

1. Mr. President Vienna,
2. Mr. Prime Minister
3. Mr. Minister
4. Mr. Minister
5. Mr. Ambassador

Re: Notice of request to settle the Investment dispute in accordance with Article 8 of the Agreement between the Republic of Austria and the Republic of Poland concerning the encouragement and protection of investments of 24 November 1988 and request to fulfil the claims of

Dear honourable President
 dear honourable Prime Minister
 dear honourable Minister
 dear honourable Minister and
 dear honourable Ambassador

, an Austrian law firm with its place of business at
 , has been appointed and granted power
 of attorney by * and
 to represent its interests in the investment dispute involving the
 Republic of Poland.

is a European company (*Sodetas Europaea*) constituted in
 accordance with Austrian law, registered with the commercial register of the
 under the registration number and has its
 corporate seat in and its business address
 at was founded in
 and initially operated under the name . After three changes of
 name and the change of the corporate form from a joint stock corporation into a
Sodetas Europaea, the company was finally renamed as in
 R T

is a joint stock corporation constituted in accordance
 with Austrian law, registered with the commercial register of the
 under the registration number and has its corporate
 seat and its business address at
 R %

is a joint stock corporation constituted in
 accordance with Austrian law, registered with the commercial register of the
 under the registration number and has its
 corporate seat in and its
 business address at C).
 owns % and owns % of the shares in

and ("Investors" or "Austrian Investors") made an
 investment in the territory of the Republic of Poland, in particular, but not
 exclusively, by

- entering into a purchase agreement with an organ, institution and entity of
 the Republic of Poland with regard to the Polish company
 R ") and its assets,
- investing an amount of, at least, PLN (about
 EUR) in R), one of
 assets (e.g. for renovation and refurbishment).

The investment was initially made by (now). In , in
 the course of a privatisation, entered into a purchase agreement
 ("Purchase Agreement") with the by which
 purchased the majority of the shares in the company subject
 to further commitments (e.g. investment obligations) as described below.

In , the shares in and the obligations under the Purchase Agreement (excluding the obligation to provide a bank guarantee) were transferred by into with the approval of the . Meanwhile owns the shares in through its % subsidiary (" . T The has been duly Informed about this ownership structure.

In connection with this investment a dispute exists as described below, which the Austrian Investors would like to resolve with the Republic of Poland In accordance with Article 8 of the Agreement between the Republic of Austria and the Republic of Poland on the Promotion and Protection of Investments, signed on 24 November 1988 and entered into force on 1 November 1989 (the "Investment Treaty").

1. Privatisation

is the legal successor of and is identical with established by Ordinance No. 55 of the Mayor of the Capital City of Warsaw dated 29 June 1974. was wholly owned by the

Pursuant to the Polish Act of 13 July 1990 on Privatisation of State-Owned Enterprises ("Privatisation Act 1990") the transformed into a company with limited liability in . Since then, has been a company with limited liability incorporated in accordance with the Polish law, registered with the commercial register of the under the registration number has its corporate seat in and operates under the name , which shares remained fully owned by the until privatisation in .

As of acquired *ex lege* the right of perpetual usufruct over the land on which buildings were erected in accordance with Article 2 Paragraph 1 of the Law of 29 September 1990 amending the law on Land Management and Real Estate Expropriation (i.e. the Regulation of 29 April 1985 on Land Management and Real Estate Expropriation) ("Land Management Act"). At the time the right of perpetual usufruct over the land is transferred, also the ownership of the buildings located on such land is automatically *ex lege* acquired. Consequently, as of also acquired *ex lege* the ownership of the buildings pursuant to Article 2 Paragraph 2 of the Land Management Act, which were previously owned by the . The () by its dated affirmed right of perpetual usufruct over the land located at - (marked as plot no. , within the district and currently registered in the maintained by the under registration no.) and ownership of the buildings and facilities located on the land. The buildings erected thereon are two hotels. One of these is . The other one is r ". rights of perpetual usufruct over the land and

ownership of the hotels was registered in the public land and mortgage register in

The _____ of the _____, a state body of the Republic of Poland, thus confirmed that _____ *ex lege* had acquired the right of perpetual usufruct over the land and the ownership of the buildings on the basis of the Land Management Act. This Act stated that such a decision could only be decreed if rights of third parties were not affected. Consequently, the _____ determined, by implication, that no rights of third parties existed or were affected. Therefore, _____ became the proper owner, *Inter alia* of the right of perpetual usufruct over the land owned by the _____ and owner of buildings _____ and of _____

