AGREEMENT

BETWEEN

THE GOVERNMENT OF MONTENEGRO AND

THE GOVERNMENT OF THE UNITED ARAB EMIRATES

ON

THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of Montenegro and the Government of the United Arab Emirates (hereinafter collectively referred to as the "Contracting Parties")

Desiring to create conditions favorable for fostering greater investment by investors of one Party in the territory of the other Party;

Recognizing that the encouragement and reciprocal protection of such investment, made in accordance with the laws and regulations of the host contracting party will be conducive to the stimulation of individual business initiative and will increase prosperity in both States:

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. a) The term 'investment' means every kind of asset invested by the investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws, and regulations of the Contracting Party in whose territory the investment is made and in particular, though not exclusively, includes:

i) Movable and immovable property as well as any other property rights in rem such as mortgages, liens, pledges, or usufruct;

ii) shares, stocks, bonds, debentures and any other similar forms of participation in a company and other debts and loans and securities issued by an investor of a Contracting Party and returns retained for the purpose of reinvestment;

iii) Rights or claims to money or to any performance under contract having financial or economic value;

iv) intellectual property rights, goodwill, technical processes, know - how, copyrights, trade marks, trade names and patents in accordance with the relevant laws of the respective Contracting Parties;

v) any right conferred by law, contract or by virtue of any licenses or permits granted pursuant to law, natural resources shall not be covered by this Agreement;

Any change of the form in which assets are invested or reinvested does not affect their character as investment provided that the investor will get the legal permission from the competent authorities of the host Contracting Party.

b) "Investors" means any national, company or government of one Contracting Party that invests in the territory of the other Contracting Party;

c) "nationals" means natural persons holding the nationality of a Contracting Party in accordance with its applicable law;

d) "returns" means the monetary amounts yielded by an investment such as profit, interest, capital gains, dividends, royalties, management and technical fees and other current income;

e) the term "territory" when used in geographical sense means the territory of Montenegro or United Arab Emirates which is under its sovereignty as well as the area outside the territorial water, airspace and submarine areas over which Montenegro or United Arab Emirates exercise, sovereign and jurisdictional rights in respect of any activity carried on in its water, sea bed, sub soil, in connection with the exploration for or the exploitation of natural resources by virtue of its law and international law;

2. The term "freely usable currency" means the any currency that is widely used to make payments for international transactions and is widely traded in the principal exchange markets.

3. The term company means:

In respect of Montenegro or United Arab Emirates: any juridical person or other entity legally constituted under the laws and regulations of Montenegro or United Arab Emirates such as local governments, institutions, development funds, authorities and foundations.

Article 2. Scope of the Agreement

This Agreement shall apply to all investments made by investors of either Contracting Party in the territory of the other Contracting Party, whether made before or after the coming into force of this Agreement, but shall not apply to any dispute concerning an investment that arise before the entry into force of this agreement nor any claim that was settled before the entry into force of this Agreement.

Article 3. Encouragement of Investments

1. Each Party shall accord to the investors of the other Party treatment no less favorable than that it accords, in like circumstances, to its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, and sale or other disposition of investments in its territory.

2. Each Contracting Party shall endeavor in its territory to the necessary measures as may be applicable for granting of appropriate facilities, incentives and other forms of encouragement for investments made by investors of the other Contracting Party.

3. The Contracting Parties according to their domestic law and regulations shall allow the employment of the top managerial staff of related investment.

4. Notwithstanding to the paragraph 3 of this Article, the top managerial staff should obtain prior written approval of the host Contracting Party, in accordance to the national legislation.

Article 4. Protection of Investments

1. Investments made by investors of either Contracting Party shall enjoy full protection and security in the territory of the other Contracting Party in a manner consistent with the provisions of domestic laws of the host Contracting Party. Neither Contracting Party shall in any way impair by arbitrary or discriminatory measures, the management, maintenance, use, enjoyment, or disposal of investments.

