AGREEMENT

Between the Government of Ukraine and the Government of the Syrian Arab Republic on promotion and mutual protection of investments

The Government of Ukraine and the Government of the Syrian Arab Republic (hereinafter referred to as the "Parties"),

Desiring to intensify economic cooperation to the mutual benefit of both States,

Intending to create and maintain favorable conditions for investments by investors of one state in another state, and

Recognizing that the promotion and reciprocal protection of investments under this Agreement, stimulates business initiatives in this area,

Agree as follows:

Article 1.

Definition

For the purposes of this Agreement:

1. The term "investment" covers any kind of asset invested in connection with economic activities by an investor of one Contracting Party in the territory of the other Contracting Party under the law of the latter and shall include in particular, but not exclusively:

(A) movable and immovable property and any other property rights such as mortgage, lien, security for the loan and other similar rights;

(B) shares, stocks and debentures of companies or any other form of participation in a company;

(C) claims to money or any performance having a commercial value associated with an investment;

(D) intellectual property rights, including copyrights, trademarks, patents, industrial designs, technical processes, know-how, trade secrets, trade names and goodwill associated with an investment;

(E) any right conferred by law or under contract and any licenses and permits pursuant to law.

Any change in the form in which assets are invested shall not affect their character as investments.

2. The term "investor" means any natural or legal person who invests in the territory of the other Contracting Party:

(A) The term "natural person" means any natural person having the nationality of either Contracting Party in accordance with national law;

(B) The term "legal person" in respect of each Contracting Party means:

- Any organization, registered, incorporated or otherwise organized under the laws of the Contracting Parties;

- Any group of people that has no legal status, but under the law of the Contracting Parties considered by the company.

3. The term "returns" means amounts yielded by the investment and in particular, though not exclusively, profits, interest, capital gains, dividends, royalties and fees.

The term "territory" means:

- In respect of Ukraine: Ukraine territory, including territorial waters and exclusive economic zone and continental shelf over which Ukraine under international law exercises its sovereign rights over the exploration and use of natural resources;

- With respect to the Syrian Arab Republic: Syria dry, its internal drains, sea, natural resources, land and airspace above it and the maritime area over which Syria has sovereign rights.

Article 2. Promotion and Protection of Investments

1. Each Party shall encourage and create favorable conditions for investors of the other Contracting Party to make investments in its territory and admit such investments in accordance with national law.

2. Investments of investors of either Contracting Party shall enjoy at any time of full protection and security in the territory of the other Contracting Party.

Article 3. Most Favored Mode

1. Each Party shall in its territory to investments and returns of investors of the other Contracting Party, which is fair and equitable and not less favorable than that it accords to investments and returns of investors of any third State.

2. Each Party shall in its territory accord to investors of the other Contracting Party in relation to the management, maintenance, use, enjoyment or disposal of their investment, treatment which is fair and equitable and not less favorable than that it accords to investors of any -yakoyi third country.

3. The provisions of paragraphs 1 and 2 shall not be construed so as to oblige one Contracting Party to extend to investors of the other Contracting Party advantages, preferences or privileges of any treatment that may be provided by the Contracting Parties in force:

(A) If any customs union or free trade area or a monetary union or similar international agreements that establish such unions, education and other forms of regional cooperation to which the Contracting Party is or may become a party;

(B) any international agreement or arrangement relating wholly or mainly to taxation.

Article 4. Compensation for Losses

1. Where the investments of investors of either Contracting Party suffer losses owing to war, armed conflict, a state of emergency, revolt, insurrection, riot or other similar events in the territory of the other Contracting Party, the latter Contracting Party shall be accorded treatment with respect to restitution, indemnification, compensation or other settlement, no less favorable than that which that Contracting Party accords its own investors or investors of any third state.

2. Without prejudice to the provisions of paragraph 1 of this Article, investors of one Contracting Party who in any of the events specified in that paragraph suffer losses in the territory of the other Contracting Party resulting from:

(A) requisitioning of their property by armed forces or public authorities;

(B) destruction of their property by armed forces or public authorities, which was not caused in combat action or was not required necessity of the situation, shall be accorded just and adequate compensation for the losses incurred as a result of requisitioning or destruction of property.

Appropriate charges will be freely transferable in freely convertible currency without delay in accordance with applicable law of the place of investment.

Article 5. Expropriation

1. Investments of investors of either Contracting Party shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party, except in cases of public necessity. Expropriation carried out in accordance with the legal grounds on non-discriminatory basis and accompanied by provisions for the payment of prompt, adequate and effective compensation. Such compensation shall amount to the market value of the expropriated investment at the time of expropriation or impending expropriation became public knowledge, shall include interest that will be charged from the date of actual expropriation and implemented without delay, will be effectively realizable and freely transferable in freely

convertible currency in accordance with the applicable law of place of investment.

2. The investor has a right to prompt review, judicial or other independent authority of that Contracting Party of its case and the valuation of its investment in accordance with the principles set out in this Article.

