AGREEMENT

between the Government of the Republic of Austria and the Government of the Republic of Armenia on International Transport of Goods

- 2 -

PREAMBLE

The Government of the Republic of Austria and the Government of the Republic of Armenia, hereinafter referred to as the Contracting Parties,

desirous to satisfy duly the requirements of foreign trade, in particular between the two states,

desirous to regulate the transport of goods between the two states in accordance with the state of the art, in particular with a view to improving the environmental conditions in the Republic of Austria and in the Republic of Armenia by minimising the noise and pollutant emissions of the means of transport employed,

desirous to make broader use of the combined transport of goods and to promote a stronger shift in transport of certain goods, in particular hazardous goods, from road to rail,

have agreed as follows:

- 3 -

PART I: SCOPE

Article 1

- 1. This Agreement applies to the international transport of goods between the Republic of Austria and the Republic of Armenia (bilateral transport, transit transport, third-country transport).
- 2. This Agreement refers,

with regard to transport carriers and types of transport, to the international

- combined transport (Article 2, par. 1)
- transport with road vehicles as defined in Article 2, par. 2
- transport for hire and reward, including unladen runs with road vehicles
- transport on own account, including unladen runs with road vehicles
- The issue of duties levied in the field of transport shall be reserved to the national regulations of the individual states of the Contracting Parties, and shall not be prejudiced by this Agreement.

- 4 -

PART II: TERMS AND DEFINITIONS

Article 2

In this Agreement:

- 1. "Combined transport" shall mean the transport of goods
 - a) from the point of departure to the nearest, technically suitable terminal by road vehicle, if performed on the shortest route acceptable in terms of traffic and transport economy and in accordance with the highway regulations, and the point/port of loading (terminal) is located in one of the two states (initial leg),
 - b) from the point/port of loading to the point/port of unloading by rail or by ship in a motorised vehicle, in another vehicle in accordance with par. 2 or its swap body, or in a container of at least 6 m length (container transport), whereby the national border of one or both of the two states of the Contracting Parties must be crossed, and
 - c) from a technically suitable terminal to the consignee by road vehicle, if performed on the shortest route acceptable in terms of traffic and transport economy and in accordance with the highway regulations, and the point/port of unloading (terminal) is located in one of the two states (terminal leg),

2. "Vehicle" shall mean:

Any motor vehicle intended for the transport of goods, including lorries, articulated vehicles, road trains, trailers and semi-trailers.

3. "Transport for hire and reward" shall mean:

The transport of goods in vehicles that are operated independently, regularly and with the intention of making a profit or for other economic benefit.

4. "Transport on own account" shall mean:

The transport of goods in vehicles, if the following conditions are met:

- the goods transported must be the property of the enterprise, or they must have been sold, purchased, rented, leased, produced, acquired, processed or improved by the enterprise;
- b) the transport must serve to bring the goods to the enterprise, remove them from the enterprise, or transport of the same within or for its needs outside the enterprise;
- the vehicles used for the transport must be operated by drivers who are employees of the enterprise;
- d) the vehicles transporting the goods must be owned by the enterprise, or have been purchased on a long-term contract or leased by the enterprise;
- e) the transport must represent an auxiliary activity within the scope of the overall activity of the enterprise.

5. "Cabotage" shall mean:

The loading of goods within the territory of the other state for transport within this state's territory.

- 6 -

PART III: ROAD GOODS TRANSPORT

Article 3

Transports Requiring Permits

- 1. The types of transport listed in Article 1 shall, if associated with road transport, require a permit issued by the state in which the road transport is to be effected.
- 2. The permits shall be issued within the scope of a Quota Agreement in accordance with Article 8 as single permits, namely as
 - universal permits (valid for bilateral, transit and third-country transports, provided that third-country transports pass through the country in which the vehicle is registered);
 - b) restricted permits (e.g. local, for certain types of goods, for certain vehicles or depending on the type of transport).

Article 4

Transports not Subject to Permits

- 1. A permit is not required for:
 - a) the occasional transport of goods to and from airports, in case of air services being diverted;
 - the transport of luggage in trailers on vehicles in which passengers are being transported, and the transport of luggage to and from airports with vehicles of any kind;

- c) post transport;
- d) the transport of vehicles which are damaged or need repairing;
- e) the transport of animal bodies for disposal;
- f) the transport of bees and fish fry;
- g) funeral transport;
- the transport of goods by vehicles, the total permissible laden weight of which, including trailers, does not exceed 6 tonnes, or the permitted payload of which, including trailers, does not exceed 3.5 tonnes;
- the transport of goods needed in emergencies, particularly in response to natural disasters, and for humanitarian needs;
- j) the transport of valuable goods (e.g. precious metals) in special vehicles;
- k) the transport of spare parts for sea and inland ships and for aircraft;
- the unladen run of a vehicle sent to replace the vehicle that has broken down in the other country than it has been registered, as well as the continuation of the transport by the replacement vehicle on the basis of the permit issued for the broken-down vehicle;
- m) the transport of works and objects of art for fairs and exhibitions;
- the occasional transport of goods intended for advertising or instructional purposes;

