

INTERNATIONAL COURT OF JUSTICE

SPECIAL AGREEMENT

**BETWEEN THE FEDERAL REPUBLIC OF AGNOSTICA
(APPLICANT)
AND THE STATE OF REVERENTIA (RESPONDENT)
TO SUBMIT TO THE INTERNATIONAL COURT OF JUSTICE
THE DIFFERENCES BETWEEN THE STATES
CONCERNING THE SECESSION AND ANNEXATION
OF EAST AGNOSTICA**

jointly notified to the Court on 2 September 2014

COUR INTERNATIONALE DE JUSTICE

COMPROMIS

**ENTRE LA RÉPUBLIQUE FÉDÉRALE D'AGNOSTICA
(DEMANDERESSE)
ET L'ÉTAT DE REVERENTIE (DÉFENDEUR)
SOUMIS À LA COUR INTERNATIONALE DE JUSTICE
LES DIFFÉRENCES QUI OPPOSENT LES DEUX ÉTATS AU
SUJET DE LA SÉCESSION ET L'ANNEXION
DE L'AGNOSTICA DE L'EST**

notifié conjointement à la Cour le 2 septembre 2014

**JOINT NOTIFICATION
ADDRESSED TO THE REGISTRAR OF THE COURT**

The Hague, 2 September 2014

On behalf of the Federal Republic of Agnostica and the State of Reverentia, in accordance with Article 40(1) of the Statute of the International Court of Justice, we have the honour to transmit to you an original of the Special Agreement between Agnostica and Reverentia concerning the secession and annexation of East Agnostica and other issues, signed in The Hague on the second day of September in the year two thousand fourteen.

Felix Monte de Rosa

Ambassador of the Federal Republic of Agnostica to the Kingdom of The Netherlands

Sona Nadenichek

Ambassador of the State of Reverentia to the Kingdom of The Netherlands

SPECIAL AGREEMENT

The Federal Republic of Agnostica and the State of Reverentia (hereinafter referred to as “the Parties”),

Considering that differences have arisen between them concerning the secession of East Agnostica and subsequent annexation thereof by Reverentia and other issues;

Recognising that the Parties concerned have been unable to settle these differences by negotiation; and

Desiring to define the issues to be submitted to the International Court of Justice (“the Court”) for settling this dispute;

In furtherance thereof the Parties have concluded the following Special Agreement:

Article 1

The Parties submit the questions contained in the Special Agreement (together with Corrections and/or Clarifications to follow) (“the Case”) to the Court pursuant to Article 40(1) of the Statute of the Court.

Article 2

It is agreed by the Parties that the Federal Republic of Agnostica shall act as Applicant and the State of Reverentia as Respondent, but such agreement is without prejudice to any question of the burden of proof.

Article 3

- (a) The Court is requested to decide the Case on the basis of the rules and principles of general international law, as well as any applicable treaties.
- (b) The Court is also requested to determine the legal consequences, including the rights and obligations of the Parties, arising from its Judgment on the questions presented in the Case.

Article 4

- (a) All questions of procedure and rules shall be regulated in accordance with the provisions of the Official Rules of the 2015 Philip C. Jessup International Law Moot Court Competition.
- (b) The Parties request the Court to order that the written proceedings should consist of Memorials presented by each of the parties not later than the date set forth in the Official Schedule of the 2015 Philip C. Jessup International Law Moot Court Competition.

Article 5

- (a) The Parties shall accept any Judgment of the Court as final and binding upon them and shall execute it in its entirety and in good faith.

- (b) Immediately after the transmission of any Judgment, the Parties shall enter into negotiations on the modalities for its execution.

In witness whereof, the undersigned, being duly authorised, have signed the present Special Agreement and have affixed thereto their respective seals of office.

Done in The Hague, The Netherlands, this second day of September in the year two thousand fourteen, in triplicate in the English language.

