AGREEMENT BETWEEN THE SLOVAK REPUBLIC AND THE ISLAMIC REPUBLIC OF IRAN FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

THE SLOVAK REPUBLIC and THE ISLAMIC REPUBLIC OF IRAN

(hereinafter referred to as the "Contracting Parties");

RECOGNIZING that investment is critical for sustainable development, and understanding that the promotion of investment requires co-operative efforts by investors and both Contracting Parties, whether the Host State to investments or the Home State of investors;

SEEKING to ensure that investment is consistent with and facilitative of the protection of health, safety and the environment, the promotion and protection of internationally and domestically recognized labor rights;

RECOGNIZING that the promotion and reciprocal protection of investments shall be conducive to the stimulation of economic prosperity in both Contracting Parties;

SEEKING to promote investment that contributes to the sustainable development of the Contracting Parties;

DESIRING to create favorable conditions for greater investment by investors of either Contracting Party in the territory of the other Contracting Party;

AIMING to secure an overall balance of rights and obligations between investors and the Host State;

ACKNOWLEDGING the rights and responsibilities of the Contracting Parties to regulate investment within their territories in order to meet own policy objectives;

DETERMINED to prevent and combat corruption, including bribery, in international cooperation and investment and to promote corporate social accountability;

HAVE AGREED as follows:

Section A. Definitions and Scope

Article 1. Definitions

For the purposes of this Agreement:

1. The term "enterprise" means any for profit entity constituted or organized under applicable law of the Contracting Parties, whether privately or governmentally owned or controlled, including a corporation, partnership, sole proprietorship, association, company including joint venture, or similar organization; and a branch or representative office of any such entity.

2. The term " investment " means:

a) shares, stock and other forms of equity participation in an enterprise;

b) bonds, debentures, loans and other forms of debt instruments in an enterprise;

c) tangible property, including real property; and intangible property, including rights, such as leases, mortgages, liens and pledges on real property;

d) rights conferred pursuant to law, such as licenses and permits;

e) intellectual property rights; and

f) research and development non-profit organization;

Provided that

a) the investment is made and maintained in accordance with the laws of the Host State and in good faith;

b) the investment is directly owned or directly controlled by an investor;

c) the investment has the following characteristics (not applicable in the case of research and development non-profit organizations):

i. the commitment of capital or other resources;

ii. the expectation of regularity of profit;

iii. the assumption of risk;

iv. A reasonable duration; and

v. an effective contribution to the Host State's economy;

d) in case of enterprise and research and development non-profit organizations there is a significant physical presence of the investment in the territory of Host State; and

e) the investor performs via its investment substantial business activities in the Host State or in the case of research and development non-profit organizations, substantial research and development activity.

A "significant physical presence" does not include, for example, sales offices without other operational facilities, post office box-based businesses, internet-based business or other types of business with no or limited physical presence in the Host State.

Notwithstanding the above, for the avoidance of any doubt, "investment" shall not include:

a) goodwill or market share;

b) portfolio investment, which is 10% or less shareholding;

c) claims to money deriving solely from commercial contracts for the sale of goods or services to or from the territory of a Contracting Party to the territory of another country, or to a State enterprise;

d) futures, swaps, forwards, options, and other derivatives;

e) assets used for non-business purposes, other than assets of research and development non-profit organizations;

f) funds;

g) the following loans and debt securities:

i. debt securities and loans with the original maturity of less than three years;

ii. a loan to or debt security issued by a financial institution, which is not treated as regulatory capital by the Contracting Party in whose territory the financial institution is located;

iii. the extension of credit in connection with a commercial transaction, such as trade financing.

Further, the term "investment" means also reinvestment (investment of the proceeds of the initial investment) and change in the form of investment (alteration of the form in which assets are invested), provided that the new investment meets the above criteria and has been approved by the responsible authority of the Host State, if applicable.

3. The term " investor " means the following natural persons or entities that have made across border investment in the territory of the Host State and that, on the date on which the alleged breach of this agreement occurred as well as on the date on which the claim was submitted to arbitration are:

a) natural persons who, as determined under the domestic law of the Home State, are nationals of the Home State or permanent residents of the Home State and that have not the nationality of the Host State;

b) enterprises (other than branches and representative offices), sovereign wealth funds and non-profit organizations focused on research and development provided that they:

i. are either incorporated or constituted, as well as maintained, in accordance with the laws and regulations of the Home State;

ii. have their registered office, central administration or principal place of business in the territory of the Home State; and

iii. maintain substantial business activities in the territory of the Home State.

