AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF AZERBAIJAN AND THE GOVERNMENT OF THE HASHEMITE KINGDOM OF JORDAN ON THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Azerbaijan and the Government of the Hashemite Kingdom of Jordan (hereinafter referred to as the "Contracting Parties");

Determined to intensify economic cooperation between them for the mutual benefit of both countries on a long-term basis;

Motivated by the desire to further promote economic cooperation between them regarding investments made by investors of either Contracting Party in the territory of the other Contracting Party;

Recognizing that an agreement over the treatment to be granted to such investments will encourage the flow of private capital and increase economic development for both Contracting Parties;

Agreeing that a stable framework for investment will maximize the effective utilization of economic resources and improve living standards.

Have agreed as follows:

Article 1. Definitions

For the purpose of this agreement:

1. The term "investment" means all kinds of assets invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with its laws and regulations and shall include in particular, though not exclusively:

a. movable and immovable assets as well as any other rights, such as mortgages, debts, pledges, usufructs and similar rights;

b. stocks, shares, bonds and other form of participation in companies; claims to money and claims to performance;

d. intellectual property rights, as defined in the multilateral agreements concluded under the auspices of the World Intellectual Property Organization, in as far as both Contracting Parties are parties to them, including, but not limited to, copyrights and neighboring rights, industrial property rights, trademarks, patents, industrial designs, technical operation, rights in factory formations, know-how, trade secrets, trade names and goodwill;

e. rights to engage in economic and commercial activities conferred by law or by virtue of a contract, including concessions to search for, extract or exploit natural resources;

Any change to the form in which assets are invested or reinvested shall not affect their character as investments, provided that such change is not contrary to the granted approvals, if any, to the originally invested assets.

2. The term "investor" means in respect of either Contracting Party:

a. a natural person, citizen of a Contracting Party who invests in the in the territory of the other Contracting Party;

b. a legal person incorporated, constituted or otherwise duly organized in accordance with the laws and regulations of one Contracting Party, having a registered office and performing real business activity in the territory of the same Contracting Party and making an investment in the territory of the other Contracting Party.

3. The term "returns" means income derived from an investment and includes, in particular though not exclusively, profits, dividends, interests, capital gains, royalties, patents, license fees and any other fees.

4. The term "without delay" means the time period normally needed to complete the procedures for the transfer of payments. This time period starts from the day the transfer request is submitted, and shall not exceed one month in any case.

5. The term "freely convertible currency" means currency that is widely used to make payments in international transactions and that is widely disbursed in the main international exchange markets.

6. The term "territory" means:

a. In respect of the Hashemite Kingdom of Jordan the territory and land of the Hashemite Kingdom of Jordan in addition to the maritime areas adjacent to the outer limit of the territorial sea, including the seabed and subsoil over which the Hashemite Kingdom of Jordan exercises its sovereign rights or authority according to international law.

b. In respect of the Republic of Azerbaijan - the territory of the Republic of Azerbaijan, including the part of the Caspian Sea adjacent to it, over which the Republic of Azerbaijan exercises its sovereign rights and authority in accordance with national and international law.

Article 2. Promotion and Admission of Investments

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

2. In order to encourage mutual investment flows, each Contracting Party shall inform the other Contracting Party, at the request of either Contracting Party, of the investment opportunities in its territory.

3. Each Contracting Party shall grant, whenever necessary, in accordance with its laws and regulations, and without delay, the required permits in connection with the activities of consultants or experts engaged by investors of the other Contracting Party.

4. Each Party shall, subject to its laws and regulations relating to the entry, residence and work of natural persons, examine the requests submitted by key personnel in good faith and give them due consideration, regardless of their nationality, including top management and technical staff who are employed for the purpose of investments in its territory to enter, temporarily stay and work in its territory. Immediate family members of such key personnel shall also be granted similar treatment with regards to the entry and temporary stay in the host Contracting Party.

Article 3. Protection of Investments

1. Each Contracting Party shall grant in its territory full protection and security to investments and returns of investors of the other Contracting Party. Neither Contracting Party shall hamper, by arbitrary or discriminatory measures, the development, management, maintenance, use, enjoyment, expansion, sale and, if necessary, the liquidation of such investments.

2. Investments and returns of investors of either Contracting Party in the territory of the other Contracting Party shall be accorded fair and equitable treatment in accordance with international law.

Article 4. National and Most Favored Nation Treatment

1. Neither Contracting Party shall, in its territory, accord investments and returns of investors of the other Contracting Party treatment that is less favorable than that which it accords to investments and returns of its own investors, or investments and returns of investors of any third state, whichever is more favorable to the concerned investors.