Felix Monte de Rosa
Ambassador to the Federal
Republic of Agnostica to
the Kingdom of The
Netherlands

Sona Nadenichek
Ambassador of the State of
Reverentia to the Kingdom of The
Netherlands

**THE 2015 PHILIP C. JESSUP INTERNATIONAL LAW MOOT COURT
COMPETITION**

****SPECIAL AGREEMENT****

The Federal Republic of Agnostica v. the State of Reverentia

**THE CASE CONCERNING
THE SECESSION AND ANNEXATION OF EAST AGNOSTICA**

1. Located in the Southern Hemisphere, the Thanatosian Plains is a landlocked region which has since time immemorial been home to two ethnic groups, the Reverentians and the Agnosticans. In the eighteenth century, the Kingdom of Credera, a European power, conquered the Thanatosian Plains and incorporated the region into its global empire as two separately-administered colonies, Reverentia and Agnostica. The Crederan authorities demarcated the two territories based upon their observations of linguistic, cultural, and religious differences between their respective inhabitants.

2. The colony of Reverentia was located in the eastern half of the Thanatosian Plains. Reverentia functioned as a manufacturing and urban trading centre owing to its proximity to several other Crederan colonies.

3. The colony of Agnostica was located in the western half of the Thanatosian Plains, bordered on the east by Reverentia and on all other sides by the Tuklu Range, which includes over 25 mountains exceeding 7,000 meters in elevation. Because Agnostica enjoyed fertile land and abundant mineral resources, Credera administered it as a source of raw materials, usually exporting these products into Reverentia for refining, processing, and onward sale.

4. While Reverentia remained ethnically homogeneous throughout the colonial era, a large number of ethnic Reverentians migrated to Agnostica to take advantage of economic opportunities presented by commerce across the shared border. Nearly all of them settled in eastern Agnostica. According to a 1919 Crederan census,

approximately 70 percent of the permanent population of Agnostica was ethnic Agnostican, while 30 percent was ethnic Reverentian.

5. In 1925, Credera granted independence to all of its colonies worldwide. The Federal Republic of Agnostica (Applicant) and the State of Reverentia (Respondent) were established on 1 August 1925 according to the colonial boundaries established by Credera. In the years following independence, Reverentia pursued a policy of rapid industrialization, while Agnostica focused its economic development on the harvest, extraction, and exportation of its abundant natural resources.

6. At the time of independence and for approximately 30 years thereafter, the Reverentian government made attempts to encourage ethnic Reverentians in Agnostica (popularly known in both countries as “Agnorevs”) to return. According to contemporary reports, however, over 85% of Agnorevs resident in Agnostica elected to remain there, participating actively in the politics and economy of the federal Agnostican state.

7. A 1955 Agnostican Economic Ministry study showed that the average Agnorev household in Agnostica earned 157% of the income of the average ethnic Agnostican family in the same area. The per capita GNP of eastern Agnostica was nearly identical to that of Reverentia.

8. Reverentia was established as a unitary state. Agnostica’s federal constitution created two provinces: East Agnostica, home to nearly all of the Agnorevs, and West Agnostica, populated almost entirely by ethnic Agnosticans. Under Agnostica’s constitution, control over cultural affairs and education was devolved to the provinces, while all other matters were left to the federal government. The constitution, which remains in effect and unamended in any relevant respect to this day, empowers the federal parliament, by a three-quarters vote, to dissolve the union and create two independent states.

9. Within the territory of East Agnostica are the only areas in the world that contain deposits of Marthite, a naturally-occurring mineral salt which was known to possess mildly restorative properties. Marthite has always been a core ingredient in

Reverentian traditional medicine but is virtually unknown outside the Thanatosian Plains.

10. On 14 April 1938, Agnostica and Reverentia concluded a bilateral treaty, “the Marthite Convention,” which was subsequently ratified by both parties. Excerpted provisions of the Marthite Convention are annexed to this Special Agreement.

11. Until 2011, the Marthite Convention arrangement continued without controversy. The facilities in East Agnostica produced between 200 and 250 tonnes of Marthite per year, and the Reverentian Marthite Trust (RMT) sold the entire output to traditional medicine practitioners in Reverentia and East Agnostica. As the traditions that included the use of Marthite were limited to the region, there was virtually no demand for the mineral outside of Reverentia and East Agnostica, apart from souvenir collectors and small diaspora communities of ethnic Reverentians in Europe and North America.

