant Exhibit 4

ADVANCED ROBOTICS

From: michaeldouglas@ar.com
Date: 5 May 2018, 3:00 p.m.
To: grendizer@grendizerllc.com
Re: Re: Modifying Sofia 600's features

Dear Mr. Nasser,

My name is Michael Douglas, and I am the Middle East and North Africa vice president for Advanced Robotics. I am currently filling in for Mr. Brad Pitt during his extended absence on a business trip and his annual leave.

In response to your question about adding the cooking feature to the Sofia 600, the robots produced by Advanced Robotics are already capable of cooking and preparing various local recipes from several global cuisines. Although Advanced Robotics has not previously manufactured robots programmed to cook specific dishes, we will make every effort to manufacture a robot capable of cooking any local dish.

Given that cooking is a household task, and for the sake of strengthening our commercial relationship with Grendizer, and with a view to signing similar contracts in the future, we'll agree to programming the cooking feature without additional cost to the contract.

We will wait for you to draft an amendment to the agreed terms.

Sincerely,

Michael Douglas
Vice President for the Middle East and North Africa
Advanced Robotics Ltd

Claimant Exhibit 5

Addendum No. 1

To the Contract to Manufacture and Supply Robots dated 15 March 2018

On 15 March 2018, an agreement was signed between:

1) Advanced Robotics Ltd, located at 48-69 Somerville Drive, Somerville, Somer, USA, represented in this agreement by Mr. Michael Douglas, the company's vice president for the Middle East and North Africa

(First Party)

and

2) Grendizer for Automatic Equipment LLC 2. Grendizer for Automatic Equipment LLC, located at Al-Ta'awun Tower, 48th Floor, P.O. Box 67380, Riyadh, Kingdom of Saudi Arabia, represented in this agreement by Mr. Nasser Abdullah in his capacity as the company's director per the Commercial Register

(Second Party)

Preamble

This agreement is supplemental and complementary to the above-mentioned Contract and shall be read with the Contract as a single unit. The terms used in this agreement shall have the same meanings and definitions as in the Contract. The Parties have agreed, pursuant to this Addendum, to amend and add the following clauses:

Clause 1:

The Parties agreed that the delivery date shall be amended to 1 December 2018.

Clause 2: Product specifications

2-1 The Parties agreed that a cooking feature shall be added to the Product's specifications.

2-2 The following technical features shall be added to the programming of the cooking feature:
2-2-1 The Product shall have an e-hand feature, whereby the Product shall perform precision motor skills such as operating and using cooking equipment.
2-2-2 The IRT3000 design shall enable the Product to move its arms as required for cooking proficiency.
2-2-3 A database shall be added with recipes for multiple local dishes, to be updated regularly via the Internet.

Clause 3: Contract Price

The First Party agreed to execute the Addendum without consideration for the sake of strengthening the commercial relationship between the Parties.

This Supplement was prepared in duplicate and signed by each Party.

Claimant Exhibit 5

First Party
Advanced Robotics Ltd
Signature: *Michael Douglas*
Date: 15 May 2018

Second Party
Grendizer for Automatic Equipment LLC
Signature: *Nasser Abdullah*
Date: 15 May 2018

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Case No.: SCCA1610A22
Claimant: Advanced Robotics Ltd
Respondent: Grendizer for Automatic Equipment LLC
Date: 30 April 2019
(sent by email - fax - postal mail)

To: Mr. Turki Abdulhakim

We are writing you in this letter to inform you of the Saudi Center for Commercial Arbitration's appointment of the arbitrator Basil Mahmoud as a member of a three-member arbitral tribunal in the above case, pursuant to your nomination in the Request for Arbitration. You will find attached to this letter a copy of the notice of the arbitrator's appointment, signed by the arbitrator.

An arbitrator operating in accordance with SCCA's rules must be impartial and independent. The arbitrator has submitted the disclosure[1] detailed in the appointment notice and its attachments, which are enclosed with this letter. If you wish to challenge the arbitrator, please inform SCCA no later than 15 May 2019. Please note that based on Article 14-3 of SCCA's rules, SCCA must be informed of any challenge within 15 days of the notice of the arbitrator's appointment, i.e. from the date of this letter. The challenge must be for cause, and the other party shall be informed of the challenge. If one of the parties challenges an arbitrator, the other party must respond to the challenge within seven days. In accordance with its absolute discretion, SCCA will make a decision regarding the challenge as stipulated in SCCA's rules. It is not permitted to send a copy of the challenge to the arbitrator, or to reveal or make available to the arbitrator the challenge, responses to the challenge, or comments on the arbitrator's disclosure.

We would like to inform you that direct communication with the arbitral tribunal, whether by telephone or another means of communication, is prohibited. Communication concerning matters related to the challenge of arbitrators, as well as any administrative or financial matter, may take place only through the case consultant named below.

Sincerely,

Case Consultant:
Yousif Ibrahim
Signature:
Yousif Ibrahim

Annexes:
- **Notice of arbitrator appointment**
- **Arbitrator's disclosure**

[1] Disclosure does not necessarily imply a conviction that the information disclosed causes doubts about the arbitrator's impartiality or independence.

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Acceptance of Appointment

Arbitrator's name: Basil Mahmoud

I affirm that the curriculum vitae that I provided to the Saudi Center for Commercial Arbitration, which SCCA submitted to the Parties in this case, is valid, current, accurate, and complete.

