AGREEMENT Between the Republic of Armenia and the Argentine Republic for the promotion and reciprocal protection of investments

The Government of the Republic of Armenia and the Government of the Argentine Republic hereinafter referred to as the Contracting Parties;

Desiring to create favourable conditions for greater economic co-operation between them and in particular for investments by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the promotion and reciprocal protection on of such investments the basis of an agreement will be conducive to the stimulation of 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" means, in conformity with the laws and regulations of the Contracting Party in whose territory the investment is made, every kind of asset invested by an investor of one Contracting Party, in accordance with the latter's laws. It includes in particular, though not exclusively:

(a) Movable and immovable property as well as any other property rights, such as mortgages, liens and pledges;

(b) Shares stocks and any other kind of participation in companies;

(c) Title to money and claims to performance having an economic value; loans only being included when they are directly related to a specific investment;

(d) Intellectual property rights, including in particular copyrights, patents, industrial designs, trademarks, trade names, technical processes, know-how and goodwill;

(e) Business concessions conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources.

Any alteration of the form in which assets are invested or reinvested shall not affect their character as investment.

(2) The term "investor" means:

(a) Any natural person who is a national of a Contracting Party in accordance with its laws;

(b) Any legal person constituted in accordance with the laws and regulations of a Contracting Party and having its seat in the territory of that Contracting Party;

(c) Any legal person, wherever "located, controlled, directly or indirectly, by nationals of a Contracting Party.

(3) The provisions of this Agreement shall not apply to the investments made by natural persons who are nationals of one Contracting Party in the territory of the other Contracting Party if such persons have, at the time of the investment, been domiciled in the latter Contracting Party for more than two years, unless it is proved that the investment was admitted into its territory from abroad.

(4) The term "returns" means amounts yielded by an investment and in particular, though not exclusively, includes profits, interests, capital gains, dividends, royalties, fees and other current income.

(5) The term "territory" means the national territory of either Contracting Party including those maritime areas adjacent to the outer limit of the territorial sea of the national territory, over which the Contracting Party concerned may, in accordance

with international law, exercise sovereign rights or jurisdiction.

(6) The term activities connected with investments shall include the organization, control, operation, maintenance and disposal of juridical persons, branches, agencies, offices, establishments or other facilities for the conduct of business, the acquisition, use, protection and disposal of property of all kinds, and intellectual and industrial property rights; and the borrowing of funds, the purchase issue of shares, and the purchase of foreign exchange for imports.

Article 2. Promotion and Protection of Investments

(1) Each Contracting Party undertakes to provide and maintain a favourable environment for existing or new investments, and reinvested returns of investors of the other Contracting Party and shall permit such investments to be established and acquired in its territory in accordance with its laws and regulations.

(2) Each Contracting Party shall ensure fair and equitable treatment to the investments by investors of the other Contracting Party and shall not impair by arbitrary or discriminatory measures the management, maintenance, use or enjoyment of investments or any other activities connected therewith in its territory of investors of the other Contracting Party.

(3) The Contracting Parties shall afford adequate opportunity for consultations concerning investment opportunities within the territory of each other in various sectors of the economy to determine where investments from one Contracting Party into the other may be most beneficial in the interest of both Contracting Parties.

(4) To attain the objectives of this Agreement, the Contracting Parties shall encourage and facilitate the formation of joint ventures between the investors of the Contracting Parties to establish, develop and execute investments projects in different economic sectors in accordance with the laws and regulations of the host Contracting Party.

(5) Investors of either Contracting Party shall be permitted to engage top managerial and technical personnel of their choice regardless of nationality.

(6) Subject to its laws and regulations relating to the entry and sojourn of aliens, nationals of either Party shall be permitted to enter and to remain in the territory of the other Contracting Party for the purpose of carrying out activities connected with investments in the territory of the latter Contracting Party.

Article 3. National Treatment and Most Favoured Nation Provisions

(1) Each Contracting Party shall accord investments and activities connected with these investments made in its territory by investors of the other Contracting Party treatment not less favourable than that which it accords in like situations to investments and activities connected therewith of its own investors or of investors of any third State.

(2) Each Contracting Party shall accord investors of the other Contracting Party, as regards management, maintenance, use, enjoyment, acquisition or disposal of their investments, or any activities connected therewith, treatment not less favourable than that which it accords to its own investors or to investors of any third State.

Article 4. Exceptions

The provisions of this Agreement relating to the granting of treatment not less favourable than that accorded by one Contracting Party to investors of any third State shall not be construed so as to oblige that Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

1) Participation in any existing or future free trade area, customs union, common market or similar international agreement to which either of the Contracting Parties is or may become a party, or

2) Any international agreement relating wholly or mainly to taxation, or any domestic legislation relating wholly or mainly to taxation.

