







Version (2)

November 29, 2023



















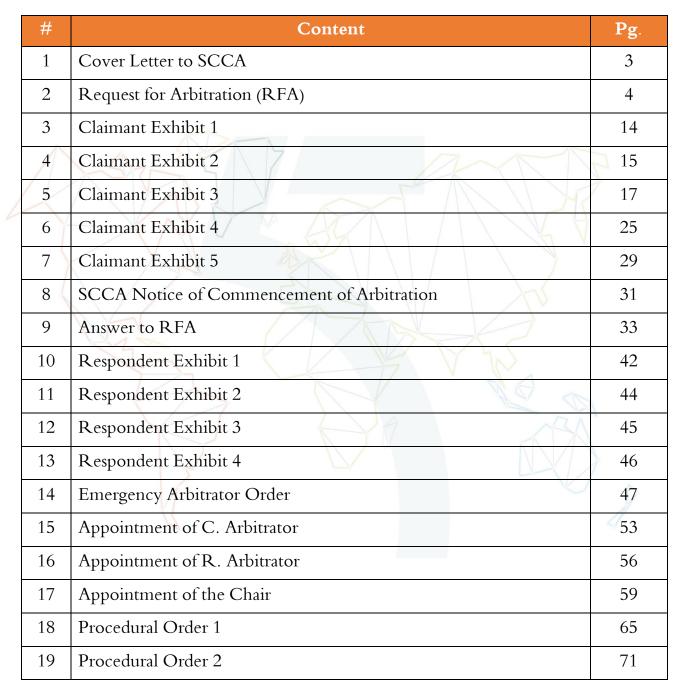












**Note**: For ease of reading, minor changes are underlined in green.





















Saudi Center for Commercial Arbitration

8th Floor, 7982 King Fahd Branch Road - Almutamarat

Postal code: 12711-4183

Riyadh, Saudi Arabia

Telephone: +966 920003625

25 August 2023

#### Dear Mr. Mohammed Al-Yousif

On behalf of my client, Masarat Stadium Equipment Company LLC, we are requesting arbitration under Article 5 of the Saudi Center for Commercial Arbitration 2023 Arbitration Rules. Enclosed with this letter is a copy of the power of attorney from Masarat Stadium Equipment Company LLC to represent the company in arbitration proceedings. A copy of the request for arbitration has been sent to SCCA and to the Respondent, and the required registration fees have been paid.

Sincerely,

Claimant's representative

Lawyer Fatma Abdulbari

cc:

Inma Contracting Company (Closed Joint Stock Company)

#### **Enclosures:**

- Request for Arbitration with its annexes
- Power of attorney (not attached)
- Proof that RFA was sent to the Respondent expedited delivery (not attached)
- Copy of receipt for payment of registration fees (not attached)



























مبني 666 شارع جورج - برايت سيتي - جمهورية الألب abdulbari.com - 003224344211 - هاتف

#### Lawyer Fatma Abdulbari

662 George Street, Bright City, Republic of the Alps Telephone: 003224344211 - f.bari@abdulbari.com

## **Request for Arbitration**

(Under Article 5 of the Saudi Center for Commercial Arbitration rules effective as of May 2023)

> Masarat Stadium Equipment Company LLC "Claimant"

> > V.

Inma Contracting Company - Closed Joint Stock Company

"Respondent"



























#### Introduction

- 1. Whereas Masarat Stadium Equipment Company LLC (" Claimant"), a sports equipment and technical services provider, contracted with Inma Contracting Company Closed Joint Stock Company ("Respondent") to provide equipment related to the preparation of the Olympic Challenge project, but the latter has breached the agreement, as will be recounted later in Section II. The Claimant sought to communicate with the Respondent's representatives to settle the dispute amicably, but the Respondent was intransigent. Therefore, the Claimant had no other option except to file the ("Arbitration Request") in accordance with Article 5 of the Saudi Center for Commercial Arbitration rules that took effect on 1 May 2023 ("Arbitration Rules").
- 2. The Arbitration Request relates to a compensation claim against Inma Contracting Company Closed Joint Stock Company (the Respondent) as a result of its failure to deliver the software it undertook to develop for installation on video assistant referee (VAR) cameras. The specifications of the software it delivered are not compatible with the cameras agreed to be supplied. This caused the Claimant significant losses. The arbitral tribunal is also asked to amend the contract because of the unfair disparity between the parties in the contract concluded on 15 January 2023 ("the Contract") and the addendum thereto dated 2 February 2023 ("Addendum").
- 3. The Arbitration Request is divided into seven sections as follows:
- I. Names of the Parties and Their Representatives
- II. Facts of the Dispute
- III. The Arbitration Agreement
- IV. Applicable Law

















- V. Procedural Matters
- VI. Formation of the Arbitral Tribunal
- VII. Claimant's Requests

#### I. Names of the Parties and Their Representatives:

- 1. Claimant: Masarat Stadium Equipment Company LLC
- 1.1 Claimant's representative: Jollia Christopher, chief executive of the company

Address: 223 18th Street, Bright City, Republic of the Alps, P.O. Box 76606; telephone: 00767611221; email: jollia@masarat.com

1.2 Claimant's legal representative: The lawyer Fatma Abdulbari, pursuant to the power of attorney attached to the Arbitration Request<sup>1</sup>

Address: 662 George Street, 9th floor, Bright City, Republic of the Alps, P.O. Box 376; telephone: 003224344211; email: f.bari@abdulbari.com

2. Respondent: Inma Contracting Company - Closed Joint Stock Company

Address: 88 Mansour Street, Peace City, Desert Kingdom, P.O. Box 6606; telephone: 0032217727715; email info@InmaConst.com















<sup>&</sup>lt;sup>1</sup> Copy not enclosed with this file.









2.1 **Respondent's representative:** Hesham al-Wakeel, director general Address: 59 Tarafa ibn al-Abd Street, Desert Kingdom, P.O. Box 8221. Telephone: 007083366222 / Email: ceo@InmaConst.com

#### II. Facts of the Dispute

- The Claimant Masarat Stadium Equipment Company LLC specializes in supplying sports equipment and devices and providing advanced technical services in support of sports activities. Founded in 2016, it has achieved impressive, steady success, and it has helped equip numerous stadiums and sports projects in several countries. During its short life, Masarat has established itself as a top company among its peers because of its dedication to fulfilling its commitments. It was named one of the 10 most successful start-ups in the Republic of the Alps in 2019. This success led the Claimant, in November 2022, to acquire a factory producing large-scale QLED screens and 360-degree, high-resolution video assistant referee (VAR) cameras so the Claimant would be a one-stop shop providing all necessary sports equipment and technical services.
- 2. The Respondent, Inma Contracting Company Closed Joint Stock Company, is an excellentrated company founded in 1998 and registered in Desert Kingdom, with the registry number 9900821. It has branches in 20 countries and has completed several infrastructure projects, skyscrapers, and a number of sports stadiums. It has carried out several large-scale projects in various countries.
- 3. On 1/2/2020, the Olympic Committee selected Desert Kingdom to host the Olympic Games. Of course, hosting an international athletic event of this sort requires the construction of numerous stadiums, which must be prepared and equipped with the full suite of modern sports equipment and devices. Thus, the competent committee put forward several government





















tenders for several construction projects, including football stadiums for matches between teams participating in the Olympics.

- 4. The Respondent communicated with a number of companies and requested quotes to provide QLED screens in the stadiums. A number of companies competent in this field applied, presenting a full picture of the quality and prices of these tools. The Claimant outperformed all the other competitors with a proposal for high-quality screens and cameras at a competitive price. Mr. Hesham al-Wakeel, director general for the Respondent, contacted Masarat representatives to agree on the details of the equipment (Claimant Exhibit 1).
- 5. On 28 September 2022, the Claimant's and Respondent's representatives concluded a memorandum of understanding for the purchase of 19 large-scale QLED screens, with specifications to make them weather resistant and capable of displaying high-quality images of the sporting event in the stadium without being affected by high temperatures. The Claimant was to mount them around the stadium in carefully distributed positions to enable the crowd to watch the details of the sporting event throughout the stadium and engage more with the event. Given the amount of time available, however, the Claimant had the capacity to produce no more than 15 screens. Due to the time constraints and the Respondent's desire to cooperate with the Claimant to complete the project, the Respondent agreed that cooperation would take place with another company to provide it with the remaining four required screens to enable delivery at the agreed time.
- 6. On 10 October 2022, the Respondent was assigned to organize the opening ceremony and award ceremony. After studying the cost and requirements, the Respondent decided that it needed to increase the number of screens to 25 screens instead of 19. The Respondent approached the Claimant with its desire to increase the number of screens to 25 despite the Respondent's prior knowledge that the Claimant's production capacity was limited due to the



















time constraints and that it would not be able to prepare more screens. The Claimant referenced this in the 28 September 2022 memorandum of understanding, but the Respondent, convinced of the quality of the Claimant's products and its competitive prices, pressed, importuned, and insisted on the need for the screens. Its justification was that it wanted to do business with a single supplier; if the Claimant were to refuse to increase the number of screens, the Respondent would terminate the contract completely and contract with another supplier to provide all the required screens. The Claimant subsequently agreed to increase the number of screens to 25 because it had already started to prepare screens with the required specifications and because it feared losing the deal (Claimant Exhibit 2).

- 7. On 15 January 2023, the parties signed a contract for the manufacture, supply, and installation of 25 QLED screens (Claimant Exhibit 3). The Respondent prepared and drafted all the terms of the contract. For illogical and unacceptable reasons, the Respondent dictated that the contract had to be signed within just 24 hours. Its justification was that it needed to present the contract to its financier, given the \$2 million increase to cover the value of the additional screens.
- The preparation and equipping of the stadiums continued. Because modern stadiums need VAR cameras and the installation of VAR technology, the Respondent contacted the Claimant to make an agreement to provide VAR cameras for the stadiums to rule on controversies on the playing field that call for rapid analysis and judgment to make the right decisions. The Respondent was convinced of the quality of the products offered by the Claimant, but it feared that the software could be hacked and the images altered, affecting the validity of the outcome. Thus, the parties reached an agreement that Inma Contracting Company (the Respondent) would develop the software, and Masarat (the Claimant) would then integrate it into the cameras. The parties signed the Addendum on 2 February 2023 (Claimant Exhibit 4).