12. In late 2011, a team of scientists from the *Institut Luxembourgeois des Sciences Appliquées* (ILSA), in a peer-reviewed article published in the journal *Nature*, reported that high doses of Marthite were over 90% effective in treating a broad range of previously untreatable infant and early-childhood autoimmune disorders, some of which afflicted tens of thousands of children worldwide.

13. Major international pharmaceutical companies immediately began contacting RMT seeking access to Marthite. Within weeks of the publication of the article, RMT shifted its focus to the international market, selling some 75% of the total quantity of mined Marthite to pharmaceutical companies for as much as ten times its maximum permitted sale price under the Marthite Convention. The Reverentian press noted that this new arrangement was causing serious concerns among traditional users that shortages and price increases were inevitable.

14. On 1 February 2012, Agnostican Prime Minister Maxine Moritz contacted the President of Reverentia, Antonis Nuvallus, proposing to terminate the Marthite Convention by mutual consent. She pointed to what she called the “fundamental

change in the science underlying the treaty,” and offered to reimburse Reverentia the costs of constructing and staffing the mining facilities, plus an additional sum derived from a formula “designed to compensate Reverentia for any loss of its supply of Marthite during the remaining term of the Convention.” She added, “We entered this treaty out of respect for traditional Reverentian medicine and its users. We certainly did not intend for the Reverentian Government to make windfall profits by marketing Agnostica’s natural resources to the highest bidder.”

15. President Nuvallus replied on 21 February 2012. He wrote, “RMT assures me that the supply of Marthite is more than adequate to satisfy local demand.” Noting that the Treaty imposed no restrictions on what RMT was permitted to do with excess Marthite, he concluded, “The Convention is still in effect, and Agnostica has given us no reason to believe otherwise. We see no reason to end a Convention that has served our people so well. Moreover, we reject the premise of Agnostica’s proposal: it is Agnostica’s economic interests that have changed, not the properties of Marthite.”

16. On 2 April 2012, Prime Minister Moritz announced, “In light of the newly discovered medical uses of Marthite, and in light of Reverentia’s refusal to accept a mutually-beneficial settlement, Agnostica today declares the 1938 Marthite Convention to be terminated and without further effect.” The Prime Minister also disclosed that Agnostica had agreed, once it was no longer subject to the Convention, to lease all rights to the existing East Agnostican Marthite facilities to Baxter Enterprises, Ltd. (“Baxter”), a multinational trading company incorporated in the Cayman Islands, for an undisclosed sum. On the following day, Agnostica announced that the lease with Baxter had entered into force.

17. President Nuvallus categorically rejected Agnostica’s position, and ordered the Reverentian engineers engaged at the East Agnostican facilities to return to Reverentia. The President directed the employees, “... also to remove any software installed by RMT at the Marthite mining facilities, until such time as Agnostica agrees to respect its treaty obligations.”

18. According to Baxter engineers who arrived at the sites in late April 2012, the withdrawal of personnel and software had crippled the Marthite operations. They

reported, “While we can easily replace the experts that Reverentia has withdrawn, the sabotage to the operating systems and other software upon which the mining systems depend means that it will be weeks if not months before we can even think about beginning extraction activities on any meaningful scale.” In a 2 May 2012 front-page article in *The Reverentian Times*, a national print newspaper, the Reverentian Vice-President wrote:

There can be no doubt and no debate over what has happened: Agnostica has shamelessly breached the Convention between our countries. In response, Reverentia has taken proper and measured steps to ensure that Agnostica will not be able to profit from that breach Now, if Agnostica were willing to invite our engineers to return, and reaffirmed its commitment to the terms of the Convention, our engineers, once on-site, would be able to reverse the so-called ‘sabotage’ within hours.