Notwithstanding the above, the term "investor" does not include:

a) entities without legal capacity under the law of the Home State; and

b) funds other than sovereign wealth funds.

A natural person that is a dual national of either Contracting Party and any nonContracting Party, shall be deemed to be exclusively a national of the State of his

Or her dominant and effective nationality. Nevertheless, an investor does not

Include any person who also has or had the nationality of the Host State.

4. The term " territory " means:

a) In respect of the Slovak Republic: the land territory, internal waters and the airspace above them over which it exercises sovereignty, sovereign rights and jurisdiction in accordance with international law.

b) In respect of the Islamic Republic of Iran it refers to the areas under the sovereignty or jurisdiction, as the case may be, of the Islamic Republic of Iran and includes its respective maritime areas.

5. The term returns " means all amounts yielded by or derived from an investment or reinvestment, including profits, dividends, capital gains, royalties, interest, payments in connection with intellectual property rights, payments in kind and all other lawful income.

6. The term " Host State " means the Contracting Party in which the investment is located.

7. The term „ Home State " means the Contracting Party which is the State of origin of the investor.

8. The term " taxation measures " refers to any tax measure under applicable law of the Host State.

9. The term " prudential reasons " includes the maintenance of the safety, soundness, integrity, or financial responsibility of individual financial institutions, as well as the maintenance of the safety and financial and operational integrity of payment and clearing systems.

10. The term " freely convertible currency " means " freely usable currency " as determined by the International Monetary Fund under its Articles of Agreement.

11. The term " Disputing Parties " means the claimant and the respondent.

12. The term " claimant " means investor or alleged investor seeking a remedy for the alleged breach of the Agreement by the Host State under Section C of this Agreement.

13. The term " respondent " means the Contracting Party that is a party to proceedings under Section C of this Agreement.

Article 2. Scope

1. This Agreement applies to measures adopted or maintained by the Contracting Party relating to:

a) investors, as defined in Article 1; and

b) investments, as defined in Article 1.

2. Regarding the application of this Agreement to investments, this Agreement applies to investments that are made and maintained in accordance with Host State laws and regulations, whether investments were made before or after entry into force of this Agreement.

3. This Agreement does not bind either Contracting Party in relation to any act or fact that took place or any situation that ceased to exist before the date of entry into force of this Agreement.

4. This Agreement shall apply without prejudice to the obligations of the Contracting Parties deriving from their membership or participation in any existing or future customs unions, economic union, regional economic integration agreement or similar international agreement such as the European Union. Consequently the provisions of this Agreement may not be invoked or interpreted, neither in whole nor in part, in such a way as to invalidate, amend or otherwise affect the obligations of the Parties from such membership or participation.

5. For greater certainty, this Agreement provides only post establishment protection and does not cover the pre-establishment phase or matters of market access.

6. This Agreement shall apply to investments approved by the competent authority of the Host State, if so required by its laws and regulations, and made prior to or after the entry into force of this Agreement. In the case of the Islamic Republic of Iran, this Agreement only applies to the Investments approved by the Organization for Investment, Economic and Technical Assistance of Iran (OIETAI) or the agency which may succeed it.

Section B. Promotion and Protection of Investments

Article 3. Standard of Treatment

1. Each Contracting Party shall accord to investments of investors of the other Contracting Party, and to investors with respect to their investments, fair treatment and full protection and security in accordance with paragraphs 2 to 4.

2. A breach of the obligation of fair treatment referenced in paragraph 1 may be found only where a measure or series of measures constitutes:

a) Denial of justice in criminal, civil or administrative proceedings;

b) Fundamental breach of due process, including a fundamental breach of transparency, in judicial and administrative proceedings;

c) Manifest arbitrariness; or

d) Targeted discrimination on the grounds of nationality.

3. For greater certainty, ‘full protection and security' refers to the Contracting Party's obligations relating to physical security of investors and investments.

4. A determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, does not establish that there has been a breach of this Article.

Article 4. National Treatment and Most Favored Nation Treatment

1. Each Contracting Party shall accord to investors of the other Contracting Party and their investments treatment no less favorable than that it accords, in comparable situations, to its own investors and their investments with respect to the management, conduct, operation, maintenance, use, enjoyment and sale or other disposition of investments in its territory.

2. Each Contracting Party shall accord to investors of the other Contracting Party and their investments treatment no less favorable than that it accords, in comparable situations, to investors of any third State or to their investments with respect to the management, conduct, operation, maintenance, use, enjoyment and sale or other disposition of investments in its territory.

