AGREEMENT BETWEEN THE GOVERNMENT OF UNITED ARAB EMIRATES AND THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the United Arab Emirate and the Government of the Republic of Uzbekistan (hereafter collectively referred to as the Contracting Parties)

Desiring to intensifY economic co-operation between both States and intending to create favorable conditions for investments by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the encouragement and reciprocal protection of such investments will be conducive to the stimulation of private business initiative and will increase prosperity in both Contracting Parties;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" shall comprise every kind of asset invested in any form by the investor of one Contracting Party in the territory of the other Contracting Party in accordance with its national legislation and include, in particular, but not exclusively:

a) Movable and immovable property as well as other property rights;

b) Shares, stocks and debentures and other forms of interests or / and economic interests from the respective activity;

c) The rights of claim in respect of funds, which have been used to create economic values or the rights of claim to any activity, having economic value;

d) Rights on intellectual property objects, including, but not limited to, copyrights, patents, industrial patterns, utility models, trade or service marks as well as technical processes, information having economic value, know-how and goodwill;

e) Any right conferred by law, administrative decisions or contract, including license and permits issued pursuant to law, which have an economic value, for more certainty natural resources are not covered in this Agreement.

A change in the form in which assets are invested or reinvested shall not affect their classification as investments; subject to that such a change does not contradict national legislation of the Party in the territory of which the investments have been made.

2. The term "investor" with regard to either Party shall mean:

a) Any natural person being the nationality of the State of the party and authorised accordance with national legislation of that Party to make investments in the territory of State of the other Party;

b) Any legal person constituted under the national legislation of Party, subject to that such legal person is authorised according to national legislation of its party to make investments in the territory of State of the other Party

c) Contracting Party

3. The term "return" shall mean an amount yielded by an investment and in particular though not exclusively include profit, interest, dividends, capital gains, royalties, proceeds from the sale or liquidation of all or any part of the investment and all other lawful income related to the investments.

4. The term "territory" shall mean with respect to each Contracting Party the territory of that Contracting Party where that

Contracting Party exercises sovereignty, sovereign rights or jurisdiction in accordance with international law.

Article 2. Promotion and Protection of Investments

1. Each Party shall, in its territory and in accordance with its national legislation, admit and promote investments by investors of the other party.

2. Each Contracting Party shall accord fair and equitable treatment to the investments of investors of the other Contracting Party. Each Contracting Party shall ensure that the enforcement of contracts and ensure management, maintenance, use, and enjoyment, shall not in any way be impaired by arbitrary, unreasonable or discriminatory measures.

Returns from the investment and, in the event of their reinvestment shall enjoy the same protection as the investment.

Investments made by investors of either Contracting Party shall enjoy full protection and security in the territory of the other Contracting State.

The Contracting Parties in the interest of facilitating the investment of investors by the involvement of top managerial personnel and employed persons of their choice regardless of nationality shall within the framework of their national legislation give sympathetic consideration to applications for the entry and sojourn of persons of either Contracting Party who wish to enter the territory of the other Contracting Party in connection with an investment.

Article 3. National Treatment and Most Favoured Nation Treatment

1. Each Contracting Party shall accord investments made in its territory owned or controlled by investors of the other Contracting Party treatment not less favourable than that which it accords in like situations to investments of its own investors or investors of any third State, whichever is the most favourable.

2. Each Contracting Party shall accord investors of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investments, means of asserting rights thereto, transfers, compensation or any other associated activity therewith in its territory treatment not less favourable than that which it accords to its own investors or to investors of any third State, whichever is the most favourable.

3. Such treatments shall not relate to privileges, benefits or incentives which either Contracting Party accords to investors of third states on account of its membership of, or association with, any existing or interim agreements leading to a customs or economic union, a common market, a free trade area, a monetary union or similar international agreement.

4. The treatment granted under this Article shall not relate to advantages which either Contracting Party accords to investors of third States by virtue of a double taxation agreement or other agreements regarding matters of taxation.

The national treatment principle shall also apply to the purchase of raw and auxiliary materials, energies, fuels, means of production, any kind of operation and the marketing of products locally or abroad and the access to local or foreign financial markets, as well as any other measures having similar effects.