19. In an interview published in *The Sydney Morning Herald* on 4 May 2012, Prime Minister Moritz rejected the Vice-President’s comments, stating, “The facilities will resume operation immediately, albeit without the benefit of the Reverentian technology to which we were entitled under Treaty. We are not a backward people: we are capable of managing the bounteous resources Nature has given us. Whether we recreate the disabled software or work around the need for it, we will prevail.”

20. By the end of May, all of the facilities had resumed mining operations, albeit relying heavily on manual labour provided by local Agnorev workers.

21. As of 31 August 2012, Baxter had not yet been able to restore the computer systems at the facilities, but was extracting roughly 100 kilograms of Marthite per day. Nearly all of the Marthite extracted was sold by Baxter to multinational pharmaceutical companies; on average two to three kilograms daily were sold to traditional users, at prices far higher than those that prevailed before 1 April 2012. On 1 September 2012, a spokesperson for Baxter reported, “The removal of operations software by Reverentia has had a greater impact than was predicted by our engineers, and so restoring full capacity will take substantially longer than we originally anticipated.”

22. On 1 October 2012, the Agnostic Parliament passed the Marthite Control Act (MCA), a law banning the sale or transfer of Marthite into Reverentia, as well as the unauthorized purchase, sale, or possession of Marthite within Agnostica. During the formal ceremony marking the enactment of the legislation, Prime Minister Moritz announced, “Reverentia’s sabotage cannot prevent us from providing this life-saving product to suffering children of the world. It is therefore our moral obligation to ensure that no part of the trickle of Marthite we are at present able to supply is diverted from that worthy goal.”

23. The MCA provided, in relevant part, that an Agnostic citizen possessing Marthite without a Government license would be subject to a mandatory prison term of from 18 months to four years, depending on certain factors listed in the statute. The new measure was denounced in editorials in the Reverentian and East Agnostic media. A typical example described it as “thinly-veiled discrimination against ethnic Reverentians, who will be deprived of one of the remaining links to our ancestral culture. While Reverentians may well have been willing to accept reduced supply or increased prices to promote the greater good, denying us access to Marthite has no similar justification. It is perverse to march people off to rot in jail when their only ‘crime’ is respecting our ancient traditions.”

24. In mid-November, supervisors at the largest of the Marthite facilities, suspecting that a member of the mining crew had been stealing petty cash, instituted routine searches of workers departing the facility at the end of their shifts. On 23 November 2012, Gohandas Sugdy, a 19-year-old Agnorev miner, was found to be in possession of two pocketfuls of Marthite, and was arrested and charged under the MCA.

25. During his arraignment the following day, Mr. Sugdy explained that his grandfather was extremely ill, and a local folk-medicine practitioner had warned him that if the grandfather did not receive daily doses of the traditional remedy, he would die. Sugdy begged the judge for mercy, saying, “If I cannot bring my grandfather the medicine he needs, at least let me go home to be with him for his final days.” The magistrate remanded Sugdy to jail to await trial, noting in the remand order his regret that the MCA deprived him of any discretion in the matter. He concluded, “If my

view that this result is unnecessarily harsh is widely shared, the proper forum for redress is the legislature, not this court.”

26. On the evening of 24 November 2012, prison guards found Sugdy dead in his jail cell, hanging by the neck in an apparent suicide. Next to him was a note that read, “Forgive me, Grandfather.” Local newspapers reported that Sugdy’s grandfather was informed of his grandson’s death, and died four days later of apparent heart failure.

27. Within hours of the reports of Sugdy’s suicide, Agnorevs gathered outside the jail in which Sugdy had been held in Thanatos, the capital of East Agnostica. The gathering was peaceful, but as a routine precautionary measure, city police were deployed to maintain order. Hailing Mr. Sugdy as a martyr to the Reverentian cause, the leading East Agnostic newspaper denounced the Marthite ban as “denying Reverentians in Agnostica the fruits of our own labour, the product of our own lands, and the lifeblood of our ancient traditions.”