I affirm that I have conducted a thorough and careful investigation and examination of any possible conflict of interest, including a comprehensive review of the information I have obtained on the case up to the date of this declaration. I have then made any necessary disclosure as stipulated in the Saudi Center for Commercial Arbitration's rules and in accordance with the code of ethics for arbitrators or any applicable law.

I affirm that I am fully aware that examining any conflict of interest is an obligation that continues throughout my term as an arbitrator in this case. If any circumstances arise at any stage of the arbitration that would cause doubts of the sort mentioned, I will disclose them immediately. Failure to disclose conflicts of interest in a timely manner may result in my dismissal as an arbitrator or in my removal from SCCA's list of arbitrators.

1- Acceptance of Appointment

☒ **I accept my appointment as an arbitrator** in this case under the Saudi Center for Commercial Arbitration's rules. I pledge to hear this case and decide on it justly and fairly and in accordance with SCCA's arbitration rules, the code of ethics for arbitrators, and the Parties' agreement. I pledge to devote sufficient time to working as an arbitrator in this case. I accept the fees in this case based on the arbitration costs and fees addendum. I affirm that there are no separate arrangements regarding fees between me and the parties to the case.

2- Rejection of Appointment:

☐ **I decline** to accept appointment as an arbitrator in this case. (In the event of a refusal, it is not necessary to fill out this form except for name and signature.)

Date: 25 April 2019 Signature: *Basil Mahmoud*

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Commencement of Arbitration Letter

Case No.: SCCA1610A22

Claimant: Advanced Robotics Ltd

Respondent: Grendizer for Automatic Equipment LLC

Date: 5 April 2019

To: Nasser Abdullah, General Director for Grendizer for Automatic Equipment LLC

Dear Sir,

On 3 April 2019, the Saudi Center for Commercial Arbitration received a Request for Arbitration dated 1 April 2019. The RFA concerns a dispute between the above-named Parties and is based on an arbitration clause. Advance copies of the RFA were sent to the Respondent, and the arbitration proceedings are considered to have commenced on the day on which SCCA received the RFA.

The above-named Parties are receiving this letter based on the information that SCCA has obtained from the Claimant. If you have received this letter and are not the principle or a representative of any party to this dispute, please contact SCCA immediately.

Case consultant Mr. Yousif Ibrahim will conduct all case administration. He may be contacted by email at yousif.ibrahim@sadr.org. From this point forward, please communicate with the case consultant and send a copy of the correspondence to the other party.

We wish to inform the Parties that this case will be subject to the Saudi Center for Commercial Arbitration's arbitration rules that took effect as of 26 Shawwal 1437/31 July 2016 unless the Parties agree otherwise. A copy of the Arbitration Rules can be found at https://www.sadr.org/ADRServices-arbitration-arbitration-rules?lang=ar.

Based on Article 5-1 of SCCA's arbitration rules, the Respondent must send a response to the RFA to the administrator, the Claimant, and any other party within 30 days of the commencement of arbitration. If the Respondent wishes to initiate a counterclaim or claim for set-off, a copy must be sent to the Claimant and to SCCA with supporting documentation and the appropriate filing fee.

Enclosed with this letter is a conflict of interest disclosure statement. All parties should name any witness, expert, person, or entity having an interest in or connection to this dispute. This list will assist the arbitrators in disclosing any possible conflict of interest. Please note that the disclosure list is confidential and shall be sent only to SCCA, which should be done within 15 days of this letter's date.

Please also note that proceedings in this case will be in keeping with the attached Code of Ethics for Parties and Representatives. Please read and sign the pledge to adhere to the Code.

Finally, enclosed with this letter are general instructions on arbitration and arbitration proceedings with SCCA. SCCA will provide the Parties with information on the stages of arbitration as the case

progresses. SCCA encourages the Parties to contact it at any time to request additional information or discuss the arbitration proceedings, in order to assist Parties in best resolving the dispute.

We look forward to working with you and providing you with all possible assistance throughout the arbitration proceedings.

Sincerely,

Case Consultant
Yousif Ibrahim
Signature:
Yousif Ibrahim

Annexes:

- Conflict of Interest Disclosure Statement (not attached)
- General information on SCCA arbitration and arbitration proceedings (not attached)
- Pledge to observe the Code of Conduct for Parties and Representatives (not attached)
- Copy of Request for Arbitration (not attached)
- SCCA Arbitration Rules (not attached)

Saudi Center for Commercial Arbitration
Arbitration Case No. SCCA1610A22

Answer to Request for Arbitration

Advanced Robotics Ltd
("Claimant")

v.

Grendizer for Automatic Equipment LLC

("Respondent")

1. Introduction

1. Grendizer for Automatic Equipment LLC (**"the Respondent"**) received a request for arbitration submitted by Advanced Robotics Ltd **("the Claimant"**) on 1 April 2019 pursuant to the arbitration clause in the 15 March 2018 contract between the Parties (**"the Contract"**).
2. In the request for arbitration, the Claimant requested that the Respondent is ordered to pay USD 20 million, the value of the final payment according to the Contract, claiming that the Product it produced complies with the specifications agreed in the Contract and the Addendum. The Claimant also requested that the Respondent pay the arbitration expenses.
3. The Respondent rejects all the Claimant's allegations and submits its defense, below, to the Claimant's action.

