AGREEMENT BETWEEN THE SLOVAK REPUBLIC AND THE REPUBLIC OF TURKEY CONCERNING THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Slovak Republic and the Republic of Turkey, hereinafter called the Parties,

Desiring to promote greater economic cooperation between them, particularly with respect to investment by investors of one Party in the territory of the other Party,

Recognizing that agreement upon the treatment to be accorded such investment will stimulate the flow of capital and technology and the economic development of the Parties,

Agreeing that fair and equitable treatment of investment is desirable in order to maintain a stable framework for investment and maximum effective utilization of economic resources, and

Having resolved to conclude an agreement concerning the encouragement and reciprocal protection of investments,

Hereby agree as follows:

Article I.

Definitions

For the purpose of this Agreement:

1. The term "investor" shall mean any natural or legal person who invests in the territory of the other Party.

(a) The term natural person shall mean any natural person having the nationality of either Party in accordance with its laws.

(b) The term legal person shall mean any entity which is incorporated or constituted in

Accordance with the law of one of the Parties, having its head office in the territory of one of the Parties and recognized by their laws.

2. The term "investment", in conformity with the hosting Party's laws and regulations, shall include every kind of asset in particular, but not exclusively:

(a) shares, stocks or any other form of participation in companies,

(b) returns reinvested, claims to money or any other rights having financial value related

To an investment,

(c) movable and immovable property, as well as any other rights as mortgages, liens, pledges and any other similar rights,

(d) industrial and intellectual property rights,

(e) business concessions conferred by law or by contract, including concessions related to natural resources.

The said term shall refer to all investments made in accordance with the laws and regulations in the territory of the Party where the investments are made.

3. The term "returns" means the amounts yielded by an investment and includes, in particular, profit, interest, capital gain, dividend and other income.

4. The term territory shall mean:

(a) in relation to the Slovak Republic, the land over which it exercises its sovereignty, jurisdiction or sovereign rights for the purpose of exploration, exploitation and conservation of natural resources, pursuant to international law.

(b) in relation to the Republic of Turkey, the Turkish territory, territorial sea, as well as the maritime areas over which it has jurisdiction or sovereign rights for the purpose of exploration, exploitation and conservation of natural resources, pursuant to international law.

Article II. Promotion and Protection of Investments

1. Each Party shall encourage and create favourable economic and legal conditions in its territory for investments of investors of the other Party and shall admit such investments in accordance with its laws and regulations.

2. When a Party shall have admitted an investment in its territory, each Party shall grant, in accordance with its laws and regulations, the necessary permits in connection with such investments and with the carrying out of licensing agreements and contracts for technical, commercial or administrative assistance.

3. Investments of investors of either Party shall at all times be accorded fair and equitable treatment.

Article III. National and Most -favoured-nation Treatment

1. Each Party shall in its territory accord investments of investors of the other Party, once established, and returns of investors of the other Party treatment which is fair and equitable and not less favourable than that which it accords to investments and returns of its own investors or to investments and returns of investors of any third State whichever is more favourable.

2. Each Party shall in its territory accord investors of the other Party, as regards management, maintenance, use, enjoyment or disposal of their investment, treatment which is fair and equitable and not less favourable than that which it accords to its own investors or investors of any third State, whichever is more favourable.

3. The provisions of paragraphs 1 and 2 of this Article shall not be construed so as to oblige one Party to extend to the investors of the other Party the benefit of any treatment, preference or privilege in relation to the following agreements:

(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 economic cooperation to which either of Parties is or may become a Party;

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

4. Subject to the laws and regulations of the Parties relating to the entry, sojourn, business activities and employment of aliens:

(a) nationals of either Party shall be permitted to enter and remain in the territory of the other Party for purposes of establishing, developing, administering or advising on the operation of an investment to which they, or an investor of the first Party that employs them, have committed or are in the process of committing a substantial amount of capital or other resources,

(b) companies which are legally constituted under the applicable laws and regulations of one Party, and which are investments of investors of other Party, shall be permitted to engage top managerial and technical personnel of their choice, regardless of nationality.

Citizens of either Party are obliged to follow all the rules and regulations relating to the entry and sojourn of non-residents.

Article IV. Expropriation

1. Investments of investors of either Party shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as expropriation) in the territory of the other Party 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 be equivalent to the market value of the investment expropriated immediately before expropriation or before impending expropriation became public knowledge, whichever is the earlier, shall include applicable interest from the date of expropriation, shall be made without delay, be effectively realizable and be freely transferable in a freely convertible currency.

2. The investor affected shall have a right to a prompt review by judicial authorities of that Party of its case and of the

valuation of its investment in accordance with the principles set out in this Article.

Article V. Compensation for Losses

When investments made by investors of either Party suffer losses owing to war, armed conflict, a state of national emergency, revolt, insurrection, riot or other similar events in the territory of the other Party, they shall be accorded by latter Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that, which the latter Party accords to its own investors or to investors of any third State. Resulting payments shall be freely transferable in a freely convertible currency without delay.

Article VI. Transfers

l. Each Party shall permit in good faith all transfers related to an investment to be made freely and without delay into and out of its territory. Such transfers include:

(a) returns as defined in Article I,

(b) royalties or fees,

(c) proceeds from the sale or liquidation of all or any part of an investment,

(d) compensation pursuant to Article IV and V,

(e) reimbursements and interest payments deriving from loans in connection with investments,

(f) salaries, wages and other remunerations received by the nationals of one Party who have obtained in the territory of the other Party the corresponding work permits relative to an investment,

(g) payments arising from an investment dispute.

2. Transfers shall be made in the convertible currency in which the investment has been made or in any convertible currency at the applicable exchange rate in force at the date of transfer, unless otherwise agreed by the investor and the hosting Party.

