Exhibit E

[TRANSLATION — TRADUCTION]

AGREEMENT[1] BETWEEN THE GOVERNMENT OF THE FRENCH REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF ECUADOR ON THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the French Republic and the Government of the Republic of Ecuador, hereinafter referred to as "the Contracting Parties",

Desiring to develop economic cooperation between the two States and to create favourable conditions for French investments in Ecuador and Ecuadorian investments in France,

Prompted by a desire to create favourable conditions for increasing such investments,

Convinced that the promotion and protection of such investments are likely to stimulate transfers of capital and technology between the two countries in the interest of their economic development,

Have agreed on the following provisions:

Article 1

For the purposes of this Agreement:

1. The term "investment" shall apply to all assets belonging directly or indirectly to nationals or companies of one of the Contracting Parties such as property, rights and interests of any category, and particularly but not exclusively:

(*a*) Movable and immovable property, and all other real rights such as mortgages, preferences, usufructs, sureties and similar rights;

(*b*) Shares, issue premiums and other forms of participation, albeit minority, in companies constituted in the territory of either Contracting Party;

(*c*) Bonds, claims and rights to any benefit having an economic value;

(*d*) Intellectual, commercial and industrial property rights such as copyrights, patents for inventions, licences, registered trade marks, industrial models and designs, technical processes, registered trade names and goodwill;

(*e*) Concessions accorded by law or by virtue of a contract, including concessions for prospecting, cultivating, mining or developing natural resources.

It is understood that the said assets shall be invested in accordance with the legislation of the host State.

This Agreement shall apply to all investments made before or after the date of its entry into force.

Changes in the form in which assets are invested shall not affect their status as an investment, provided that the change is not contrary to the legislation of the host State.

[1] Came into force on 10 June 1996 by notification, in accordance with article 13.

2. The term "nationals" shall apply to individuals having the nationality of either Contracting Party.

3. The term "companies" shall apply to:

(i) Any body corporate constituted in the territory of either Contracting Party in accordance with its legislation and having its registered office there,

(ii) Any body corporate controlled by nationals of one Contracting Party or by bodies corporate having their registered office in the territory of one of the Contracting Parties and constituted in accordance with that Party's legislation.

4. The term "income" shall mean all the amounts yielded by an investment, such as profits, royalties, interest, capital appreciation and remuneration for services rendered, during a given period.

Income from the investment and, in the event of reinvestment, income from its reinvestment shall enjoy the same protection as the investment itself.

Article 2

The provisions of this Agreement shall apply to the investments of French nationals or companies in Ecuador and the investments of Ecuadorian nationals or companies in France.

Article 3

Each Contracting Party shall permit, promote and facilitate, in accordance with its legislation and with the provisions of this Agreement, investments made by nationals and companies of the other Contracting Party.

Article 4

Each Contracting Party shall undertake to accord just and equitable treatment, in accordance with the principles of international law, to the investments of nationals and companies of the other Contracting Party and to ensure that the exercise of the right so granted is not impeded either *de jure* or *de facto*.

In particular, but not exclusively, the following shall be considered as *de jure* or *de facto* impediments to just and equitable treatment: any restrictions on the purchase or transportation of raw materials and secondary materials, energy and fuel, and means of production and operation of all kinds, any impediment to the sale or transportation of goods within the country and abroad, and any other measures having a similar effect.

Investments made by nationals or companies of one Contracting Party shall be fully and completely protected and safeguarded by the other Contracting Party.

Neither Contracting Party shall in any way impede the management, preservation, use, enjoyment or transfer of the investments of nationals or companies of the other Contracting Party.

Article 5

Each Contracting Party shall accord to nationals or companies of the other Party, in respect of their investments and activities in connection with such investments, the same treatment as is accorded to its own nationals or companies, or the treatment accorded to nationals or companies of the most favoured nation, if the latter is more advantageous. For this purpose, the nationals of a Contracting Party

who are authorized to work in the other Contracting Party shall be entitled to enjoy the facilities appropriate for the exercise of their professional activities.

