

- c) The arbitration tribunal for resolution of disputes pursuant to Article 6 b) shall be established and function as follows:
- i) Each Government shall appoint one arbitrator; these arbitrators shall designate a Chairman by common agreement who shall be a citizen of a third state and be appointed by the two Governments. The arbitrators shall be appointed within two months and the Chairman within three months of the date of receipt of either Government's request for arbitration. If the appointments are not made within the periods stipulated above, either Government may, in the absence of any other agreement, request the President of the International Court of Justice to make the necessary appointment or appointments, and both Governments agree to accept such appointment or appointments.
  - ii) If the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either country, the appointment or appointments shall be made by the Vice President, and if the latter is prevented from carrying out the said function or if he is a national of either country, the appointment or appointments shall be made by the next senior judge of this Court who is not a national of either country.
  - iii) The arbitration tribunal, upon assuming jurisdiction, shall rule on any issue of the prior exhaustion of effective local administrative and judicial remedies. The tribunal shall base its decision on the applicable principles and rules of public international law. The tribunal shall decide by majority vote. Its decision shall be final and binding.
  - iv) Each of the Governments shall pay the expenses of its arbitrator and its representation in the proceedings before the arbitration tribunal; the expenses of the Chairman and the other costs incurred shall be paid in equal parts by the two Governments. The arbitration tribunal may adopt regulations relating to costs, consistent with the foregoing.
  - v) In all other matters, the arbitration tribunal shall regulate its own procedures. Only the respective Governments may request arbitration procedures and participate in them.

#### Article Seven

The provisions of this Agreement shall apply upon its entry into force to all Coverage issued by the Insuring Agency and in accordance with Article Two, after the date of the present Exchange of Notes.

#### Article Eight

Any amendment of this Agreement agreed between the two Governments shall enter into force upon its confirmation on a date which shall be mutually agreed upon by an Exchange of Notes.