28. Over the ensuing days and weeks, the crowd outside the jail did not disperse, and in fact increased in size. Foreign media observers noted that, over time, the tone and focus of the speakers’ rhetoric shifted dramatically, from eulogizing Mr. Sugdy to airing various perceived Agnorev grievances, most notably the unavailability of Marthite to local distributors, but also including such long-standing concerns as the “domination” of federal judicial posts in East Agnostica by ethnic Agnostic lawyers, the “complete absence” of Agnorevs among senior officers of the Agnostic armed services, and the “disproportionate” allocation of government scholarships to ethnic Agnostic university students. Speakers also criticized the “unrelentingly negative” characterization of Agnorevs in West Agnostic primary-school textbooks and the national media, and the “frequent characterization” of Agnorevs as wealthy villains in popular Agnostic cinema. Other speakers criticized Agnostica’s progressive tax structure, which they characterized as “subsidizing shiftless Agnosticans at the expense of hard-working Agnorevs.”

29. Through the remainder of 2012, demonstrations across East Agnostica increased in number, frequency, and intensity. Participants protested in particular the unavailability of Marthite for traditional medicines, as well as the perceived

mistreatment of Gohandas Sugdy. Prime Minister Moritz mobilized military troops stationed in the province “to maintain order.” On 26 December 2012, police clashed with protesters in the streets of Thanatos. Sixty demonstrators were killed and several protesters and lightly-armed military personnel were seriously injured. The East Agnostican media termed the fracas “the Boxing Day Massacre.”

30. In the wake of the 26 December clashes, President Nuvallus expressed “deep concern for the safety of our Reverentian brethren abroad,” and offered “any assistance that Reverentia might provide to protect their lives and safety.” In particular, he contacted Tomás Bien, the Agnorev head of the East Agnostican provincial legislature and a member of the Agnostican federal Parliament, asking how Reverentia might be of assistance. Mr. Bien thanked President Nuvallus for his concern, but did not otherwise reply.

31. On 2 January 2013, with clashes between the authorities and protesters continuing, Mr. Bien proposed a resolution before the Agnostican Parliament, calling upon the Prime Minister “to de-escalate” the police and military presence in East Agnostica. The resolution failed by a vote of 46-54, with all 33 East Agnostican members voting in favour.

32. On 4 January 2013, Mr. Bien addressed the crowd at a rally in Thanatos, saying: “It is becoming clear that the aims of the federal government have diverged from those of its Agnorev citizens.” He concluded: “As is our constitutional right, we must now be permitted to decide whether to continue this federal state.”

33. On 5 January 2013, Mr. Bien presented a resolution to the Agnostican Parliament proposing the dissolution of the nation. This resolution was defeated, with all 67 delegates from West Agnostica voting against it and 29 of the 33 delegates from East Agnostica voting in favour.

34. On 9 January 2013, President Nuvallus delivered a speech in the Reverentian capital:

I commit myself today to the cause of our Reverentian brothers and sisters who live on the Agnostican side of our shared border. The

Agnostican Parliament's wrongful refusal to allow you to take possession of your future cannot defeat the inevitable progress of history. If you wish to be free, our dear compatriots, know that we will do everything in our power to ensure that you are, indeed, free.

35. On 10 January 2013, the Reverentian Parliament adopted a resolution titled "On the Crisis in East Agnostica." It read, in relevant part:

In the event that a popular referendum reflecting the will of our Reverentian brothers and sisters living in East Agnostica clearly demonstrates their desire to secede from Agnostica, the President is authorized, on behalf of the Government and people of Reverentia:

- (1) to recognize such referendum as lawful and valid;
- (2) to promote the recognition and efficacy of such popular decision by any means at his disposal;
- (3) to extend diplomatic recognition to an independent state in the territory of East Agnostica;
- (4) to enter into negotiations with the responsible parties to ensure that, notwithstanding any other commitment, practitioners of traditional medicine in the state of East Agnostica have adequate supplies of Marthite available at reasonable prices; and
- (5) to take all measures necessary to ensure the security and integrity of that state.

36. The resolution was promptly denounced by Prime Minister Moritz as "unlawful interference in Agnostica's internal affairs and an act of aggression against our territorial integrity."