In order to privatise _____ and as furtherance of the privatisation policy of the Republic of Poland, the _____ (represented by the _____ appointed by _____) started to prepare the Issuance of a public Invitation to tender in _____ according to Article 23 of the Privatisation Act 1990. _____ entered into negotiations with potential buyers in _____

The negotiations were conducted on the basis of an Information Memorandum dated _____ (the "Information Memorandum") and a Supplement to the Information Memorandum dated _____ (the "Supplement") which, among other information, contained a specification of the financial situation and the property of _____

Among all parties negotiating with _____, _____ submitted the most profitable offer and consequently was awarded with the Purchase Agreement.

For the completion of the Purchase Agreement, _____ had to obtain and obtained the decision of the _____ and, as foreign investor, had to obtain and obtained the consent of the Minister _____

_____ had to accept:

1. an employment guarantee in favour of roughly _____ employees up to the year _____ agreed upon between the employees of _____ and the _____ on _____
2. that of the _____ % of shares which remained with _____ up to _____ % of the shares were transferred to employees by way of preferential transfer as stipulated by Article 36 in connection with Article 63 of the Polish Act of 30 August 1996 on Commercialization and Privatization of State-Owned Enterprises, which replaced the Privatization Act 1990 ("Privatization Act 1996"),
3. to buy any remaining part of the shares not purchased by employees by way of preferential transfer, and
4. an investment obligation to invest in _____ assets (e.g. to renovate and refurbish its hotels).

On _____ by _____
 with _____ approved the contract for the sale of _____ % of shares in _____
 and _____ and authorised _____
 to sign the
 Purchase Agreement. The Purchase Agreement between _____ and _____
 was signed on the same day. By entering into the Purchase
 Agreement, _____ finalized the privatisation process of
 pursuant to the Privatisation Act 1990 and the subsequent
 Privatisation Act 1996.

In _____ purchased another _____ % of shares in _____ which had
 been held by _____

Between _____ and _____ purchased another _____ % of the shares in _____
 _____, which had been held by the employees of _____. Further
 _____ % are owned by former employees or their heirs and the remaining
 _____ % are currently owned by _____

2. Purchase Agreement

The Purchase Agreement, *inter alia*, provides that _____ as buyer is obliged to:

1. pay _____ against the ownership of _____ % of the shares in _____;
2. Invest _____ (i.e. _____) in _____ assets;
3. arrange that the main object of the company will be to provide services in the hotel business in the future; and
4. accept the employment and social guarantee package agreed upon by contract of _____ between the employees of _____ and _____

2.1 Essential provisions

The Purchase Agreement contains a number of representations and obligations on the part of the seller. *Inter alia*, the Purchase Agreement provides:

*2.2. Shares

The Seller declares and warrants to the purchaser that the shares [...] are free from any defects, this means that the shares are legally existing, they are the property of the seller and they are not afflicted by any other rights than those imposed by the articles of association and by decisions of shareholders' meetings and which follow from the balances and from the obligations based on laws.

2.3 Legal and financial situation of the Company

2.3.1 The Seller declares and warrants to the purchaser, that the additional information about the legal and financial situation of the Company as for the effective date of concluding this agreement in the declaration of the Board of the Company and in the balance sheet for

, which are attached to this contract as enclosures 5 and 6, are included.

W 3.4 Additional Declarations of the Purchaser

The Purchaser declares and warrants to the Sellers, that:

[.]

b/ the Purchaser knows the documents and written information, and in particular those data which are enclosed in the information memorandum of and in the supplement to the information memorandum of in course of the seller's tender about the legal and financial situation of the company and that he imposes no objections or doubts against the seller in this respect.

3.5 Object of the Company

The Purchaser declares and warrants to the seller that he as majority owner of the company will arrange that the main object of the company will be its activity within the field of providing services in the hotel business.

3.6. Acquisition of the ownership on the land

The Purchaser and express their desire that in case the ownership of the land on which the buildings owned by the company are located is sold by and/or the commune centrum the company will purchase this right of ownership pursuant to conditions which will be separately negotiated between the parties to the agreement to sell the land.