Such treatment shall not, however, include privileges which may be extended by a Contracting Party to the nationals or companies of a third State by virtue of its participation in or association with a free-trade area, customs union, common market or any other form of regional economic organization. This provision shall also apply in the event of participation in or association with any of the forms of regional economic organization mentioned above, which one of the Contracting Parties may join, after the entry into force of this Agreement.

The Contracting Parties, within the framework of their domestic legislation, shall give favourable consideration to applications for entry, stay, work and travel made by nationals of one Contracting Party in connection with an investment made in the territory or in the maritime zone of the other Contracting Party.

The provisions of this article shall not apply to taxation matters.

Article 6

1. The Contracting Parties shall not take any expropriation or nationalization measures or any other measures which would cause nationals and companies of the other Party to be dispossessed, directly or indirectly, of their investments (measures hereinafter referred to as "expropriation measures") except for reasons of public necessity and on condition that such measures are not discriminatory or contrary to a specific undertaking made in accordance with the laws of the Contracting Party between those nationals or companies and the host State. The legality of the expropriation shall be verifiable through the regular judicial procedure.

Any expropriation measures taken shall give rise to the payment of fair and adequate compensation equivalent to the real value of the investments in question and assessed on the basis of a normal economic situation prior to any threat of dispossession.

Such compensation, its amount and methods of payment shall be determined not later than the date of expropriation. The compensation shall be effectively realizable, paid without delay and freely transferable. It shall yield, up to the date of payment, interest calculated on the basis of the market interest rate.

2. Companies or nationals of either Contracting Party whose investments have suffered losses as a result of war or any other armed conflict, revolution, state of national emergency or uprising in the other Contracting Party shall be accorded by the latter Party treatment which is no less favourable than that accorded to its own investors or to those of the most favoured nation.

In the event of a declaration of a state of national emergency, such companies or nationals shall receive fair and adequate compensation for any losses which they may suffer as a result of the aforementioned events.

Article 7

1. A Contracting Party shall accord to the nationals or companies of the other Contracting Party freedom of transfer of:

(*a*) Interest, dividends, profits and other income;

(*b*) Royalties deriving from the intangible property listed in article 1, paragraphs 1 (*d*) and 1 (*e*);

(*c*) Payments made towards the repayment of duly contracted loans;

(*d*) Proceeds of the transfer or complete or partial liquidation of the investment, including appreciation in the invested capital;

(*e*) Any compensation paid for expropriation or loss provided for in article 6, paragraphs 1 and 2, above.

The transfers shall be carried out without delay at the regular rate of exchange applicable on the date of transfer.

2. Nationals of each Contracting Party who have been authorized to work in the other Contracting Party in connection with an approved investment shall also be authorized to transfer to their country of origin an appropriate portion of their remuneration.

Article 8

Where the regulations of one Contracting Party provide for guaranteeing external investments, a guarantee may be granted, on the basis of a case-by-case review, for investments made by nationals or companies of that Party in the other Contracting Party.

The guarantee referred to in the preceding paragraph shall not be available for investments by nationals and companies of one Contracting Party in the other Contracting Party unless the investments have been granted prior approval by the latter Party.

Article 9

Each Contracting Party undertakes by virtue of this article to submit any legal dispute arising between it and a national or a company of the other Contracting Party with regard to an investment by the latter in its territory to the International Centre for Settlement of Investment Disputes (ICSID) (hereinafter referred to as the Centre) for settlement by conciliation or arbitration in accordance with the Convention on the Settlement of Investment Disputes between States and Nationals of other States, signed at Washington on 18 March 1965.[1]

A company constituted in accordance with the laws in force in one of the Contracting Parties, a majority of whose shares were held, prior to the dispute, by nationals or companies of the other Contracting Party, shall, in accordance with article 25, paragraph 2 (*b*), of the Convention, be considered for the purposes of the Convention to be a company of the other Contracting Party.