3. For greater certainty, a determination of whether an investment or an investor is in comparable situations for the purposes of paragraphs 1. and 2. of this

Article shall be made based on an assessment of the totality of circumstances related to the investor or the investment, including:

a) the effect of the investment on

i. the local community where investment is located;

ii. the environment, including effects that relate to the cumulative impact of all investments within a jurisdiction;

b) the character of the measure, including its nature, purpose, duration and rationale; and

c) the regulations that apply to investments or investors.

4. A measure of the Contracting Party that treats investors of the other Contracting Party or their investments less favorably than:

a) its own investors or their investments is not inconsistent with paragraph 1 of this Article; or

b) investors of another State or their investments is not inconsistent with paragraph 2 of this Article;

If it is adopted and applied by the Contracting Party in pursuit of a legitimate public purpose that is not based on the nationality of the investor or of nationality of the owner of an investment, either explicitly or factually, including the protection of health, safety, the environment, and internationally and domestically recognized labor rights, or the elimination of bribery and corruption, and it bears a reasonable connection to the stated purpose.

5. Paragraph 2. of this Article shall not apply to:

a) treatment by the Contracting Party under any bilateral or multilateral international agreement in force or signed by the Contracting Party prior to the date of entry into force of this Agreement;

b) treatment by the Contracting Party pursuant to:

i. bilateral or multilateral agreement establishing, strengthening or expanding a free trade area, customs union, common market, labor market integration commitment or similar international agreement; or

ii. investment contract concluded between Host State and investor promoting investment of such investor; or

c) for the avoidance of any doubt, any provisions of Section C of this Agreement.

6. The provisions of paragraphs 1. and 2. of this Article shall not apply to:

a) government procurement; and

b) subsidies or grants provided by the Contracting Party, including government-supported loans, guarantees and insurance.

Article 5. Compensation for Losses

1. Each Contracting Party shall accord to investors of the other Contracting Party, and to investments, non-discriminatory treatment with respect to measures it adopts or maintains relating to losses suffered by investments in its territory owing to armed conflict or civil strife.

2. Notwithstanding paragraph 1 above, if an investor of the Contracting Party, in the situations referred to in paragraph 1, suffers a loss in the territory of the other Contracting Party resulting from:

a) requisitioning of its investment or part thereof by the latter's forces or authorities; or

b) destruction of its investment or part thereof by the latter's forces or authorities, which was not required by the necessity of the situation,

The latter Contracting Party shall provide the investor restitution or compensation which in either case shall be prompt, appropriate and effective and paid without undue delay.

Article 6. Expropriation

1. Neither Contracting Party may nationalize or expropriate or subject to measures having equivalent effect(hereinafter referred to as "expropriation") an investment, except:

a) in the public purpose;

b) in a non-discriminatory manner;

c) under due process of law; and

d) against payment of prompt, effective and appropriate compensation. The term appropriate compensation shall neither include losses which are not actually incurred nor probable or unreal profits.

2. The expropriating Contracting Party will be under a commitment to pay compensation without undue delay. In case of undue delay the financial costs related to the delayed payment shall be borne by the expropriating Contracting Party from the day on which the payment becomes due till the date of actual payment. Such financial costs shall be calculated in accordance with international banking practice.

3. Compensation shall be deemed effective if paid in a freely convertible currency. The decisive moment for investment valuation is immediately before the expropriation took place or before the impending expropriation became public knowledge, whichever is earlier.

4. The determination of whether a measure or series of measures of the Contracting Party constitute measures having equivalent effect to expropriation or nationalization requires a case-by-case, fact-based inquiry that considers:

a) the economic impact of the measure or series of measures, although the sole fact that a measure or series of measures of the Contracting Party has an adverse effect on the economic value of an investment does not establish that such measure or series of measures constitutes measures having equivalent effect to expropriation or nationalization;

b) the extent to which the measure or series of measures interfere with distinct, reasonable investment-backed expectations arising out of the Contracting Party's prior binding explicit written commitment directly and specifically to the investor; and

c) the character of the measure or series of measures, including their nature, purpose, duration and rationale.

5. Except in rare circumstances, such as when a measure or series of measures are so severe in the light of their purpose that they cannot be reasonably viewed as having been adopted and applied in good faith, non-discriminatory measures of the Contracting Party that are designed and applied to protect legitimate public welfare objectives, such as health, safety and the environment, do not constitute measures having equivalent effect to expropriation or nationalization.