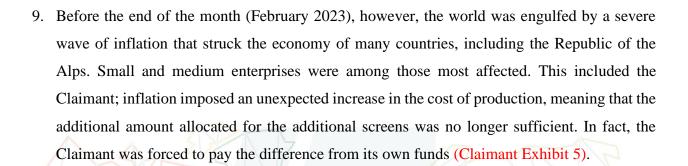












- 10. On 8 April 2023, the Claimant delivered 15 screens and the VAR cameras to the Respondent, with the remaining 10 screens to be delivered in October 2023. The Claimant also requested the sending of the video camera software must be expedited for integration into the cameras, but the Respondent stalled substantially. On 8 July 2023, the Respondent delivered the software, but the Claimant discovered that the software did not work on this type of camera. The Claimant contacted the Respondent to make the required modifications to the software, but it refused. This meant that the cameras had to be replaced with another type, causing the Claimant enormous losses. The Claimant contacted the Respondent in an attempt to reach an understanding on modifying the software and attempt to resolve the dispute amicably. Unfortunately, it closed the door to all attempts and rejected all the solutions proposed.
- 11. On 20 August 2023, the Claimant sent the notice of recourse to arbitration to the Respondent as provided in Clause 9 of the contract concluded between the parties on 15 January 2023.

#### III. The Arbitration Agreement

12. The Claimant refers this dispute on the basis of an arbitration agreement under Clause 9 of the contract concluded with the Respondent on 15 January 2023, which states as follows:



















"The Parties agree that any dispute, disagreement, or claim arising out of or relating to this contract, or the breach, termination, or invalidity thereof, shall be resolved through negotiations and amicable means of dispute resolution not later than three weeks from the date that either Party provides notice that a dispute exists. If the dispute is not resolved within the prescribed period, each Party shall have the right to resort to arbitration for dispute resolution in accordance with the arbitration rules of the Saudi Center for Commercial Arbitration ("SCCA") by an arbitral tribunal composed of three arbitrators. The language of arbitration shall be Arabic, and the Parties shall determine the place of arbitration at a later date. If the CISG Convention contains no provision on the matter in question, the subject matter shall be governed by the applicable Desert Kingdom law that fully adopts the International Institute for the Unification of Private Law (UNIDROIT) Principles."

#### IV. Applicable Law

13. Pursuant to Clause 8 of the contract, the law applicable to the subject matter of the dispute is the United Nations Convention on Contracts for the International Sale of Goods (CISG). If the matter is outside the scope of CISG, the UNIDROIT Principles of International Commercial Contracts are the proper reference.

#### V. Procedural Matters

- Application for the appointment of an emergency arbitrator a.
- 14. The Claimant requests urgent measures in accordance with Article 7 of the Arbitration Rules issued by the Saudi Center for Commercial Arbitration (Appendix III). The application for the appointment of an emergency arbitrator is attached herewith.





















#### b. Place of arbitration and law applicable to arbitration proceedings

15. As stated in Clause 9 of the contract between the parties, "the parties shall agree on the place of arbitration at a later date." As the parties have not agreed on the place of arbitration, we believe that Bright City in the Republic of the Alps should be the place of arbitration. Bright City is where the contract and the memorandum of understanding between the parties were signed, and where all the screens were manufactured, making it easy for experts to inspect the factory and all the documents. It is also the site of the Claimant's headquarters, and the city has moderate weather most of the year. The law applicable to the arbitration proceedings is the Republic of the Alps's Arbitration Law, which fully adopts the 1985 UNCITRAL Model Law on International Commercial Arbitration (as amended in 2006).

#### c. Arbitration rules

16. The aforementioned arbitration agreement states that the applicable arbitration rules are the Saudi Center for Commercial Arbitration rules issued in May 2023.

#### d. Language of arbitration

17. The language of arbitration is Arabic, as stipulated in the arbitration agreement.

#### VI. Formation of the Arbitral Tribunal

- 18. Pursuant to Article 9 of the contract, the parties agreed that the arbitral tribunal shall be composed of three arbitrators. In accordance with Article 16 of the Arbitration Rules, each party nominates one arbitrator, whom the SCCA Court appoints, and the third arbitrator will be selected by the SCCA Court.
- 19. The Claimant nominates as its arbitrator these arbitration proceedings: Mr. Jehad Nouraddin, Expert Office for Legal Consultancy, address: 57 al-Turath Street, Desert Kingdom. Telephone: 009603988789 / Email: J.Nouraddin@outbook.com





















#### VII. Claimant's Requests

The Claimant petitions the arbitral tribunal to issue its award as follows:

- 1- Accept this arbitration case.
- 2- Mandate the Respondent to compensate the Claimant for the losses it suffered as a result of its breach of its obligation to prepare software compatible with the agreed cameras, causing the Claimant losses, and compensation for future lost earnings, as the Claimant suffered harm as a result of the Respondent's breach, causing it to fail to fulfill its commitments to other contractors, pursuant to the provisions of the United Nations Convention on the International Sale of Goods (CISG).
- 3- Change the contractually agreed delivery date to November 2023 due to the obvious, unfair disparity between the parties in the contract, pursuant to the provisions of UNIDROIT Article 3.2.7, and increase the additional amount for the additional screens by approximately \$500,000 to be sufficient to cover the production costs (you will be provided with an accounting report on the amount later).
- 4- Recognize Bright City, Republic of the Alps, as the place of arbitration.
- 5- Obligate the Respondent to bear the full costs of the arbitration and the arbitral tribunal fees and expenses, in addition to lawyers' fees.
- 6- The Claimant retains its right to amend its pleas and/or requests during later hearings.

**Attorney for the Claimant** 

Lawyer Fatma Abdulbari

Date: 25 August 2023



























#### Claimant Exhibit (1)

From: ceo@Inmaconst.com

**Date:** 24 August 2022

To: Jollia@masarat.com

Re: Next steps and equipment details

#### Dear Eng. Jollia Christopher, Chief Executive Officer,

#### Greetings,

It is my pleasure to extend to you warm greetings and appreciation for your interest in presenting the sports products and equipment your company produces and provides. A number of specialized companies applied, but we found that your company stood out for its ability to meet the highest specifications in providing all the sports equipment that modern stadiums need. We were impressed by the round-the-clock work of the support and contracts team. We also noted the emphasis in your proposal on your steadfast commitment to timely delivery – an aspect that is truly an important matter to which we are attentive, so as to avoid disorder in the event of missed deadlines. We are therefore pleased to reach out to you at this stage to ensure mutual understanding of the various details that the project requires.

We are pleased to ask your company to send all the technical details and important electronic specifications for the QLED screens and all the prices and sizes you can provide so we can include them in the initial conception of the opening stadium. Bear in mind the particular specifications we require, such as screens resistant to the harsh summer weather of Desert Kingdom (found in a booklet attached to this email).

Sincerely,

Hesham al-Wakeel

**CEO** 

Inma Contracting Company - Closed Joint Stock Company





























#### Claimant Exhibit (2)

From: ceo@Inmaconst.com Date: 13 October 2022

To: Jollia@masarat.com

**Re:** Request to increase the number of screens

#### Dear Eng. Jollia Christopher, Chief Executive Officer,

I hope you are well. We would like to refer in this email to the memorandum of understanding dated 28 September 2022 regarding the supply of 19 QLED screens. We are pleased to inform you that our company has been assigned to organize the entire opening ceremony. Accordingly, we would like to increase the number of supplied screens to 25 instead of 19. As you know, it is the policy of Inma Contracting Company to contract with only one entity, with that entity being fully responsible for any other subcontractor. We regret to say that Inma Contracting Company will be forced to look for another supplier if you are unable to provide the full quantity of 25 screens.

Please reply to this email as soon as possible so we can start drafting the contract or searching for another supplier.

Sincerely,

Hesham al-Wakeel

Director General, Inma Contracting Company



























From: Jollia@masarat.com Date: 25 October 2022 To: ceo@InmaConst.com

**Re:** Request to increase the number of screens

#### Dear Eng. Hesham Al-Wakeel, Director General,

I hope you are in good health. Congratulations on having the ceremony opening assigned to your company; we wish you all the best.

As you know, during our discussions before and during the memorandum of understanding, my client's production capacity is 15 QLED screens per half year, and an agreement was reached with another company to supply us with four additional screens. I would like to point out that immediately after the signing of the memorandum of understanding, my client started manufacturing screens according to the required specifications. Therefore, as the policy of your client's company does not allow contracting with more than one company to supply screens, my client agrees to increase production to 25 QLED screens so as to avoid losing the deal. We will try hard to search for a supplier in this short period of time.

Kind regards,

Jollia Christopher **CEO** 



























# Contract for the Manufacture, Installation, and **Supply of QLED Screens**























#### Contract for the Manufacture, Installation, and Supply of QLED Screens

On Wednesday, 15/1/2023, this contract was concluded in the Republic of the Alps between:

- 1. First: Inma Contracting Company Closed Joint Stock Company; address: 173 Mansour Street, Salam City, Desert Kingdom, P.O. Box 111968; telephone: 0032217727715, email: info@inmaconst.com; registered in the Desert Kingdom Commercial Registry under No. //990821//; legally represented in this contract by Director General Eng. Hisham al-Wakeel pursuant to the minutes of the 30/8/2022 meeting of the partners in the company. (Referred to as First Party)
- 2. Second: Masarat Stadium Equipment Company LLC; address: 223 18th Street, Bright City, Republic Alps, P.O. Box 76606; telephone: 00767611221; Central@masarat.com; registered in the Republic of the Alps Commercial Registry under No. //1731984//; legally represented in this contract by Director General Eng. Jollia Christopher pursuant to the minutes of the 25/7/2022 meeting of the partners in the company. (Referred to as Second Party) (Collectively referred to as "the Parties")

#### **Contract Preamble**

On 1/2/2020, the International Olympic Committee selected Desert Kingdom to host the Olympic Games, which requires outfitting the infrastructure and preparing stadiums so Desert Kingdom of the Sahara can host this international sporting event. This requires outfitting and building a number of stadiums in accordance with internationally approved specifications.

















Whereas First Party is an excellent-rated contracting company that is highly technically and financially capable and is marked by its reputation and extensive experience in the field of contracting and construction. It is registered in Desert Kingdom and has completed several major and mega projects in the region. First Party has been assigned by Desert Kingdom to build and equip a number of stadiums in accordance with internationally approved specifications. This is known as the Olympic Challenge project, and the specifications include the installation of a number of large screens that are to be mounted in the stadiums.

Whereas Second Party is a company specializing in equipping stadiums with all types of sports equipment. It is distinguished by the quality and efficacy of its products and its ability to deliver agreed items in a professional manner. This includes the manufacture, supply, and installation of large screens and other equipment, electronic devices, and technical services.