4. Additional obligations of the Purchaser

4.1 Warranty to the employees of the Company

4.1.1 The Purchaser declares that he took detailed note of the document attached as enclosure 7 to

with regard to and accepts it in its entirety and he warrants that he will vote in the shareholders meeting with all his voting rights acquired by the share purchase for the obligation of the board of the company to agree on a collective agreement based on this document at the latest within one month after transfer of the ownership of the share to the purchaser: Within one month after acquisition of the ownership rights on the shares the purchaser may initiate negotiations with the representatives of the employees of the company to agree on another social benefits package than the package which is subject of the previous sentence. If such a package is agreed upon and if the company concludes a collective agreement,

the obligations described in the first sentence of this Paragraph expires.

4.1.2 The Purchaser commits himself to purchase those shares which are confessed to legitimate natural people (employees) according to the applicable rules to the price set forth In this contract.

4.2 Investment obligations

4.2.1 The Purchaser commits himself to carry out Investments for the buildings which are the property of the Company at the time of the purchase agreement until , whereby such Investments are:

a/ modernisation, adaption, reconstruction and Improvement of buildings and other assets which are owned by the Company at the time of conclusion of this contract, Including expenses for the preparation of investments,

b/ commenced investments according to Paragraph 4.2.1, which lead to the establishment of property within months at maximum, calculated from the date mentioned above, I.e. from

c/ removal of the building of In the course of modernization of the

d/ Acquisition and installation of facilities and furnishings attributed to the property in existing property of the Company which relate to the purpose connected with the object of Company, thereof acquisition and Installation of IT- and telephone network including associated software,

e/ acquisition costs of the right of perpetual usufruct of the land together with the property right of premises which are used by the Company (a part of) through the Company hum

f/ acquisition costs of the bank guarantee resp. insurance policy specified in Paragraph 1.4.

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4.2.4 The total sum of investments specified In Paragraph 4.2.1 to 4.2.3 which need to be made until has to amount to (in words:), converted at the buying rate of the Polish National Bank on each day of an Investment by the Purchaser.

4.2.5 Obligations of the purchaser referred to In Paragraph 4.2.1 and 4.2.4 are deemed to be fulfilled if investments are financed by combination of the following elements: own funds of the company, funds which are yield by an Increase of the share capital of the

Company, bonds and bank loans/credits respectively loans which are granted by the shareholders in accordance with principles which the purchaser -from an economic point of view - considers appropriate."

The additional information referenced to in Clause 2.3.1 of the Purchase Agreement was, *inter alia*, the Information Memorandum and in Clause 3.4 b the Supplement to the Information Memorandum. Therein, warranted that the legal status with regard to the hotels owned by is clarified. In particular, It assured that the company is perpetual user of the lands and the owner of the buildings located thereon. The Information Memorandum states *Inter alia*:

3.12. Real properties

The Company is the perpetual user of the lands and the owner of the buildings located herein:

[...]

2. Real property located In specified in the Lands Register in the cadastral unit cadastral district , plot of land No. with the area square meters, developed with two hotel facilities - and Hotel.

[—]

IV. LEGAL STATUS OF

The all facilities belonging to the Company (except for located) has regulated legal status. The owner of the lands - specified in par. III Real properties Is , as the legal successor of , pursuant to the provisions of the Act of 25 March 1995 on the system of the Capital City of Warsaw (Dz. U. No. 48, item 195). The owner of the buildings and the perpetual user of the lands is the as the legal successor of , pursuant to the notarial deed of that is proved by appropriating decisions No. of The communalization and privatization process regarding the lands and building of is in progress (see par. 4.1.).**

The Supplement to the Information Memorandum of specifies:

"4.1. . After the Information Memorandum had been issued the legal status of hotel was regulated. In reference to plot No. , on which the main body of hotel is situated, Is the owner; in relation to remaining plots the municipality of

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4.2.

The legal status of [redacted] hotel is regulated. The company has the right of perpetual usufruct of land and the right of ownership of the hotel building located on land. The land and mortgage register has been established for the property. It includes a reservation pertaining to the claims of previous owners' successors whom [redacted] denied in [redacted] processing of the claim to establish temporary ownership. Applicants have the right to have their case settled by [redacted] to which they have lodged their complaint. Concurrently, the interested parties used the right to submit a motion to [redacted] to declare the invalidity of the administrative decision stating that the Company had obtained the right of perpetual usufruct of the land on which [redacted] hotel building is situated.

4.3.

Hotel

The legal status of the hotel is fully regulated.

[...]

4.4. Other facilities belonging to the Company

The legal status of other assets of the Company is fully regulated."