6. The provisions of this Article shall not apply to the issuance of compulsory licenses granted in relation to intellectual property rights, or to the revocation, limitation or creation of intellectual property rights to the extent that such issuance, revocation, limitation or creation is consistent: (i) in respect of the Slovak Republic with the applicable international agreements on intellectual property and (ii) in respect of the Islamic Republic of Iran with its applicable national law.

7. A measure of general application shall not be considered an expropriation of a debt security or loan covered by this Agreement solely on the ground that the measure imposes costs on the debtor that cause it to default on the debt.

Article 7. Transfers

1. Each Contracting Party shall guarantee, in accordance with its laws and regulations, to investors of the other Contracting Party the free transfer of their payments related to investments Such transfers shall include in particular, though not exclusively:

a) returns;

b) fees and any other current income accruing from investments;

c) proceeds obtained from the total or partial sale or disposal of an investment, including the sale of shares;

d) amounts required for the payment of expenses, which arise from the operation of the investment, such as loan repayments, payments of import letter of credit, advance payment or other similar expenses;

e) compensation payable pursuant to Article 5 and Article 6;

f) unspent earnings and other remuneration of personnel engaged from abroad and working in connection with an investment, in respect of the Islamic Republic of Iran to those who have obtained in the territory of the Host State the corresponding work permits related to that investments; and

g) the initial capital and additional funds to establish, maintain, develop or increase the investment.

2. Each Contracting Party shall further ensure that the transfers referred to in paragraph 1. of this Article shall be made without any restriction in a freely convertible currency and at the prevailing market rate of exchange applicable on the date of transfer to the currency to be transferred and shall be immediately transferable.

3. In the absence of a market for foreign exchange, the rate to be used shall be the exchange rate for the conversions of currencies into Special Drawing Rights valid one day before the date of transfer.

4. In case of a delay in transfer caused by the Host State, the transfer shall also include financial costs calculated in accordance with international banking

Practice for the currency in question from the date on which the transfer was requested until the date of actual transfer and shall be borne by the Host State.

5. Notwithstanding the above paragraphs of this article, nothing in this Article shall be construed to prevent the Contracting Party from applying in an equitable and non-discriminatory manner its laws relating to:

a) bankruptcy, insolvency or the protection of the rights of creditors;

b) issuing, trading or dealing in securities;

c) criminal or penal offences;

d) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities;

e) social security, public retirement and compulsory savings programs; or

f) ensuring the satisfaction of judgments in adjudicatory proceedings.

Article 8. Denial of Benefits

1. The benefits of this Agreement shall be denied to an investor of the Home State that is an enterprise of the Home State and to investments of that investor if natural persons or enterprises of a non-Contracting Party own or control such enterprise or any part of it and the Host State:

a) does not maintain diplomatic relations with the non-Contracting Party; or

b) adopts or maintains measures with respect to the non-Contracting Party or a natural person or enterprise of the non-Contracting Party that prohibit transactions with such natural person or enterprise or that would be violated or circumvented if the benefits of this Agreement were accorded to such investor or to its investments.

2. The benefits of this Agreement shall be denied to an investor of the Home State that is an enterprise of the Home State and to investments of that investor if natural persons or enterprises of the Host State own or control the enterprise or any part of it.

3. For avoidance of any doubt the benefits of this Agreement shall be denied if the preconditions set down in paragraph 1 are fulfilled at time when the claim is submitted pursuant to Article 17.

Article 9. Subrogation

1. If the Contracting Party, or an agency thereof, makes a payment under an indemnity, guarantee or contract of insurance it has entered into in respect of an investment made by one of its investors against non-commercial risks of an investment in the territory of the other Contracting Party, the other Contracting Party shall recognize that the Contracting Party or its agency shall be entitled in all circumstances to the same rights as those of the investor in respect of the investment. Such rights may be exercised by the Contracting Party or an agency thereof.

2. Disputes between the subrogee and the Host State shall be settled in accordance with Section C of this Agreement.

Article 10. Environmental and Labor Rights and other Standards

1. The Contracting Parties recognize that it is inappropriate to encourage investment by relaxing labor, public health, safety or environmental measures. They shall not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such measures as an encouragement for the establishment, acquisition, expansion or retention in their territories, of an investment.