Whereas the Parties signed a memorandum of understanding on 28/9/2022 for Second Party to provide First Party with 19 large-scale QLED screens. After the Parties affirmed their legal capacity to contract, it was their mutual will to conclude an agreement according to the following terms and conditions:

#### Clause 1

Second Party shall manufacture, supply, and install 25 large-scale QLED advertisement screens that allow for the display of high-quality images, to be mounted around the stadium to enable the crowd to watch the details of the sporting event directly and clearly throughout the stadium. First Party shall undertake the inspection and preparatory work for the installation of the screens, which shall meet the following specifications:

Product name: QLED screen

Size: 1152 mm x 1536 mm

















Brightness: More than 7000 [unit]

Resolution: 180 x 180 megapixels

Features: Resistant to heat, rainwater, humidity, and all normal weather conditions and fluctuations

The Parties are aware that Second Party's maximum production capacity in the period until the delivery date mentioned in Clause 3 is only 15 screens. Second Party has the right to make an agreement with a third party to supply 10 screens with the same agreed specifications contained in this clause, provide that Second Party assumes full responsibility for the actions of the third party.

#### Clause 2

The total value of the contract is USD 22,000,000 (twenty-two million U.S. dollars), to be paid via bank transfers in the name and to the benefit of Second Party, as follows:

- USD 5,000,000 (five million U.S. dollars) as an advance payment immediately upon the signing of the contract
- USD 10,000,000 (ten million U.S. dollars) as a second payment upon completion of the manufacture and delivery of the first 15 screens.
- USD 2,000,000 (two million U.S. dollars) as a third payment upon completion of the manufacture and delivery of the remaining 10 screens.
- USD 5,000,000 (five million U.S. dollars) as a fourth and final payment upon the installation and commissioning of all screens.

The Parties also agree that First Party is obligated to issue an unconditional, irrevocable, indefinite letter of guarantee to the benefit of Second Party in the amount of USD 2 million.

















#### Clause 3

The manufacture, supply, installation, and operation of the agreed screens shall be completed no later than 1 October 2023. In the event that Second Party is up to 10 days late in supplying the entirety of the agreed quantity, First Party shall be entitled to deduct between 5% and 10% of the entire contract value at its discretion. In the event that the delay exceeds 10 days from the agreed date, First Party shall be entitled to either deduct an additional 15% to 20% of the entire contract value or terminate the contract and recover the funds paid to Second Party. First Party shall be entitled to claim compensation for damages caused by Second Part as provided in Clause 4.

#### Clause 4

First Party has the right to claim compensation for damages incurred as a result of Second Party's breach of its contractual obligations. In particular, it has the right to claim compensation for the value of the financial loss it suffers and the value of lost future earnings – whether actual or potential – as a result of delay in supply or operation, in accordance with the provisions of the United Nations Convention on Contracts for the International Sale of Goods (Article 74).

#### Clause 5

Second Party warranties any hidden defects / manufacturing defects in the screens under contract for a period of 10 (ten) years from the date of initial operation. The warranty includes any defects, technical problems, or problems with the materials used in the manufacture of the screens. Second Party is obligated to repair the defect or replace the screen, depending on the technical assessment of the defect. The warranty excludes misuse by First Party or anyone affiliated with it. Note that in the event of any attempt by First Party to maintain any of the screens under contract without



















consulting Second Party, such screen(s) shall be excluded from the warranty, and First Party shall have no right of recourse against Second Party for any prescribed form of compensation.

#### Clause 6

For the duration of the contract, Second Party is not permitted to disclose any of the terms of this contract without First Party's prior written consent, except on the basis of a judicial decision or pursuant to the law.

#### Clause 7

First Party may terminate the contract at any stage at its sole discretion. All notifications and correspondence between the Parties must be sent to the addresses specified in the contract. In the event of a change to any of the addresses, the party wishing to change its address must, or send a written communication to the other party informing them of the address change.

#### Clause 8

The Parties agree that the law applicable to this contract is the United Nations Convention on Contracts for the International Sale of Goods (CISG). If a matter is outside the scope of CISG, the UNIDROIT Principles of International Commercial Contracts are the proper reference.























#### Clause 9

"The Parties agree that any dispute, disagreement, or claim arising out of or relating to this contract, or the breach, termination, or invalidity thereof, shall be resolved through negotiations and amicable means of dispute resolution not later than three weeks from the date that either Party provides notice that a dispute exists. If the dispute is not resolved within the prescribed period, each Party shall have the right to resort to arbitration for dispute resolution in accordance with the arbitration rules of the Saudi Center for Commercial Arbitration ("SCCA") by an arbitral tribunal composed of three arbitrators. The language of arbitration shall be Arabic, and the Parties shall determine the place of arbitration at a later date. If a matter is outside the scope of the CISG Convention, the matter shall be governed by the applicable Desert Kingdom law that fully adopts the International Institute for the Unification of Private Law (UNIDROIT) Principles."

#### Clause 10

If either party to this agreement is unable to fulfill the obligations imposed on it under this agreement, or is late in doing so, or such fulfillment becomes impossible because of force majeure or an emergency, including, for example, fire, flood, storm, earthquake, epidemic, any act of God, or war, the party affected by such circumstances must immediately send a written letter to the other party informing it of the emergency and requesting the postponement of the implementation of the obligation until the emergency ends. In the event that the force majeure lasts more than 60 (sixty) days after the notification date, the other, unaffected party may terminate this agreement pursuant to a written notice. The following are not considered force majeure or an emergency: delayed fulfillment of contractual obligations due to the fault of either party to the contract or the third party referenced in Clause 1 of this agreement, a shortage in the resources or materials under contract, or inefficient operations, unless the deficiency is a direct result of force majeure.























This contract has been signed by parties legally authorized to sign the contract. This contract represents the will of the parties and their full and thorough comprehension. This contract was drawn up in two copies, [and] each party has an original copy for action thereunder as necessary. No amendment to the agreement may be made except with the written consent of both Parties.

#### **First Party**

Inma Contracting Company CJSC p.p. Eng. Hesham al-Wakeel

#### **Second Party**

Masarat Stadium Equipment Company LLC p.p. Eng. Jollia Christopher























# Addendum to the Contract signed on: 15/1/2023



























### Addendum to the Contract signed on 15/1/2023

On Thursday, 2/2/2023, this addendum was concluded between:

- 1- Inma Contracting Company Closed Joint Stock Company; address: 173 Mansour Street, Salam City, Desert Kingdom, P.O. Box 111968; telephone: 0032217727715, email: info@Inmaconst.com; registered in the Desert Kingdom Commercial Registry under No. //990821//; legally represented in this contract by Director General Eng. Hesham al-Wakeel pursuant to the minutes of the 30/8/2022 meeting of the partners in the company. (Referred to as First Party)
- 2- Masarat Stadium Equipment Company LLC; address: 223 18th Street, Bright City, Republic of the Alps, P.O. Box 76606; telephone: 00767611221; email: Central@masarat.com; registered in the Republic of the Alps Commercial Registry under No. //1731984//; legally represented in this contract by Company Director Eng. Jollia Christopher pursuant to the minutes of the 25/7/2022 meeting of the partners in the company. (Referred to as Second Party)

(Collectively referred to as "the Parties")

The Parties have agreed as follows:

#### **Preamble**

On 15/1/2023, the Parties concluded a contract for the manufacture, supply, and installation of 25 large-scale QLED screens for First Party's benefit. As the Parties wished to advance their contractual relationship, the present addendum was concluded as follows:





















#### Clause 1

This supplement is an integral part of the contract and shall supplement and complement it where necessary.

#### Clause 2

Second Party is obligated to manufacture VAR cameras for the adjudication of disputes on the playing field.

#### Clause 3

Second Party is obligated for the manufactured cameras to comply with internationally recognized specifications for this type of camera.

#### Clause 4

First Party is obligated, at its request, to develop the smart software for the VAR technology and deliver it to Second Party as soon as possible.

In return, Second Party is obligated to integrate the smart software into the manufactured cameras and deliver them to First Party within the term of the contract.

#### Clause 5

The terms of this addendum shall be subject to the law referenced in Clause 8 of the contract. Disputes that may arise from this addendum shall also be subject to the principles of the arbitration center selected in the contract.

#### Clause 6

This addendum has been signed by parties legally authorized to sign. This addendum represents the will of the parties and their full and thorough comprehension. This addendum was drawn up in























Arabic in two copies, [and] each party has an original copy for action thereunder as necessary. No amendment thereto may be made except with the written consent of both Parties.

### **First Party**

Inma Contracting Company CJSC

p.p. Eng. Hesham al-Wakeel

### **Second Party**

Masarat Stadium Equipment Company LLC

p.p. Eng. Jollia Christopher





























# **Economic Report on Inflation in April 2023**



## **Record Inflation**

Economist Carlos Perto said the world is witnessing one of the harshest waves of inflation in decades. Inflation has reached 22 percent, its highest level in 40 years, as a result of the accumulation of several economic crises in the world economy. Compared to the first quarter of 2023, the energy and fuel sector recorded an increase of 18%, electronics 12%, and food 20%.

Mr. Perto also stated that there are many reasons for this inflation, which has affected many countries of the world. They include global concerns about the disruption of oil and natural gas supplies, as well as the scarcity of key food resources in many countries, including rice and wheat. The first pandemic shutdowns two years ago led to higher prices for many basic commodities,























including foodstuffs, complicating global supply chains. Drought and harsh winter cold have also caused inflation in food prices around the world. The bankruptcy of a number of electronics factories and companies is seen as the cause of inflation in the electronics sector. That has led to the scarcity of raw materials and increased prices for those currently in the market.

Asked about his inflation expectations for the third and fourth quarters of this year, and whether he expects prices to continue to increase or to decline and return to normal levels, Mr. Perto said the market situation is unpredictable in the current economic conditions. There are many variables that can affect inflation directly or indirectly."

Report by the World Economic Bank















#### **Commencement of Arbitration Letter**

Case No.: SCCA-ARB-230825

**Claimant: Masarat Stadium Equipment Company LLC** 

**Respondent: Inma Contracting Company - Closed Joint Stock Company** 

Date: 15 September 2023

To: Jollia Christopher, CEO of Masarat Stadium Equipment Company LLC

#### Peace be upon you and God's mercy and blessings

The Saudi Center for Commercial Arbitration has received a Request for Arbitration dated 25 August 2023. 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 principal or a representative of any party to this dispute, please contact SCCA immediately.

Case Consultant Mr. Mohammed al-Yousif will conduct all case administration. He may be contacted by email at M.alyousif@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 Arbitration Rules of the Saudi Center for Commercial Arbitration that took effect as of 1 May 2023, unless the Parties agree otherwise. A copy of the Arbitration Rules can be found at <a href="https://sadr.org/ADRServices-arbitration-arbitration-rules?lang=en">https://sadr.org/ADRServices-arbitration-arbitrat

Based on Article 6-1 of the SCCA Arbitration Rules, the Respondent must send a response to the RFA to the administrator, the Claimant, and any other party within <u>30</u> 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 potential conflict of interest. Please note that the disclosure list is confidential and should be sent only to SCCA. Do so within 15 days of the date of this letter.