3. Violations by [redacted] of its undertakings

3.1 Restitution and damage claims by third persons

Contrary to [redacted] confirmation during the privatisation of [redacted] and the decisions taken by Polish authorities prior to the privatisation (i.e. [redacted] having the right of perpetual usufruct over the land and being the legal owner of the hotels) [redacted] and thereby the Investors, have faced, since [redacted], severe challenges of both the right of perpetual usufruct over the land and the ownership of the buildings. Former owners and their successors, in particular, of [redacted] which had been expropriated by the Communist regime based on Warsaw Decree of 26 October 1945 (the "Warsaw Decree") filed restitution claims with Polish courts and other public authorities.

With regard to [redacted]

[redacted] rejected the ownership claim of its previous owner, [redacted] on [redacted] (former property parcel no. [redacted]) and on [redacted] (former property parcel no. [redacted]) respectively and thereby transferred the ownership to [redacted] according to Article 8 of the Warsaw Decree, which was subsequently transferred to [redacted] according to the Land Management Act of 1990.

In [redacted], the successor of [redacted] initiated proceedings to invalidate the decisions of [redacted] and of [redacted]. Her applications were granted in [redacted] and [redacted] ([redacted] and [redacted] years after the conclusion of the Purchase Agreement). As consequence thereof, the initial applications of [redacted] as his successor, are still undecided.

Due to failure to decide the cases, appealed to the replied that it initiated other proceedings in order to separate another former land property (former property parcel no.) of the land with register no, and as long as these proceedings were not finished, no further division proceeding could be instituted for the same land.

Furthermore, admitted that it had already instructed an expert to make a situation map of the property concerned showing the designed division of the land with register no. involving the separation of former property parcel no.

In , the ruled that was under the obligation to decide the cases within a period of two months. Contrary to this ruling, the stated period elapsed without any appropriate action on the part of

By this inactivity, as an organ, institution and entity of the Republic of Poland failed, and continues to fail, to secure the right of perpetual usufruct over the land and the ownership of the buildings as announced in the course of the privatisation of thereby violating its obligations to and the Austrian investors.

In without any legal basis and, in particular, without analysing the legal foundation of the claim put forward by , issued a certificate with regard to the former property parcel no. (Certificate No. dated). This stipulated that was the legal owner of building pursuant to the Warsaw Decree. In affirmed the content of the before mentioned Certificate by a written confirmation (Confirmation No.).

In , initiated *ex officio* two proceedings. The first one concerned the division of the land with register no. , on which is erected. Informed about the initiation of this proceeding by a notice dated . Pursuant to this notice, the purpose of this proceeding was exclusively the division of the land with register no. by separation of the former property parcel no. and a part of no. In order to fulfil claims resulting from the Warsaw Decree.

Although substantially disputed the legal basis of such proceedings, approved the division on , which dealt with the appeals filed by and the mortgage creditors, suspended the proceedings.

The second *ex officio* proceeding concerned the deletion of as perpetual lessee of the land at (marked as plot no. within the district) and on which both and are erected in the building register, despite the contrary registration in the land and mortgage register.

Informed about the initiation of this proceeding by a notice dated . Pursuant to this notice, the purpose of this proceeding was the preliminary investigation concerning the update of the register as regards deletion of as a perpetual lessee of the land. On , requested either to discontinue these proceedings due to breaches of law or to suspend the proceedings.

The consequence of the various proceedings Initiated since Is a state of substantial legal uncertainty that Is inconsistent with the Investors' and rights which they were promised to hold without any restrictions.

The current uncertainties were caused by , a state body of the Republic of Poland. However, there Is no Intention to remedy the defects and to settle the dispute In an amicable way. Amicable settlement proceedings have been Initiated by In order to find a solution for the dispute. At the court hearing before for an amicable settlement on unmistakably rejected the offer and reiterated that It would not conclude any amicable settlement agreement.