3) The bilateral agreements providing for concessional financing concluded by the Republic of Argentina with Italy on 10 December 1987 and with Spain on 3rd June 1988.

Article 5. Nationalization or Expropriation

(1) Investments of investors of either Contracting Party shall not be nationalised, expropriated or subjected to direct or indirect measures having effect equivalent to nationalization or expropriation by the other Contracting Party unless:

a) The measures are taken in the public interest, on a non discriminatory basis, under due process of law and are not contrary to any undertaking which that Party may have given to the investor. The measures are accompanied by provisions for the payment of prompt, adequate and effective compensation;

b) Such compensation shall amount to the market value of the expropriated investment immediately before the expropriation or before the impending expropriation became public knowledge, shall include interest from the date of expropriation at a normal commercial rate, shall be paid without delay and shall be effectively realizable and freely transferable;

c) Where a Contracting Party nationalises or expropriates the investment of a legal person which is established or 1 ice need under the law in force in its territory and in which the investor of the other Contracting Party owns shares, stocks, debentures of other rights or interests, it shall ensure that prompt, adequate and effective compensation is received and allowed to be transferred. Such compensation shall be determined and paid in accordance with the provisions of paragraphs (1) and (2) of this Article.paragraphs (1) and (2) of this Article.

(2) The provisions of this Article shall also apply to the current returns from an investment as well as, in the event of liquidation, to the proceeds from the liquidation.

(3) Without restricting the generality of Articles 3 and 4, investors of either Contracting Party shall enjoy most-favoured-nation treatment in the territory of the other Contracting Party in respect of matters provided for in this Article.Articles 3 and 4, investors of either Contracting Party shall enjoy most-favoured-nation treatment in the territory of the other Contracting Party in respect of matters provided for in this Article.

Article 6. Transfers

(1) Each Contracting Party shall grant to investors of the other Contracting Party the unrestricted transfer of investments and returns and in particular, though not exclusively, of:

(a) The capital and additional sums necessary for the maintenance and development of the investments;

(b) Gains, profits, interests, dividends and other current income;

(c) Funds in repayment of loans as defined in Article 1, paragraph (1) c)paragraph (1) c)

(d) Royalties and fees;

(e) The proceeds from a total or partial sale or liquidation of an investment;

(f) Compensations provided for in article 5;article 5;

(g) The earnings of nationals of one Contracting Party who are a1 lowed to work in connection with an investment in the territory of the other.

(2) Without restricting the generality of Articles 3 and 4, the Contracting Parties undertake to accord to transfers referred to in this Article a treatment as favourable as that accorded to transfers originating from investments made by investors of any third State.Articles 3 and 4, the Contracting Parties undertake to accord to transfers referred to in this Article a treatment as favourable as that accorded to transfers originating from investments made by investors of any third State.

(3) Transfers shall be effected without delay, in a freely convert ible currency, at the normal appt i cable exchange rate at the date of the transfer, in accordance with the procedures established by the Contracting Party in whose territory the investment was made, which shall not impair the substance of the rights set forth in this Article.

Article 7. Subrogation

(1) If a Contracting Party (or its designated Agency) makes payment to any of its investors under an indemnity or a guarantee it has assumed in respect of an investment or any part thereof in the territory of the other Contracting Party, the latter Party, shall recognize:

(a) The right of the other Contracting Party (or its designated Agency) arising from the assignment whether under law or pursuant to a "legal transaction, and

(b) That the other Contracting Party (or its designated Agency) is entitled by virtue of subrogation to enforce such right to the same extent as its predecessor in title.

(2) As regards the transfer or payments made by virtue of such assigned claims or rights, Article 6 shall apply mutatis mutandis.Article 6 shall apply mutatis mutandis.

Article 8. Settlement of Disputes between the Contracting Parties

(1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement should, if possible, be settled through the diplomatic channel.

(2) If a dispute between the Contracting Parties cannot thus be settled within six months from the beginning of the negotiations, it shall upon the request of either Contracting Party be submitted to an arbitral tribunal.

(3) Such an arbitral tribunal shall be constituted for each individual case in the following way. Within two months of the receipt of the request for arbitration, each Contracting Party shall appoint one member of the tribunal. Those two members shall then select a national of a third State who on approval by the two Contracting Parties shall be appointed Chairman of the tribunal. The Chairman shall be appointed within two months from the date of appointment of the other two members.