2. Respondent's Representative

4. In this dispute, the Respondent is represented by Sara Abdullah Law Firm and Legal Consultancy, at the following address:

Postal address
Al-Ukhwah Tower
10th Floor
P.O. Box 20543
Riyadh
Kingdom of Saudi Arabia

Sara Abdullah
sara@abdullahlaw.com

3. Facts of the Dispute

In addition to the facts mentioned in the request for arbitration, the Respondent is providing information on the following facts:

5. During the Future Investment Initiative conference (**"the Conference"**) in October 2017, the Respondent indicated its desire to purchase the Products for the purpose of

performing household assistance tasks. The Parties reached a preliminary agreement on the deal during the Conference.

6. During the discussions, the Claimant's CEO, Mr. Brad Pitt, emphasized to the Respondent's chairman, Mr. Nasser Abdullah, that the Respondent is "the top global company in the field of robot manufacturing" and that its products are "unrivaled in the field of household tasks."

7. Mr. Nasser Abdullah asked Mr. Brad Pitt about the cooking feature based on the Claimant's website, which stated that its products are "the world's first robots of their kind that can cook using artificial intelligence."

8. Mr. Brad Pitt, however, said that although cooking falls within the scope of household tasks, the Products required special programming for the cooking feature due to the novelty of the technology at that time, but he certainly believed that this feature would be included as a household task at a later stage.

9. About a month after the Parties concluded the Contract on 15 March 2018, Mr. Nasser Abdullah again contacted Mr. Brad Pitt after publication of an article in Technology Weekly magazine about the launch of a new product by Advanced Robotics (the Claimant): a robot that performs household tasks of all types, including cooking (Respondent Exhibit 1). Mr. Nasser Abdullah emailed Mr. Brad Pitt to ask about the possibility of programming the cooking feature into the Products the Claimant would supply, noting thatGrendizer hopes that the robot will be able to cook traditional Saudi dishes (Claimant Exhibit 3).

10. Mr. Michael Douglas replied to Mr. Nasser and introduced himself as the vice president of Advanced Robotics for the Middle East and North Africa. He said that he had undertaken Mr. Brad Pitt's role in his absence. Mr. Douglas responded that it would in fact be possible to add a cooking feature to the robot. He assured Mr. Nasser that the Claimant's robots were "already capable of cooking and preparing various local recipes from several global cuisines." Accordingly, in the Addendum, the Parties agreed to add a feature for cooking local dishes to the features of the robot that the Claimant was to manufacture. The Addendum expressly stipulated that the Claimant committed to implementing the requested amendments "without consideration, for the sake of strengthening the commercial relationship between the Parties" (Claimant Exhibit 4).

11. Based on the Parties' agreement in the Addendum, the Respondent promoted the Product in the Saudi market as the first robot of its kind capable of cooking Saudi dishes using artificial intelligence. The Respondent received an overwhelming response to the Product as a result of its promotion. Pre-orders from buyers accounted for the total quantity of Products ordered.

12. Respondent received the Products on the agreed date and began conducting quality tests to verify that the Products can perform as required. The Respondent was surprised, however, that the Products were unable to cook any Saudi dishes. In fact, they were unable to cook any Arabic dishes. This confirmed for the Respondent that the Claimant had not done any additional programming to add a feature for cooking local dishes, as agreed in the Addendum.

13. Although the Product failed testing by the quality division, which then refused to approve the Product due to its inability to cook local dishes, the Respondent hired an outside expert to examine a sample Product, prepare an independent report on its condition and compliance with the agreed specifications in the Contract and the Addendum, and determine the cost of repairing any defects. The consulting engineer prepared a report in which he arrived at the same results as the Claimant's quality division. He also presented technical recommendations for addressing the Product's programming defects, which he said could be implemented but at an additional cost.

14. The Claimant refused to discuss repairing the Products and insisted on receiving the final payment, despite the Products' failure to comply with contractual specifications.

4. Response to the Analysis of the Facts

15. The Claimant claims that the Addendum is not binding and has no effect in relation to the Claimant because it was not signed by Mr. Brad Pitt (the CEO). These allegations are false and mere excuses that the Claimant has fabricated to escape its commitment to producing the Products as requested and agreed, namely a robot that **cooks Saudi dishes**. If we were to take the Claimant at its word and refer to Article 2.2.5 of the regulation applicable in this claim (the UNIDROIT Principles), that very article, in its second part, stipulates:

A principal, whose conduct leads a third party reasonably to believe that the agent has authority to act on its behalf, is prevented from invoking against the third party the lack of authority of the agent and is therefore bound by the latter's act.

16. Mr. Brad Pitt has directed in his automatic replies to contact Mr. Michael Douglas in any matter concerning him, and Mr. Douglas confirmed the same to the Respondent, which is sufficient to hold the Claimant to its obligation under the Addendum.

17. In response to the Claimant's assertion that it did not commit itself to manufacturing Products capable of cooking Saudi dishes, this is also a false claim. In the Addendum, the Claimant committed itself to manufacturing products capable of "cooking local dishes," i.e. Saudi dishes. This commitment is expressly stipulated in the Addendum. As for committing to make its best effort, this has no meaning under the law, and discussing it does the Claimant no good, because the Claimant committed itself to achieving a specific result as stipulated in the Addendum. Its commitment was not merely to try.

