A G R E E M E N T CONCERNING THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS BETWEEN BOSNIA AND HERZEGOVINA AND THE GOVERNMENT OF THE STATE QATAR

Bosnia and Herzegovina and the Government of the State Qatar, hereinafter referred to as the Contracting Parties,

Desiring to strengthen economic cooperation between the two states particularly with respect to investment by investors of one Contracting Party in the territory of the other Contracting Party.

Recognizing that promotion and protection of these investments will stimulate the flow of capital and technology between the two countries in the interest of economic development.

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

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement and unless stated otherwise the following words and terms shall have the corresponding meanings:

1. The term "investor" means: (a) Natural persons deriving their status as nationals of either Contracting Party according to its applicable law.

(b) Government and government agencies, corporations, companies, firms, or business associations incorporated or constituted under the law in force of either of the Contracting Parties and having their headquarters in the territory of the Contracting Party.

2. The term "investment" means every kind of assets and in particular, though not limited to the following: (a) The term "investment" means every kind of assets and in particular, though not limited to the following: i) Stocks or any other form of participation in companies;

ii) Returns reinvested, claims to money or other rights having financial value relating to an investment;

iii) Movable and immovable property as well as any other rights as mortgages, liens, pledges and any other similar rights as defined in conformity with the laws and regulations of the Party in whose territory the property is situated;

iv) Industrial and intellectual property rights, patents, industrial designs, trademarks, goodwill, know-how and any other similar rights;

v) Business concessions conferred by law or under contract, including the concessions related to natural resources.

(b) The said terms shall refer to all investments made in accordance with the laws and regulations in the territory or maritime area to the Contracting Party where the investments are made. The maritime area shall mean the territorial waters and the adjoining area which extends beyond the territorial waters for both parties and which they own in accordance with International Law and Jurisdiction for purposes of investigation, exploitation and preservation of natural resources. The term "investments" covers the investments made in the territory of this Party after signing of this agreement.

3. The term "return" means the amounts yielded by an investment and includes in particular, though not exclusively, profit, interest and dividends. Returns reinvested shall have the same protection enjoyed by an investment.

4. Any later change of the form in which assets have been invested or reinvested shall not affect their character as investments, under condition that such change is in accordance with the laws and regulations of the Contracting Party on

the territory of which the investment has been made.

Article 2. Promotion and Protection of Investments

1. Each Contracting Party shall permit the other Contracting Party to invest in its territory and its maritime area and practice activities associated therewith on a basis no less favourable than that accorded in similar situations to investments of its investors in areas which are not exclusive to them or to investors of the most favoured state, within the framework of its laws and regulations in force.

2. Each Contracting Party shall extend fair and equitable treatment in accordance to the principle of the International Law to investments made by investors of the other Contracting Party on its territory or maritime area, and shall ensure that the exercise of the right thus recognized shall not be hindered in any way.

3. Subject to the laws and regulations of the parties relating to the entry, sojourn and employment of aliens;

(a) Nationals and Personnel of either Contracting Party shall be permitted to enter and to remain in the territory of the other Contracting Party and its maritime area for the purpose of establishing, developing, administering or advising on the investment operations in which those nationals or investors have contributed in their capital or other resources.

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

4. The provisions stipulated in the previous paragraphs shall have not effect in relation to the privileges granted by either Contracting Party to the investors of a third party state by virtue of its participation in any of the following agreements:

(a) Agreements relating to any existing or future customs unions, free trade zones, regional economic organization or similar international agreements;

(b) Agreements relating wholly or mainly to taxation.

Article 3. Expropriation and Compensation

1. The investments shall not be subject, to any act of expropriation or nationalization or any other procedure or similar effect, (hereinafter referred to as: Expropriation) unless it is intended for public interest and without discrimination against adequate and prompt compensation paid in accordance with the legal procedures and general principles of the type of treatment stipulated in Para (2) of this article.

2. The said compensation shall be equivalent to the real economic value for the expropriated investment at the moment immediately prior to the performance or official announcement of Expropriation, whichever is earlier. The compensation due shall be paid without delay and enjoys free transfer, and it shall produce interest to be calculated in accordance with the interest rate prevailing in the inter-banking of the London financial market (LIBOR).

3. In case the investments of either Contracting Party sustain losses in the territory of the other party or its maritime areas as a result of war or any other armed conflict or civil riots or any other similar events, that party shall offer to the investors of the other party a treatment not less favourable than that enjoyed by its investors in areas which are not exclusive to them or investors of the most favoured state pursuant to the procedures it adopts in connection with losses inflicted on these investments.