37. The East Agnostican provincial parliament voted on 16 January 2013 to schedule a plebiscite "open to all Agnostican citizens resident in East Agnostica" on the question of secession. Prime Minister Moritz warned the parliamentarians that "the federal government will not stand idly by in the face of this threat to our national identity," and ordered the National Police to prepare to block the referendum. On 18 January 2013, President Nuvallus ordered several hundred soldiers to the border with East Agnostica, with specific orders not to leave Reverentian territory. He simultaneously issued a diplomatic note to Prime Minister Moritz, stating, "I want to clarify that our troops have been moved to the border to offer aid to any Agnorevs fleeing the violence in East Agnostica. We have no territorial ambitions. Reverentia is deeply concerned about the state of affairs in East Agnostica, and we are worried that violence will spill over into Reverentia."

38. On 29 January 2013, the plebiscite was held, and 73 percent of voters cast their ballots in favour of secession. There were no reports of violence or of apparent interference with the conduct of the voting. Observers from several international NGOs noted that over 80 percent of eligible citizens had voted, and declared the referendum largely free of irregularities and the result fair and accurate. Prime Minister Moritz declared that “Agnostica does not recognize the outcome of the so-called referendum illegally conducted on the territory of our nation, and invites the world community to see it as the sham and fraud that it is.”

39. The next day, the members of the former provincial parliament of East Agnostica, now sitting as a self-styled “Agnorev People’s Parliament” (APP), ratified the secession of East Agnostica and voted unanimously to send a delegation headed by Mr. Bien to enter into talks with Reverentia “aimed at the swiftest possible integration of the territory of the Agnorev people into the State of Reverentia.” On Prime Minister Moritz’s orders, the Agnostican representatives at the United Nations and several regional organizations pleaded for “help from the international community, in accordance with the U.N. Charter, to prevent the disintegration of Agnostica and the unlawful occupation of our territory by Reverentia.”

40. On 6 February 2013, the President of the Security Council expressed concern over what he termed the “question of the continued territorial integrity of Agnostica,” and the possibility that recent events might constitute “an unjustifiable and illegal interference in Agnostican domestic affairs.” The European Union, ASEAN, and several other regional bodies with interests in the region all issued communiques describing the possible annexation of East Agnostica by Reverentia as “a threat to international peace and stability.” On 18 February 2013, five of the largest international pharmaceutical manufacturers jointly announced that they were suspending purchases of Marthite until “the legal status of East Agnostica – and of the Marthite itself – is conclusively resolved.”

41. President Nuwallus announced on 22 February 2013 that he and Mr. Bien had signed an Integration Agreement that would make East Agnostica a semi-autonomous province of Reverentia, with the APP as its provincial legislature. Reverentian Army

units were promptly moved into the region. The Agreement was accepted and ratified by the Reverentian Parliament on 24 February and by the APP on the following day. The resolutions adopted by the two bodies provided that RMT would immediately enter into negotiations to guarantee a sufficient supply of Marthite to traditional users in East Agnostica and in the rest of Reverentia.

42. Prime Minister Moritz denounced the annexation, which the Integration Agreement declared to be effective on 1 March 2013, but did not send troops into East Agnostica.

43. At the request of the Secretary-General of the United Nations, Agnostica and Reverentia sent their Foreign Ministers to New York on 10 May 2013. Reverentia expressed willingness to submit the dispute over East Agnostica to the jurisdiction of the International Court of Justice, but Agnostica's Foreign Minister insisted that it would agree only if the Court were seized also of the "inextricably related" disputes over the Marthite Convention. The parties subsequently negotiated and concluded this Special Agreement.

44. Agnostica and Reverentia have both been members of the United Nations since 1959, and both ratified the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights, and the 1969 Vienna Convention on the Law of Treaties in 1983. Both States also ratified the 1933 Montevideo Convention on the Rights and Duties of States in 1961 and the International Convention on the Elimination of All Forms of Racial Discrimination in 1990.