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 that it can 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: Mohammed al-Yousif

Signature: Mahd

#### **Enclosures:**

- Conflict of Interest Disclosure Statement (not attached)
- General information on arbitration and SCCA 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)











#### Kanouniyoon

Law Firm and Legal Consultancy

Saudi Center for Commercial Arbitration Arbitration Case No.: SCCA-ARB-230825

## **Answer to Request for Arbitration**

(Under Article 6

of the Saudi Center for Commercial Arbitration rules effective as of May 2023)

Inma Contracting Company - Closed Joint Stock Company "Respondent"

۷.

Masarat Stadium Equipment Company LLC "Claimant"























#### Introduction

- 1. Inma Contracting Company Closed Joint Stock Company ("Respondent") received the request for arbitration submitted by Masarat Stadium Equipment Company LLC ("Claimant") on 25 August 2023 based on the arbitration clause in the contract concluded between the parties on 15 January 2023 and the contract addendum concluded on 2 February 2023. Upon reading the arbitration request, we find that the Claimant's account of the facts is contrary to the real relationship between the parties, and it is also trying to take advantage of economic circumstances that the Respondent had no part in creating.
- In the request for arbitration, the Claimant demanded the acceptance of this arbitration case and compensation for the Respondent's breach of its obligation to deliver software compatible with video assistant referee cameras. It also demanded that the arbitral tribunal amend the contract because it involves "unfair" disparity as described by the Claimant between the parties.
- 3. The response to the Arbitration Request is divided into six sections as follows:
  - I. Respondent's Legal Representative
  - II. Facts of the Dispute
  - III. Analysis of the Facts
  - IV. Formation of the Arbitral Tribunal
  - V. Applicable Law
  - VI. Respondent's Requests

















#### I. Respondent's Legal Representative

4. In this dispute, the Respondent is represented by Qanoonyoon Law Firm and Legal Consultancy, at the following address: 35 Main Street, Desert Kingdom, P.O. Box 2325. It is represented by the lawyer Saud al-Ahmad pursuant to the attached power of attorney. He can be contacted at the following email address: s.alahmad@ganoonyoon.na

#### II. Facts of the Dispute

- 5. The Respondent, Inma Contracting Company - Closed Joint Stock Company, is a company registered in Desert Kingdom. It is a leading infrastructure and construction company and has completed several large infrastructure projects inside and outside Desert Kingdom. It has been able to win several awards for quality, and it is an excellent-rated company, placing it in the top tier for contracting and public construction in Desert Kingdom.
- 6. On 1 February 2020, Desert Kingdom was awarded the December 2023 Olympic Games. This victory achieved the aspirations of Desert Kingdom, which strove to overcome all the obstacles and requirements to enter the competition with a large number of countries. Desert Kingdom began by preparing an integrated, comprehensive plan based on the vision delivered to the committee. This plan included the construction of a number of road, transportation, hotel, and restaurant projects, as well as a number of sports venues that will host competitions. The Respondent entered the competition with another company to build the main













<sup>&</sup>lt;sup>1</sup> Copy not enclosed with this file.









stadium and surpassed the competing company by a large margin due to Inma's excellence and long-standing experience in the field.

- 7. Immediately after the announcement of the result, the Respondent began to develop engineering plans and plan the construction strategy with a tight schedule so as to avoid any disruption that could cause malfunctions or delays. It held several meetings with a number of companies to ensure their ability to provide high-level equipment and software on time as part of the schedule.
- 8. On 1 September 2022, the Respondent announced that it wanted to contract for the provision of sports equipment for the stadiums. A number of companies specialized in providing equipment and software of this type applied. Communication took place with a number of these companies to explain the level of quality required in the equipment. The Respondent also stressed the importance of adhering to the schedule and delivering by the deadlines to be agreed upon. In this context, the Respondent met with the Claimant to discuss supplying giant stadium screens. During this meeting, the Claimant presented all the products and software it produces and stressed its outstanding professionalism and commitment to deadlines. The Claimant also revealed that it was in the process of acquiring a QLED factory that would enable it to provide screens in different types and sizes required for the stadiums. It could also provide 360-degree video assistant referee (VAR) cameras and thus would be able to supply everything the Respondent needed (Respondent Exhibit 1).
- 9. On 28 September 2022, the parties - the Claimant and Respondent - concluded a memorandum of understanding in which the parties indicated their desire to cooperate in the completion of this project. The Respondent was to purchase 19 large-scale QLED screens from the Respondent with particular technical specifications and resistance to various weather conditions. The memorandum also emphasized the importance of

















delivery dates and provided that if a party anticipates that it will not be able to fulfill an obligation on time, it shall notify the other party as soon as it becomes aware.

- 10. On 10 October 2022, the Respondent was assigned to organize the opening ceremony and award ceremony. After studying the cost and requirements, the Respondent decided that it needed to increase the number of screens to 25 screens instead of 19 so the attendees could enjoy watching and following the opening ceremony. The Respondent contacted the Claimant to make an agreement for the supply of 25 screens. The Respondent explained that the Claimant must confirm its ability to supply the additional screens. The Respondent had reached this conclusion after the Claimant announced its acquisition of the new factory (Respondent Exhibit 2). This explains why the Claimant took so long to decide that it could provide the required additional screens.
- 11. On 15 January 2023, the contract was concluded between the parties. It was agreed that the Claimant was obligated to supply 25 large-scale QLED screens (Claimant Exhibit 3), and also that the contract was a translation of all the terms of the memorandum of understanding that the parties signed previously.
- 12. The Respondent continued to follow up with preparations for this international sporting event and sought to provide the full range of modern sports equipment and devices. The supreme committee monitoring implementation indicated to it that VAR cameras must be provided. These are cameras that help referees with controversies on the playing field that call for rapid analysis and judgment to make the right decisions. The Respondent, however, feared that smart cameras could be hacked, and the footage altered and distorted, as happened in a global match (Respondent Exhibit 3).









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13. On 2 February 2023, the parties concluded a contract addendum to agree on the purchase of VAR cameras and the development of operating software for the cameras. The parties agreed that the Respondent would develop the software in accordance with the agreed specifications to ensure that the software would not be vulnerable to hacking. The Respondent has complied with all its obligations in accordance with the contract concluded between the parties. The Respondent observed that the Claimant was slow to install the software after it was delivered. It argued that the software was not compatible with the cameras and asked the Respondent to make modifications, in order to obstruct the fulfillment of its contractual obligation within the agreed deadline.

#### III. Analysis of the Facts

- 14. Due to all of the above, the Respondent rejects the emergency arbitrator's decision to obligate the Respondent to urgently disburse the remaining funds from the letter of guarantee so the Claimant company can produce and manufacture the rest of the screens. It asks the arbitral tribunal to terminate the interim measure pursuant to its authority on the basis of Article 28(5) of the Arbitration Rules of the Saudi Center for Commercial Arbitration. There is no cause for urgency to justify the decision to impose a precautionary measure. Furthermore, the conditions an emergency arbitrator must take into account in his or her decision on any precautionary measure are not met, as an inflationary situation of the sort alleged by the Respondent does not arise suddenly, but gradually. Therefore, we demand the termination of the provisional measure pursuant to Article 28(3) of the rules.
- 15. Furthermore, Clause 9 of the contract between the parties states that "the Parties shall agree on the place of arbitration at a later date." Desert Kingdom is the place of performance for the contract. All the documents have been stored electronically, and if the need arises for an expert inspection or a meeting with the expert, this can be done





















electronically. Therefore, the Respondent maintains that the Peace City in Desert Kingdom should be the place of arbitration (Respondent Exhibit 4).

16. The Claimant's allegation that it was subjected to gross unfairness, that the Respondent drafted the contract unilaterally, and that the Claimant was left no room to comment on the amendment is contrary to reality, as the contract is merely a direct translation of the memorandum of understanding between the parties. None of the terms contained therein was changed except as relates to the number of screens, where it was agreed to increase the number from 19 to 25. We therefore reject the Claimant's demand that the arbitral tribunal amend the terms of the contract in accordance with the UNIDROIT Principles on the grounds that it was subjected to gross unfairness.

#### IV. Formation of the Arbitral Tribunal

17. In accordance with Article 9 of the Contract and Article 16 of the Arbitration Rules, the Respondent nominates as its arbitrator in this arbitration claim: Ms. Dana al-Majed, independent international arbitrator; address: 66 Dar al-Farh, Route 89, Janoub State; telephone: +33 6 88 45 12 98; email: dana.almajed@gmail.com

#### V. Applicable Law

18. The Respondent rejects the Claimant's request to apply the rules of the United Nations Convention on Contracts for the International Sale of Goods (CISG) to the subject of the dispute. First of all, the subject of the dispute between the parties relates to the development of VAR technology software to be integrated into cameras, which is a topic not covered by CISG. Second, because it is provided by the Respondent, the agreed contract is not a contract of sale within the meaning of CISG. The Respondent also rejects the application of the UNIDROIT Principles



















of International Commercial Contracts, as this is a circumvention by it and an attempt to introduce the application of these principles in order to achieve its purposes, namely, to enable it to amend the terms of the contract. Therefore, the Respondent requests that the principles not be applied to this dispute, but rather the civil law of Desert Kingdom.

#### VI. Requests

The Respondent petitions arbitral tribunal to issue its award as follows:

- 1. Cancel the interim order issued by the emergency arbitrator to urgently disburse the remaining remaining funds from the letter of guarantee.
- 2. Reject the Claimant's request to obligate the Respondent to compensate the Claimant for losses it suffered as a result of its breach of its obligation to prepare software compatible with the agreed cameras. Compensate the Respondent for the losses it suffered as a result of the Claimant's failure to install the software prepared by the Respondent, which will be determined later.
- 3. Uphold the application of the provisions of Desert Kingdom civil law. On the premise that the law applicable to the subject of the dispute is UNIDROIT principles, the Respondent seeks the rejection of the Claimant's request to change the contractually agreed delivery date, adherence to the terms of the contract between the two parties, and rejection of the request to increase the additional amount for the additional screens to cover production costs, estimated at \$500,000.
- 4. Obligate the Claimant to fulfill its contractual obligation to deliver the remaining screens by the agreed deadline of October 2023.
- 5. Recognize Peace City, Desert Kingdom, as the place of arbitration.









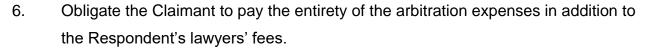
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7. The Respondent retains its right to amend its pleas and/or requests during later hearings.