5. Formation of the Arbitral Tribunal

18. In accordance with Article 9 of the Contract and Article 11 of the Arbitration Rules, the Respondent nominates as an arbitrator in this arbitration claim:

Ms. Muna Mustafa
Independent International Arbitrator
Address: 321 Rue de Paris, Paris, France
Telephone: +33 1 98 67 54 34
Fax: +33 1 98 67 54 33
Email: muna@munaarbitration.com

6. Requests

19. The Respondent petitions the arbitral tribunal to:

a) Rule that the Addendum signed on 15 May 2018 is valid and enforceable.

b) Dismiss the Claimant's claim to order the Respondent to pay USD 20 million, due to the Claimant's failure to manufacture and deliver the Products as agreed in the Contract, which includes the Addendum.
c) Order the Claimant to bear all the costs of arbitration as well as the Respondent's legal expenses.
d) Take any other decision the arbitral tribunal deems fair.

5 May 2019

Acting for Respondent

Sara Abdullah Law Firm and Legal Consultancy

Respondent Exhibit 1

10 April 2018

Technology Weekly

Your Guide to All Things Technology

In the latest news this week, Advanced Robotics, a leading company in the field of artificial intelligence, announced the launch of its newest technology in the household robots industry – a robot that can cook in addition to doing all other types of household tasks. This new technology will certainly revolutionize household assistance and even professional cooking.

Technology Weekly was able to get a comment from company CEO Brad Pitt, who told us: "Advanced Robotics is looking forward to the launch of this new technology, which realizes our company's vision of linking artificial intelligence to our lives and using it in a way that benefits our daily lives."

As told to the magazine, Advanced Robotics aims to supply satellite-linked robots with automatically updating programming that constantly updates the robot's repertoire of recipes.

This technology is considered the first of its kind in the world of artificial intelligence, and it is expected that the first batch of the product will face some difficulties in the "experimental" phase.

Respondent Exhibit 2

Written testimony by Nasser Abdullah

My name Nasser Abdullah. I work for Grendizer for Automatic Equipment LLC as the company's general director. I began working at Grendizer in 2005 in the sales and purchasing division. Then I moved into central management, where I supervised the supply and distribuion of products in the Saudi market. I did that until I took the position of general director in 2017, where I have served to date. One my functions as general director is to discuss and sign all the contracts that Grendizer enters, in particular international contracts.

At my first meeting with Mr. Brad Pitt after the Future Investment Initiative conference, we talked about Grendizer's vision of being the leading company in Saudi Arabia in providing everything AI-related, and that our company shared the vision of Advanced Robotics, which aims to use AI in everyday life. In that spirit, Mr. Pitt and I talked about the robots that Grendizer wanted to order, which would perform all household tasks such as cleaning, laundry, and so on. Mr. Pitt stated that they are conducting experiments in adding a cooking feature to robots among their household tasks features. I explained to Mr. Pitt at the time that this could be of utmost importance for the robot and would significantly increase the product's success rate, especially if the devices were able to cook local dishes. We had an extensive conversation about the possibility of programming the robots to cook local dishes in Saudi Arabia.

When we wrapped up the discussion, Mr. Pitt had welcomed the idea of a "cooking" robot. He indicated that Advanced Robotics is still in an experimental phase, but it is expected that Advanced Robotics will be able to program a cooking feature. We did not talk about the cost of programming, as we agreed that this discussion would happen at contract signing.

On 8 March 2018, a few days before signing the contract, Mr. Pitt and I talked again. He stated at the time that he would prefer not include a cooking feature in the contract because it had not yet been launched at Advanced Robotics. Such an amendment could perhaps be agreed upon later, when the feature launched. I agreed to Mr. Pitt's request at the time and signed the contract, bearing in mind what Mr. Pitt had told me.

I affirm that everything I have stated is correct to the extent of my knowledge and memory.

Riyadh, 30 April 2019

Nasser Abdullah

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Case No.: SCCA1610A22

Claimant: Advanced Robotics Ltd

Respondent: Grendizer for Automatic Equipment LLC

Date: 20 May 2019

(sent by email - fax - postal mail)

To: Ms. Sara Abdullah

We are writing you in this letter to inform you of the Saudi Center for Commercial Arbitration's appointment of the arbitrator Muna Mustafa as a member of a three-member arbitral tribunal in the above case, pursuant to your nomination in the Request for Arbitration. You will find attached to this letter a copy of the notice of the arbitrator's appointment, signed by the arbitrator.

An arbitrator operating in accordance with SCCA's rules must be impartial and independent. The arbitrator has submitted the disclosure[1] detailed in the appointment notice and its attachments, which are enclosed with this letter. If you wish to challenge the arbitrator, please inform SCCA no later than 4 June 2019. Please note that based on Article 14-3 of SCCA's rules, SCCA must be informed of any challenge within 15 days of the notice of the arbitrator's appointment, i.e. from the date of this letter. The challenge must be for cause, and the other party shall be informed of the challenge. If one of the parties challenges an arbitrator, the other party must respond to the challenge within seven days. In accordance with its absolute discretion, SCCA will make a decision regarding the challenge as stipulated in SCCA's rules. It is not permitted to send a copy of the challenge to the arbitrator, or to reveal or make available to the arbitrator the challenge, responses to the challenge, or comments on the arbitrator's disclosure.

We would like to inform you that direct communication with the arbitral tribunal, whether by telephone or another means of communication, is prohibited. Communication concerning matters related to the challenge of arbitrators, as well as any administrative or financial matter, may take place only through the case consultant named below.

Sincerely,

[1] Disclosure does not necessarily imply a conviction that the information disclosed causes doubts about the arbitrator's impartiality or independence.