Furthermore, Initiated at least different proceedings with respect to the right of perpetual usufruct over the land and the ownership of since , which has already deprived of Its full ownership rights of for almost two years. In , Initiated a proceeding, followed by an amended statement of claim on , In which she applied, *Inter alia*, to delete right of perpetual usufruct over the land from the land register under no. and to oblige to hand over to or *in eventu* to declare that right of perpetual usufruct over the land had never come into existence, and to hand over to . The defendants In this proceeding are , three mortgage creditors and . Contrary to the other defendants, has not filed Its reply to the request of yet and thereby, does not defend the Investors' rights acquired in the course of the privatisation and In violation of the guarantees made by

Years after the privatisation of . and the conclusion of the Purchase Agreement with , It became known to the Investors that had been fully aware of the demands of successors at the time of

, the predecessor of dispatched her first request to promptly restitute on . This was followed by other letters requesting restitution. One of the latest letters known was dispatched to on , which was two months after publication of the Information Memorandum in and three months prior to the publication of the Supplement to the Information Memorandum in

Two other letters - one addressed to _____ and one to _____ - were dispatched on _____, which was only _____ days prior to the signing of the Purchase Agreement between _____ and _____. These letters include a request to exclude _____ from the privatisation.

_____ did not reveal the existence of the third party claims at that time. In other words, the undertakings in the Purchase Agreement were not made in good faith.

3.2 Unwillingness to compensate former owners

_____ has been unwilling to compensate former owners and their successors for the property expropriated based on the Warsaw Decree, and does not assist the Investors in their effort to preserve the property, which had become the subject of _____ privatisation in _____.

Contrary to Inactivity of _____ In this case, _____ acted substantially different in other cases by either rejecting the claims of former owners or by compensating former owners. Consequently, _____ as organ, Institution and entity of the Republic of Poland assists other companies or persons in their efforts to preserve their property, but failed and continues to fail to accord the same treatment to the Investors in this case.

3.3 Claim for Compensation

The actions and omissions of the Republic of Poland and organs, Institutions and entities of the Republic of Poland caused, and will continue to cause, severe damages to the Austrian Investors' investment.

3.3.1 Compensation of

As compensation for the non-contractual use of the land and the hotel from _____ till today, the amount of _____ at least _____ (about _____) would need to be paid to _____, as indicated in the petition to call for mediation in the conciliatory proceedings dated _____.

For the retention of _____ as _____ property another amount of _____ at least _____ (about _____) would need to be paid to _____, as indicated in the property appraisal made on behalf of _____ dated _____.

3.3.2 Investments In the assets of

In accordance with its investment obligations specified in Clause 4 of the Purchase Agreement _____ through its subsidiary _____ invested _____ (_____) into _____. A sum of _____ (_____) was invested in _____ until the end of _____. From _____ to _____ the amount of, at least, _____ (about _____) was invested in _____ only. Due to potential

changes of ownership in [redacted] in favour of [redacted]
the investments have lost their value.

3.3.3 Increase of bank interest, no new bank credits and new mortgage

Due to the temporary change of ownership in [redacted] in favour of [redacted] and the possibility that any mortgage registered thereon may be invalid, banks refuse to grant additional new credits [redacted], which would be used to make necessary investments and to further improve the standards of the hotels.

It is, in particular, uncertain, whether mortgages are and can be validly registered in the land and mortgage register of the described land. Due to this uncertainty, banks increased their interest margin. The banks interest margin has been increased from [redacted] % ID % on [redacted]. This leads to an unexpected amount of, at least, [redacted] (about [redacted]).

In order to secure the credit agreements and the demands of three banks a new mortgage had to be entered into the land and mortgage register of [redacted] (and underneath [redacted], which is also part of [redacted] assets. This led to an unexpected increase of the investors' expenses with regard to the investment caused by an organ, institution and entity of the Republic of Poland of, at least, [redacted] (about [redacted]). This amount includes the costs for entering of the mortgage into the register in the amount of [redacted] (about [redacted]) and an amount of [redacted] (about [redacted]) as costs for legal representation. The entering of the mortgage in the land and mortgage register of land underneath [redacted] took place on [redacted].

Consequently, all of these circumstances lead to a serious unexpected increase of the investors' expenses with regard to the investment, which had to be paid in addition to the original investment and were exclusively caused by [redacted] by refusing to promote and to protect the Austrian investors' investment, in particular, but not exclusively, by the refusal of [redacted] to settle the financial requests of [redacted].

3.3.4 Frustration of a sales opportunity

As a result of [redacted] violation of its undertakings, a sales opportunity has already been frustrated by the uncertain situation. Neither [redacted] nor [redacted] nor [redacted] are in a position to sell their shares or assets for a reasonable price. Even if a potential buyer could be found, the contract price would only represent a minimal proportion of the price that could be obtained in case the explained uncertainties caused by the authorities of the Republic of Poland would not exist.