3. The provisions of paragraph 1 shall also apply in cases where a Contracting Party expropriates the assets of a company which has the status of the company or constituted under the law in force in any part of its territory and in which investors of the other Contracting Party own shares.

Article 6. Transfers

1. The Contracting Parties shall secure in accordance with applicable law of the investment transfer of payments relating to investments and returns. The transfers shall be made in freely convertible currency, without any restriction and undue delay. Such transfers include in particular, but not exclusively:

(A) capital and additional amounts to maintain or increase investments;

(B) profits, interest, dividends and other current income;

(C) funds for payment of the loan;

(D) royalties or fees;

(E) proceeds of sale or liquidation of investments;

(F) the earnings of individuals under the law of the Contracting Parties to the place of investment.

2. For the purposes of this Agreement, exchange rates shall be the official rates effective for the current transactions at the date of transfer, unless otherwise agreed.

Article 7. Subrogation

1. If a Contracting Party or its designated agency makes payment to its own investors under guarantees that it has provided such investors in connection with investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize:

(A) the assignment, whether under the law or pursuant to a legal transaction in that country, of any right or claim by the investor to the former Contracting Party or its designated agent, as well as the fact

(B) that the former Contracting Party or its designated agent was entitled by virtue of subrogation to the rights and enforce the claims of the investor and assume the obligations related to the investment.

2. The amount received by virtue of subrogation rights or claims shall not exceed the initial scope of the rights and claims of the investor.

Article 8. Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Any dispute which may arise between an investor of one Contracting Party and the other Contracting Party in connection with an investment in the territory of the other Contracting Party shall be subject to negotiations between the parties to the dispute.

2. If any dispute between an investor of one Contracting Party and the other Contracting Party can not be thus resolved within six months, the investor has the right to submit the case:

(A) the International Centre for Settlement of Investment Disputes / ICSID / given the application of the Convention on the Settlement of Investment Disputes between States and others, opened for signature in Washington from 18 March 1965, when both Contracting Parties are parties to this Convention, or

(B) an arbitrator or international arbitration tribunal ad hoc, established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties to the dispute may reach a written agreement on changes to the Rules. The decision of the Tribunal shall be final and binding on both parties to the dispute.

Article 9. Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall, if possible, be settled through consultation or negotiation.

2. If the dispute can not thus be resolved within six months, it is at the request of either Contracting Party be submitted to an arbitral tribunal under this Article.

3. The arbitral tribunal created for each case follows. Within two months of receipt of the request for arbitration, each Contracting Party shall appoint one member of the tribunal. These two members shall then select a national of a third State, who on approval of his nomination Contracting Parties shall be appointed Chairman of the Tribunal (hereinafter - "the Chairman"). The Chairman shall be appointed within three months from the date of the last appointment of the other two members.

4. If within the periods specified in paragraph 3 of this Article, the appointments have been made to make the necessary appointments will be invited President of the International Court of Justice. In case he is a national of either Contracting Party or if the said function make it prevent other reasons to make the necessary appointments will be invited Vice President. If the Vice President is a national of either Contracting Party or prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the appointments.

5. The arbitral tribunal shall decide by majority vote. Such decisions are binding. Each Contracting Party shall bear the costs of its arbitrator and its representation in the arbitration proceedings; costs related to the Chairman and other costs will be borne by the Contracting Parties in equal shares. The arbitral tribunal shall adopt its own rules of procedure.

Article 10. Application of other Rules and Special Commitments

1. If the question governed both by this Agreement and by another international agreement to which both Contracting Parties, nothing in this Agreement shall prevent either Contracting Party or any of its investors who own investments in the territory of the other Contracting Party to take advantage of rules that are more favorable in relation to the case.

2. If the treatment to be provided by one Contracting Party to investors of the other Contracting Party in accordance with the law or other special conditions of contracts is more favorable than that accorded by this Agreement, will apply a more favorable treatment.

Article 11. Application of the Agreement

The provisions of this Agreement shall apply to investments made by investors of one Contracting Party in the territory of the other Contracting Party after the entry into force of this Agreement.

Article 12. Entry Into Force, Duration and Termination Conditions

1. Each Party shall notify in writing the other Contracting Party on the implementation of internal procedures necessary for the entry into force of this Agreement. The agreement will enter into force on the date of the last notification of the Parties.

2. This Agreement is concluded for a period of ten years and shall remain in force for as long as either Contracting Party not later than one year before its expiry, in writing notifies the other Contracting Party of its intention to terminate the Agreement.

3. In respect of investments made prior to the termination of this Agreement, its provisions shall remain in force for ten years from the date of termination.

IN WITNESS WHEREOF, the undersigned, besides being duly authorized, have signed this Agreement.

Done at Damascus, on 21 April 2002 in two originals, each in Ukrainian, Arabic and English languages, all texts being equally authentic.

In case of divergence of interpretation of this Agreement, the English text shall prevail.

For the Government of Ukraine

For the Government of the Syrian Arab Republic