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Case Consultant:

Yousif Ibrahim

Signature:

Yousif Ibrahim

Annexes:

- **Notice of arbitrator appointment (not attached)**
- **Arbitrator's disclosure**

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Acceptance of Appointment

Arbitrator's name: Muna Mustafa

I affirm that the curriculum vitae that I provided to the Saudi Center for Commercial Arbitration, which SCCA submitted to the Parties in this case, is valid, current, accurate, and complete.

I affirm that I have conducted a thorough and careful investigation and examination of any possible conflict of interest, including a comprehensive review of the information I have obtained on the case up to the date of this declaration. I have then made any necessary disclosure as stipulated in the Saudi Center for Commercial Arbitration's rules and in accordance with the code of ethics for arbitrators or any applicable law.

I affirm that I am fully aware that examining any conflict of interest is an obligation that continues throughout my term as an arbitrator in this case. If any circumstances arise at any stage of the arbitration that would cause doubts of the sort mentioned, I will disclose them immediately. Failure to disclose conflicts of interest in a timely manner may result in my dismissal as an arbitrator or in my removal from SCCA's list of arbitrators.

1- Acceptance of Appointment

☒ **I accept my appointment as an arbitrator** in this case under the Saudi Center for Commercial Arbitration's rules. I pledge to hear this case and decide on it justly and fairly and in accordance with SCCA's arbitration rules, the code of ethics for arbitrators, and the Parties' agreement. I pledge to devote sufficient time to working as an arbitrator in this case. I accept the fees in this case based on the arbitration costs and fees addendum. I affirm that there are no separate arrangements regarding fees between me and the parties to the case.

2- Rejection of Appointment:

☐ **I decline** to accept appointment as an arbitrator in this case. (In the event of a refusal, it is not necessary to fill out this form except for name and signature.)

Date: 15 May 2019 Signature: *Muna Mustafa*

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Arbitrator Nomination and Request for Disclosure

In Case No.: SCCA1610A22
Claimant: Advanced Robotics Ltd
Respondent: Grendizer for Automatic Equipment LLC
Date: 27 May 2019

To: Mr. Philip Arbitrator

Further to our previous communication, we have the honor of informing you that you have been nominated as chairman of an arbitral tribunal (a tribunal consisting of three arbitrators) in the case mentioned above. We are of the understanding that you have devoted suitable time to studying and resolving the case. We would like to note that this claim is being administered in accordance with the Saudi Center for Commercial Arbitration's arbitration rules that took effect as of July 2016, as well as SCCA's Code of Ethics for Arbitrators. You can read these documents on SCCA's website at www.sadr.org.

Prior to your appointment as an arbitrator in this case, you are well aware that it is essential for an arbitrator to be impartial and independent. To underscore this point, and pursuant to the requirements of Article 13 of SCCA's arbitration rules, we hope that before accepting your appointment in this case, you will disclose any circumstances that would cause justifiable doubts about your impartiality or independence, including disclosure of any relationship between you and the Parties or potential witnesses, whether current or past, direct or indirect, or financial, professional, social, or otherwise. Disclosure is an obligation that continues throughout the duration of the case. Furthermore, the Parties are not permitted to communicate individually with arbitrators or arbitrator candidates concerning the case. If this occurs, the other Parties and arbitrators must be informed immediately of the content and grounds for such communication. We wish to alert the arbitrator that any change to the curriculum vitae submitted to SCCA must also be disclosed.

Please be informed that the Claimant in this action is represented by the Office of Councillor Turki Abdulhakim in cooperation with Will & Smith LLP, while the Respondent is represented by Sara Abdullah Law Firm and Legal Consultancy. The arbitrators nominated along with you in this case are Mr. Basil Mahmoud from Ross & Partners Law Firm and Legal Consultancy and Ms. Muna Mustafa. Attached are the CVs for the arbitrator candidates.

It should be noted disclosure by an arbitrator or party does not necessarily imply a conviction that the information disclosed causes justifiable doubts about the arbitrator's impartiality or independence.

In case of any hesitancy about whether something should be disclosed, disclosure must be made. In the event of direct or indirect communication with some of the parties to the case, we please use the below form to describe the communication. It should also be noted that failure to disclose in a timely manner may result in the arbitrator being denied payment of fees in the case.

SCCA will deliver the disclosure statement to the Parties.

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Saudi Center for Commercial Arbitration

The Saudi Center for Commercial Arbitration has created this template for appointing an arbitrator in a case administered by SCCA in accordance with its arbitration rules. If there are other applicable laws or rules, the arbitrator must adhere to them.

Annexes:
Parties' Disclosure Statement (not attached)
CVs of the arbitrator candidates (not attached)

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Disclosure guidance for arbitrators working on claims administered by SCCA

General Guidelines:

1. SCCA's rules for commercial arbitration and its Code of Ethics require full disclosure of any circumstances that would cause justifiable doubts about an arbitrator's impartiality or independence.
2. The duty to disclose is applicable during all stages of arbitration. At any later stage of the proceedings, the case consultant may ask the arbitrator to examine conflicts of interest regarding specific issues related to the claim. Of your own accord, you must conduct such an examination and make any necessary disclosure whenever you become aware of information related to participants in the proceedings.
3. In case of any hesitancy or doubt about disclosing particular circumstances, you shall not evaluate the impact of the potential conflict of interest yourself. Rather, you must take initiative to disclose and leave it to the parties to assess the impact of the conflict of interest on the case.
4. As a guiding principle, if a particular relationship or interest is on your mind, disclose it.
5. You must disclose:
    a) Any circumstances that would cause justifiable doubts about your impartiality or independence as stipulated in Article 13-2 of SCCA's commercial arbitration rules.
    b) Any interest or relationship that may give the impression that you are biased (the second standard in SCCA's Code of Ethics for Arbitrators).