- o) the transport of equipment, accessories and animals to and from theatrical, musical, film, sports or circus events, exhibitions or fairs, and those intended for radio recordings or film and television production;
- p) the transport of indivisible goods in individual cases, where performed with road vehicles and for which an exceptional permit with regard to the maximum permissible size or the maximum permissible laden weight has been issued in accordance with the relevant national regulations for the individual trip.
- 2. Within the framework of the Joint Commission (Article 10), the Contracting Parties may agree that the transport of certain or all goods on specific routes shall be exempt from the permit requirements.
- 3. The carrier must prove that exempt unladen runs are carried out in connection with a transport in accordance with par. 1 and 2. The proof of an unladen run in connection with exempt transports in accordance with par. 1 and 2 must be furnished by means of a freight bill or by the presentation and later return of a quota permit.

Article 5

Content of Permits

- 1. Notwithstanding the provisions of Article 4, a permit must be issued for every motorised vehicle.
- 2. The permit must include the following information:
 - a) name and address of the transport enterprise;
 - b) official license plate of the vehicle;

- c) maximum permissible payload weight and total permissible laden weight of the vehicle;
- d) type of transport (transport for hire and reward, transport on own account, unladen run);
- e) special requirements and conditions of use, if it is applicable;
- f) term of validity;
- 3. The permit shall apply exclusively for the carrier in the name of which it has been issued; it shall not be transferable.
- 4. The permit forms shall be sent by the Contracting Party of the one state to the Contracting Party of the other state, which shall complete them with the exception of the information specified in par. 2 b, c and d and issue them to the relevant carriers. The information in accordance with par. 2 b, c and d must be completed by the carrier prior to commencement of the run.
- 5. The completed permit must be kept in the vehicle on all runs, and must be presented to the control officials on demand.
- 6. The Joint Commission (Article 10) shall define the form and the languages in which the permits are issued, taking into account the provisions of par. 2.

- 10 -

Article 6

No Cabotage

- 1. Basically, a mutual prohibition of cabotage shall apply.
- Only in case of the initial and terminal legs of combined transport it may be agreed on a mutual basis that a certain number of cabotage runs may be performed.

Article 7

Sanctions

- On the territory of the other state, the carriers and their staff in the territory of either state must comply with the provisions of this Agreement and with the legal provisions, in particular the provisions with regard to transport and traffic, that are valid in the territory of the other state, as well as with the relevant customs and tariff provisions.
- 2. In case of severe or repeated violations by a transport operator or his staff on the territory of the other state against the provisions in accordance with par. 1, the Contracting Party of the state in which the vehicle is licensed may, at the request of the Contracting Party of the state in which the violations occurred, take the following measures:
 - a) issue a warning to the transport operator to comply with the provisions in accordance with par. 1;
 - b) temporarily suspend the transport operator from international road goods transportation on the basis of this Agreement;

- 11 -

- c) stop issuing permits to the transport operator and withdraw any licenses already issued for the period stipulated by the Contracting Party of the other state.
- The Contracting Parties agree that permits issued to transport operators who have repeatedly violated the provisions of this Agreement shall not be recognised.
- 4. Both Contracting Parties shall inform each other about any violations of this Agreement and of any measures in terms of par. 2.

Article 8

Quotas

- The number of permits (quota), validity, time and interval of hand-over shall be agreed by the Joint Commission (Article 10) for a period of 12 months (quota period), taking into account the principles and criteria mentioned in the Preamble.
- 2. The permits shall apply for one outward and one return journey. The permit shall be valid only for the quota period and the month following this period, unless a different procedure is defined within the framework of the Joint Commission (Article 10).

- 12 -

Article 9

Special Vehicle Requirements

In accordance with the objectives of protecting the environment, environmentally friendly vehicles in accordance with the state of the art are to be used as soon as possible. The Joint Commission (Article 10) shall prepare proposals for measures to promote the use of such vehicles.

PART IV: JOINT COMMISSION

Article 10

- 1. The Contracting Parties shall set up a Joint Commission for the implementation of this Agreement and for the purpose of arbitration in the event of any disputes arising from the application and interpretation of this Agreement.
- 2. The Joint Commission shall convene at the request of either Contracting Party.
- 3. When dealing with issues relevant to other administrative fields, the Joint Commission may consult representatives of the competent authorities.

- 13 -

PART V: FINAL PROVISIONS

Article 11

Entry Into Force

This Agreement shall enter into force on the day of the receipt of the last notification, by which the Contracting Parties inform each other about completing of all necessary inter-state procedures provided for the entry into force of the Agreement.

Article 12

Term of Agreement

This Agreement shall be concluded for a period of five years. It shall be extended automatically for a further five years, unless terminated by one of the Contracting Parties in writing no later than six months before the initial term expires.

Done at Yerevan this twenty-ninth day of June, 2009, in two originals, each in the German, Armenian and English language, all three texts being equally authentic. In case of divergent interpretation, the English text shall prevail.

For the Government of the Republic of Austria:

Peter Franzmayr m.p.

For the Government of the Republic of Armenia:

Hrant Beglarian m.p.