Respondent's attorney

Kanouniyoon Law Firm and Legal Consultancy

Lawyer Saud al-Ahmad

20 September 2023





























#### Respondent Exhibit (1)

#### Written testimony of Hesham al-Wakeel

- 1. My name is Hesham Ahmed al-Wakeel. I have been the director general of Inma Contracting Company (Closed Joint Stock Company) since 2017. In university, I majored in industrial engineering. Inma Contracting Company works on infrastructure and construction projects. It is a leading company in its field because of the quality of the projects it undertakes.
- After Inma Contracting Company was selected to carry out the infrastructure work on the Olympic stadiums, a large number of companies submitted proposals to provide the various types of equipment necessary for the stadiums. We studied all the proposals the applicants submitted and verified their capabilities and the quality of their products. We held initial meetings with the managers of these companies to clarify Inma's specific requirements, and the Claimant company was selected.
- 3. I met personally with the acting CEO of Masarat to negotiate specifications, quantities, and initial prices. It is worth mentioning that our company led the discussion until the appointment of Ms. Jollia Christopher as the Claimant's new CEO. The relationship between the two parties was one of understanding and cooperation.
- 4. During the meetings, the Claimant emphasized its commitment to deadlines. It said it tries not to overload itself with orders, so it can deliver on time, and it has a proud record with the companies with which it has previously done business, with no late



















deliveries. Among other things, the Claimant disclosed that it intended to acquire one of the most important QLED factories in the region, thus increasing its capacity and enabling it to produce screens of this type in various types and sizes. This encouraged us to do business with them, due to the importance our company places on deadlines and product quality in general and for this project in particular.

5. The two parties held many meetings, exchanged many emails to clarify the required basic specifications, and shared the main draft of the memorandum of understanding containing the basic principles of the parties' obligations. This draft was studied and commented on by the parties until it was signed.

I affirm that all the above is true to the best of my knowledge and memory.

Hesham al-Wakeel

Director General, Inma Contracting Company

13 September 2023



























#### Respondent Exhibit (2)

From: Jollia@masarat.com Date: 1 October 2022 To: ceo@Inmaconst.com

Re: Announcement of Masarat Stadium Equipment Company's acquisition of the

AMD factory for producing QLED screens

Dear Mr. Hesham Al-Wakeel,

We are pleased to announce that Masarat Stadium Equipment Company has acquired one of the most well-known QLED factories in the region. This is one of the most important factories producing screens of this type. It will provide us with better competitive opportunities to produce and supply screens in different sizes and at record speed. We always strive to serve our customers and provide all the equipment and devices they need. We also strive to enhance all the services we provide in order to meet customers' requirements.

We are happy to serve you and cooperate with you on various projects.

Sincerely,

Jollia Christopher

**CEO** 











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#### Respondent Exhibit (3)

From: ceo@Inmaconst.com

Date: 13 October 2022

To: Jollia@masarat.com

Re: Agreement for Inma Contracting Company to develop software

#### Dear Jollia Christopher, Masarat CEO,

I hope you receive this email and that you are well.

As I explained to you on the phone, we were deeply concerned by the news of the hacking of VAR screens in the international matches between Haiki and Madona (enclosed is a copy of an article with the headline "VAR hacked during fateful matches!"). This news has worried the committee supervising the Olympic Games in Desert Kingdom. Desert Kingdom has harnessed all possible resources and preparations to host this important event, and we do not want to take any changes or enable vandals to infiltrate the VAR camera system and try to stop the cameras or commit any other act of sabotage. Therefore, we have decided that the best solution to avoid this problem is for our company to develop the software to be installed on the cameras and thus keep confidential all the important data related to the software. We ask you to send the specifications for the software so we can provide it to you with sufficient time for your company to install it on the cameras based on the specifications you recommend. All the details will be agreed upon later.

Thank you very much for understanding.

Sincerely,

**Hesham Al-Wakeel** 

**Director General** 

ceo@Inmaconst.com





Hegham





















# International Arbitration Center Report



#### 6.7 Place of Arbitration

Many international companies carefully adopt a number of countries as a place of arbitration, basing the choice on a number of considerations and factors that include safety, accessibility, and stability. Desert Kingdom, Rona, and Sarina are among these countries in the Southwest. The adoption of the UNCITRAL Model Rules on International Commercial Arbitration is also one of the most important elements driving the determination of the place of arbitration. The report explained that ratification of the 1958 New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards is one of the factors that plays a key role in determining the place of arbitration.

In addition, the amendments that arbitration centers in this region make to arbitration rules and procedures have a significant impact on the selection of these countries as a place of arbitration. A large number of lawyers and arbitrators also find that the amendments made by the State of Sado have contributed to the development of the arbitration sector in Sado and have encouraged a positive, stable, and conducive environment. It is noted, however, that many companies based in this region are not interested in selecting it as a place of arbitration, although there is no clear reason to explain this.

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#### **Emergency Arbitrator Award - Interim Procedure**

#### Arbitration Case No. SCCA-ARB-230825

Masarat Stadium Equipment Company LLC (Claimant); address: 223 18th Street, Bright City, Republic of the Alps, P.O. Box 76606; telephone: 00767611221; email: Central@masarat.com; represented by the lawyer Fatma Abdulbari pursuant to the attached power of attorney.

٧.

Inma Contracting Company - Closed Joint Stock Company (Respondent); address: 88 Mansur Street, <u>Salam</u> City, Desert Kingdom, P.O. Box 6606; telephone: 0032217727715; email: info@Inmaconst.com; represented by Kanouniyoon Law Firm and Legal Consultancy and represented by the lawyer Saud al-Ahmad pursuant to the attached power of attorney

#### I. Procedural background of the dispute

- 1. On 25 August 2023, the Saudi Center for Commercial Arbitration ("SCCA") received an application from Masarat Stadium Equipment Company ("Claimant") to register an arbitration case against Inma Contracting Company Closed Joint Stock Company ("Respondent"). It concerns a dispute between the two parties related to a contract for the supply of equipment 25 screens related to the Olympic Challenge project, which will be held in December 2023 in Desert Kingdom.
- 2. In conjunction with the registration of the request for arbitration in the subject matter of the case, the Claimant also registered an expedited application related to the urgent disbursement of the remaining funds from the letter of guarantee so it can produce and manufacture the rest of the screens. This is due to the economic crisis in the country that resulted, as the Claimant alleges, in serious economic and financial damage to the Claimant. The Claimant asked SCCA to appoint an emergency arbitrator to rule on the expedited request.

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- 3. In accordance with Article 1 of Appendix III to the SCCA rules, the Emergency Arbitrator Procedure Rules, the Claimant submitted an application containing a description of the circumstances justifying the urgency of the application and the dispute subject of the arbitration. The SCCA administrator registered the application immediately after making sure to send copies thereof to all the parties.
- 4. Upon submission of the application, the SCCA Court appointed Mr. Sami al-Abdullah within one working day of receiving the application as the emergency arbitrator to adjudicate the Claimant's expedited application, in accordance with Article 2 of Appendix III. On 28 August, the Respondent company answered the Claimant's provisional application.

#### II. Provisional dispute before the emergency arbitrator

- 5. Under the contract in dispute, Inma Contracting Company (the Respondent) contracted with Masarat Company (the Claimant) for the latter to supply stadium screens to the Claimant in order to complete the construction of the main stadium for the Olympic Games in December 2023.
- 6. On 8 April 2023, the Claimant delivered 15 screens to the Respondent in exchange for the latter paying the money for those screens and agreeing, as per the contract, to issue a letter of guarantee in the amount of \$2 million for the delivery of the rest of the screens in October 2023. At the beginning of March 2023, however, there was a global economic crisis that resulted in increased inflation in the value of the dollar. This resulted in an increase in the market value of the remaining 10 screens; the value of one screen reached three times its value at the time the contract was concluded between the parties to the arbitration. Therefore, the agreed \$2 million, which was the basis for the letter of guarantee, was no longer sufficient to purchase or manufacture the rest of the screens. This created a financial and practical burden on the Claimant to purchase the equipment and thus meet its obligations to deliver the remaining 10 screens in October 2023 as agreed.



















7. The Claimant demanded the urgent disbursement of the remaining funds from the letter of guarantee so it can produce and manufacture the rest of the screens. It also demanded that the value of the letter of guarantee be adjusted to reflect the actual price of the screens, in order to guarantee the fulfillment of its contractual obligations. The Respondent refused to disburse the remaining funds from the letter of guarantee or adjust the value of the letter of guarantee. It stuck to the terms of the contract and issued its instructions to the National Bank of Desert Kingdom not to release the money on that basis, and it added that the bank letter of guarantee is unconditional and irrevocable.

#### III. Content of the parties' interim application

8. The Claimant asks the emergency arbitrator to issue an interim order obligating the Respondent company to urgently disburse the remaining funds from the letter of guarantee so the Claimant can produce and manufacture the rest of the screens. It also asks that the value of the letter of guarantee be changed to reflect the market value of the remaining display screens (three times the original market value) in order to be able to meet its obligations and deliver the remaining display screens on time. The Respondent asks the emergency arbitrator to issue an interim order to maintain the status quo in connection with the letter of guarantee associated with the prices of the remaining display screens, and to obligate the Claimant to deliver the remaining display screens in October 2023.

#### IV. Parties' arguments before the emergency arbitrator

Claimant's arguments: The Claimant argues that the conditions exist for issuing an interim order in its favor, as follows:

The sudden and unexpected inflation in the currency led to direct damage to the Claimant company. Therefore, maintaining the status quo and not disbursing the remaining value of













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the letter of guarantee will make it impossible for it to deliver those screens on time. Consequently, it cannot make up those losses.

- The damages that would result if an interim order were not issued in favor of the Claimant are substantial damages to the Claimant. On the other hand, there are no damages that the Respondent could suffer as a result of the urgent disbursement of the remaining value of the letter of guarantee to prevent losses to the Claimant company as well as the Respondent as a result of the Claimant's imminent failure to deliver those screens on time as a result of the wave of dollar inflation at a time when the Respondent company's national currency is stable. In both cases, the issuance of the interim order is in response to the Claimant company's emergency, which justifies the issuance of the order.
- The issuance of an interim order in favor of the Respondent company could affect the arbitral tribunal's ability to issue an award ending the conflict. That is because the Claimant company would then be unable to meet its obligations as a result of the serious financial damage caused by the inflation in the dollar, and that could affect the award in connection with the fulfillment of contractual obligations. Meanwhile, the issuance of an interim order in favor of the Claimant would not affect the award because then there can be financial compensation for the damage – if any – as opposed to the damage suffered by the Claimant, for which compensation is not possible.

Respondent's arguments: The Respondent argues that the conditions exist for issuing an interim order in its favor, as follows:

The Respondent will suffer serious damage that cannot be compensated for if an interim order is issued in favor of the Claimant and the status quo is not maintained in accordance with Article 7.3 of the SCCA rules. Maintaining the status quo merely maintains the parties' agreement. The issuance of an interim order in favor of the Claimant company is not justified because there is no emergency and no urgency for issuing such an order.





















• The Respondent company has other financial obligations toward several companies that have been contracted to supply various goods up until the project is completed. It is therefore necessary to adhere to a clear schedule of payments – otherwise it will disrupt the payment process and affect the company's financial solvency – so it does not default vis-à-vis other companies.