3.3.5 Costs for legal defence of the investors' rights

Until now the legal defence of the investors' rights caused costs of, at least, [redacted] (about [redacted]). This sum includes, in particular, the costs of legal representation and of consulting services.

4. Drawing of the investment guarantee

As already set out in Section 2 above [redacted] agreed to make further investments in [redacted] hotels pursuant to Clause 4.2 of the Purchase Agreement of [redacted]. In short, [redacted] was obliged to invest (i.e., [redacted]) including investments in progress leading to the creation of fixed assets within a period not longer than [redacted] months after [redacted].

The fulfilment of this investment obligation was guaranteed by [redacted] by providing [redacted] with a bank guarantee on an amount of [redacted]. In case of non fulfilment of its investment obligation, [redacted].

[redacted] handed over the Bank Guarantee No. [redacted] issued by the [redacted] (previously [redacted]) on the amount of [redacted] (i.e., [redacted]) to [redacted] on [redacted]. In order to verify whether [redacted] fulfilled its investment obligation, [redacted] was obliged to submit a report of an accountant until [redacted] submitted [redacted] report to [redacted] on [redacted].

Although [redacted] invested [redacted], i.e., [redacted] in excess of its investment obligation, [redacted] declared that the investor had not invested the required amount in [redacted] and received the guaranteed amount in [redacted] the bank guarantee in its entirety in [redacted].

[redacted] initiated proceedings against [redacted] in the Republic of Poland in order to receive [redacted] (Case no. [redacted]). In these proceedings [redacted] not only challenges the fulfilment of the investment obligation but also requested from [redacted] the additional payment of [redacted]. Consequently, [redacted] requested the payment of [redacted] as a penalty for an alleged non-fulfilment of the investment obligation.

[redacted] rejected [redacted] claims for repayment and awarded [redacted] the additional sum of [redacted] plus [redacted] statutory interest accrued as of [redacted] rejected [redacted] claim partially with regard to the amount of [redacted]. With regard to [redacted] claim of [redacted] and the claim of [redacted] referred the case back to the [redacted].

The proceedings are still pending.

These events caused a severe damage to [redacted], since it cannot dispose over, at least, [redacted] since [redacted].

5. Violation of the substantive provisions of the Investment Treaty

The Investors based their decision to make an Investment In the Republic of Poland, In particular, on the guarantees given in the Purchase Agreement by an organ, Institution and entity of the Republic of Poland. Subsequently, the Republic of Poland failed to honour its commitments undertaken in the Purchase Agreement.

The investment made by the Austrian Investors consisted not only of the shares which were obtained pursuant to the Purchase Agreement, but also of the rights and assets deriving from these shares as contained In the Purchase Agreement, Its amendments, the Information Memorandum and the Supplement to the Information Memorandum, I.e., *inter alia*, the obligations of

as organ, institution and entity of the Republic of Poland to secure the Investors' rights as perpetual user of the lands and the owner of the building located thereon. These rights were granted In clear terms to the Investors by

, but have been systematically frustrated by the authorities of the Republic of Poland after the conclusion of the Purchase Agreement. The right of perpetual usufruct over the land and the ownership of the buildings were and are key elements of the Investment. Without these rights, the Investors would not have participated in the privatisation process and would not have made any investment at all. The Investors and their investments are entitled to be protected In accordance with the provisions of the Investment Treaty. The behaviour and conduct of the organs, Institutions and entities of the Republic of Poland destroyed and continue to destroy the basic expectations, which the Austrian Investors had at the time the investment was made. The various actions and omissions of the organs, Institutions and entities of the Republic of Poland constitute measures depriving the Investors of their Investments.

Through its actions and omissions, the Republic of Poland also acted contrary to its obligations of the Investment Treaty, depriving the Investors of their legitimate fruits of their Investment.

Under the terms of the Purchase Agreement and Its amendments, the Investors acquired rights In respect of unhindered use of the right of perpetual usufruct over the land and the ownership over the buildings. These rights are assets protected under the Investment Treaty. Since measures of organs, institutions and entities of the Republic of Poland have deprived and still deprive the Investors of these assets by inadmissible conduct, the Investors can bring claims against the Republic of Poland under the provisions of the Investment Treaty.

The Republic of Poland, In particular but not exclusively, infringed the rights of the Austrian Investors granted to them by Article 2, 3, 4, 5 and 7 of the Investment Treaty. The Austrian Investors claims also rely and are based on all other provisions of the Investment Treaty.