(4) If within the periods specified in paragraph (3) of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, 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 International Court of Justice next in seniority who is not a national of either Contracting Party shall be invited to make the necessary appointments.paragraph (3) of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of any other agreement, 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 International Court of Justice 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 on both Contracting Parties. Each Contracting Party shall bear the cost of its own member of the tribunal and of its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall in principle be borne in equal parts by the Contracting Parties. The tribunal may, however, in its decision direct that a higher proportion of costs shall be borne by one of the two Contracting Parties and this award shall be binding on both Contracting Parties. The tribunal shall determine its own procedure.

Article 9. Settlement of Disputes between an Investor and the Host Contracting Party

(1) Any dispute which arises within the terms of this Agreement concerning an investment between an investor of one Contracting Party and the other Contracting Party shall, if possible, be settled amicably.

(2) If the dispute cannot thus be settled within six months following the date on which the dispute has been raised by either party, it may be submitted, upon request of the investor, either to:

□ the competent tribunal of the Contracting Party in whose territory the investment was made;

□ international arbitration according to the provisions of paragraph (3).

Where an investor has submitted a dispute to the aforementioned competent tribunal of the Contracting Party where the investment has been made or to international arbitration, this choice shall be final.

(3) In case of international arbitration, the dispute shall be submitted, at the investors choice, either to:

□ The International Centre for the Settlement of Investments Disputes (ICSID) created by the Convention on the Settlement of investment Disputes Between States and Nationals of the other States opened for signature in Washington on 18 March 1965, once both Contracting Parties herein become members thereof. As far as this provision is not complied with, each Contracting Party consents that the dispute be submitted to arbitration under the regulations of the ICSID Additional Facility for the Administration of Conciliation, Arbitration and Fact-Finding Proceedings, or

□ An arbitration tribunal set up from case to case in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

(4) The arbitration tribunal shall decide in accordance with the provisions of this Agreement, the laws of the Contracting Party involved in the dispute, including its rules on conflict of law, the terms of any specific agreement concluded in relation to such an investment and the relevant principles of international law.

(5) The arbitral decisions shall be final and binding for the parties in the dispute. Each Contracting Party shall execute them in accordance with its laws.

Article 10. Other Rules

(1) If the provisions of law of either Contracting Party or international obligations existing at present or established hereafter between the Contracting Parties contain a regulation, whether general or specific, entitling in vestments by investors of the other Contracting Party to a treatment more favourable than is provided for by the present Agreement, such regulation shall to the extent that it is more favourable prevail over the present Agreement.

(2) Each Contracting Party shall observe any obligation it may have entered into with regard to investments of investors of the other Contracting Party.

Article 11. Application of the Agreement

(1) The provisions of the present Agreement shall apply irrespective of the existence of diplomatic or consular relations between the Contracting Parties.

(2) This Agreement shall apply to all investments, whether made before or after the date of entry into force of this Agreement, but the provisions of this Agreement shall not apply to any dispute, claim or difference, which arose before its entry into force.

Article 12. Entry Into Force

This Agreement shall enter into force on the latter date on which either Contracting Party notifies the other that its constitutional requirements for the entry into force of this Agreement have been fulfilled.

Article 13. Duration and Termination

(1) This Agreement shall remain in force for a period of ten (10) years. Thereafter it shall remain in force until the expiration of twelve months from the date that either Contracting Party in writing notifies the other Contracting Party of its decision to terminate this Agreement.

(2) In respect of investments made prior to that date when the not ice of termination of this Agreement becomes effective, the provisions of Articles 1 to 12 shall remain in force for a further period of ten (10) years from that date.Articles 1 to 12 shall remain in force for a further period of ten (10) years from that date.

Done in Buenos Aires on the 16th of April 1993, in two originals, in Armenian, Spanish and English languages, all texts being equally authentic. In case there is any divergence of interpret at ion of the provisions, the English text shall however, prevai1.

1 At the time of signing the Agreement between the Republic of Armenia and the Republic of Argentina concerning the Promotion and Protection of Investments, the undersigned have agreed upon the following provisions which shall form an integral part of the Agreement:

The Contracting Party in whose territory the investments are undertaken may require the proof of the control invoked by the investors of the other Contracting Party. The following facts, inter alia, shall be accepted as evidence of the control.

I) the status of an affiliate of a company of the other Contracting Party;

Ii) a direct or indirect participation in the capital of a company which allows an effective control as, in particular, a direct or indirect participation higher than 50% of the capital;

Iii) The direct or indirect possession of the votes necessary to obtain a dominant position in the company organs or to influence the fund toning of the legal person in a decisive way.

Done in Buenos Aires on the 16th of April 1993, in two originals, in the Armenian, Spanish and English language, being equal1y authentic. In case there is any divergence of interpretation of the provisions, the English text shall, however, prevai1.