Financial Matters:
Any direct or indirect financial interest must be disclosed, current or past, with any party to this case, representative, witness, or fellow arbitrator.

Relationships:
Any relationship with a party to this case, a representative, a witness, or a fellow arbitrator, must be disclosed, to include relationships with the following:

1. Their immediate or extended families
2. Their employers
3. Their business partners and colleagues

How does disclosure work?
Disclosures must be extremely clear. You must be sure to disclose sufficient detail so that the parties are fully aware of their possible involvement in a potential conflict of interest or of any circumstances that would cause doubt about the arbitrator's impartiality and independence. The person's identity, the nature, of the relationship, the time and place of the relationship, and the associated circumstances must be carefully stated. Give attention to the smallest details, even if it seems they would have no impact.

The burden to disclose rest with the arbitrator, who must do everything in his or her power to provide the required information to the Saudi Center for Commercial Arbitration. SCCA is entitled to verify that the disclosures submitted are not vague or incomplete and that the arbitrator has fulfilled his or her duty to investigate relationships that may link the arbitrator to the parties or the claim. Submission of

insufficient detail could delay your appointment as an arbitrator in the case, in addition to delaying the overall proceedings, because the case consultant may have to contact you to request further clarification.

Disclosures must be in writing. In rare circumstances, when something requiring disclosure emerges upon commencement of the arbitration proceedings, you must excuse yourself from the hearing immediately and contact SCCA to facilitate sending new disclosures to the parties and obtaining their responses, in accordance with SCCA's rules for commercial arbitration and confirming an arbitrator's appointment, as well as resolving any objection to the appointment raised by the parties.

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Sara Abdullah Sara Abdullah Law Firm and Legal Consultancy Al-Ukhwa Tower 10th Floor P.O. Box 20543 Riyadh Kingdom of Saudi Arabia sara@abdullahlaw.com	**Turki Alhahim** Office of Councillor Turki Abdulhakim in association with Will & Smith LLP Emaar Tower 30th Floor P.O. Box 20765 Riyadh Kingdom of Saudi Arabia Turki.abdulhakim@willsmithlaw.com

Case No.: SCCA1610A22
Claimant: Advanced Robotics Ltd
Respondent: Grendizer for Automatic Equipment LLC
Date: 17 June 2019
(sent by email - fax - postal mail)

We refer to our letter dated 5 May 2019 concerning the above case.

Pursuant to the Request for Arbitration dated 1 April 2019, the Claimant nominated Mr. Basil Mahmoud from Ross & Partners Law Firm and Legal Consultancy, located at 123 Suits Avenue, New York, NY, as an arbitrator in the current arbitration case.

Pursuant to the answer to the RFA on 5 May 2019, the Respondent nominated Ms. Muna Mustafa, an independent international arbitrator with an address of 321 Rue de Paris, Paris, Franc, as an arbitrator in the current arbitration case.

After both arbitrator candidates submitted the disclosure detailed in the appointment notice, and pursuant to Article 12-2 of the Arbitration Rules, SCCA appointed the two candidates nominated by the Parties. Pursuant to the arbitration agreement between the Parties, the arbitrators nominated as chairman of the arbitral tribunal Dr. Philip Arbitrator, director of the Middle East International Commercial Arbitration Center, located at 15 Arbitration Street, P.O. Box 83756, Jordan. After Dr. Arbitrator submitted his disclosure, SCCA appointed him as chairman of the arbitral tribunal to consider the above case. Attached you will find the arbitrator's appointment notice and disclosure.

An arbitrator operating in accordance with SCCA's rules must be impartial and independent. The arbitrator has submitted the disclosure[1] detailed in the appointment notice and its attachments, which are enclosed with this letter. If you wish to challenge an arbitrator, please inform SCCA no later than 2 July 2019. Please note that based on Article 14-3 of SCCA's rules, SCCA must be informed of any challenge within 15 days of the notice of the arbitrator's appointment, i.e. from the date of this letter. The challenge must be for cause, and the other party shall be informed of the challenge. If one of the parties challenges an arbitrator, the other party must respond to the challenge within seven days. In accordance with its absolute discretion, SCCA will make a decision regarding the dismissal request as stipulated in SCCA's rules. It is not permitted to send a copy of the dismissal request to the arbitrator, or to reveal or make available to the arbitrator the dismissal request, responses to the dismissal request or comments on the arbitrator's disclosure.

[1] Disclosure does not necessarily imply a conviction that the information disclosed causes doubts about the arbitrator's impartiality or independence.

Sincerely,

Case Consultant
Yousif Ibrahim
Signature:
Yousif Ibrahim

Annexes:

- **Notice of arbitrator appointment (not attached)**
- **Arbitrator's disclosure**

المـــركز الســـعـــودي للتحكـــيم التجـــاري
Saudi Center for Commercial Arbitration

Acceptance of Appointment

Arbitrator's name: Philip Arbitrator

I affirm that the curriculum vitae that I provided to the Saudi Center for Commercial Arbitration, which SCCA submitted to the Parties in this case, is valid, current, accurate, and complete.