2. Recognizing the right of each Contracting Party to establish its own level of environmental protection and its own sustainable development policies and priorities, and to adopt or modify its environmental laws and regulations, each Contracting Party shall ensure that its laws and regulations provide for appropriate levels of environmental protection and shall strive to continue to improve those laws and regulations.

3. Investors and investments should apply national, and internationally accepted, standards of corporate governance for the

sector involved, in particular for transparency and accounting practices. Investors and their investments should strive to make the maximum feasible contributions to the sustainable development of the Host State and local community through appropriate levels of socially responsible practices.

Article 11. General Exceptions

1. Subject to the requirement that such measures are not applied in a manner that would constitute arbitrary or unjustifiable discrimination between investments or between investors, nothing in this Agreement shall be construed to prevent the Contracting Party from adopting or enforcing measures necessary:

a) to protect public security or public morals or to maintain public order;

b) to protect human, animal or plant life or health;

c) to ensure compliance with laws and regulations; or

d) for the conservation of living or non-living exhaustible natural resources.

2. Nothing in this Agreement shall prevent the Contracting Party from adopting or maintaining reasonable measures for prudential reasons, including:

a) the protection of investors, depositors, policy holders, policy claimants, as well as financial market participants, or persons to whom a fiduciary duty is owed by a financial institution;

b) the maintenance of the safety, soundness, integrity or financial responsibility of financial institutions;

c) ensuring the integrity and stability of the Contracting Party's financial system; and

d) non-discriminatory measures of general application taken by any public entity in pursuit of monetary and related credit policies or exchange rate policies. This letter shall not affect the Contracting Party's obligations under Article 7.

3. The provisions of this Agreement shall not apply to public health insurance, taxation measures or pension schemes.

Article 12. Essential Security

Nothing in this Agreement shall be construed:

a) to require any Contracting Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or

b) to prevent any Contracting Party from taking any action that it considers necessary for the protection of its essential security interests:

i. relating to the traffic in arms, ammunition and implements of war and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment;

ii. measures taken in time of war or other emergency in international relations; or

iii. relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices.

Article 13. Publication of Information and Transparency

1. Each Contracting Party shall publish, or otherwise make publicly available, its laws and regulations of general application as well as international agreements which may affect the investments of investors of the other Contracting Party in the territory of the former Contracting Party.

2. Nothing in this Article shall require the Contracting Party to furnish or allow access to any confidential or proprietary information, including information concerning particular investors or investments, the disclosure of which would impede law enforcement or be contrary to domestic laws protecting confidentiality, or would prejudice legitimate commercial interests of particular investors.

3. The provisions of Section C of this Agreement do not apply to this Article.

Section C. Investor-state Dispute Settlement

Article 14. General Provisions

1. In the event of an investment dispute, the claimant and the respondent should initially seek to resolve the dispute through consultation and negotiation, which may include the use of non-binding, third-party procedures.

2. For avoidance of doubt, an investor may not submit a claim under this Agreement where the investor or the investment has violated the Host State law. The Tribunal shall dismiss such claim, if such violation is sufficiently serious or material. For avoidance of any doubt, the following violations shall always be considered sufficiently serious or material to require dismissal of the claim:

a) Fraud;

b) Tax evasion;

c) Corruption and bribery; or

d) Investment has been made through fraudulent misrepresentation, concealment, corruption, or conduct amounting to an abuse of process.

3. The respondent may assert as a defense, counterclaim, right of set off or other similar claim that the claimant has not fulfilled its obligations under this Agreement to comply with the Host State law or that it has not taken all reasonable steps to mitigate possible damages. For avoidance of any doubt, if the tribunal does not dismiss the claim under paragraph 2 above, it shall take such violations into account when assessing the claim if raised as a defense, counterclaim, right of set off or other similar claim by the respondent.

4. The UNCITRAL rules on transparency in treaty-based investor-State arbitration shall apply to any international arbitration proceedings initiated against the Slovak Republic pursuant to this Agreement. The Islamic Republic of Iran shall duly consider the application of the UNCITRAL rules on transparency in treaty-based investor-State arbitration to any international arbitration proceedings initiated against the Islamic Republic of Iran pursuant to this Agreement. Nothing in this Agreement or the applicable arbitration

Rules shall prevent the exchange of information relating to a dispute between the European Union and the Slovak Republic or vice versa.

Article 15. Consultations

1. Before submitting a claim to arbitration pursuant to Article 17 of this Agreement, the claimant is obliged to submit to the Host State a written request for consultations or negotiations ("request for consultations'') to settle the dispute amicably.