#### V. Legal analysis

- 9. Whereas the emergency arbitrator's authority to issue an interim order is agreed in accordance with Article 7(3) of Appendix III of the SCCA rules, "Emergency Arbitrator Procedure Rules," which provides: "The Emergency Arbitrator shall have the power to award or order any provisional or precautionary measures that he or she deems necessary."
- 10. The Claimant company's provisional application is for the urgent disbursement of the remaining funds from the letter of guarantee so it can produce and manufacture the rest of the screens. It has also demanded that the value of the letter of guarantee be adjusted to reflect the actual price of the screens, in order to guarantee the fulfillment of its contractual obligations
- 11. In the dispute at hand, the Claimant company submitted sufficient evidence to demonstrate that the price of the screens under contract has reached three times the agreed price in a period of no longer than one year. The Claimant company also submitted evidence demonstrating that there was no error on its part that caused that price change; it was a global situation that resulted in a change in the price of the dollar due to global inflation affecting the dollar, which caused prices to rise in that manner. By contrast, the Respondent company did not provide any evidence to refute the Claimant company's submission.
- 12. As for damage that cannot be suitably remedied through compensation, this condition exists with respect to the Claimant company's provisional application, as the damage outlined by the Claimant company relates to losses to itself as well as to other parties with whom it has financial engagements that may be affected if an interim order is not issued in its favor. This condition has not been met with respect to the Respondent company's application, as the



















damage that might result from the issuance of an interim order of this kind is merely financial damage that can be remedied by the arbitral tribunal awarding compensation in a subsequent award.

13. Finally, the timing of the submission of the provisional application and the contract implementation schedule make the Claimant company's provisional application more pragmatic, as it seeks to fulfill the contract terms on schedule in order to serve the interests of both parties, making it preferable to issue the order.

#### VI. Emergency arbitrator's decision

In light of the above, the emergency arbitrator has decided to:

- 1. Approve the issuance of the Claimant company's interim order to obligate the Respondent company to urgently disburse the remaining funds from the letter of guarantee so the Claimant company can produce and manufacture the rest of the screens in order to be able to meet its obligations and deliver the remaining display screens by the October 2023 deadline.
- 2. Reject the Respondent company's provisional application.

Arbitrator: Sami Abdullah

5 September 2023











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Case No.: SCCA-ARB-230825

Claimant: Masarat Stadium Equipment Company LLC

Respondent: Inma Contracting Company CJSC Date: 8 September 2023

(sent by email - first-class mail)

Dear Ms. Fatma Abdulbari, Claimant's representative,

Telephone: 003224344211 / Email: f.bari@abdulbari.com

#### **Re: Appointment of Arbitral Tribunal Member**

With reference to the above subject, we write to you this letter to inform you that we have received your letter indicating your wish to nominate the arbitrator **Jehad Nouraddin** through the Saudi Center for Commercial Arbitration as a member of a tripartite arbitral tribunal in the above-mentioned case. You will find attached to this letter a copy of the notice of the arbitrator's appointment and the confirmation he signed.

We would also like to point out that under SCCA rules, an arbitrator acting in accordance with these rules must be neutral and independent. The arbitrator must also submit a disclosure, which is explained in detail in the appointment notice and its attachments, which are enclosed with this letter. If you wish to challenge the arbitrator, you must notify SCCA. Be advised that based on Article 1-18 of the SCCA Rules, SCCA must be informed of any challenge within 14 days of the notice of the arbitrator's appointment. 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 a reasonable time. In accordance with its absolute discretion, the SCCA Court will make a decision regarding the challenge as stipulated in the SCCA 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:** 

Mohammed al-Yousif

Signature: Mahd

Enclosures: Arbitrator Appointment Notice (not attached), Arbitrator's Disclosure

<sup>&</sup>lt;sup>1</sup> Disclosure does not necessarily imply a conviction that the information disclosed causes doubts about the arbitrator's impartiality or independence.



Date: 2 September 2023

Telephone: 009603988789

Email: Jehad.n@outbook.com

Case No.: SCCA-ARB-230825

**Claimant: Masarat Stadium Equipment Company LLC** 

**Respondent: Inma Contracting Company CJSC** 

#### Re: Acceptance of Appointment to Tripartite Arbitral Tribunal

I, the arbitrator Jehad Nouraddin, affirm that the curriculum vitae that I provided to the Saudi Center for Commercial Arbitration, which SCCA submitted to the Parties in this case, shows my academic credentials and practical experience, and it is accurate and complete up to the date of this letter.

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 rules of the Saudi Center for Commercial Arbitration 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 prompt 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 the SCCA Arbitrator Roster. Therefore:



I accept my appointment as an arbitrator in this case under the rules of the Saudi Center for Commercial Arbitration. (Please complete and attach the disclosure form.)

☐ 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.)

Signature: Jehad Nouraddin

In



#### **Arbitrator Disclosure Form**

Case No.: SCCA-ARB-230825

Claimant: Masarat Stadium Equipment Company LLC

Respondent: Inma Contracting Company CJSC

1	I pledge to hear this case and decide it justly and fairly.	✓
2	I pledge to act in accordance with the SCCA Arbitration Rules, the Code of Ethics	./
	for Arbitrators, and the agreement of the Parties.	•
3	I pledge to devote the appropriate time required to serve as an as an arbitrator	./
	in this case.	•
4	I accept the fees in this case based on the Arbitration Costs and Fees Appendix,	
	and I affirm that there are no separate arrangements regarding fees between me	$\checkmark$
	and the Parties to the case.	
5	I affirm that as far as I am aware, there is no past or present circumstance that	./
	would prevent me from considering this case.	•
6	I pledge that if I become aware in the future of any incident or circumstance that	
	prevents me from proceeding with this case, I will immediately report it to the	$\checkmark$
	SCCA.	
7	I affirm that I am not related by blood or marriage to any of the parties.	✓
8	Do you think there is anything that could affect your neutrality or impartiality?	No
9	Is there anything else that would (in the opinion of a reasonable person)	NI-
	constitute a conflict of interest? If so, please explain.	No

Signature: Jehad Nouraddin

Chul



Case No.: SCCA-ARB-230825

Claimant: Masarat Stadium Equipment Company LLC

**Respondent: Inma Contracting Company LLC** 

Date: 11 September 2023 (sent by email - first-class mail)

Dear Mr. Saud al-Ahmad, Respondent's representative,

Telephone: 007016969001 / Email: <a href="mailto:s.alahmad@alahmadlawfirm.com">s.alahmad@alahmadlawfirm.com</a>

#### **Re: Appointment of Arbitral Tribunal Member**

With reference to the above subject, we write to you this letter to inform you that we have received your letter indicating your wish to nominate the arbitrator Dana al-Majed through the Saudi Center for Commercial Arbitration as a member of a tripartite arbitral tribunal in the above-mentioned case. You will find attached to this letter a copy of the notice of the arbitrator's appointment and the confirmation he signed.

We would also like to point out that under SCCA rules, an arbitrator acting in accordance with these rules must be neutral and independent. The arbitrator must also submit a disclosure, which is explained in detail in the appointment notice and its attachments, which are enclosed with this letter. If you wish to challenge the arbitrator, you must notify SCCA. Be advised that based on Article 1-18 of the SCCA Rules, SCCA must be informed of any challenge within 14 days of the notice of the arbitrator's appointment. 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 a reasonable time. In accordance with its absolute discretion, the SCCA Court will make a decision regarding the challenge as stipulated in the SCCA 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:** 

Mohammed al-Yousif

Signature: Mahd

Enclosures: Arbitrator Appointment Notice (not attached), Arbitrator's Disclosure

<sup>-</sup>

<sup>&</sup>lt;sup>1</sup> Disclosure does not necessarily imply a conviction that the information disclosed causes doubts about the arbitrator's impartiality or independence.



Date: 10 September 2023

Telephone: 009600788119

Email: dana almajed@kkmail.com

Case No.: SCCA-ARB-230825

**Claimant: Masarat Stadium Equipment Company LLC** 

**Respondent: Inma Contracting Company CJSC** 

#### Re: Acceptance of Appointment to Tripartite Arbitral Tribunal

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, shows my academic credentials and practical experience, and it is accurate and complete up to the date of this letter.

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 rules of the Saudi Center for Commercial Arbitration 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 prompt 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 the SCCA Arbitrator Roster. Therefore:



I accept my appointment as an arbitrator in this case under the rules of the Saudi Center for Commercial Arbitration. (Please complete and attach the disclosure form.)

☐ 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.)

Signature: Dana al-Majed



#### **Arbitrator Disclosure Form**

Case No.: SCCA-ARB-230825

Claimant: Masarat Stadium Equipment Company LLC

Respondent: Inma Contracting Company LLC

1	I pledge to hear this case and decide it justly and fairly.	✓
2	I pledge to act in accordance with the SCCA Arbitration Rules, the Code of Ethics	
	for Arbitrators, and the agreement of the Parties.	•
3	I pledge to devote the appropriate time required to serve as an as an arbitrator	
	in this case.	•
4	I accept the fees in this case based on the Arbitration Costs and Fees Appendix,	
	and I affirm that there are no separate arrangements regarding fees between me	✓
	and the Parties to the case.	
5	I affirm that as far as I am aware, there is no past or present circumstance that	
	would prevent me from considering this case.	•
6	I pledge that if I become aware in the future of any incident or circumstance that	
	prevents me from proceeding with this case, I will immediately report it to the	✓
	SCCA.	
7	I affirm that I am not related by blood or marriage to any of the parties.	✓
8	Do you think there is anything that could affect your neutrality or impartiality?	No
9	Is there anything else that would (in the opinion of a reasonable person)	No
	constitute a conflict of interest? If so, please explain.	INO

Signature: Dana al-Majed



Case No.: SCCA-ARB-230825

Claimant: Masarat Stadium Equipment Company LLC Respondent: Inma Contracting Company CJSC

Date: 15 September 2023 (sent by email - first-class mail)

Dear Dr. Abdulaziz Jawad,

Telephone: 009332767676 / Email: dr.a.jawad@jawaddispute.com

#### **Re: Arbitrator Nomination Letter and Disclosure Request**

Further to our previous communication, we have the honor of informing you that you have been nominated to chair an arbitral tribunal (as part of a tripartite tribunal) in the above-mentioned case. While informing you of this, we would like to instruct you to allocate the appropriate time to study and decide the case. Please note that this claim will be administered in accordance with the arbitration rules of the Saudi Center for Commercial Arbitration, which are valid as of October 2022, as well as the SCCA Code of Ethics for Arbitrators, both of which can be found on the SCCA website (www.sadr.org).

