AGREEMENT

BETWEEN THE GOVERNMENT OF THE ITALIAN REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF PANAMA

ON THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Italian Republic and the Government of the Republic of Panama, hereinafter referred to as "Contracting Parties",

Desiring to establish favorable conditions for strengthening economic cooperation between the two countries and, in particular, with regard to investments by investors of one Contracting Party in the territory of the other Contracting Party, and

Recognizing that the encouragement and reciprocal protection of such investments, according to international agreements, contribute to stimulating business initiatives that will foster the prosperity of both Contracting Parties,

They have agreed as follows:

Article I. Definitions

For the purposes of this Agreement:

1. The term "investment" means every kind of asset invested before or after the entry into force of this Agreement or related to the investment the same rights, regardless of the legal form chosen, if it has been effected in accordance with the laws and regulations of the Contracting Party in whose territory it is carried out and will include in particular, but not limited to:

a) the ownership of movable and immovable property, as well as other rights in rem such as mortgages, liens and other charges;

b) shares, parts, capital gains and any other kind of participation in companies;

c) money, securities and any other securities or government document or the public, as well as loans that have an economic value directly related to a specific investment. The credits will be included only when they are regularly contracted and documented in accordance with the law of the State where the investment was made;

d) intellectual property rights, including copyrights and patents of industrial property, such as patents, industrial designs, trademarks or trademarks, trade names, technological knowledge, the value of goodwill (goodwill) and other similar rights;

e) economic concessions conferred by law or contract, and any licenses and permission granted in accordance with the Act, including the exploration, extraction and sfhittamento of natural resources.

Any increase in the value or change in the form in which assets are invested or reinvested does not alter their nature as an investment under this Agreement.

2. The term "investor" includes, for each of the Contracting Parties, the following people who have made or who invest in the territory of the other Contracting Party in accordance with this Agreement:

a) any natural person who is a national of either Contracting Party, in accordance with its legislation;

b) any legal person, with or without profit organization, established in the territory of either Contracting Party in accordance with the internal legislation of the latter, and has in that State its registered office or which is managed directly or indirectly

by citizens of either Contracting Party or by legal entities having their registered office in the territory of either Contracting Party and which are formed in accordance with the law of this.,

3. The term "income" refers to all monetary amounts produced by an investment, such as profits, dividends, interest, profits and any other current income related to investment, including any form of in-kind payment such as, but not exclusively, raw materials, livestock, agricultural products and other commodities.

4. The term "territory" includes, in the case of the Italian Republic, in addition to areas delimited by land boundaries, the maritime zones. These include the marine and submarine zones over which States exercise their sovereignty or, in compliance with international law, on which they exercise sovereign rights or jurisdiction.

The term "territory" includes, in the case of the Republic of Panama, the Earth's surface, the territorial sea, the undersea continental shelf, subsoil and airspace between Colombia and Costa Rica, as established by the Treaties for the borders drawn between Panama and these States.

5. "Access" Right means the right to be admitted into the territory of the Contracting Party to make investments.

6. "Investment Agreement" means the agreement between a Contracting Party and an investor of the other Contracting Party related to an investment.

7. "non-Discriminatory Treatment" means a treatment equivalent to the best of national treatment and most-favored nation.

Article II. Promotion and Protection of Investments

1. Each Contracting Party shall promote in its territory investments by investors of the other Contracting Party, in accordance with its own laws and its own regulations.

2. The investors of each of the Contracting Parties shall have the right to access to the territory of the other Contracting Party to make investments in terms no less favorable than those provided in Article III (1).

3. Each Contracting Party shall at all times ensure fair and equitable treatment to investments of investors of the other Contracting Party who have been admitted into its territory, and shall not affect, through unreasonable or discriminatory measures their management, their maintenance, their use, their enjoyment, their usufruct, their expansion and their liquidation or disposal.

4. Each Contracting Party shall maintain, in its territory, a legal framework that guarantees investors the continuity of legal treatment, including compliance fulfillment, in good faith, of all the commitments made to investors of the other Contracting.

Article III. National Treatment and Application of the Most Favored Nation Clause

1. Each Contracting Party, once it has allowed in its investments of investors of the other Contracting Party, the territory will guarantee full legal protection to such investments and give them treatment no less favorable than that accorded to investments of its own investors or investors of states third.

