ANNEX 14-B
CODE OF CONDUCT

DEFINITIONS

1. For the purposes of this Annex:

adviser means a person retained by a Party to advise or assist that Party in connection with the Arbitral Tribunal proceeding;

Arbitral Tribunal means an Arbitral Tribunal established under Article 14.10;

arbitrator means a member of an Arbitral Tribunal established under Article 14.10;

assistant means a person who, under the terms of appointment of an arbitrator, conducts research or provides other professional or administrative support to any arbitrator;

candidate means:

(a) a person whose name appears in the list established pursuant to Article 14.8; or

(b) a person who is under consideration for appointment as an arbitrator, conciliator, mediator, expert, or assistant;

Chapter means Chapter 14;

conciliator or mediator mean a person who conducts a conciliation or mediation, respectively, in accordance with Articles 14.5 and 14.6 of the Chapter;

expert means an individual who provides information, technical advice or expert opinion to an Arbitral Tribunal pursuant to rules 30 through 36 of Annex 14-A;

family members means:

(a) the spouse of the arbitrator or candidate;

(b) the following relatives of the arbitrator or candidate: parents, grandparents, great grandparents, children, grandchildren, great grandchildren, brothers, sisters, nephews, nieces, uncles, aunts, first cousins, great uncles and great aunts, or the spouse of such persons; and
(c) the following relatives of the spouse of the arbitrator or candidate: parents, grandparents, brothers, sisters, children and grandchildren;

proceedings means an Arbitral Tribunal proceeding;

staff means persons under the direction and control of the arbitrator, or of the Arbitral Tribunal, other than assistants.

RESPONSIBILITIES OF ARBITRATORS AND CANDIDATES

2. An arbitrator shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests, shall observe high standards of conduct so that the integrity and impartiality of dispute settlement under this Agreement are preserved and shall take appropriate measures to ensure that assistants and experts comply with this Code of Conduct. A former arbitrator shall observe the duties established in this Annex, mutatis mutandis.

3. A candidate shall not accept appointment as an arbitrator unless the candidate is fully satisfied of his or her ability to comply with the requirements of this Code of Conduct.

4. An arbitrator shall select an expert or assistant only if they are fully satisfied with the ability of the expert or assistant to comply with the requirements of this Code of Conduct. The selected expert or assistant shall accept the selection only if they are fully satisfied of their ability to comply with these requirements.

DISCLOSURE OBLIGATIONS

5. Prior to confirmation of his or her appointment as an arbitrator under this Agreement, a candidate shall disclose any interest, relationship or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters. The candidate shall disclose such interests, relationships and matters by completing and providing the Undertaking Form in Appendix 14-B-1 to the Joint Committee for consideration by the Parties.

6. Without limiting the generality of the obligation in paragraph 5, candidates shall disclose the following interests, relationships and matters:

(a) any direct or indirect financial, business, property, professional or personal interest, past or existing, of the candidate:

   (i) in the proceeding or in its outcome; and

   (ii) in an administrative, arbitral or court proceeding or another tribunal or committee proceeding that involves an
issue that may be decided in the proceeding for which the candidate is under consideration;

(b) any direct or indirect financial, business, property, professional or personal interest, past or existing, of the candidate's employer, partner, business associate or family member:

(i) in the proceeding or in its outcome; and

(ii) in an administrative, arbitral or court proceeding or another tribunal or committee proceeding that involves issues that may be decided in the proceeding for which the candidate is under consideration;

(c) any past or existing financial, business, professional, family or social relationship with a person or entity that has an interest in the proceeding, or the Party's counsel, representative or adviser, or any such relationship involving a candidate's employer, partner, business associate or family member; and

(d) public advocacy, including statements of personal opinion, or legal or other representation concerning an issue in dispute in the proceeding or involving the same type of goods, services, investments, or government procurement.

7. Once appointed, an arbitrator shall continue to make all reasonable efforts to become aware of any interests, relationships and matters referred to in paragraphs 5 and 6 and shall disclose them by communicating them in writing to the Joint Committee for consideration by the Parties. The obligation to disclose is a continuing duty, which requires an arbitrator to disclose any such interests, relationships and matters that may arise during any stage of the proceeding.

8. This Annex does not determine whether or under what circumstances the Parties will disqualify a candidate, or an arbitrator from being appointed to or serving as a member of an Arbitral Tribunal, on the basis of disclosures made.

PERFORMANCE OF DUTIES BY ARBITRATORS

9. In addition to this Annex, an arbitrator shall comply with the provisions of the Chapter and Annex 14-A.

10. Upon selection, an arbitrator shall perform his or her duties thoroughly and expeditiously throughout the course of the proceeding with fairness and diligence.

