AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF INDIA AND THE GOVERNMENT OF THE UNITED ARAB EMIRATES ON THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the United Arab Emirates and the Government of the Republic of India (hereinafter collectively referred to as the Contracting Parties)

Desiring to create conditions favorable for fostering greater Investment by Investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the encouragement and reciprocal protection of such Investment, made in accordance with the laws and regulations of the host Contracting Party will be conducive to the stimulation of individual 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 every kind of asset invested by the Investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws, and regulations of the Contracting Party in whose territory the investment is made and in particular, though not exclusively, includes:

(i) movable and immovable property as well as any other property rights in rem such as mortgages, liens, pledges, or usufruct;

(ii) shares, stocks, bonds, debentures and any other similar forms of participation in a company and other debts and loans and securities issued by an Investor of a Contracting Party and returns retained for the purpose of reinvestment;

(iii) rights or claims to money or to any performance under contract having financial or economic value;

(iv) intellectual property rights, goodwill, technical processes, know-how, copyrights, trademarks, trade names and patents in accordance with the relevant laws of the respective Contracting Parties;

(v) any right conferred by law or by virtue of any licenses or permits granted pursuant to law, excluding any right conferred in respect of hydrocarbons.

Any change of the form in which assets are invested or reinvested does not affect their character as Investment.

2. "Investor" means any national, company or government of a Contracting Party.

3. "National" means a natural person holding the nationality of a Contracting Party in accordance with its applicable law.

4. "Returns" means the monetary amounts yielded by an Investment such as profit, interest, capital gains, dividends, royalties, management and technical fees.

5. "Territory" means:

i) In respect of India: the territory of the Republic of India including its territorial waters and the airspace above it and other maritime zones including the Exclusive Economic Zone and continental shelf over which the Republic of India has sovereignty, sovereign rights or exclusive jurisdiction in accordance with its laws in force, the 1982 United Nations Convention on the Law of the Sea and International Law;

ii) In respect of United Arab Emirates: the territory of the United Arab Emirates its territorial sea, airspace and submarine

areas over which the United Arab Emirates exercises in conformity with international law and the law of United Arab Emirates sovereign rights, including the Exclusive Economic Zone and the mainland and islands under its jurisdiction in respect of any activity carried on in connection with the exploration for or the exploitation of the natural resources;

6. The term "freely usable currency" means any currency that is widely used to make payments for international transactions and is widely traded in the principal exchange markets;

7. the term "Company" means:

a) in respect of India: corporations, firms and associations incorporated or constituted or established under the law in force in any part of India;

b) in respect of United Arab Emirates: any juridical person or other entity legally constituted under the laws and regulations of UAE and its local governments such as institutions, development funds, authorities, foundations, establishments, agencies, enterprises, cooperatives, partnerships, corporations, companies, firms, organizations and business associations or similar entities irrespective of whether their liabilities are limited or otherwise.

8. "Measure" means any form of binding action taken by a Contracting Party under any law, rule or regulation and applied directly to an Investment.

Article 2. Scope of the Agreement

1. This Agreement shall apply to all Investments made by investors of one Contracting Party in the territory of the other Contracting Party, whether made before or after the coming into force of this Agreement, but shall not apply to any dispute arising out of any Measure applied to an Investment before the entry into force of this Agreement.

2. A Measure defined under Article 1(8) which was applied with the consent of the Investor or any other person (s) who effectively owns and controls the Investor at any point of time will be outside the scope of this Agreement.

3. Without prejudice to any bilateral agreement on taxation between the Contracting Parties, the provisions of this Agreement shall not apply to any matter relating to taxation.

Article 3. Encouragement 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 admit such investments in accordance with its laws and policy.

2. The Contracting Parties shall encourage and facilitate the formation and establishment of appropriate legal entities by Investors in order to establish, develop and execute Investment projects in different economic sectors as may be permitted by the laws and regulations of the host Contracting Party.

3. Each Contracting Party shall, in its territory, endeavor to take necessary measures as may be applicable for granting of appropriate facilities incentives and other forms of encouragement for Investments made by investors of the other Contracting Party.

4. Neither Contracting Party shall place any constraints on the movement of goods or persons directly connected with an Investment, being transported subject to international agreements governing such transport which are in force between the Contracting Parties.

Article 4. Protection of Investments

1. Investments by Investors of either Contracting Party shall enjoy full protection and security in the territory of the other Contracting Party in a manner consistent with the provisions of domestic laws of the host Contracting Party, this Agreement and applicable rules of international law. Neither Contracting Party shall in any way impair by arbitrary or discriminatory Measures, the management, maintenance, use, enjoyment, or disposal of Investments.

2. Each Contracting Party shall endeavor to make public all laws, regulations, policies and procedures that pertain to or directly affect Investments in its territory made by Investors of the other Contracting Party.

3. Once established, Investments shall not be subjected in the host Contracting Party to additional performance requirements which may hinder or restrict the management, maintenance, use, enjoyment or disposal of Investments unless such requirements are deemed vital for reasons of public order, public health or environmental concerns and are enforced by law for general application.