45. The Federal Republic of Agnostica respectfully requests the Court to adjudge and declare that:

- a. Reverentia's encouragement of the East Agnostican referendum violated Agnostica's territorial integrity, the principle of non-intervention, and the United Nations Charter generally;

- b. The purported secession and subsequent annexation of East Agnostica are illegal and without effect, and therefore East Agnostica remains part of the territory of the Federal Republic of Agnostica;
- c. The Marthite Convention ceased to be in effect as of 2 April 2012 and, in any event, Agnostica did not breach the Convention; and
- d. Reverentia's removal of the software at the Marthite extraction facilities violated international law.

46. The State of Reverentia respectfully requests the Court to adjudge and declare that:

- a. Reverentia's support for the referendum in East Agnostica is consistent with international law;
- b. East Agnostica's secession from Agnostica and integration into Reverentia are consistent with international law, and in any event, this Court should not order the retrocession of East Agnostica to Agnostica against the expressed will of its population;
- c. The Marthite Convention was in effect until 1 March 2013, and Agnostica breached that Convention; and
- d. Reverentia's removal of the software in the Marthite extraction facilities was consistent with international law.

ANNEX

THE MARTHITE CONVENTION SIGNED AT THANATOS, AGNOSTICA 14 APRIL 1938

[excerpts]

The Federal Republic of Agnostica (“Agnostica”) and the State of Reverentia (“Reverentia”), (a) desiring to fortify the friendship between the two nations; (b) recognizing the significance of the mineral Marthite to the traditions of medical practice of Reverentians on both sides of the border between the two states; (c) respecting and honoring those ancient traditions; (d) wishing to ensure reliable supply of Marthite to those for whom it holds cultural significance; and (e) at the same time recognizing that Marthite is without significant commercial value outside its traditional uses, have agreed upon the following articles:

ARTICLE 1

Reverentia undertakes at its own expense to construct the following Marthite mining and mining-support facilities within the territory of East Agnostica, and to provide technology and government engineers to maintain, equip, and operate such facilities:

[four facilities are described in detail]

ARTICLE 2

Upon payment by Agnostica to Reverentia of the sum of 100 Swiss francs, receipt of which is hereby acknowledged, the facilities described in Article 1 shall be owned by the Government of Agnostica.

ARTICLE 3

The Reverentian Marthite Trust (RMT), a state-owned Reverentian corporation established on 1 March 1938 by Government charter, shall pay to Agnostica an annual royalty equal to 10% of the maximum resale price permitted under Article 4 hereof on all Marthite mined from the facilities described in Article 1. RMT shall thereupon become the exclusive owner of said Marthite.

ARTICLE 4

- (a) Except as permitted under Article 4(d), Reverentia undertakes that RMT will distribute Marthite only to traditional medicine practitioners in Reverentia and East Agnostica.
- (b) The prices at which RMT may resell Marthite shall be between 10,000 and 12,000 Reverentian Thalers per tonne [except in certain circumstances not relevant here], subject to adjustments in accordance with Article 4(c).
- (c) [Paragraph (c) sets forth a series of inflation, market-based, and other parameters upon which the permitted price band may be adjusted.]
- (d) RMT will not permit Marthite mined pursuant to this Agreement to be sold outside Reverentia and Agnostica in any given calendar year unless the supply of Marthite in such year exceeds demand from traditional practitioners by 25% or more.

ARTICLE 6

Agnostica and Reverentia hereby agree to repeal and/orrevoke all customs duties and other barriers to the free movement of Marthite from Agnostica into Reverentia, and commit not to impose any new duties or barriers for the duration of this Agreement.

ARTICLE 7

Agnostica hereby agrees to repeal and/orrevoke any and all customs duties and other barriers to the free movement of mining equipment and related suppliesto be imported from Reverentia into Agnostica to accomplish the purposes of Article 1 of this Agreement, and agrees not to impose any new duties or barriers for the period specified in Article 12.

ARTICLE 12

The term of this Agreement shall be ninety-nine years.

(Signed)
Marc Booth
Prime Minister
Federal Republic of Agnostica

(Signed)
Valérie Simonis
President
State of Reverentia