Article 4. Repatriation and Transfer

1. Each Contracting Party shall permit the other Contracting Party all transfers related to its investments to be made freely and without unreasonable delay into and out of its territory under condition that the investor involved has fulfilled all his fiscal obligations. Such transfers include especially, but not exclusively:

a) Returns;

b) Proceeds from the sale or liquidation of all the investment or part thereof;

c) Compensation pursuant to Article (3) of this agreement;

d) Reimbursements and interests from loans in connection with investments;

e) Salaries, wages and other remuneration's received by the nationals of one Contracting party against their services for a licensed investment in the territory of the other party or its maritime area.

f) Payments arising out from an investment dispute;

2. Transfers shall be made in the convertible currency in which the investment has been made or in any other convertible currency if so agreed by the investor and at the rate of exchange in force in the date of transfer.

Article 5. Subrogation

1. If the investment of an investor of one Contracting Party is insured against noncommercial risks under a special system any subrogation of the insurer which stems from the terms of the insurance agreement shall be recognized by the other Contracting 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.

Article 6. Other Obligations

1. If the legislation of either Contracting Party entitles investments by investors of the other Contracting Party to treatment more favourable than is provided for by the this agreement, such legislation shall to the extent that it is more favourable prevail over this agreement.

2. Each Contracting Party shall observe any other obligation it has assumed with regard to investments in its territory by investors of the other Contracting Party.

Article 7. Preclusion

1. This Agreement shall not preclude the application by either Contracting Party measures necessary for the maintenance of public order and morals, the fulfillment of its obligation with the respect to the maintenance of restoration of international peace and security, or the protection of its own essential security interests. In case that application of the stated measures cause losses on investments of the investor of the other contracting Party, this investor shall have be entitled to compensation in accordance with Article 3 of this Agreement.

2. This Agreement shall not preclude either Party from adopting special procedures in connection with the establishment of investments, provided that such procedures shall not violate any of the basic rights stipulated herein under.

Article 8. Taxation

By observing its tax legislation, each Contracting Party should strive to accord fairness and equity in the tax treatment of investments of investors of the other Contracting Party.

Article 9. Disputes between a Contracting Party and an Investor of the other Contracting Party

1. For the purpose of solving disputes with respect to investments between a Contracting Party and an investor of the other Contracting Party, consultations will take place between the parties concerned (with a view to solving the case, as far as possible, amicably).

2. If these consultations do not result in solution within 3 months from the date of request for settlements the investor may submit the dispute, at his choice for settlement to:

a) The competent court of the Contracting Party in the territory of which the investment has been made; or

b) The International Centre for Settlement of Investment Disputes (ICSID) provided for by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, signed in Washington D.C. on 18 March 1965,

c) An ad hoc arbitral tribunal which unless otherwise agreed upon by the parties to the dispute shall be established under the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL).

3. Each Contracting party hereby consents to the submission of an investment dispute to International conciliation or arbitration.

4. The Contracting Party which is a party to the dispute shall at no time whatsoever during the procedures involving investment disputes, assert as a defense its immunity or the fact that the investor has received compensation under an insurance contract covering the whole or part of the incurred damage or loss.

Article 10. Disputes between Contracting Parties

1. Disputes between Contracting Parties regarding the interpretation or application of the provisions of this Agreement shall be settled through diplomatic channels.

2. If both Contracting Party cannot reach an agreement within twelve months after the beginning of dispute between themselves the latter shall upon request of either Contracting Party, be submitted to an arbitral tribunal of three members. Each Contracting Party shall appoint one arbitrator, and these two arbitrators shall nominate a chairman who shall be a citizen of a third state.

3. If one of Contracting Parties has not appointed its arbitrator and not followed the invitation of the other Contracting Party to make that appointment within two months the arbitrator shall be appointed upon the request of that Contracting Party by the President of the International Court of Justice.

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

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

6. Subject to the other provisions made by the Contracting Parties, the tribunal shall determine its procedure in the dispute concerned provisions of this Agreement and the law of the Contracting State in whose territory investments are made shall be applied.

7. Each Contracting Party shall bear the cost of the arbitrator it has appointed and of its representation in the arbitral proceedings. The cost of the chairman and the remaining costs shall be borne in equal parts by the Contracting Parties.

8. The decision of the tribunal is final and binding for each Contracting Party.

Article 11. Entering Into Force

1. This Agreement shall enter into force on the date on which the exchange of instruments of ratification has been completed through diplomatic channels. It shall remain in force for a period of ten years and shall continue in force unless terminated in accordance with paragraph (2) of this Article. The Agreement shall be applied to the investments made or acquired after its signing date.

2. Either Contracting Party may, by giving one year's written notice to the other Contracting Party, terminate this Agreement at the end of the initial ten year period or at any time thereafter.

3. This Agreement may be amended by written agreement between the two Contracting Parties. Any amendment shall enter into force under the same procedure as this Agreement.

4. Upon termination of this Agreement, the investment made prior to the date of this termination and governed by the rules of this agreement shall enjoy the protection established pursuant to these rules for a further period of ten years from the date of termination.

This agreement has been signed in Sarajevo on 1st June 1998 in two original copies in the English and Arabic language. All texts being equally authentic.

For

Bosnia and Herzegovina

For