2. Without prejudice to paragraph 1 of this Article, the claimant may not submit a request for consultations if the dispute or claim relating to the measure underlying the claim under this Agreement was resolved via other legal measures or legal proceedings or by other international tribunal.

3. The request for consultations must be submitted within 3 years after the date on which the alleged breach of the Agreement occurred. If the claimant fails to submit a request for consultation within this period the claimant shall be deemed to have waived its rights to bring a claim and may not submit a claim to arbitration under this Section under Article 17 of this Agreement.

4. Unless the Disputing Parties agree otherwise, the place of consultations shall be:

a) Bratislava where the consultations concern treatment afforded/measures adopted by the Slovak Republic; or

b) Tehran where the consultations concern treatment afforded/measures adopted by the Islamic Republic of Iran.

5. A request for consultations must contain: a) the following information:

i. the name and address of the claimant;

ii. shareholder structure of the claimant, identification of the ultimate beneficial owner of the investment in question and identification of any government, person or organization that has provided or agreed to provide any financial or other assistance to the investor in connection with the claim, or has an interest in the outcome of the claim;

iii. the provisions of the Agreement alleged to have been breached;

iv. The legal and the factual basis for the claim, including the measures or treatment at issue; and

v. the relief sought and the estimated amount of damages claimed;

b) evidence establishing that the claimant is an investor of the Home State pursuant to Article 1 of this Agreement which made an investment pursuant to Article 1 of this Agreement and that the requirements of Article 2 of this Agreement are fulfilled.

Article 16. Consent of Each Contracting Party to Arbitration

1. Each Contracting Party consents to the submission of a claim of breach of the obligations under Section B to arbitration under this Section in accordance with this Agreement.

2. The consent under paragraph 1 and the submission of a claim to arbitration under this Section shall satisfy the requirements of Article II of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("New York Convention"), done at New York, June 10, 1958 for an "agreement in writing".

Article 17. Submission of a Claim to Arbitration

1. The claimant may submit the claim to arbitration if, cumulatively:

a) the claimant gives express and written consent:

i. to pursue its claim in arbitration under this Article; and

ii. that the Host State may pursue any defense, counterclaim, right of set off or other similar claim pursuant to Article 14 of this Agreement in arbitration under this Section;

b) the claimant submitted a request for consultations pursuant to Article 15 of this Agreement and a minimum of 6 months has elapsed after submission of the request for consultations and the dispute was not settled amicably within this period;

c) the claimant or the claimant's investment, as the case may be, has withdrawn pending claims from (i) domestic court or administrative proceedings in the Host State, or (ii) proceedings pursuant to any applicable contractual arbitration clause agreed between the claimant and the Host State or the relevant Host State entity; or (iii) any investment arbitration proceedings in which the claimant or the claimant's investment has brought a claim relating to the measure underlying the claim under this Agreement if such proceedings continued after submission of the request for consultation; and

d) the claimant and the claimant's investment has provided a waiver of its right to initiate any other legal measures or legal proceedings or any investment arbitration proceedings relating to the measure underlying the claim under this Agreement.

Letters (c) and (d) above do not apply for injunctive, declaratory or other non-pecuniary remedy provided that the action is brought for the sole purpose of preserving the claimant's or the enterprise's rights and interests during the pendency of the arbitration.

2. The claim to arbitration must be submitted within 18 months after the submission of the request for consultation. If the claimant fails to submit a claim within this period the claimant shall be deemed to have waived its rights to bring a claim and may not submit a claim to arbitration under Section C of this Agreement.

3. The claimant may submit a claim to arbitration:

a) under the UNCITRAL Arbitration Rules, as amended; or

b) if the claimant and the Host State agree, to any other arbitration institution or under any other arbitration rules.

4. In case of any conflict between the provisions of this Agreement and the provisions of applicable arbitration rules, the provisions of this Agreement prevail.

5. The claimant shall provide with the submission of the claim to arbitration:

a) evidence that the conditions under paragraph 1. of this Article have been fulfilled;

b) the name of the arbitrator that the claimant appoints; and

c) any changes to the information provided by claimant in its request for consultations.

Article 18. Selection of Arbitrators

1. Unless the Disputing Parties otherwise agree, the tribunal shall comprise three arbitrators, one arbitrator appointed by the claimant and another by the respondent and the third, who shall be the presiding arbitrator, shall be a national of a third country appointed by agreement of the claimant and the respondent.