2. Each Contracting Party shall endeavor to make public all laws, regulations, policies and procedures that pertain to or directly affect investments in its territory of investors of the other Contracting Party.

3. Once established, investment shall not be subjected in the host Contracting Party to additional performance requirements which may hinder or restrict the management, maintenance, use enjoyment or disposal of investments unless such requirements are deemed vital for reasons of public order, public health or environmental concerns and are enforced by law of general application.

4. Each Contracting Party shall maintain a favorable environment for investments in its territory by investors of the other Contracting Party. Each Contracting Party shall in accordance with its applicable laws and regulations ensure to investors of the other Contracting Party, the right of access to its courts of justice, administrative tribunals and agencies, and all other bodies exercising adjudicatory authority.

5. In case of liquidations of an investment, the proceeds from liquidation shall be accorded the same forms of protection and treatment as the initial investment, including those accorded by virtue of Article 5 hereunder.

Article 5. Treatment of Investments

1. Each Contracting Party shall at all time ensure investments made in its territory by investors of the other Contracting Party, fair and equitable treatment. Such treatment shall not be less favorable than that which it accords to investments of its own investors or investors of any third Party, whichever is the most favorable.

2. Each Contracting Party shall accord to investors of the other Contracting Party as regards compensation, transfers, management, use, enjoyment or disposal of their investments treatment no less favorable than that which it accords to investments by its own investors or by investors of any third Party, whichever is the most favorable.

3. However, the MFN shall not apply to any procedural or judicial matters.

4. However, the provisions of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefits of any treatment, preference or privilege resulting from:

a) any customs union, economic union, free trade area, monetary union or other form of regional economic arrangement or other similar international agreement, to which either of the Contracting Parties, is or may become a party or

b) Any international or regional agreement or any other matter relating wholly or mainly to taxation.

Article 6. Compensation for Damage or Loss

1. When Investment made by investors of either contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot or other similar events in the territory of the other Contracting Party, they shall be accorded by the latter Contracting Party, treatment, as regards restitution, indemnification, compensation or other settlement, not less favorable than that which the latter Contracting Party accords to its own investors or to investors of any third Party whichever is the most favorable.

2. Without prejudice to Paragraph (1) of this Article, investors of one Contracting Party who in any of the events referred to in that paragraph suffer damage or loss in the territory of the other Contracting Party resulting from:

a) Requisition of their investment or property by its forces or authorities or

b) Destruction of their investment or property by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation,

Shall be accorded expeditious and adequate compensation for the damage or loss sustained during the period of requisitioning or as a result of the destruction of the property. Resulting payments shall be in a freely usable currency and be freely transferable without delay.

3. The amount of compensation shall be settled in the convertible currency and freely transferable and paid without undue delay to the person entitled there to without regard to its residence or domicile.

A compensation shall be deemed to be made "without undue delay" if effected within such period as is normally required for the completion or transfer formalities. The said period shall commence on the day on which the relevant request has been submitted and may not exceed three months.

Article 7. Expropriation

1. a) Investments made by investors of one Contracting Party in the territory of

The other Contracting Party shall not be seizured, nationalized, expropriated, dispossessed or subjected to direct or indirect measures having effect, such as blocking, freezing or imposing excessive taxation equivalent to nationalization, expropriation or dispossession (hereinafter collectively referred to as "expropriation") by the other Contracting Party except for a public purpose related to the internal needs of that Contracting Party and against expeditious adequate and effective compensation and on condition that such measures are taken on a non-discriminatory basis and in accordance with the procedures established under law.

b) Such compensation shall amount to the actual value of the expropriated investment and shall be determined and computed on the basis of the fair market value of the expropriated investment at the time immediately before the

expropriatory action was taken or the impending expropriation became publicly known, whichever is the earlier (hereinafter referred to as the "valuation date") Such compensation shall include interest at the prevailing commercial market rate, however, in no event less than the

Prevailing six month LIBOR-rate of interest or equivalent, from the date of expropriation until the date of payment.

c) Where the above-mentioned fair market value cannot be readily ascertained, the compensation shall be determined on equitable principles taking into account all relevant factors and circumstances, such as the capital invested, the nature and duration of the investment, replacement value, book value and goodwill. The amount of compensation finally determined shall be expeditiously paid to the investor in a freely convertible currency and allowed to be freely transferable without delay.