Article 4. Nationalization or Expropriation

1. Investments of either Contracting Party or its natural or juridical persons shall not be subject to sequestration, confiscation or an similar measures and shall enjoy full and complete protection and safety in the territory of the other Contracting Party.

ii) Neither Contracting Parties shall take any measures of expropriation or nationalization or freezing or any other measures on this position or to subject the investment to any measures direct or indirect tantamount to expropriation including the levying of taxes, the compulsory sale of all or part of an investment or the impairment or deprivation or its management or control. All such actions refer to as expropriation except when the expropriation:

a) Is done for public purpose,

b) Is accomplished under due procedures of law,

c) Is not discriminatory,

d) Does not violate any specific provision or contractual stability or expropriation contains in an investment agreement between the natural and juridical persons and the party making the expropriation,

e) It is in accordance with a decision of a competent administrative or judicial body,

f) The investor shall have the right to refer to the administrative or judicial bodies to make sure that expropriation has been made in accordance with the principles of the international law,

g) The investor shall have the right to contest against the expropriation or any such measures to the competent court of the Contracting Party which have taken these measures.

2. Such compensation shall be computed on the basis of the mark value of the investment immediately prior to the moment of time when the decision for nationalization or expropriation was in accordance with recognized principles of valuation such as market value; where the market value cannot be readily ascertained, the compensation shall be determined on equitable principles taking into account, interalia the capital invested; depreciation capital, already repatriated, replacement value, goodwill and other relevant factors. In the event that payment of compensation is delayed, such compensation shall be paid in an amount which would put the investor in a position no less favourable than the position in which he would have been had the compensation been paid immediately after the date of expropriation or nationalization. To achieve this goal the compensation shall include an appropriate interest at a LIBOR-rate as agreed upon by both Contracting States or at such rate as prescribed by law, for the currency in which the investment is denominated from the date of nationalization or expropriation until the date of payment.

The term "expropriation" comprises also other measures or interventions by a Contracting Party such as freezing or blocking of assets or other comparable measures such as compulsory sales of assets if the effect of the above- mentioned measures would tantamount to expropriation.

Article 5. Compensation for Damages of Losses

1. Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot or other similar events in the territory of the latter Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, not less favourable than that which the latter Contracting Party accords to its own investors or to investors of any third State whichever is the most favourable.

Resulting payments shall be in freely convertible currency and freely transferable without undue delay.

2. Investors of one Contracting State who in any of the events referred to in paragraph (1) suffer damage or loss in the territory of the other Contracting State resulting from:

(a) Requisition of their investment or property by its force or authorities,

(b) Destruction of their investment or property by its forces or authorities which was not caused in combat action or was not required by the necessity of the situation shall be accorded prompt and adequate compensation for the damage or loss sustained during the period of requisitioning or as a result of the destruction of the property. Resulting payments shall be in a freely convertible currency and freely transferable without undue delay.

Article 6. Transfers

1. Each Contracting Party shall guarantee investors of the other Contracting Party free transfer of funds related to their investments. Such transfers shall include, in particular, though not exclusively:

(a) Of the principal and additional amounts to maintain or increase the investment;

(b) Of the returns;

(c) In repayment of loans;

(d) Of the proceeds from the liquidation or the sale of the whole or any part of the investment;

(e) Of compensation provided for in Article 4 and 5;

(f) Of payments referred to in Article 7.

(g) Earnings and other remuneration of personnel engaged from abroad in connection with an investment.

2. These transfers shall be made without undue delay in freely convertible currency by exchange rate acceptable on the day of transfers and in accordance with currency regulations in force of the Party, in the territory of which the investments have

been made.

3. Returns and other amounts in any currency, referred to in this Article and received by the investors of the Party in the result of investments made in the territory of State of other party from sources by the place of investments, may be reinvested or used in other purposes in the territory of State of the last Party in accordance with its national legislation.

Article 7. Subrogation

In the event that one Contracting Party has provided a guarantee in respect of non-commercial risks for the investment effected by one of its investors in the territory of the other Contracting Party, and has effected payment to said investor on the basis of that guarantee, the other Contracting Party shall recognize the assignment and the enforcement of the rights of the investor to the first named Contracting Party, whose right of subrogation shall not exceed the original rights of the investor. In relation to the transfer of payments to the Contracting Party by virtue of this assignment, the provisions of Articles 4, 5 and 6 shall apply.

Article 8. Consultation

The Contracting Parties agree to consult on the request of either Contracting Party, to resolve any dispute in connection with the Agreement, or to discuss any matter relating to the interpretation or application of this Agreement.

Article 9. Settlement of Investment Disputes between a Contracting Party and an Investor

1. All kinds of investment disputes between a Contracting Party and an investor of the other Contracting Party shall as far as possible, be settled amicably through the negotiations.