Before you are appointed as an arbitrator in this case, you should understand the importance of arbitrator impartiality and independence. In order to confirm this, and pursuant to Article 17 of the SCCA Arbitration Rules, we ask that prior to accepting your appointment in this case, you disclose any circumstances that would call your impartiality or independence into question. This includes disclosing any relationship between you and the parties or potential witnesses, whether such relationship is current or past, direct or indirect, and financial, professional, social, or otherwise. This obligation continues throughout the duration of the case. The parties are not permitted to communicate unilaterally with the arbitrators or arbitrator candidates about the case. If any such contact takes place, the content of and reasons for the communication must be reported immediately to the other parties and arbitrators. We also advise the arbitrator that any change in the curriculum vitae submitted to the Saudi Center for Commercial Arbitration should be disclosed.

The Claimant in this case is represented by the lawyer Fatma Abdulbari, and the Respondent is represented by the lawyer Saud al-Ahmad. The arbitrators nominated with you in this case are Mr. Jehad Nouraddin and Ms. Dana al-Majed. The CVs of the arbitrator candidates are attached.

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

If you are unsure of whether something should be disclosed, it should be disclosed. In the event of a direct or indirect connection to any of the parties to the case, please describe the connection at the bottom of the form. It should also be noted that failure to disclose at the proper time may result in the arbitrator being denied his or her fee in the case.

SCCA will deliver the disclosure to the parties.



The Saudi Arbitration Center has developed this arbitrator appointment form for cases it administers in accordance with its Arbitration Rules. If there are other applicable regulations or rules, the arbitrator must follow them.

#### **Enclosures:**

Parties' disclosures (not attached) CVs of arbitrator candidates (not attached)



Case No.: SCCA-ARB-230825

Claimant: Masarat Stadium Equipment Company LLC

223 18th Street, Bright City, Republic of the Alps, P.O. Box 76606

Telephone: 0032217727715 / Email: jollia@masarat.com

**Respondent: Inma Contracting Company CJSC** 

Address: 88 Mansour Street, Peace City, Desert Kingdom, P.O. Box 6606

Telephone: 0032217727715 / Email: info@InmaConst.com

#### Re: Acceptance of Appointment as Presiding Arbitrator

I, the arbitrator Dr. Abdulaziz Jawad, affirm that the curriculum vitae that I provided to the Saudi Center for Commercial Arbitration, which SCCA submitted to the Parties in this case, shows my academic credentials and practical experience, and it is accurate and complete up to the date of this letter.

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 rules of the Saudi Center for Commercial Arbitration 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 prompt 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 the SCCA Arbitrator Roster. Therefore:



I accept my appointment as an arbitrator in this case under the rules of the Saudi Center for Commercial Arbitration. (Please complete and attach the disclosure form.)

☐ 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.)

Signature: Dr. Abdulaziz Jawad



#### **Arbitrator Disclosure Form**

Case No.: SCCA-ARB-230825

Claimant: Masarat Stadium Equipment Company LLC

Respondent: Inma Contracting Company CJSC

1	I pledge to hear this case and decide it justly and fairly.	✓
2	I pledge to act in accordance with the SCCA Arbitration Rules, the Code of Ethics	/
	for Arbitrators, and the agreement of the Parties.	•
3	I pledge to devote the appropriate time required to serve as an as an arbitrator	./
	in this case.	•
4	I accept the fees in this case based on the Arbitration Costs and Fees Appendix,	
	and I affirm that there are no separate arrangements regarding fees between me	✓
	and the Parties to the case.	
5	I affirm that as far as I am aware, there is no past or present circumstance that	
	would prevent me from considering this case.	•
6	I pledge that if I become aware in the future of any incident or circumstance that	
	prevents me from proceeding with this case, I will immediately report it to SCCA.	•
7	I affirm that I am not related by blood or marriage to any of the parties.	✓
8	Do you think there is anything that could affect your neutrality or impartiality?	No
9	Is there anything else that would (in the opinion of a reasonable person)	No
	constitute a conflict of interest? If so, please explain.	No

Signature: Dr. Abdulaziz Jawad



# <u>Disclosure Guidelines for Arbitrators in Cases Administered by the</u> <u>Saudi Center for Commercial Arbitration</u>

#### **General Instructions:**

- 1. The Saudi Center for Commercial Arbitration rules and codes of ethics require the complete disclosure of any circumstances that would call an arbitrator's impartiality or independence into question.
- The disclosure obligation applies during all stages of arbitration. At later stages of the
  proceedings, the case consultant may ask an arbitrator to research conflicts of interest on
  specific issues related to the case, but you should conduct your own examination and
  disclosure as you become aware of information related to the participants in the
  proceedings.
- 3. If you are hesitant or uncertain about disclosing any circumstances, disclose them. You should not evaluate the potential impact of a conflict of interest on your own. Instead, make the disclosure and leave it to the parties to assess the impact on the case from the conflict of interest.
- 4. As a guiding principle, if a relationship or interest comes to mind, disclose it.
- 5. You must disclose the following:
  - a. Any circumstances that would call your impartiality or independence into question, as provided in Article 13-2 of the Arbitration Rules of the Saudi Center for Commercial Arbitration.
  - b. Any interest or relationship that could make you appear biased (Canon II of the SCCA Code of Ethics for Arbitrators).

#### Finances:

Any direct financial interests, with any party, representative, witness, or arbitrator involved in the case must be disclosed, whether present or past, as well as indirect interests, whether present or past.

#### **Relationships:**

Any relationship with any party, representative, witness, or arbitrator involved in the case must be disclosed, including any relationships with the following:

- 1. Their immediate and extended families;
- 2. Their employees;
- 3. Their partners and colleagues.

#### How should disclosure be made?

Disclosures must be very clear. You should ensure that the disclosure is detailed enough that the parties are aware of the potential conflict of interest or of any circumstances likely to raise doubts about the arbitrator's impartiality and independence. Care must be taken to indicate the identity of the person, the nature of the relationship, the time and place of the relationship, and the circumstances around it. Be attentive to the smallest details, however inconsequential they may seem.

The burden of disclosure falls on the arbitrator, who must exert his or her utmost efforts to provide the Saudi Center for Commercial Arbitration with the required information. SCCA has the right to verify that submitted disclosures are not ambiguous or incomplete and that the arbitrator has not shirked



the duty of examining relationships that may link him or her to the case and the parties. Failure to provide sufficient details may result in delayed confirmation of your appointment as an arbitrator in the case, as well as a delay in the filing of the case generally, because the case consultant may need to contact you to request further clarification.

Disclosures must be in writing. In rare cases where something requiring disclosure arises when the arbitration proceedings commence, you should excuse yourself from the session immediately and contact SCCA to facilitate the submission of new disclosures to the parties and obtain their responses. In accordance with the Saudi Center for Commercial Arbitration rules and confirmation of the arbitrator's appointment, as well as deciding any objection to the appointment raised by the parties.









## **Saudi Center for Commercial Arbitration**

Arbitration Case No. SCCA-ARB-230825

Filed by

Masarat Stadium Equipment Company LLC

(Claimant)

٧.

Inma Contracting Company - Closed Joint Stock Company (Respondent)

**Procedural Order No. 1** 















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This order was issued on Saturday, 30 September 2023 by the arbitral tribunal chaired by Dr. Abdulaziz Jawad (presiding arbitrator) with Ms. Dana al-Majed and Mr. Jehad Nouraddin as tribunal members.

#### Introduction

- 1- On 25 August 2023, Masarat Stadium Equipment Company LLC ("Claimant") filed a request for arbitration ("Arbitration Request") against Inma Contracting Company -Closed Joint Stock Company ("Respondent") on the basis of Clause 9 of the contract signed between them on 15 January 2023 for the manufacture, installation, and supply of QLED screens, in accordance with Article 5 of the Arbitration Rules of the Saudi Center for Commercial Arbitration ("Arbitration Rules").
- 2- The Arbitration Request was filed with the Saudi Center for Commercial Arbitration ("SCCA") as Arbitration Case No. SCCA-ARB-230825 between the Claimant and the Respondent.
- 3- The arbitral tribunal was constituted by a decision of the SCCA in accordance with Article 16 of the Arbitration Rules. It is chaired by Dr. Abdulaziz Jawad and has Ms. Dana al-Majed and Mr. Jehad Nouraddin as members. The arbitral tribunal held the first procedural session on 30 September 2023, where the terms of reference for the arbitration procedures were agreed upon as documented in the minutes of that session, which were signed by the arbitral tribunal and the parties to the proceedings. The parties agreed on the substance of the first procedural order ("PO 1") during that session. They agreed on the wording, and the arbitral tribunal approved it. Therefore, the arbitral tribunal decides:

















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#### I. Submission of memoranda, written evidence, and notifications

- 4- Each party will send its own memoranda and written evidence electronically to each member of the arbitral tribunal, other parties, and the SCCA (by email, in the form of an electronically searchable PDF), as well as hard copies delivered by hand to the SCCA.
- 5- Each party will send its own notifications electronically to each member of the arbitral tribunal, the other party, and the SCCA (by email, in the form of an electronically searchable PDF), as well as hard copies sent by fax to the SCCA.

#### II. Written memoranda:

- 6- The Claimant and the Respondent shall submit their memoranda within the prescribed deadlines (the schedule of deadlines will be provided to the parties later).
- 7- The parties will submit their memoranda on two-sided A4 paper.

#### III. Evidence

8- The arbitral tribunal will apply the SCCA rules to matters of evidence and may use the rules of evidence in international commercial arbitration.

#### IV. Witness testimony and expert reports

9- A party wishing to use a fact witness or expert will submit the witness's written testimony or the expert's report together with the memoranda referenced in part II above. The written witness testimony and expert reports submitted in response to the memoranda, written testimonies, and expert reports previously mentioned in this paragraph must be accompanied by memoranda. They may be from fact witnesses or experts different from

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those who initially provided written testimony or reports.

- 10- The arbitral tribunal has the right after consultation with the parties to appoint an expert as it deems necessary and to determine the elements of the expert's task.
- 11- If it is not possible during a hearing to question a witness or expert who previously submitted written testimony or a report, and an acceptable excuse has not been given, the arbitral tribunal may disregard the written testimony or report and remove it from the case file.
- 12- Each party shall bear the expenses associated with its witnesses and experts, without prejudice to the arbitral tribunal's decision as to which party ultimately bears those expenses.
- 13- The testimony or opinions of witnesses and experts summoned for questioning will be interpreted simultaneously during hearings if they prefer to testify in their native language and that language is not Arabic.
- 14- These provisions also apply to experts. In addition, any expert's report must include an acknowledgment of his or her duty to assist the arbitral tribunal.

#### V. Language of arbitration and translation/interpretation

- 15-The language of the arbitration is Arabic. All memoranda and testimonies, including expert reports and witness testimonies, will be submitted in that language, with an Arabic translation of any documents written in other languages.
- 16- Unofficial translations of non-Arabic legal texts and documents are sufficient. If a party objects to an unofficial translation, with a specific explanation of the reasons for the objection, the arbitral tribunal will have the right to decide as it sees fit and sanction the translation if it deems appropriate.





