2. Where the legislation of one Contracting Party or by the existing international obligations, or they can enter into force in the future for one of the Contracting Parties sprang a regulatory framework under which investors of the other Contracting Party should receive more favorable treatment that provided for in this Agreement, this treatment will be applied to the investors of the other Contracting Party.

3. Without prejudice to the provisions in the preceding paragraphs, the treatment of the most favored nation clause will not apply to the privileges which each Contracting Party were to grant to investors of a third State as a result of its participation or association in a free trade zone, in a customs union, a common market, in a regional agreement / sub-regional or multilateral economic agreements.

4. The provisions in subsections (1) and (2) of this article shall not be construed to require a Contracting Party to extend to investors of the other Contracting Party the benefits of any treatment, preference or privilege resulting from international agreements for avoidance of double taxation or to facilitate cross-border movement of people and goods.

Article IV. Compensation for Damage or Loss

Investors of a Contracting Party that may suffer losses in their investments in the territory of the other Contracting Party due

to war or other armed conflict, state of national emergency, revolt, insurrection or riot, will receive as regards restitution, indemnification, compensation or other compensation, proper treatment and in any case not less favorable than that accorded to its own investors or investors of any third State. Payments shall be freely transferable and will be realized without undue delay.

Article V. Expropriation and Compensation

1. No Contracting Party will launch measures of nationalization or expropriation or other measures depriving directly or indirectly of their investment an investor of the other Party, unless such measures are taken for reasons of public utility or social interest, on the basis non-discriminatory basis and in accordance with proper legal procedure.

2. These measures are accompanied by provisions for the payment of prompt compensation, adequate and effective. The amount of such compensation shall be the market value of the expropriated investment immediately before the expropriation or had before the impending expropriation was made public.

3. Compensation will be considered effective if paid with the same currency in which the investor made the investment, to the extent that such currency is or remains convertible, or in any other currency accepted by the investor.

4. Compensation will be considered responsive if carried out without undue delay and, in any case, for a period not exceeding six (6) months, calculated from the date on which will be concluded, according to the legislation of the Contracting Parties, the respective procedures for the determination of the value of the expropriated or nationalized well.

5. The compensation will include accrued interest thereon to the date of payment, calculated according to the LIBOR rate at six months with effect from the date of nationalization or expropriation.

6. A citizen or an enterprise of a Contracting Party that believes that its investment was fully or partially expropriated, shall be entitled to an immediate assessment by the judicial or administrative authority of the other Contracting Party in order to determine whether the 'expropriation took place and, if so, whether such expropriation, and each respective compensation are made in accordance with the principles of international law, and also to decide on all other related issues.

7. In the event that the object of nationalization, expropriation or similar measure is an enterprise with foreign capital, the calculation of the investor's share of the investment made in the currency and not lower than the initial value, the increases will be added capital and enhancement of reinvested profits and reserve funds and will be subtracted from the amount of reductions and losses.

8. If, after the expropriation, the property in question was not used, the owner or his successors will have the right to submit an application to purchase the asset expropriated according to the fair market value and in accordance with the legal provisions of the relevant country. In the case where it is necessary, the predicted market value will be recalculated according to the approved intemazionalmente evaluation standards.

Article VI. Capital Transfers, Revenues and Earnings

1. Each Contracting Party shall guarantee to investors of the other Contracting Party the transfer of payments and urges in the form of gains related to an investment and, in particular, though not exclusively:

a) capital and additional amounts necessary for the maintenance and development of investments;

b) the benefits, profits, interests, payments for assistance and technical services, dividends and other current income;

c) funds in repayment of loans as such are defined in Article 1, paragraph (1) (c);

d) profit;

e) the proceeds of the sale or total or partial liquidation of an investment;

f) the remuneration and compensation received by nationals of the other Contracting Party and from the work and services performed in relation to investments made in its territory, to the extent and in the manner prescribed by the laws and national regulations;

g) compensation provided for in Articles IV and V;

h) of the payments to be made under the subrogation provided for in Article VIII of this Agreement.

Article VII. Transfer Mode

1) The transfers to which they refer to Articles IV, V, VI and VIII shall be made in freely convertible currency, according to the commercial exchange rate in force in the market on the date on which the investor requires the transfer and in accordance with the law and regulations of the Contracting Party in which the investment is made, after completing the current tax provisions.

