AGREEMENT on mutual protection and promotion of investments between the Slovak Republic and the Republic of Slovenia

Whereas,

The Government of the Republic of Slovenia and the Government of the Slovak Republic

Desirous to create favourable conditions for better economic cooperation between the two countries, particularly for investment by legal and physical persons of one party hereof in the territory of the other party hereof;

In their endeavours to stimulate and mutually protect such investments, based on international agreements which will contribute to the stimulation of business ties and economic development of both countries.

Now therefore it is agreed as follows:

Article 1. Definitions

For the purposes of this agreement:

1. The term "investment" shall mean any type of property or any other type of property value which a physical person, or a legal entity belonging to one of the parties hereof, invested prior to or after this agreement takes errect, in the territory of the other party hereof, in conformity with the applicable legislation and regulations of the other party as they may apply in each case.

Without limitation of the general validity of the above, this term also includes:

a) Movable and immovable property, including all other rights which may be used for the purposes of investment;

b) Stocks, bonds, ownership shares and any other securities or credit documents;

c) The right to funds used for creating economic value, or to the services and levies in kind constituting economic value related to investments;

d) Copyrights, trade marks, patents, and other rights to intellectual and industrial property, know-how, trade names and goodwill of the firm associated with an investment;

e) Any right of financial nature in conformity with the law or contract and any right, concession or franchise, issued in conformity with applicable provisions which regulate the performance of business activities, including research, processing, exploitation and utilisation of natural resources.

Any alternation of the form in which assets are invested shall not affect their character as investment.

2. The term "investor" shall mean any physical or legal person of one party hereof which has performed, performs or intends to invest in the territory of the second party hereof.

a) The term "physical person" shall mean, in the relation to both parties hereof, any physical person which holds citizenship of the contracting state.

b) The term "legal person" shall mean, in relation to both parties hereof, any unit, which has been established in the territory of one of the parties hereof and is recognised as the legal entity in conformity with the appropriate state legislation.

3. The term "return" shall mean money, which is being and will be generated by investments, particularly profit, income on interest, income on cash investments, dividends, licence fees, compensation for assistance and technical services and any other compensations, including reinvested income and capital gains.

4. The term "territory" shall mean the territory of the state defined by state boundaries and all possible other areas having

the status of sovereignty and jurisdiction.

Article 2. Promotion and Protection of Investments

1. Each party hereof encourage the investors of the other party hereof to invest in their respective territories in conformity with their respective laws.

2. Investment of investors of either party hereof shall at all times be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.

Article 3. National and Most Favoured Nation Treatment

1. Both parties hereof shall treat the performed investments and income generated thereby, or have been acquired by the investors of the other party hereof, in the same scope and conditions applied to investments and income which were performed and acquired by their own investors or investors of third countries.

2. The procedures which apply to the activities in connection with investments of investors of one party shall not be less favourable than the procedures which apply to the same or similar activities carried out by investments of their own investors or investors of any third country.

3. The provisions of paragraph 1 and 2 of this Article shall not be construed so as to oblige one contracting party hereof to extend to the investors of the other the benefit of any treatment, preference or privilege which may be extended by the former party hereof by virtue of:paragraph 1 and 2 of this Article shall not be construed so as to oblige one contracting party hereof to extend to the investors of the other the benefit of any treatment, preference or privilege which may be extended by the former party hereof by virtue of:

a) Any customs union or free trade area or a monetary union or similar international agreements leading to such unions or institutions or other forms of regional cooperation to which either of the parties hereof is or may become a party,

b) Any international agreement or arrangement relating wholly or mainly to taxation.

Article 4. Damage and Loss Compensation

Investors of one of the party hereof which have suffered damage or loss in their investments in the territory of other party hereof due to war or any other form of armed conflict, state of emergency or other similar events shall not be treated with less preference in compensation for damages or any other forms compensation than their own investors or investors of third countries.

Potential investors are entitled to the same procedure as the investors of the responsible party hereof and shall be treated at all times at least with the same preference as the investors of third countries.

Article 5. Expropriation

1. Investments of investors of both parties hereof shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory of the other party hereof except for a public purpose. The expropriation shall be carried out under due process of law, on a non-discriminatory basis and shall be accompanied by provisions for the payment of prompt, adequate and effective compensation. Such compensation shall amount to the market value of the investment expropriated immediately before expropriation or impending expropriation became public knowledge, shall include interest from the date of expropriation, shall be made without delay, be effectively realizable and be freely transferable in freely convertible currency.

2. The investor affected shall have a right, to prompt review, by a judicial or other independent authority of that party thereof related to his or its case and relation to the valuation of his or its investment in accordance with the principles set out in this Article.

3. The provisions of Paragraph 1 of this Article shall also apply where a party hereof expropriates the assets of a company which is incorporated or constituted under the law in force in any part of its own territory, and in which investors of the other party hereof own shares.Paragraph 1 of this Article shall also apply where a party hereof expropriates the assets of a company which is incorporated or constituted under the law in force in any part of its own territory, and in which investors of the other party hereof own shares.

Article 6. Transfers

1. The both parties hereof shall guaranteee the transfer of payments related to investments and returns. The transfers shall be made in a freely convertible currency, without any restriction and undue delay. Such transfers shall include in particular, though not exclusively:

a) Capital and additional amounts to maintain or increase the investment,

b) Profits, interest, dividends and other current income,

c) Runds in repayment of loans,

d) Royalties or fees,

e) Proceeds of sale or liquidation of the investment,

f) The earnings of natural persons subject to the laws and regulations of the parties hereof, in which investments have been made.