#### VI. Modification of orders

17- Changes may be made to any order issued by the arbitral tribunal either at the request of a party or at the initiative of the tribunal if the circumstances so warrant.

#### VII. Correspondence between the arbitral tribunal and the parties

18- The presiding arbitrator or another authorized arbitral tribunal member shall correspond and consult with the parties regarding the arbitration procedure in general.

#### VIII. Points of agreement

- 19- The arbitration rules applicable to this dispute are the Saudi Arbitration Center rules of 2023.
- 20-The Parties acknowledge that the international commercial arbitration laws of both Desert Kingdom and the Republic of the Alps are in full conformity with the **UNCITRAL** Model Law on International Commercial Arbitration (2006).
- 21- The Parties acknowledge that all of the above-mentioned contracting countries of the United Nations Convention on Contracts for the International Sale of Goods (CISG) of 1980 and UNIDROIT Principles.
- 22-The Parties acknowledge that all of the above-mentioned contracting countries of the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958 (the New York Convention)













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#### X. Procedural order to the Parties

- 23-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) Should the arbitral tribunal cancel the emergency arbitrator's order?
  - b) What should be the place of arbitration: Desert Kingdom or Republic of the Alps?
  - c) Are the contract for the manufacture, installation, and supply of QLED screens and the addendum thereto subject to CISG?
  - d) Should the arbitral tribunal change the contractually agreed delivery date?

**Arbitral Tribunal** 

Dr. Abdulaziz Jawad (Presiding Arbitrator)

Mr. Jehad Nouraddin

Ms. Dana al-Majed

Signature















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## **Saudi Center for Commercial Arbitration**

Arbitration Case No. SCCA-ARB-230825

Filed by

Masarat Stadium Equipment Company LLC

(Claimant)

٧.

Inma Contracting Company - Closed Joint Stock Company (Respondent)

**Procedural Order No. 2** 























This order was issued on Wednesday, 29 November 2023 by the arbitral tribunal composed of presiding arbitrator Dr. Abdulaziz Jawad and members Ms. Jehad Nouraddin and Ms. Dana al-Majed in order to respond to the parties' inquiries about certain procedural and substantive matters in the present case.

#### Applicable Law:

1. Has Desert Kingdom approved the UN Convention on Contracts for the International Sale of Goods (CISG)?

Yes, all the countries in the case have acceded to CISG.

2. Is it possible to recognize the UNIDROIT rules as they appear in the 2014 version translated into Arabic, when these rules were amended on two occasions in 2016 and 2021 (versions for which there is no certified translation into Arabic)?

The version of the applicable UNIDROIT Principles is the 2010 version, and the certified translation from UNIDROIT is from 2014.

#### **Emergency Arbitrator**

- 3. Did the Claimant notify the Respondent of the emergency? Assuming that there was no notification, is there any justification for that?
  - No, there was no notification of the emergency, but the inflation occurring in the world is something traders heard about, as energy prices rose abnormally and significantly. The Republic of the Alps was the country most affected, leading in inflation measures following the wave.
- 4. Paragraph 11 on page 51 mentions that the Claimant Company provided evidence that the screen prices had reached three times the agreed price in a period of no

















### longer than one year. What evidence did the Claimant provide to prove the price change? Where is the accounting report?

In light of the wave of inflation that swept the world, and in the absence of any projected economic rebound in the foreseeable future, the Claimant resorted to a globally known consulting company and asked it to conduct a comprehensive study of the market for the screens, along with several other markets of interest. The report by the third party (the market consultant) concluded that screen prices tripled in one year due to a decrease in the value of the currency, as the market value of the screens after the rise in prices is equal to the cost value. Furthermore, the Claimant submitted a report from the Central Bank showing the impact of inflation on the value of goods. That report states: "If the price of the good a year ago was \$100, today the \$100 is not equal to the actual value of the good. Therefore, market prices should be expected to rise in the coming years to counter the severe wave of inflation and avoid harm to traders." The Central Bank report met with criticism, however, from some economic analysts with legal backgrounds. They pointed out that contract drafters should have studied all the external risks to the contract and included clauses to address them, for example, a price adjustment clause in the event of exceptional circumstances such as inflation.

#### Contract:

5. Is there any evidence or document that proves that the Respondent asked the Claimant to sign the contract within just 24 hours, and otherwise it would contract with another company? (Page 9, paragraph 7)

The parties' representatives discussed by telephone how long the Claimant would have to review the contract, and the Respondent does not dispute this information.









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In general, only the facts that constitute the subject matter of the case are contained in the file. The facts claimed by the parties in the request for arbitration and the response to the request for arbitration are presumed to be correct unless they contradict one another. Facts that are not part of the case file are out of bounds unless they are a logical extension of the facts or are publicly available facts.

Did the parties agree on the camera specifications and also agree on the software specifications?

Yes, they agreed on the details of the software suitable for cameras of this type.

7. In the contract between the Claimant and the Respondent, the preamble stated that the number of screens agreed upon was 19, and in Clause 1 it was stated as 25 screens. Is this a material error?

There is no contradiction between what is stated in the preamble and what is stated in Clause 1 of the contract because the parties agreed initially in the memorandum of understanding that 19 screens would be supplied, and they then raised it to 25 screens.

- 8. Why didn't the contract addendum include the value of the VAR cameras? The technical and software details are to be added in the annex to the contract.
- 9. In the ongoing dispute, Claimant is seeking the application of the UNIDROIT Principles, while the Respondent is seeking the application of its national law, which fully adopts the UNIDROIT Principles. In this case, the result would be the same, namely the application of the UNIDROIT Principles. What is the reason for each party's insistence on its claims in this regard?

The Kingdom of the Sahara's substantive law framework encompasses the International Sale of Goods Convention (CISG), given its status as a signatory, along with the General Civil Code and the International Commercial Law. Notably, the















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International Commercial Law of the Kingdom of the Sahara deviates from the UNIDROIT Principles by excluding paragraphs (2) and (3) of Article 3-2-7. In place of these excluded provisions, it adopts the principles of the General Civil Code, which firmly prohibit any modifications to contractual clauses. This forms the basis for Respondent's stance. Claimant, on the other hand, bases its argument on Article 8 of the contract, which unequivocally applies the UNIDROIT Principles in their entirety without omitting paragraphs (2) and (3) of Article 3-2-7. Furthermore, Claimant interprets the choice of law enshrined in Article 9 as pertaining to the substantive law governing the formation and validity of the arbitration agreement itself.

10. What is the contracted number of VAR cameras? 4 cameras.

#### Letter of Guarantee:

- 11. Why didn't the Claimant resort to the bank to pay the letter of guarantee as a letter of guarantee is due when the Claimant resorts to the bank? Because the Respondent contacted the bank and gave it instructions not to pay out
  - the letter of guarantee to the Claimant. This occurred after the Claimant contacted the Respondent regarding the payout and adjustment of the letter of guarantee.
- 12. What was the value of Inma's performance to Masarat's benefit up to the start of the dispute? What does it mean to disburse the remaining funds from the letter of guarantee?

The funds received and the value of the performance are subject to the parties' interpretations and arguments before the arbitral tribunal. The emergency arbitrator's decision states, "urgently disburse the remaining funds from the letter of guarantee." In the event of ambiguity in the operative part of the decision, the parties



















may adopt any interpretations in support of their legal position before the arbitral tribunal.

13. The contract states "The Parties also agree that First Party is obligated to issue an unconditional, irrevocable, indefinite letter of guarantee to the benefit of Second Party in the amount of USD 2 million." The contract did not set a date for the issuance of this letter. While the emergency award was vague, it stated in Paragraph II(6), on page 48 of the case file, that the parties agreed that the letter would be issued in exchange for the delivery of the screens in October 2023. Did the parties agree on this date as the date for the letter of guarantee to be issued?

The "October 2023" date referenced relates to the delivery of the remaining screens on this date and not to the issuance date of the letter of guarantee.

14. Was the contract worth \$20 million and increased to \$22 million for the additional screens? Or is the letter of guarantee for the additional screens? What is the purpose of issuing the letter of guarantee?

The letter of guarantee was issued to ensure the execution of the purchase and delivery of the rest of the screens to the Respondent Company after the delivery of fifteen screens. As is clear from the sixth paragraph of the emergency arbitrator's decision on page 48, the letter of guarantee for 2 million dollars was issued to ensure the manufacturing, delivery and commissioning of the screens for the Respondent.

#### General:

15. To what extent is the Government of Desert Kingdom involved in the affairs of Inma Contracting Company?

There is no relationship between the Respondent and the Government of Desert Kingdom. It is worth mentioning that according to standards of corruption, Desert



















Kingdom of the Sahara is one of the least corrupt countries, which contributed to it becoming the host country.

16. The Claimant mentioned its attempt to reach an understanding regarding the modification of the software and an attempt to resolve the dispute amicably, but the Responded rejected all the proposed solutions. In Clause 9 on dispute resolution, the parties agree to seek amicable resolution no later than 3 weeks from the date of notification that a dispute exists. What is the evidence of the Claimant's attempt to resolve the dispute amicably and the Respondent's rejection of all solutions?

Attempts were made to resolve the dispute between the parties amicably through modern means of communication within the three-week period stipulated in the contract before the dispute was referred to arbitration. There is no disagreement between the parties on this point.

17. Based on the fact that the Respondent has more than 20 branches in different countries, does it have a branch in Bright City in the Republic of the Alps or in a nearby area?

Yes, the Respondent has a branch in the Republic of the Alps.

18. What is meant by the pandemic that caused inflation?

The pandemic that occurred two years ago is the Covid-19 pandemic.

19. Can the provisions of Islamic law be drawn on in writing defenses, in addition to the substantive and procedural law specified by the parties?

The applicable rules are the SCCA procedural rules and the applicable substantive law.









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#### 20. Can additional procedural defenses be written?

Additional procedural defenses can be written as each team sees fit, so long as the arguments are productive in the case and within the specified matters in Procedural Order 1.

#### 21. Can all the letters between the companies be sent?

The letters produced were sent only on the subject matter of the case. There are no other letters between the parties that can be sent.

22. Do the courts of the Kingdom of the Sahara and the courts of Republic of the Alps take different procedures in dealing with the decisions of emergency arbitrators? The appellate courts in the Republic of the Alps have adopted a stance that grants interim awards the same enforceability as final awards, in contrast to the courts of the Kingdom of the Sahara.

Arbitral Tribunal

Dr. Abdulaziz Jawad (Presiding Arbitrator)

Mr. Jehad Nouraddin

Ms. Dana al-Majed

Signature

















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# Global moot, in Arabic.

