Article VII. Subrogation

1. If the investment of an investor of one Party is insured against non-commercial risks under a system established by law, any subrogation of the insurer which stems from the terms of the insurance agreement shall be recognized by the other Party.

2. The insurer shall not be entitled to exercise any rights other than the rights which the investor would have been entitled to exercise.

3. Disputes between a Party and an insurer shall be settled in accordance with the provisions of Article VIII of this Agreement.

Article VIII. Settlement of Disputes between One Party and Investor of the other Party

1. Disputes between one of the Parties and an investor of the other Party, in connection with his investment, shall be notified in writing, including a detailed information, by the investor to the recipient Party of the investment. As far as possible, the investor and the concerned Party shall endeavour to settle these disputes by consultations and negotiations in good faith.

2. If these disputes cannot be settled in this way within six months following the date of the written notification mentioned in paragraph l the investor concerned may submit the dispute to the competent court of the hosting Party, or alternatively the dispute can be submitted, as the investor may choose, to:

(a) the International Center for Settlement of Investment Disputes (ICSID) set up by the "Convention on Settlement of Investment Disputes between States and Nationals of other States",

(b) an ad hoc Court of Arbitration laid down under the Arbitration Rules of Procedure of the United Nations Commission for International Trade Law (UNCITRAL),

(c) the Court of Arbitration of the Paris International Chamber of Commerce.

3. The arbitration awards shall be final and binding for all Parties in dispute. Each Party commits itself to execute the award according to its national law.

Article IX. Settlement of Disputes between the Parties

1. The Parties shall seek in good faith and a spirit of cooperation a rapid and equitable solution to any dispute between them concerning the interpretation or application of this Agreement. In this regard, the Parties agree to engage in direct and meaningful negotiations to arrive at such solutions. If the Parties cannot reach an agreement within six months after the beginning of dispute between themselves through the foregoing procedure, the disputes may be submitted, upon the request of either Party, to an Arbitral Tribunal of three members.

2. Within two months of receipt of a request, each Party shall appoint an arbitrator. The two arbitrators shall select a third arbitrator as Chairman, who is a national of a third State. In the event either Party fails to appoint an arbitrator within the specified time, the other Party may request the President of the International Court of Justice to make the appointment.

3. If both arbitrators cannot reach an agreement about the choice of the Chairman within two months after their appointment, the Chairman shall be appointed upon the request of either Party by the President of the International Court of Justice.

4. If, in the cases specified under paragraphs (2) and (3) of this Article, the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either Party, the appointment shall be made by the Vice-President, and if the Vice -President is prevented from carrying out the said function or if he is a national of either Party, the appointment shall be made by the most senior member of the Court who is not a national of either Party.

5. The tribunal shall have three months from the date of the selection of the Chairman to agree upon rules of procedure consistent with the other provisions of this Agreement. In the absence of such agreement, the Tribunal shall request the President of the International Court of Justice to designate rules of procedure, taking into account generally recognized rules of international arbitral procedure.

6. Unless otherwise agreed, all submissions shall be made and all hearings shall be completed within six months of the date of selection of the Chairman, and the Tribunal shall render its decision within two months after the date of the final submissions or the date of the closing of the hearings, whichever is later. The Arbitral Tribunal shall reach its decisions, which shall be final and binding, by a majority of votes.

7. Expenses incurred by the Chairman, the other arbitrators, and other costs of the proceedings shall be paid for equally by the Parties. The Tribunal may, however, at its discretion, decide that a higher proportion of the costs be paid by one of the Parties.

8. A dispute shall not be submitted to an International Arbitration Court under the provisions of this Article, if the same dispute has been brought before another International Arbitration Court under the provisions of Article VIII and is still before the court. This will not impair the engagement in direct and meaningful negotiations between both Parties.

Article X. Application of other Rules and Special Commitments

1. Where a matter is governed simultaneously both by this Agreement and by another international agreement to which both Parties are signatories, nothing in this Agrement shall prevent either Party or of any of its investors, who own investments in the territory of the other Party, from taking advantage of whichever rules are more favourable to his case.

2. If the treatment to be accorded by one Party to investments to investors of the other Party, in accordance with its laws and regulations or other specific provisions of contracts, is more favourable than that accorded by this Agreement, the more favourable shall be accorded.

Article XI. Applicability of this Agreement

The provisions of this Agreement shall apply to investments made in the territory of one of the Parties in accordance with its laws by investors of the other Party prior to, as well as after the entry of this Agreement into force, but shall not apply to any dispute concerning an investment which arose, or any claim which was settled before the entry of this Agreement into force.

Article XII. Entry Into Force, Duration and Termination

1. Each Party shall notify the other in writing of the completion of the procedures required by its law for bringing this Agreement into force. This Agreement shall enter into force on the date of the second notification.

2. This Agrement shall remain in force for a period of ten years and shall continue to be in force thereafter for further periods of ten years unless, one year before expiry of the initial or any subsequent periods, either Party notifies the other in writing of its intention to terminate this Agreement.

3. In respect of investments made prior to the termination of this Agreement, the provisions of Articles I to XI shall continue to be effective for a period of ten years from the date of termination.

4. This Agreement may be amended by written agreement between the Parties. Any amendment shall enter into force when each Party has notified the other that it has completed all internal requirements for entry into force of such amendment.

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

DONE at _on _ in two originals in the Slovak, Turkish and English

Languages, all texts being equally authentic. In case of divergence of interpretation the English text shall prevail.

FOR THE GOVERNMENT OF THE SLOVAK REPUBLIC

FOR THE GOVERNMENT OF THE REPUBLIC OF TURKEY