2. If the dispute cannot be settled in the way prescribed in paragraph (1) within six months of the date the request for settlement has been submitted, it shall at the request of the investor be filed to the competent court of the Contracting Party in whose territory the investment was made.

3. If there still exists a dispute between the parties after 24 months from the date of notification of the above mentioned procedures the investor may submit the dispute to international arbitration under the Convention of 18 March 1965 on the Settlement of Investment Disputes between States and Nationals of other States, unless the parties agree otherwise.

Both Contracting Parties herewith declare their consent to submit the dispute to arbitration under the said Convention.

4. The award shall be binding and shall not be subject to any appeal or remedy other than those provided for in the said Convention.

The award shall be enforced in accordance with domestic law.

5. Neither Contracting State shall pursue through diplomatic channels any matter referred to arbitration until the proceedings have been exhausted or a Contracting State has failed to abide by or to comply with the award rendered by the Arbitral Tribunal.

6. Any dispute, including the MFN treatment between Contracting Party and investor or the other Contracting Party is settled in accordance with provisions of this Article only.

Article 10. Settlement of Disputes between Contracting Parties

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled as far as possible though friendly consultations by both Contracting Parties through diplomatic channels.

2. If a dispute cannot thus be settled within six months it shall, upon the request of either Contracting State, be submitted to an ad hoc Arbitral Tribunal in accordance with the provisions of this Article.

3. The Arbitral Tribunal shall be constituted as follows:

Each Contracting Party shall appoint one member and these two members shall agree upon a national of a third State as their chairman to be appointed by the governments of the two Contracting Parties provided that the Contracting Parties have diplomatic relations with that third State. Such members shall be appointed within two months, and such chairman within three months from the date on which either Contracting Party has informed the other Contracting Party that it

intends to submit the dispute to an Arbitral Tribunal.

4. If the periods specified in paragraph 3 above have not been observed, either Contracting Party may, in the absence of any other arrangement, invite the President of the International court of Justice to make the necessary appointments. If the President is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a national of either Contracting Party or if he, too, is prevented from discharging the said function, the member of the court next in seniority who is not a national of either Contracting Party shall be invited to make the necessary appointments.

5. The Arbitral Tribunal shall reach its decision by a majority of votes. Such decision shall be binding. Each Contracting Party shall bear the cost of its member and of its representatives in the arbitral proceedings; the costs of the chairman and the remaining costs shall be borne in equal parts by the Contracting States. The Arbitral Tribunal may make a different ruling concerning costs. In all other respects, the Arbitral Tribunal shall determine its own procedure.

Article 11. Application to Investments

This Agreement shall apply to investments made in the territory of either Contracting Party in accordance with its legislation by investors of the other Contracting Party prior to and after the entry into force of this Agreement but shall not apply to the disputes that arises or settled before entering into force this Agreement.

Article 12. Relations between Contracting Parties

This Agreement shall remain in force irrespective of the existence of diplomatic or consular relations between the Contracting Parties.

Article 13. Application of other Rules and Special Commitments

1. If the legislation of either Contracting State or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to this Agreement contain regulations, whether general or specific, entitling investments by investors of the other Contracting Party to a treatment more favourable than is provided for by this Agreement, such regulations to the extent that they are more favourable shall prevail over this Agreement.

2. Special contracts or commitments undertaken by one Contracting Party with respect to the investments of investors of the other Contracting Party, to the extent that their provisions are more favourable shall prevail over the provisions of this Agreement.

3. Each Contracting State shall observe any other obligation it may have entered into with regard to investments in its territory by investors of the other Contracting Party.

Article 14. Changes and Additions

This Agreement may be amended by written agreement between the Parties, entering into force under the same procedures required in Article 15 of this Agreement.

Article 15. Entry Into Force and Duration

1- This Agreement shall enter into force on the thirties day after the date of receipt of the latter notification through the diplomatic channels that the Parties complied constitutional requirements for its entry into force.

2- This Agreement shall remain in force for a period ten years. Thereafter it shall be automatically extended for the further period of five years, unless either party gives notice of termination at least twelve months before the expiry of corresponding period.

3- In the case of denouncement of the present Agreement, provisions of all other Articles shall remain in force for the further period of ten years, in respect of investments, made before such denouncement.

Done in duplicate at Tashkent on Friday 26.10.2007 in the Uzbek, Arabic and English languages, all texts being equally authentic. In case of divergence of interpretations of provisions of this Agreement, the English text shall prevail.