11. An arbitrator shall consider only those issues raised in the proceeding and necessary to rendering an award or a decision and shall not delegate any of his or her duties to any other person.
12. An arbitrator shall take all appropriate steps to ensure that his or her assistants and staff are aware of, and comply with this Annex, *mutatis mutandis*.

13. An arbitrator shall not engage in *ex parte* communications concerning the proceeding.

14. An arbitrator shall not communicate matters concerning actual or potential violations of this Annex unless the communication is to both Parties or is necessary to ascertain from a third party whether that arbitrator has violated or may violate this Annex.

**INDEPENDENCE AND IMPARTIALITY OF ARBITRATORS**

15. An arbitrator shall be independent and impartial. An arbitrator shall act in a fair manner and shall avoid creating an appearance of impropriety or bias.

16. An arbitrator shall not be influenced by self-interest, outside pressure, political considerations, public clamour, loyalty to a Party or fear of criticism.

17. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that might in any way interfere, or appear to interfere, with the proper performance of the arbitrator’s duties.

18. An arbitrator shall not use his or her involvement in the proceeding to advance any personal or private interests. An arbitrator shall avoid conduct that may create the impression that others are in a special position to influence him or her.

19. An arbitrator shall not allow past or existing financial, business, professional, family or social relationships to influence his or her conduct or judgment.

20. An arbitrator shall avoid entering into any relationship, including a financial, business, professional or personal relationship, that is likely to affect his or her impartiality or that might reasonably create an appearance of impropriety or bias.

21. An arbitrator shall exercise his or her position without accepting or seeking instructions from any international, governmental or non-governmental organization or any private source, and shall not have been involved in any previous stage of the dispute assigned to him or her, unless otherwise agreed by the Parties.

22. An arbitrator or former arbitrator shall avoid actions that may create the appearance that he or she was biased in carrying out his or her duties or would benefit from the award or decision of the Arbitral Tribunal.

**MAINTENANCE OF CONFIDENTIALITY**

23. A candidate, arbitrator or former arbitrator shall not at any time:
(a) disclose or use information not in the public domain concerning the proceedings, or acquired during the proceedings, except for the purposes of the proceeding or except as required by law;

(b) disclose Arbitral Tribunal awards or decisions or parts thereof prior to their publication in accordance with Article 14.13.10;

(c) make a public statement about the proceeding; or

(d) disclose the issues in dispute, the deliberations of the Arbitral Tribunal, or an arbitrator's view.

24. In case the disclosure referred to in paragraph 23(a) is required by law, the candidate, arbitrator or former arbitrator shall provide sufficient advance notice to the Parties and the disclosure shall not be broader than necessary to satisfy the legitimate purpose of the disclosure. In any case, a candidate, arbitrator, or former arbitrator shall not disclose or use any such information not in the public domain to gain personal advantage or advantage for others or to affect adversely the interest of others.

**MEDIATORS, CONCILIATORS, ASSISTANTS, EXPERTS AND STAFF**

25. The provisions included in this Annex as applying to arbitrators shall apply, *mutatis mutandis*, to assistants and experts.

26. In the event of recourse to Article 14.5 (Conciliation) and Article 14.6 (Mediation), the Parties will determine which provisions of this Code of Conduct shall apply.

27. The provisions included in paragraphs 14, 23, 24 and 25 of this Annex shall apply to staff.
APPENDIX 14-B-1

UNDERTAKING

In the Matter of Proceeding (title)

I have read the Code of Conduct for Dispute Settlement Procedures for the Free Trade Agreement between the State of Israel and the Republic of Panama and affirm that I comply with the standards set out in that Code of Conduct.

To the best of my knowledge there is no reason why I should not accept appointment as an arbitrator/assistant/expert in this proceeding.

The following matters could potentially be considered to affect my independence or impartiality, or might create an appearance of impropriety or an apprehension of bias in the proceeding:

Set out the details of any interests covered by paragraph 5 of Annex 14-B (Code of Conduct), and in particular all relevant information covered by paragraph 6 of Annex 14-B (Code of Conduct).

I recognize that, once appointed, I have a continuing duty to uphold all obligations specified in this Code of Conduct including to make all reasonable efforts to become aware of any interest, relationship, or matter referred to in this Code of Conduct that may arise during any stage of the proceeding. I will disclose in writing any applicable interest, relationship, or matter to the Parties as soon as I become aware of it.

Signature

Name
Date