2. The President of the International Court of Justice shall serve as appointing authority for arbitration under this Section. If the President is a national of either Contracting Party, or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointments. If the Vice-President also happens to be a national of either Contracting Party or is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the appointments.

3. If a tribunal has not been constituted within 90 days from the date that a claim is submitted to arbitration under this Section, the appointing authority, on the request of the claimant or the respondent, shall appoint the arbitrator or arbitrators not yet appointed. The claimant and the respondent do not lose their right to appoint arbitrators according to paragraph 1 until the appointing authority does so.

4. Arbitrators appointed pursuant to this Section shall have expertise or experience in public international law, in particular international investment law. It is desirable that they have expertise or experience in resolution of disputes arising under international investment agreements.

5. Arbitrators and their staff and assistants shall be independent of, and not be affiliated with or take instructions from the claimant or the respondent or the government of a Contacting Party with regard to investment matters. Arbitrators shall not take instructions from any organization, government or Disputing Party with regard to matters related to the dispute. They shall not participate in the consideration of any disputes that would create a direct or indirect conflict of interest. In addition, they shall refrain from acting as counsel or as party-appointed expert or witness in any pending or new investment protection dispute under this or any other agreement or domestic law.

Article 19. Governing Law

1. A tribunal established under this Section shall decide the issues in dispute in accordance with:

a) this Agreement; and

b) applicable rules of international law.

2. A joint interpretation of the Contracting Parties, exchanged through diplomatic channels, interpreting a provision of this Agreement shall be binding on a tribunal, and any decision or award issued by a tribunal must be consistent with that interpretation.

Article 20. Claims Manifestly without Legal Merits and Claims Unfounded as Matter of

Law

1. Without prejudice to a tribunal's authority to address other objections as a preliminary question, a tribunal shall address and decide as a preliminary question any objection by the respondent that, as a matter of law, a claim is not amongst the claims for which an award might be made under this Agreement.

a) Such objection shall be submitted to the tribunal as soon as possible after the tribunal is constituted, and in no event later than the date the tribunal fixes for the respondent to submit its counter-memorial (or, in the case of an amendment to the notice of arbitration, the date the tribunal fixes for the respondent to submit its response to the amendment).

b) On receipt of an objection under this paragraph, the tribunal shall suspend any proceedings on the merits, establish a schedule for considering the objection consistent with any schedule it has established for considering any other preliminary question, and issue a decision or award on the objection, stating the grounds therefor.

c) In deciding an objection under this paragraph, the tribunal shall assume the alleged facts to be true and may also consider any relevant facts not in dispute.

d) The respondent does not waive any objection as to jurisdiction or any argument on the merits merely because the respondent did or did not raise an objection under this paragraph or make use of the expedited procedure set out in

paragraph 2.

e) The tribunal shall dismiss the claimant's claim upon an objection under this paragraph submitted by the respondent particularly, but not exclusively, if

i. the claimant has challenged in its claim a measure of the respondent which has not yet been adopted;

ii. the claimant has challenged the legislative procedure of a measure of the respondent;

iii. the claim of the claimant relating to the measure underlying the claim under this Agreement has been already resolved via other legal remedies; or

iv. The claimant has failed to fulfill the condition under Article 17, paragraph 1, letters (c) and (d) of this Agreement.

2. In the event that the respondent so requests within 45 days after the tribunal is constituted, the tribunal shall decide on an expedited basis an objection under paragraph 1 and any objection that the dispute is not within the tribunal's competence or that a claim is manifestly without legal merits. The tribunal shall suspend any proceedings on the merits and issue a decision or award on the objection(s), stating the grounds thereof, no later than 180 days after the date of the request. However, if the Disputing Party requests a hearing, the tribunal may take an additional 30 days to issue the decision or award. Regardless of whether a hearing is requested, a tribunal may, on a showing of extraordinary cause, delay issuing its decision or award by an additional brief period, which may not exceed 30 days.

3. Each Disputing Party shall bear the cost of the arbitrator appointed by itself and of its representation in the arbitral proceedings. The cost of the Chairman as well as the other cost shall be born in equal parts by the Disputing Parties. The tribunal may, however in its decision, direct that a higher proportion of costs shall be borne by one of the two Disputing Parties and this award shall be binding on both Disputing Parties.

Article 21. Awards

1. An award rendered by the tribunal shall be binding only between the Disputing Parties in respect of the particular case.