6. Request

For the past years the Investors and have unsuccessfully tried to resolve the dispute amicably. They informed for the first time about their claims resulting from the restitution claims of In and about their claims with regard to the unlawful drawing of the guarantee In . Unfortunately, no settlement could be achieved. With regard to both, the guarantee and the restitution claims of , the Austrian Investors initiated either by themselves or represented by their subsidiary proceedings before Polish state courts. However, it was not possible to settle the matter within the last years.

In the absence of any other available means of redress, the Austrian Investors hereby request the Republic of Poland (without prejudice to a further specification, amendment or amplification of the relief claimed) to:

- (I) acknowledge its obligations under the Purchase Agreement;
- (II) acknowledge that the present dispute is covered by the Investment Treaty;
- (III) acknowledge that the Republic of Poland violated the Investment Treaty, in particular, but not exclusively, Article 2, 3, 4, 5 and 7 thereof, customary international law and the laws of the Republic of Poland with respect to the Investors' investments;
- (IV) acknowledge to take any steps which are necessary to restore the Investors' investments or to pay any amount necessary to the collective bank account of [...] to enable the Investors to restore their investments;
- (V) pay to the Investors the amount of or another equivalent currency to the collective bank account of [...] as compensation for all damages that the Investors suffered so far due to the Republic of Poland's violations plus

annually compound interest on the amount of or another equivalent currency from until the day of payment; and

annually compound interest on the amount of or another equivalent currency from until the day of payment;

annually compound interest on the amount of or another equivalent currency from until the day of payment;

annually compound interest on the amount of or another equivalent currency from until the day of payment;

annually compound interest on the amount of or another equivalent currency from , until the day of payment;

annually compound interest on the amount of or another equivalent currency from , until the day of payment;

- (vi) pay to the Investors an amount of _____ or another equivalent currency to the collective bank account of [...] as compensation of costs, expenses and fees, including professional fees and disbursements, incurred by the Investors associated with the violations of the Republic of Poland and acknowledge to pay any further costs, expenses and fees, including professional fees and disbursements, which the Investors will incur due to the violations of the Republic of Poland plus annually compound interest from the _____ day after the day, on which the addressees receive this notice, until the day of payment;
- (vii) acknowledge to compensate the Investors for all further damages that they suffer, to be developed and quantified, due to the Republic of Poland's violations of the Investment Treaty, customary international law and the laws of the Republic of Poland, in particular, but not exclusively, in case the Investors are fully deprived and/or partially restricted in their rights of perpetual usufruct over the land and/or of the ownership of the buildings with regard to any of _____ assets plus annually compound interest.

7. Reservation

The presentation of the claim and its legal basis, including the dispute resolution mechanism referred to herein, are non-exhaustive and without prejudice, in particular to the Investors' entitlement to rely on provisions of any other investment treaty or agreement entered into by the Republic of Poland and to a full pleading of the Investors' case in arbitration.

The Investors fully reserve their right in every respect to supplement, amend, amplify or otherwise restate their claims, the grounds of their claims and the relief requested. Furthermore, the Investors reserve the right to submit to an Arbitral Tribunal any relevant documents or evidence which they deem relevant.

The Investors reserve their rights to invoke any other claim of restitution and/or compensation advanced against them in relation to _____ assets.

8. Amicable Settlement

The Austrian Investors hereby express their willingness to enter into further amicable settlement negotiations with the Republic of Poland. In case the Republic of Poland also wishes to continue amicable settlement negotiations, it is requested to give notice of such intent to the Investors within _____ months after receipt of this notice accompanied by a scheme of a proposal for an effective settlement. In case no such proposal is received within _____ months, the investors intend to commence arbitral proceedings under Article 8 of the Investment Treaty.

In case the Republic of Poland does not possess any of the documents, on which the Investors rely and which concern the factual background of this investment dispute, the Investors are pleased to provide the Republic of Poland with any of these documents.

9. Authorization

authorise _____ and _____ to represent the companies in the investment dispute with the Republic of Poland under the Agreement between the Republic of Austria and the Republic of Poland concerning the encouragement and protection of Investments of 24 November 1988 concerning investments in connection with and in relation to _____.

_____ is authorised to represent _____ and _____ out of court as well as in court and in arbitration proceedings. All and any correspondence with regard to this dispute, claim and proposal for the continued amicable settlement shall be addressed to _____.

Respectfully submitted

cc; Mrs,

Mr.