If such a dispute should arise and if after a period of six months the parties have not been able to reach agreement through the courts under their national law or by any other means, then if the national or company concerned agrees in writing to submit the dispute to the Centre for settlement through conciliation or arbitration in accordance with the Convention, either party may initiate such a procedure by making a request to that effect to the Secretary-General of the Centre in accordance with the provisions of articles 28 and 36 of the Convention. In the event of disagreement as to which of the two methods, conciliation or arbitration, is the most appropriate procedure, the national or the company concerned shall have the right to choose.

[1] United Nations, *Treaty Series*, vol. 575, p. 159.

The Contracting Party which is a party to the dispute shall not make any objection at any stage of the proceedings or of the execution of an arbitral award on the basis that the national or company which is the other party to the dispute may have received compensation for all or part of its losses by virtue of a guarantee.

Article 10

When one Contracting Party or an agency designated by it, by virtue of a guarantee issued in respect of an investment covered by this Agreement, makes payments to one of its nationals or companies, it or that agency shall thereby enter into the rights and shares of the said national or company.

The provisions of the preceding paragraph shall not preclude the continuation of any negotiations for an amicable settlement which may have been initiated.

Article 11

Investments which have been the subject of a specific undertaking in accordance with the laws of one of the Contracting Parties vis-à-vis nationals and companies of the other Contracting Party shall be governed by the terms of that undertaking insofar as its provisions are more favourable than those laid down by this Agreement.

Article 12

1. Disputes concerning the interpretation or application of this Agreement shall, as far as possible, be settled by direct negotiations between the Contracting Parties.

2. If a dispute cannot be settled within one year of the time when the claim is made by one of the Contracting Parties, it shall be submitted, at the request of either Contracting Party, to an arbitral tribunal. Submission of the dispute to arbitration shall not preclude the continuation of direct negotiations between the two Contracting Parties with a view to reaching an amicable settlement.

3. The said tribunal shall, in each separate case, be constituted as follows:

Each Contracting Party shall designate one member of the tribunal within two months of the date on which one of the Contracting Parties notifies the other Contracting Party of its intention to submit the dispute to arbitration. The two members shall, by agreement, designate a national of a third State acceptable to both Contracting Parties who shall be appointed Chairman. The Chairman shall be appointed within three months of the date on which the last of the two members is designated.

4. If the time limits established in paragraph 3 above are not observed, one Contracting Party shall, in the absence of any applicable agreement, invite the Secretary-General of the United Nations to make the necessary appointments. If the Secretary-General is a national of either Contracting Party or if, for any other reason, he is prevented from performing that function, the Under-Secretary-General next in seniority shall, provided that he is not a national of either Contracting Party, make the necessary appointments.

5. The arbitral tribunal shall take its decisions by majority vote. Sucb decisions shall be final and binding on the Contracting Parties.

6. The tribunal shall adopt its own rules of procedure. It shall interpret its judgement at the request of either Contracting Party. Unless the tribunal decides

otherwise, taking particular circumstances into consideration, costs of the arbitration, including leave for the arbitrators, shall be divided equally between the Parties.

Article 13

Each Contracting Party shall notify the other Party in writing of the completion of the respective constitutional procedures required by it for the entry into force of this Agreement. This Agreement shall take effect 30 days after the date of the receipt of the last such notification.

Article 14

This Agreement shall remain in effect for 10 years with effect from the date of its entry into force. It shall remain in force thereafter indefinitely unless one year's notice of denunciation is given through the diplomatic channel by either Party.

Upon the expiry of the validity of this Agreement, investments made while it was in force shall continue to be protected by its provisions for an additional period of 15 years.

IN WITNESS WHEREOF we, the undersigned, duly authorized thereto by our respective Governments, have signed this Agreement.

DONE at Paris on 7 September 1994, in two original copies, each in the French and Spanish languages, both texts being equally authentic.

For the Government
of the French Republic:
EDMOND ALPHANDÉRY

For the Government
of the Republic of Ecuador:
DIEGO PAREDES PEÑA