2. Neither Party shall, in its territory, accord investors of the other Contracting Party as regards the acquisition, expansion, operation, management, maintenance, enjoyment, use, sale or disposal of their investments, treatment that is less favorable than that which it accords to its own investors or to investors of any third state, whichever is more favorable to the concerned investors.

3. Each Contracting Party shall accord to investors of the other Contracting Party and their investments and returns the best of the treatments required under Paragraphs (1) and (2) of this article, whichever is more favorable to the investors, their investments and returns.

4. Neither Contracting Party shall, in its territory, impose mandatory measures on investments of investors of the other Contracting Party as regards the purchase of materials, means of production, operation, transport, marketing of its products, or other similar requirements having unreasonable and discriminatory effects.

5. The provisions of Paragraphs (1) and (2) of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of:

a. any customs, economic or monetary union, free trade area or similar international agreements, existing at present or to be established in the future, to which either Contracting Party is or may become a party in the future; or

b. any international agreement or arrangement, wholly or partially related to taxation.

Article 5. Expropriation

1. Neither Contracting Party shall expropriate or nationalize, directly or indirectly, investments in its territory of investors of the other Contracting Party, or take any measure/s having a similar effect (hereinafter referred to as "expropriation") except:

a. for a purpose which is in the public interest

b. ona non-discriminatory basis

c. in accordance with due process of law

d. against the payment of prompt, adequate and effective compensation

2. Compensation shall be paid without delay.

3. Compensation shall be equivalent to the fair market value of the expropriated investment immediately before the expropriation. The fair market value shall not change the received value because the expropriation had become publicly known earlier.

4. Compensation shall be fully realizable and freely transferable.

5. The investor of a Contracting Party that was affected by the expropriation done by the other Contracting Party shall have the right to prompt review of his case and the valuing of his investments and the payment of compensation in accordance with the provisions of this article, or by a judicial authority, or another competent or independent authority of the latter Contracting Party.

Article 6. Compensation for Damage or Loss

1. If investments made by investors of either Contracting Party suffer loss owing to war or other armed conflict, civil disturbances, state of national emergency, revolution, riot or other similar events in the territory of the other Contracting Party, this Contracting Party shall accord them treatment, as regards restitution, indemnification, compensation or other forms of settlement, that is not less favorable than treatment provided by that Contracting Party to its own investors or to investors of any third state, whichever is more favorable to the concerned investors.

2. Without prejudice to the provisions of Paragraph (1) of this article, investors of one Contracting Party who, in any of the events referred to in that paragraph, suffer damage or loss in the territory of the other Contracting Party resulting from:

a. appropriation of their investment or part thereof by its armed forces or authorities;

b. destruction of their investment or part thereof by its armed forces or authorities that was not caused in a war field or was not required by the necessity of the situation;

shall be accorded prompt, adequate and effective compensation or restitution. The resulting compensation shall be made in a freely convertible currency and be freely transferable without delay.

Article 7. Transfers

1. Each Contracting Party shall guarantee that all payments related to an investment in its territory of an investor of the other Contracting Party may be freely transferred from and to the territory without delay. Such transfers shall include, in particular, though not exclusively:

a. Initial capital and the additional amounts required to maintain or increase the investment;

b. returns;

c. payments made under a contract including a loan agreement;

d. proceeds from the full or partial sale or liquidation of an investment;

e. compensation payments under Articles (5), (6) and (8) of this agreement;

f. payments arising out of the settlement of an investment dispute;

g. earnings and other remuneration of personnel engaged from abroad in connection with an investment.

2. Each Contracting Party shall guarantee that transfers referred to under Paragraph 1 of this article are made in a freely convertible currency, at the market rate of exchange prevailing on the date of the transfer, and are made without delay.

3. Each Contracting Party shall guarantee that the interest rate is calculated based on the interest rate on the London interbank loans, with compensation for the period starting from the occurrence of events under Articles (5), (6) and (8) until the date of transfer of the payment, and payments are to be made in accordance with the provisions of Paragraphs (1) and (2) of this article.

Article 8. Subrogation

1. If either Contracting Party or its designated agency (for the purpose of this article: "First Contracting Party") makes a payment in compensation for damages sustained by an investment in the territory of the other Contracting Party (for the purpose of this article: "Second Contracting Party"), the Second Contracting Party shall recognize:

a. the assignment to the First Contracting Party, by law or by legal transaction, of all the rights and claims of the party compensated for damages; and

b. that the First Contracting Party is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as the party compensated for damages, and shall assume the obligations related to the investment.

2. The First Contracting Party shall, in all circumstances, have the right to receive:

a. the same treatment in respect of the rights, claims and obligations acquired by it by virtue of the assignment; and

b. any payments in pursuance of those rights and claims;

the same treatment that was entitled to the party compensated for damages, by virtue of this agreement, in respect of the concerned investment and its related returns.