2. For the purpose of this Agreement, exchange rates shall be the official rates effective for the current transactions at the date of transfer, unless otherwise agreed.

Article 7. Subrogation

Should one of the parties hereof or any of its institutions issue a guarantee for insurance against non-commercial risk for investment which was performed by one of its investors in the territory of the other party hereof and has, on the basis of guarantee, effected payment, the other party hereof shall approve the transfer of rights of the insured investor to the guarantor, while assets refunded in this manner shall not exceed the original rights of the insured investor.

Provisions of Articles 4, 5 and 6 hereof shall apply to the transfer of compensation payments to the party hereof, or to its institutions.

Article 8. Settlement of Disputes between Investors and Parties Hereof

1. Any dispute between one party hereof and investors of the other party hereof, including disputes arising from compensation in the event of expropriation, nationalisation, seizure or similar measures and conflicts which refer to the amount of corresponding payments shall be settled amicably.

2. In the event that the dispute cannot be settled amicably within six months from the date of a written notice submitted to the other party hereof, the injured investor may submit the dispute, according to his own judgement, to arbitration:

a) The International Centre for Settlement of Investment Disputes (ICSID) having regard to the applicable provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington D. C. on 18 March 1965, in the event both parties hereof shall have become a party to this Convention, orConvention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington D. C. on 18 March 1965, in the event both parties hereof shall have become a party to this Convention, or

b) An arbitrator or international ad hoc arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties to the dispute may agree in writing to modify these Rules. The arbitral awards shall be final and binding on both parties to the dispute.Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties to the dispute may agree in writing to modify these Rules. The arbitral awards shall be final and binding on both parties to the dispute.

Article 9. Settlement of Disputes between the Parties Hereof

1. All disputes which may arise between the two parties hereof in connection with the interpretation and execution of this agreement shall be, if at all possible, settled amicably.

2. In the event that the dispute cannot be settled within six months from the date one of the parties hereof submits a written notice about the dispute to the other party, the dispute shall be submitted, on demand of one of the parties hereof, to an ad hoc arbitration tribunal in conformity with paragraphs 3, 4 and 5 herein.paragraphs 3, 4 and 5 herein.

3. The arbitration tribunal shall be constituted in the following manner: within two months following the receipt of demand for arbitration, each party shall appoint one member to the arbitration tribunal. These two members then select a citizen of a third country to act as the president. The president shall be appointed within three months following the appointment of the two members.

4. Failing to agree upon the appointments in the period stipulated in paragraph 3 herein, any party hereof may apply to the president of the international court to perform the appointments in three months. In the event that the president is a citizen of one of the parties hereof or in any other way prevented from the performance of his function, the Vice president of the Court shall be authorised to make the appointments. In the event that the Vice president of the Court is a citizen of one of the parties hereof or is prevented from discharging his duties for any reason, a member of the international court with the highest function who is not a citizen of any of the parties hereof shall be called upon to perform the said appointments.paragraph 3 herein, any party hereof may apply to the president of the international court to perform the appointments in three months. In the event that the president is a citizen of one of the parties hereof or in any other way prevented from the performance of his function, the Vice president of the Court shall be authorised to make the appointments. In the event that the Vice president of the Court is a citizen of one of the parties hereof or is prevented from discharging his duties for any reason, a member of the international court with the highest function who is not a citizen of any of the parties hereof shall be called upon to perform the said appointments.

5. The ruling of the arbitration tribunal is by majority vote and its decisions are binding. Both parties hereof shall cover the costs of their respective arbitrators and their own cost in the arbitral proceedings. The costs incurred by the president and all other costs shall be equally distributed between the parties hereof. The arbitration tribunal decides on its own procedures.

Article 10. Relations between the Two Governments

This agreement shall be valid regardless of the existence or nonexistence of diplomatic or consular relations between the two parties hereof.

Article 11. Application of other Rules and Special Commitments

1. When any matter is treated simultaneously by this agreement and some other international agreements of which the two parties hereof are signatories, or the matter is governed by the general international law, then the most favourable provisions shall apply to both parties hereof and their respective investors, on a case-by-case basis.

2. Whenever, as a consequence of laws, regulations or special agreements, one of the two parties hereof has access to more favourable conditions for investors of the other party hereof than those stipulated in this agreement, then such more favourable treatment must be secured.

Article 12. Implementation of this Agreement

1. This agreement shall take effect the day following the date of the exchange of notes, with which the parties hereof notify each other that all requirements, stipulated in their respective legislations for the implementation of this agreement, have been met. The agreement shall be valid also for investments which have been initiated and not performed by investors of one of the parties hereof in compliance with the regulations of the other party hereof in its territory prior to the implementation of this agreement.

2. This agreement shall be valid for a term of ten years from the date of the exchange of notes, with which the parties hereof notify each other that all requirements stipulated in their respective legislations for the implementation of this agreement have been met. This agreement shall be automatically prolonged for another ten year — period, unless either of the parties hereof terminates it with a one-year written notice before expiry.

3. For any investment realised before the expiry date of this Agreement as stated in the previous paragraph, the provisions of Articles 1 through 11 remain in effect for additional five years after the above mentioned dates.Articles 1 through 11 remain in effect for additional five years after the above mentioned dates.

Done in duplicate at Bratislava, this 28th day of July, 1993, in the Slovenian, Slovak and English languages, all texts being equally authentic. In the case of differences in respect of interpretation of this Agreement the English text will prevail.

For the Government of the Republic of Slovenia

Janez Drnovšek, (s)

For the Government of the Slovak Republic

Vladimir Mečiar, (s)