I affirm that I have conducted a thorough and careful investigation and examination of any possible conflict of interest, including a comprehensive review of the information I have obtained on the case up to the date of this declaration. I have then made any necessary disclosure as stipulated in the Saudi Center for Commercial Arbitration's rules and in accordance with the code of ethics for arbitrators or any applicable law.

I affirm that I am fully aware that examining any conflict of interest is an obligation that continues throughout my term as an arbitrator in this case. If any circumstances arise at any stage of the arbitration that would cause doubts of the sort mentioned, I will disclose them immediately. Failure to disclose conflicts of interest in a timely manner may result in my dismissal as an arbitrator or in my removal from SCCA's list of arbitrators.

1- Acceptance of Appointment

☒ **I accept my appointment as an arbitrator** in this case under the Saudi Center for Commercial Arbitration's rules. I pledge to hear this case and decide on it justly and fairly and in accordance with SCCA's arbitration rules, the code of ethics for arbitrators, and the Parties' agreement. I pledge to devote sufficient time to working as an arbitrator in this case. I accept the fees in this case based on the arbitration costs and fees addendum. I affirm that there are no separate arrangements regarding fees between me and the parties to the case.

2- Rejection of Appointment:

☐ **I decline** to accept appointment as an arbitrator in this case. (In the event of a refusal, it is not necessary to fill out this form except for name and signature.)

Date: 15 May 2019 Signature: *P. Arbitrator*

Sara Abdullah
Al-Ukhwah Tower
10th Floor
P.O. Box 20543
Riyadh
Kingdom of Saudi Arabia
sara@abdullahlaw.com

Date: 16 July 2019

Via email and registered postal mail

Dr. Philip Arbitrator
Middle East International Commercial Arbitration Center
15 Arbitration Street
P.O. Box 83756
Jordan
Philip.arbitrator@meiac.com

Mr. Basil Mahmoud
Ross & Partners Law Firm and Legal Consultancy
123 Suits Avenue, New York, NY
basilmahmoud@ross.com

Ms. Muna Mustafa
321 Rue de Paris, Paris, France
muna@munaarbitration.com

Re: Case SCCA1610A22 - Adding an attorney to the Respondent's counsel

Dear Ladies and Gentlemen,

We thank the arbitral tribunal for holding a preliminary procedural meeting. The Respondent is awaiting a procedural order from the arbitral tribunal to determine the procedural timetable and other procedural matters.

On another topic, counsel for the Respondent (Grendizer for Automatic Equipment LLC) would like to inform you about the addition of Mr. Omar Al-Muhamy to the Respondent's team in this claim. We would like to mention that Mr. Al-Muhamy was a student of the arbitral tribunal's chairman at the International University of Arbitration about 5 years ago, and to affirm that there is no conflict of interest regarding Mr. Al-Muhamy and the chairman of the arbitral tribunal.

Accordingly, please add Mr. Al-Muhamy to all correspondence from now on, using the email address omar@abdullahlaw.com, in addition to correspondence sent via registered mail, if any.

Sincerely,

Sara Abdullah
Respondent's attorney

cc: Office of Counsellor Turki Abdulhakim in association with Will & Smith LLP

Turki Abdulhakim
Emaar Tower
30th Floor
P.O. Box 20765
Riyadh
Kingdom of Saudi Arabia
Turki.abdulhakim@willsmithlaw.com

Date: 21 July 2019

Via email and registered postal mail

Dr. Philip Arbitrator
Middle East International Commercial Arbitration Center
15 Arbitration Street
P.O. Box 83756
Jordan
Philip.arbitrator@meiac.com

Mr. Basil Mahmoud
Ross & Partners Law Firm and Legal Consultancy
123 Suits Avenue, New York, NY
basilmahmoud@ross.com

Ms. Muna Mustafa
321 Rue de Paris, Paris, France
muna@munaarbitration.com

Re: Re:Case SCCA1610A22 - Adding an attorney to the Respondent's representatives

The Claimant refers to the letter from the Respondent's attorney dated 16 July 2019 regarding the addition of Mr. Omar Al-Muhamy to the team representing the Respondent.

The Claimant is writing to the arbitral tribunal seeking Mr. Omar Al-Muhamy's removal from representing the Respondent in this case because there is a conflict of interest involving him and Dr. Arbitrator, the chairman of the arbitral tribunal.

As per the Claimant's knowledge, 5 years ago Mr. Al-Muhamy was a student of the arbitral tribunal's chairman at the International University of Arbitration, where the chairman was a faculty member and a coach for the international arbitration moot court competition team, in which Mr. Al-Muhamy participated under the supervision of the chairman of the arbitral tribunal. In addition, it appears that Mr. Al-Muhamy is a close friend of the chairman's son.

The Claimant is relying on the International Bar Association's Guidelines on Conflicts of Interest in International Arbitration, in particular Orange List Rule 3.3, which covers examples of instances that cause doubts about an arbitrator's independence and impartiality. The rule includes, as example 3.3.6, the existence of a personal relationship between an arbitrator and a counsel of a party. Although Mr. Al-Muhamy has not remained in contact with the chairman of the arbitral tribunal, these circumstances lead to doubts about the chairman's impartiality and independence, which would delay the arbitration proceedings.

Accordingly, the Claimant requests that the arbitral tribunal order Mr. Omar Al-Muhamy's removal from the Respondent's team. The Claimant wishes to point out that in this situation it is requesting only Mr. Al-Muhamy's removal. It is not challenging the chairman of the arbitral tribunal. If the arbitral tribunal disregards this request, the Claimant will then request that SCCA remove the chairman.