2. Without prejudice to his rights under Article 7 of this Agreement the investor affected shall have a right, under the law of the Contracting Party making the expropriation, to review, by a judicial or other independent authority of that Party, of his or its case and of the valuation of his or its investment in accordance with the principles set out in paragraph 1. The Contracting Party making the expropriation shall make every endeavor to ensure that such review is carried out promptly.

3. Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under its applicable law in force in any part of its own territory, and in which investors of the other Contracting Party own shares, stocks, debentures or other rights of interest it shall ensure that the provisions of paragraph 1 of this Article are applied to the extent necessary to ensure fair and equitable compensation in respect of their investment to such investors of the other Contracting Party who are owners of such rights or interest.

Article 8. Transfer of Payments Related to Investments

1. Each Contracting Party shall permit investors of the other Contracting Party the transfer of payments in connection with an investment into and out of its territory, including, but not limited to the transfer of:

a) the initial capital and any additional capital for the maintenance, management and development of the investment;

b) returns;

c) payments under a contract, including amortization of principal and accrued interest payments made pursuant to a loan agreement;

d) royalties and fees referred to in Article 1, paragraph d);

e) proceeds from sale or liquidation of the whole or any part of the investment, including shares;

f) earnings and other remuneration of personnel engaged from abroad in connection with the investment;

g) payments referred to in Article 7;

h) Payments arising out of the settlement of disputes and

i) Profit, revenues and income of national airlines.

2. Transfers of payments under paragraph 1 shall be affected without delay or restrictions and, except in the case of payments in kind, in a freely convertible currency. In case of such delay in effecting the required transfers, the investor affected shall be entitled to receive interest for the period of such delay.

3. Transfers shall be made at the spot market rate of exchange prevailing on the date of transfer for the currency to be transferred. In the absence of a market for foreign exchange, the rate to be applied will be the most recent rate applied to inward investments or the exchange rate determined in accordance with the regulations of the International Monetary Fund or the exchange rate for conversion of currencies into special drawing rights or United States dollars, whichever is the most favorable to the investor.

4. The Contracting Parties undertake to accord to transfers referred to in paragraph 1 of this Article a treatment no less favorable than that accorded to transfers originating from investments made by any third State.

Article 9. Subrogation

1. If a Contracting Party, its designated agency or a company or other enterprise constituted or incorporated in that Contracting Party other than an investor (the "Indemnifying Party") makes a payment under an indemnity or guarantee

against non-commercial risk it has assumed in respect of an investment in the territory of the other Contracting Party the (host Contracting Party), or otherwise acquires part or all of the rights and claims of such an investment as a result of the complete or partial default of the investor, the host Contracting Party shall recognize:

a) the assignment to the Indemnifying Party by law or by legal transaction or part or all of the rights and claims resulting from such an investment;

b) that the Indemnifying Party is entitled to exercise such rights and claims and shall assume all obligations related to the investment by virtue of subrogation, to the same extent as its predecessor in title or the original investor; and

c) The subrogated rights or claims shall not exceed the original rights or claims of such investor.

2. The Indemnifying Party shall be entitled in all circumstances to:

a) the same treatment in respect of the rights and claims acquired and the obligations assumed by it by virtue of the assignment referred to in paragraph 1 above and

b) any payments received in pursuance of those rights and claims,

As the original investor was entitled to receive by virtue of this Agreement in respect of the investment concerned.

3. Notwithstanding the provisions of paragraph 1 of this Article, subrogation shall take place in either of the Contracting Parties only after the approval of the Contracting Party in whose territory the investment is made.

