

AN AGREEMENT OF COOPERATION

between

**THE PHILIPPINE DISPUTE RESOLUTION CENTER, INC.
Makati City, Philippines**

and

**THE BADAN ARBITRASE NASIONAL INDONESIA
(Indonesian National Board of Arbitration)
Jakarta, Indonesia**

Being convinced that use of commercial arbitration through fair, inexpensive and expeditious procedures lends confidence and stability to trade between and among nations, the Philippine Dispute Resolution Center, Inc. ("PDRCI") and the Badan Arbitrase Nasional Indonesia ("BANI") agree as follows:

1. The above named organizations will cooperate in popularizing arbitration as a means of settling disputes arising out of international commercial transactions.

2. The organizations will promote wider use of arbitration under their auspices and will recommend to firms engaged in business in Indonesia and the Philippines the insertion in contracts of a provision that any controversy or claim arising out of or relating to such contracts, or the breach, termination or invalidity thereof, shall be settled by arbitration in accordance with its rules for international commercial arbitration in effect on the date of such contract.

3. If the parties to a dispute submitted to arbitration have agreed that the arbitrator to be appointed shall be a non-Philippine national, at their request, the PDRCI, if it is the Appointing Authority, shall provide the parties with a list of arbitrators from which they may select their arbitrators. This list shall include those accredited by the BANI. The PDRCI shall consult with the BANI as to the selection of the arbitrator appropriate for the dispute if the party or parties concerned shall express a preference for an arbitrator of Indonesian nationality and are unable to make the choice from the list of accredited arbitrators.

4. If the parties to a dispute submitted to arbitration have agreed that the arbitrator to be appointed shall be a non-Indonesian national, at their request, the BANI, if it is the Appointing Authority, shall provide the parties with a list of arbitrators from which they may select their arbitrators. This list shall include those accredited by the PDRCI. The BANI shall consult with the PDRCI as to the selection of the arbitrator appropriate for the dispute if the party or parties concerned shall express a preference for an arbitrator of Philippine nationality and are unable to make the choice from the list of accredited arbitrators.

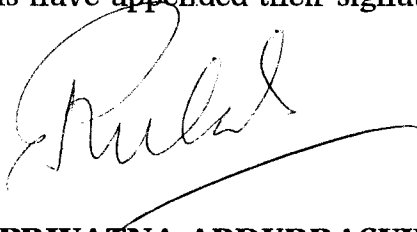


5. The organizations shall provide each other, upon request, facilities or administrative services for taking up any step in the arbitration proceedings. Expenses incurred shall be reimbursed by the institution requesting the facilities.

6. The organizations will exchange information and publications of mutual interest in the field of commercial arbitration.

7. This agreement is done in triplicate in English, all copies being equally authentic and shall become effective on 18 September 1998.

IN WITNESS WHEREOF, the authorized representative of the above organizations have appended their signatures on this agreement.



Prof. Dr. H. PRIYATNA ABDURRASYID
For and on behalf of the
BADAN ARBITRASE NASIONAL
INDONESIA (Indonesian National Board of
Arbitration)



Amb. SEDFREY A. ORDONEZ
For and on behalf of the
PHILIPPINE DISPUTE RESOLUTION
CENTER, INC.