Sincerely,

Turki Abdulhakim
Claimant's attorney

cc: Sara Abdullah Law Firm and Legal Consultancy

Sara Abdullah
Al-Ukhwah Tower
10th Floor
P.O. Box 20543
Riyadh
Kingdom of Saudi Arabia
sara@abdullahlaw.com

Date: 25 July 2019

Via email and registered postal mail

Dr. Philip Arbitrator
Middle East International Commercial Arbitration Center
15 Arbitration Street
P.O. Box 83756
Jordan
Philip.arbitrator@meiac.com

Mr. Basil Mahmoud
Ross & Partners Law Firm and Legal Consultancy
123 Suits Avenue, New York, NY
basilmahmoud@ross.com

Ms. Muna Mustafa
321 Rue de Paris, Paris, France
muna@munaarbitration.com

Re: Re: Case SCCA1610A22 - Adding an attorney to the Respondent's representatives

The Respondent refers to the Claimant's letter dated 21 July 2019, in which it objected to adding Mr. Omar Al-Muhamy to the team representing the Respondent. The Claimant alleges a conflict of interest concerning Mr. Al-Muhamy and the chairman of the arbitral tribunal, Dr. Philip Arbitrator.

In response to the Claimant, and relying on the International Bar Association's Guidelines on Conflicts of Interest in International Arbitration, the Respondent would like to draw attention to just two points:

First: Notwithstanding the absence of any conflict of interest (as explained below), the arbitral tribunal has no jurisdiction to consider the Claimant's objection. In the event of any objection based on a conflict of interest, the Claimant must submit its objection (and challenge to an arbitrator) against the arbitrator, not the attorney. There are no procedures governing the latter.

Second: In any event, the Respondent denies that there is any conflict of interest concerning Mr. Al-Muhamy and the chairman of the arbitral tribunal, on the following grounds:

1. The events that the Claimant mentioned were more than three years ago. In most conflict of interest situations, the guidelines are concerned with a time frame of up to three years. The interaction that the Claimant mentions between the chairman of the arbitral tribunal and Mr. Al-Muhamy was more than five years ago.

2. There is no mention in the guidelines of any indication that being a faculty member at a university would be a basis for a conflict of interest concerning an arbitrator and a student, for example. All the more, a conflict of interest cannot exist due to the arbitrator being a "coach" in a legal competition in which the attorney participated.

The Respondent thus denies that there is any conflict of interest concerning Mr. Al-Muhamy and the chairman of the arbitral tribunal. Any objections from the Claimant on this matter should be disregarded.

Sincerely,

Sara Abdullah
Respondent's attorney

cc: Office of Counsellor Turki Abdulhakim in association with Will & Smith LLP

Procedural Order No. 1

In the case between

Advanced Robotics Ltd v. Grendizer for Automatic Equipment LLC

1. After the arbitral tribunal received the case file and reviewed it, the tribunal held a preliminary meeting with the Parties by phone on 20 August 2019 to agree on arbitration procedures.

2. Below, the arbitral tribunal documents the points mentioned by one or both of the Parties that would affect the proceedings:
   - As proposed by the arbitral tribunal, the Parties agreed that the arbitration proceedings shall be bifurcated. Thus, no pleas will be submitted concerning the quantum of the Claimant's claim; all pleas on that question shall be reserved for a subsequent stage of proceedings.
   - The Respondent does not object to the capability of the Claimant's products to cook various dishes, merely that they are unable to cook Saudi dishes, which the Respondent argues is part of the Contract's terms.
   - The Parties agreed that the UNIDROIT Principles are the regulation to be applied in this dispute.
   - The Parties agreed that the International Bar Association's Guidelines on Conflicts of Interest in International Arbitration shall be applied to any objection over a conflict of interest.
3. Following review of the case file, the arbitral tribunal requests that the Parties submit their memoranda based on and in response to the following questions. The memoranda should not go beyond answering the following questions:
   a) Was the Addendum enforceable with regard to the Claimant, given that it was not signed by the Claimant's CEO?
   b) If the arbitral tribunal assumes that the Addendum is enforceable and valid, was the Claimant's duty to achieve a specific result or merely to exercise its best efforts to manufacture robots capable of cooking Saudi dishes?
   c) With regard to procedural pleas, the arbitral tribunal requests that the Parties respond to the following:
      (1) Does the arbitral tribunal have jurisdiction to consider the Claimant's request to remove Mr. Omar Al-Muhamy from the team representing the Respondent, or is this within SCCA's jurisdiction?
      (2) If the arbitral tribunal assumes that it has jurisdiction to consider this request, is there any conflict of interest concerning the chairman of the arbitral tribunal and Mr. Omar Al-Muhamy?

4. Any representative of the Parties (i.e. the participating universities) may direct any questions concerning the subject of the case and its proceedings via the team's registered account at www.ArabicMoot.sadr.org no later than 9 p.m. Saudi time on 30 September 2019.

5. The Claimant must submit its memorandum no later than 11:59 p.m. Saudi time on 5 December 2019.

6. The Respondent must submit its memorandum no later than 11:59 p.m. Saudi time on 16 February 2020.

7. The hearings for this case shall take place on 17-23 March 2020 in Riyadh.

Riyadh, 26 August 2019

On behalf of the arbitral tribunal
P. Arbitrator
Dr. Philip Arbitrator
Chairman of the Arbitral Tribunal

cc: Saudi Center for Commercial Arbitration