4. Without prejudice to Article 8 any payments received in local currency by the Indemnifying Party in pursuance of the rights and claims acquired shall be freely available to the Indemnifying Party for the purpose of meeting any expenditure incurred in the territory of the host Contracting Party.

Article 10. Settlement of Disputes between Contracting Party and the Investor

1. Disputes between one of the Contracting Parties and an Investor shall be notified in writing, including detailed information, by the investor to the host Contracting Party of the investment. Disputes arising between a Contracting Party and an Investor, as defined in Article 1, in respect of an investment under this Agreement shall, as far as possible, be settled amicably through negotiations between the Parties to the dispute.

2. In case of the Investor and any entity of a Contracting Party or its local governments or its designated agencies have stipulated an investment the procedure foreseen in such investment agreement shall apply.

3. With respect to paragraph 1 of this Article, if the dispute cannot be settled amicably within the period of nine months, the parties to the dispute should pursue the following procedures:

a) If the dispute cannot be settled within nine months from the date when the request for the settlement has been submitted, it shall be filled to the competent authorities or arbitration centers thereof, constituted under the laws of the Contracting Party, in whose territory the investment was made exhausting all local resources.

b) If the dispute cannot be settled according to the provisions of subparagraph (a) of this Article within six months from the date of submission, either party to the dispute may submit the claim to the International centre for the settlement of Investment Disputes (ICSID), in accordance with the Convention on the Settlement of Investment Disputes between States and Nationals of Other States, open for signature since 18.03.1965 in Washington DC, upon ratification of this Convention by Montenegro.

c) At any stage during the cooling off period or the proceeding of the tribunals, the parties to the dispute shall withdraw the case if they come to an agreement for settlement of the dispute amicably.

4. The arbitration award shall be based on:

- The provisions of this Agreement;

- The national law of the Contracting Party in whose territory the investment was made.

5. The arbitration decisions shall be final and binding for the Parties to the dispute. Each Contracting Party undertakes to execute the decisions in accordance with its national law.

Article 11. Entry and Sojourn of Personnel

The Contracting Parties in accordance with their domestic laws and regulations shall give sympathetic consideration to applications for the entry and sojourn of persons of either Contracting Party in connection with an investment made by Investor of either Contracting Party.

Article 12. More Favorable Provisions

If the domestic law of either Contracting Party or obligations under international law existing at present or established hereafter between the Contracting Parties, in addition to this Agreement, contain a regulation, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favorable than is provided for by this Agreement, such regulation shall to the extent that it is more favorable prevail over this Agreement.

Article 13. Amendment

This Agreement may be amended at any time at the request of either Contracting Party and the requesting Party has to submit its request in the written form explaining the grounds on which the amendment shall be made.

Article 14. Consultation

Either Party may request consultation with the other Contracting Party with respect to any dispute regarding the interpretation, application and execution or any other dispute including investment disputes and the other Party shall respond promptly.

Article 15. Entry Into Force

Each Contracting Party shall notify the other that its constitutional requirements for the entry into force of this Agreement have been fulfilled, and the Agreement shall enter into force on the thirtieth day after the date of receipt of the later notification.

Article 16. Duration and Termination

1. This Agreement shall remain in force for a period of ten (10) years and shall continue in force thereafter for same period or periods unless, one year before the expiry of the initial or any subsequent period, either Contracting Party notifies the other Contracting Party in witting of its intention to terminate this Agreement.

2. In respect of investment made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of this Agreement shall continue to be effective for a period of ten (10) years from the date of termination of this Agreement.

In witness whereof the undersigned duly authorized thereto by their respective Governments, have signed this Agreement.

Done in duplicate at..... this..... day of, corresponding to....., in the

Montenegrin, Arabic and English languages, all texts being equally authentic. In case of divergency of the interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF MONTENEGRO

FOR THE GOVERNMENT OF UNITED ARAB EMIRATES