2) The provisions of this Agreement shall not limit the application of national provisions designed to prevent tax evasion and tax avoidance.

Article VIII. Subrogation

If a Contracting Party or any of its institutions were to make a payment to an investor under a guarantee or insurance taken out in connection with an investment, the other Contracting Party shall recognize the validity of the subrogation in favor of the Contracting Party or of one of its institutions than any right or title investor. The Contracting Party or any of its institutions will be authorized within the limits of subrogation, to exercise the same rights that the investor has been authorized to exercise.

Article IX. Settlement of Disputes between an Investor and the Contracting Party Addressed

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1) Disputes arising between one Contracting Party and the investors of the other Contracting Party in connection with investments, including those on the amount of compensation will be, as far as possible, be settled amicably.

2) In case the investor and an entity of one of the Contracting Parties have signed an investment agreement, will apply the procedure established by it.

3) In the event that the dispute can not be settled amicably within six months from the date of the request for conciliation submitted in writing, the investor may submit the dispute to:

a) the competent court of the Contracting Party;

b) an ad hoc arbitration tribunal, in accordance with the Arbitration Rules of the Commission for the Intemational Commercial Law (UNCITRAL);

c) the "Intemational Centre for the Settlement of Disputes related to Investments" (ICSID), for the application of the arbitration proceedings provided for by the Washington Convention of 18 March 1965 on the "Regulation of Investment Disputes between States and Nationals of other states".

4) None of the two Contracting Parties shall handle any issue through diplomatic channels concerning arbitration or judicial proceedings, until such proceedings have not been concluded and that a party to the dispute has not complied with the ruling of the Arbitral Tribunal or the sentence other Court, under the terms of compliance set out in the award or judgment, or according to those that can be determined according to the rules of international law or internal rules that are applicable in this case.

5) The arbitral awards shall be final and binding on the parties to the dispute. Each Contracting Party to perform in accordance with its legislation and in accordance with international conventions applicable.

Article X. Settlement of Disputes between Contracting Parties

1) Any dispute arising between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be settled through diplomatic channels.

2) If a dispute between the Contracting Parties could not be resolved in this manner within a period of six months calculated from the date of notification of the dispute, it will be referred, at the request of any Contracting Party to an Arbitral Tribunal.

3) The Arbitral Tribunal shall be constituted for each particular case in the following way: within two months of receipt of the request for arbitration, each Contracting Party shall appoint a member of the Court who will choose a national of a third country as the President of the Court. The Chairman shall be appointed within a period of two months from the date of designation of the other two members.

4) If within the terms provided in the preceding paragraph should not have been made the necessary designations, any Contracting Party may, in the absence of other solutions, invite the President of the Intemational Court of Justice to make the necessary appointments. If the President is a citizen of either Contracting Party or if, for any reason, is unable to perform this function, it will invite the Vice President to make the necessary appointments. If the Vice President is a national of either Contracting Party, or if, in turn, is unable to perform this function, the member of the International Court of Justice that immediately follows it in the ranking list and is not a national of either Contracting Party, will invited to make the necessary appointments.

5) The Arbitral Tribunal shall reach its decision by a majority. This decision will be final, binding and will have binding effect on both Contracting Parties. Each Contracting Party shall bear the expenses of its member of the Tribunal and its Representation to the arbitration proceedings. The expenses of the President, as well as other costs that are caused by the operation of this Court, will be borne equally by the two Contracting Parties.

The Tribunal shall determine its own procedures.

Article XI. Scope

H present Agreement will be applied to all investments made before or after the date Ideila its entry into force; however, not apply to any dispute, claim or dispute which has arisen before its entry into force.

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ARTICLE XH

Entry into force, duration and termination

1) This Agreement shall enter into force on the date of the last notification through which the Contracting Parties officially notified the completion of awenuto

Respective constitutional procedures

This Agreement will have a term of ten (10) years, after which it will remain in force for E indefinitely.

* The presentq Agreement may be terminated by any of the Contracting Parties, and the denunciation shall take effect six (6) months after its notification.;

2) With regard to investments made before the date on which the notice of denunciation of this Agreement becomes effective, the provisions of Articles I to XI will remain in force for a period of ten (10) years from the date of notification

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Italian and Spanish, both texts being equally authentic

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