

THIS COOPERATION AGREEMENT
is made by and between

The Swiss Arbitration Association

Secretariat:

Aeschenplatz 7, P.O.B. 4182, 4002 Basle
telephone: (41 61) 272 58 88, fax: (41 61) 272 53 82
(as from 1 January 1994: St. Alban-Graben 8,
4001 Basle, Telephone: (61) 272 18 88
fax: (61) 272 80 60)

(known, and hereinafter referred to as "**ASA**" - being the common abbreviation of its French name
"**Association Suisse de l'Arbitrage**")

and

The Permanent Arbitration Court of the Croatian Chamber of Commerce

Rooseveltovej trg 2, 10000 Zagreb, Croatia
Telephone: (385 1) 611 77 44, fax: (385 1) 611 81 31
(hereinafter referred to as "**the Permanent Arbitration Court**")

* * * * *

WHEREAS:

(i) ASA is an Association duly established pursuant to Art. 60 et seq. of the Swiss Civil Code, founded in 1974 for the purpose of furthering, in a wide sense, the development of commercial arbitration on both, domestic and international levels.

At present it consists of more than 540 individual members (most of them being practising lawyers or professors, whereof about 100 being resident outside of Switzerland) and about 30 corporate members.

On the basis of its Articles of Association the President shall, upon request submitted to him or to ASA, designate arbitrators, fix the place of arbitration or make similar decisions. ASA is not itself an institution administering arbitration cases; it has, on purpose, not promulgate particular arbitration rules of its own. International arbitration proceedings conducted in Switzerland are governed by the new Swiss Arbitration Law Act of 18 December 1987, in force as of 1 January 1989 which contains, on a liberal and flexible basis, the essential provisions for assuring a proper constitution and functioning of the arbitral tribunal, and provides for strictly limited grounds for setting aside procedure essentially comparable to those reflected in the New York Convention of 1958. Parties are free to submit to the rules of particular arbitral institutions, or to elect other arbitration rules such as the UNCITRAL Arbitration Rules, or particular rules as to the reception and administration of evidence.

(ii) The Permanent Arbitration Court is an independent arbitration institution attached to the Croatian Chamber of Commerce duly established pursuant to Art. 468a et seq. of the Croatian Code Of Civil Procedure and Art. 19 of the Act on Croatian Chamber of Commerce, founded in 1965 as a body for administering domestic arbitration. Since 1991 the jurisdiction of the Permanent Arbitration Court has been enlarged to include the settlement of international disputes, i.e. the disputes between parties of which at least one has its seat or residence outside Croatia. In 1992 the new set of rules for international arbitrations, basically drafted in accordance with the UNCITRAL Arbitration Rules has been promulgated (so called "Zagreb Rules") whereas domestic arbitration proceedings are still governed by the amended set of rules as in force from 1985.

At present the Permanent Arbitration Court consists of a President, six members of the Presidium, a Secretary General and the Secretariat. The court has two lists of arbitrators. The international list is a non-binding panel containing names and addresses of the 38 most prominent Croatian lawyers, judges and law professors - all experienced arbitrators in international cases; in addition to this list there is also a panel of domestic arbitrators which encompasses 110 lawyers and businessmen from all over Croatia.

Currently, the Permanent Arbitration Court resolves more than 70 cases with the tendency of permanent growth of the case-load, especially regarding international cases.

Whereas Croatia has notified its succession with respect to international arbitration instruments ratified by former Yugoslavia, including the New York Convention of 1958; whereas it has a long tradition of voluntary arbitration and has never been party to Moscow Convention; whereas Croatian law on arbitration and Zagreb Rules contain liberal and flexible provisions with a vast freedom given to the parties to arrange the design of the proceedings; - the Permanent Arbitration Court provides an environment for fair, impartial and speedy arbitration proceedings, and competent and executable awards.

(iii) Both, the Permanent Arbitration Court and ASA (sometimes hereinafter referred to as "the Party or the Parties") are convinced that an intensified mutual cooperation will contribute towards the further development of sound and reliable resolution of international commercial disputes.

It is hereby agreed as follows:

1. The Permanent Arbitration Court and ASA, each in its country, will continue their efforts to develop the international commercial arbitration and seek to cooperate in its promotion, including alternative means of settling international commercial disputes.

2. ASA shall keep the Permanent Arbitration Court periodically informed on its activities and new developments in respect of the Swiss law and practice in international arbitration.

ASA shall regularly circulate to the Permanent Arbitration Court three copies of its quarterly journal ("ASA Bulletin") reporting on current arbitration matters, arbitral awards, court cases, doctrine, publications and seminars/conferences. It will also send copies of other brochures it has published (as long on stock) or will publish in future, and the Secretariat of ASA will be glad to accommodate the Permanent Arbitration Court or anyone of its members with further copies of such materials, possibly against a modest charge.

3. Similarly, the Permanent Arbitration Court shall keep ASA documented in respect of its Arbitration Rules and shall regularly circulate to ASA its periodical and other publications, in three copies.

4. Each Party shall, upon request of a member of the other Party approved by other Party's president, furnish such other assistance as may be required for facilitating a smooth conduct of arbitral proceedings in their respective countries, such as for instance advice and/or recommendations on the following matters:

- the choice of an arbitrator, sole arbitrator or presiding arbitrator or, as the case may be, the choice of a mediator or conciliator
- the place of arbitration
- the appointment of experts
- the selection of local counsels for handling arbitration matters before arbitral tribunals or, as the case may arise, before local courts
- the selection of resource persons for active participation in seminars, conferences or training activities
- the assistance regarding conference room facilities, hotels, secretarial services, interpreters, tape-recording, court reporters for establishing transcripts and similar matters

5. In exercising the functions as per Clause 4 above, the requested Party may, if and to the extent deemed appropriate, consult with the other Party in connection with the advice or recommendation to be given.

6. It is noted that the President of ASA, upon a request addressed to ASA or to its President made pursuant to an arbitration clause or pursuant to a separate agreement of the parties to a dispute, may designate an arbitrator (or sole arbitrator or presiding arbitrator) or determine the place of arbitration, or rule on similar matters; in so doing, the President shall exercise the authority given to him on the basis of Art. 9 (3) of ASA's Articles of Association.

7. The Parties shall, on request, consult each other on any matters of mutual interest and on any questions that may arise concerning the operation of this Agreement.

8. Any correspondence or communication should be mailed as follows:

(i) if to ASA:

- to its Secretariat in Basle (as per the details shown on the front page)
- if possible with one further copy directly to its President

Dr Marc Blessing
Bar & Karrer
Seefeldstrasse 19
CH - 8024 Zurich
telephone: (0041 1) 261 51 50
fax: (0041 1) 251 30 25

(ii) if to the Permanent Arbitration Court:

- to Mr. Alan Uzelac, Secretary General, to the address as per the front page.

9. The term of this Agreement shall be indefinite; either Party may, however, terminate this Agreement by giving three months' prior written notice to the other. In the event of termination, the Party giving notice shall take the steps necessary to ensure that such termination will not be prejudicial to any activities than in progress.

* * * * *

This Agreement is signed in Zurich by the President of the Swiss Arbitration Association on 25 November 1993 and is subsequently countersigned by the President of the Permanent arbitration Court of the Croatian Chamber of Commerce. The Agreement will be and become effective as of 1 December 1993.

For the Swiss Arbitration Association

Dr Marc Blessing, President

For the Permanent Arbitration Court of the Croatian Chamber of Commerce

Prof. Dr Siniša Triva, President