Article 9. Application of other Obligations

1. If the provisions of the law of either Contracting Party or international obligations existing at present or established thereafter between the Contracting Parties, in addition to the present agreement, contain a rule, whether general or specific, entitling investments of investors of the other Contracting Party to the right of treatment that is more favorable than is provided for by the present agreement, such rule shall to the extent that it is more favorable prevail over the present agreement.

2. Each Contracting Party shall establish and maintain in its territory a legal framework that is to guarantee to the investors the maintenance of legal treatment including the observance, in good faith, of all pledges adopted regarding each particular investor.

Article 10. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Any investment dispute between a Contracting Party and an investor of the other Contracting Party shall be settled through negotiations.

2. Ifa dispute could not be settled according to Paragraph (1) of this article within six months from the date of a written notification, the dispute shall be settled, upon the request of the investor, as follows:

a. by acompetent court of the Contracting Party; or

b. through conciliation or arbitration by the International Centre for Settlement of Investment Disputes (ICSID), established by the Convention on the Settlement of Investment Disputes between States and Nationals of other States, opened for

signature in Washington on 18 March 1965. In case of arbitration, each Contracting Party irrevocably consents in advance by virtue of this agreement, even in the absence of an individual arbitration agreement between the Contracting Party and the investor, to submit any such dispute to this Centre. This consent implies the renunciation of any requirement for the exhaustion of administration or judicial remedies; or

c. through arbitration by three arbitrators in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL) as amended by the last amendment accepted by both Contracting Parties at the time of the request for initiation of the arbitration procedures. In case of arbitration, each Contracting Party irrevocably consents in advance, by virtue of this agreement, even in the absence of an individual arbitration agreement between the Contracting Party and the investor, to submit any such dispute to the mentioned tribunal.

3. The award shall be final and binding, and shall be executed according to the national law. Each Contracting Party shall ensure the approval and enforcement of the arbitral award in accordance with the relevant laws and regulations.

4. A Contracting Party that is a party to a dispute shall not, at any stage of settlement, arbitration or enforcement of an award, raise objections to an investor, who is the other party to the dispute, who has received compensation by virtue of a guarantee on all or part of his losses.

5. An investor who has submitted the dispute to a national court, in accordance with Paragraph (2)(a) of this article or to one of the arbitral tribunals mentioned in Paragraph (2)(b) and (c), shall not have the right to pursue his case in any other court or tribunal. The investor's choice of a court or arbitral tribunal shall be final and binding.

Article 11. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this agreement shall be settled through negotiations, where possible.

2. If such dispute could not be settled according to Paragraph (1) of this article within six months it shall, upon the request of either Contracting Party, be submitted to a special arbitral tribunal.

3. Such arbitral tribunal shall be constituted, on a case by case basis, as follows:

Each Contracting Party shall appoint one arbitrator and these two arbitrators shall agree over a national of a third State as their chairman. The arbitrators shall be appointed within two months from the date one Contracting Party informs the other Contracting Party of its desire to submit the dispute to an arbitral tribunal. The chairman shall be appointed within two further months.

4. If the periods specified in Paragraph (3) of this article are not observed, either Contracting Party may, in the absence of any other related arrangement, invite the President of the International Court of Justice to make the necessary appointments. If the President of the International Court of Justice is a national of either Contracting Party or if he is otherwise prevented from discharging the said function, the Vice-president should be invited to make the necessary appointment. If he is unable to do so, the member of the International Court of Justice next in seniority may be invited, under the same conditions, to make the necessary appointments.

5. The arbitral tribunal shall establish its own procedures.

Article 12. Application of the Agreement

This agreement shall apply to investments made before or after the entry into force of this Agreement, but shall not apply to any dispute regarding investments settled before its entry into force.

Article 13. Entry Into Force, Duration and Termination

1. The Contracting Parties shall inform each other of the completion of the internal procedures required for the agreement's entry into force. The agreement shall enter into force thirty days from the date of receipt of the latter of the notifications.

2. The agreement shall remain in force for ten (10) years, with the possibility of extending it for another ten (10) year period, and shall continue to indefinitely be in force, unless either Contracting Party informs the other Contracting Party, in writing, of its intention to terminate the agreement one year in advance.

3. With respect to investments made prior to the termination of this agreement, the provisions of articles 1 to 11 shall remain in force for a period of ten (10) years from the date of termination.

In witness whereof the undersigned duly authorized by their respective governments have signed this agreement.

Done at Baku, on 5 May 2008, in two original versions in the Arabic, Azerbaijani and English languages. All texts are considered equally authentic. In case of divergence in interpretation, the English text shall prevail.

For the Government of the Republic of Azerbaijan

For the Government of the Hashemite Kingdom of Jordan