2. Any award of damages shall be determined in accordance with the generally recognized international principles of valuation and taking into account, inter alia, an equitable balance between the public interest and interest of those affected, the purpose of the measure, the current and past use of the property, the history of its acquisition, the amount of capital invested, depreciation, duration as a going concern of the undertaking, its record of profitability, capital already repatriated, replacement value and other relevant factors. Compensation shall neither include losses which are not actually incurred nor probable or unreal profits. Compensation may be adjusted to reflect aggravating conduct by an investor or conduct that does not seek to mitigate damages. In establishing the just quantum of damages, the tribunal shall base

Its decision on a comparison of multiple valuation methods, where appropriate.

3. No punitive or moral damages may be awarded by the tribunal.

4. Where a tribunal makes a final award against respondent or against claimant pursuant to paragraph 3 of Article 14 of this Agreement, the tribunal may award only:

a) monetary damages or restitution of property; and

b) any costs of the arbitration proceedings and attorneys' fees in accordance with this Agreement and the applicable arbitration rules.

5. In the case the award is not timely paid by the respondent or claimant, financial costs of delay shall be calculated in accordance with Article 6, paragraph 2 of this Agreement. The financial costs of delay do not apply during the pendency of an annulment procedure.

6. A tribunal may order security for costs if it considers that there is a reasonable doubt that claimant would be not capable of satisfying a costs award or consider it necessary from other reasons.

Article 22. Enforcement

1. Subject to any applicable review procedure, each Disputing Party shall abide by and comply with an Award rendered by the Tribunal without delay. The Disputing Party may seek enforcement of an arbitration Award under the New York Convention.

2. The claimant or the respondent may not seek enforcement of a final award until:

a) 90 days have elapsed from the date the award was rendered and no Disputing Party has commenced a proceeding to revise, set aside, or annul the award; or

b) a court has dismissed or allowed an application to revise, set aside, or annul the award and there is no further appeal.

Section D. Settlements of Disputes between the Contracting

PARTIES

Article 23. Settlements of Disputes between the Contracting Parties

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement, that is not resolved through consultations or other diplomatic channels within 180 days, shall be submitted on the request of either Contracting Party to arbitration for a binding decision or award by a tribunal in accordance with UNCITRAL Arbitration Rules, except as modified by the Contracting Parties or this Agreement.

2. Unless the Contracting Parties otherwise agree, the tribunal shall comprise three arbitrators, one arbitrator appointed by each Contracting Party and the third, who shall be the presiding arbitrator, appointed by agreement of the Contracting Parties. If a tribunal has not been constituted within 75 days from the date that a claim is submitted to arbitration under this Section, a request may be made by either Contracting Party to the President of the International Court of Justice to make the appointments. If the President is a national of either Contracting Party, or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointments. If the Vice-President also happens to be a national of either Contracting Party or is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the appointments.

3. Expenses incurred by the arbitrators, and other costs of the proceedings, shall be paid for equally by the Contracting Parties. However, the tribunal may, in its discretion, direct that a higher proportion of the costs be paid by one of the Contracting Parties.

4. Article 19 shall apply to arbitrations under this Article.

Section E. Final Provisions

Article 24. Entry Into Force, Duration and Termination

1. This Agreement is subject to an approval in accordance with procedures required by law of both Contracting Parties and it shall enter into force on the 90th day after the date of the last Contracting Party's notification confirming ratification of it.

2. This Agreement shall remain in force for a period of ten (10) years. Thereafter it shall continue in force until the expiration of twelve (12) months from the date on which either Contracting Party shall have given notice of termination to the other Contracting Party.

3. In respect of investments made prior to the date of the termination of this Agreement the provisions of Articles 1 to 23 shall continue to be effective for a period of five (5) years from the date of its termination, unless the Contracting Parties agree otherwise.

4. Upon the entry into force between the Contracting Parties of an international agreement providing for a multilateral investment tribunal and/or a multilateral appellate mechanism applicable to disputes under this Agreement, the relevant parts of this Agreement shall cease to apply.

IN WITNESS WHEREOF, the undersigned duly authorized thereto, have signed this Agreement.

DONE in duplicate at Tehran on Dei 29, 1394 (Solar Hijri) corresponding to January 19, 2016 in the Slovak, Persian and English languages, all texts being equally authentic. In the case of any divergence of interpretation, the English text shall prevail.

FOR THE SLOVAK REPUBLIC

Peter Kazimir

Deputy Prime Minister and Minister of Finance

FOR THE ISLAMIC REPUBLIC OF IRAN

Ali Taiebnia

Minister of Economic Affairs and Finance