4. Each Contracting Party shall maintain a favorable environment for investments in its territory by investors of the other Contracting Party. Each Contracting Party shall in accordance with its applicable laws and regulations ensure to Investors of the other Contracting Party, the right of access to its courts of justice, administrative tribunals and agencies, and all other bodies exercising adjudicatory authority and the right to employ persons of their choice, for the purpose of assertion of claims and the enforcement of rights with respect to their Investments.

5. In case of liquidations of an Investment, the proceeds from liquidation shall be accorded the same forms of protection and treatment as the initial Investment, including those accorded by virtue of Article 5 hereunder.

Article 5. Treatment of Investments

1. Each Contracting Party shall, at all times, ensure Investments made in its territory by investors of the other Contracting Party, fair and equitable treatment. Such treatment shall not be less favorable than that which it accords to investments of its own investors or investors of any third Party, whichever is the most favorable.

2. Each Contracting Party shall accord to investors of the other Contracting Party as regards compensation, transfers, management, use, enjoyment or disposal of their Investments treatment no less favorable than that which it accords to Investments by its own investors or by investors of any third Party, whichever is the most favorable.

3. Notwithstanding the provisions of any bilateral investment treaties that the Contracting Parties have signed with other countries before or after the entry into force of this Agreement, this Article shall not apply to procedural or jurisdictional matters.

4. However, the provisions of this Article shall not be construed to oblige one Contracting Party to extend to the Investors of the other Contracting Party the benefits of any treatment, preference or privilege resulting from:

a) any customs union, economic union, free trade area, monetary union or other form of regional economic arrangement or other similar international agreement, to which either of the Contracting Parties, is or may become a party, or

b) any international or regional agreement or any other matter relating wholly or mainly to taxation.

5. A Contracting Party shall not discriminate against Investments by Investors of the other Contracting Party in favour of Investments by its own investors or investors of a third Party in respect of the purchase of materials, energy, fuel or of means of production, transport or operation of any kind or restrict the marketing of products inside or outside its territory.

Article 6. Compensation for Damage or Loss

1. When Investment made by Investors of either 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 other Contracting Party, they shall be accorded by the latter Contracting Party, treatment, as regards restitution, indemnification, compensation or other settlement, not less favorable than that which the latter Contracting Party accords to its own investors or to investors of any third Party whichever is the most favorable.

2. Without prejudice to 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) Requisition of their Investment or property by its forces or authorities; or

(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 expeditious, adequate and effective 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 usable currency and be freely transferable without delay.

Article 7. Expropriation

1. a) Investments made by investors of one Contracting Party in the territory of the other Contracting Party shall not be nationalized, expropriated, dispossessed or subjected to direct or indirect Measures having effect equivalent to nationalization, expropriation or dispossession (hereinafter collectively referred to as expropriation) by the other Contracting Party except for a public purpose related to the internal needs of that Contracting Party and against expeditious, adequate and effective compensation and on condition that such Measures are taken on a non-discriminatory

basis and in accordance with the procedures established under law.

b) Such compensation shall amount to the actual value of the expropriated Investment and shall be determined and computed on the basis of the fair market value of the expropriated Investment at the time immediately before the expropriator/ action was taken or the impending expropriation became publicly known, whichever is earlier (hereinafter referred to as the valuation date). Such compensation shall include interest at the prevailing commercial market rate, however, in no event less than the prevailing six month LIBOR-rate of interest or equivalent, from the date of expropriation until the date of payment.

c) Where the above-mentioned fair market value cannot be readily ascertained, the compensation shall be determined on equitable principles taking into account all relevant factors and circumstances, such as the capital invested, the nature and duration of the Investment, replacement value, book value and goodwill. The amount of compensation finally determined shall be expeditiously paid to the Investor in a freely convertible currency and allowed to be freely transferable without delay.

2. The investor affected shall have a right, under the law of the Contracting Party making the expropriation, to review, by a judicial or other independent authority of that Party, of his or its case and of the valuation of his or its Investment in accordance with the principles set out in clause (1) of this Article. The Contracting Party making the expropriation shall make every endeavor to ensure that such review is carried out promptly.

3. Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under its applicable law in force in any part of its own territory, and in which Investors of the other Contracting Party own shares, stocks, debentures or other rights of interest it shall ensure that the provisions of clause (1) of this Article are applied to the extent necessary to ensure fair and equitable compensation in respect of their Investment to such Investors of the other Contracting Party who are owners of such rights or interest.

4. The term expropriation shall also apply to interventions or regulatory Measures by a Contracting Party such as the freezing or blocking of the Investment, compulsory sale of all or part of the Investment, or other comparable Measures, that have a *de facto* confiscatory or expropriatory effect in that their effect results in totally or near totally depriving the investor from the ownership, control or substantial benefits over fiis Investment or which may result in total or near total loss or damage to the economic value of his investment.

Article 8. Transfer of Payments Related to Investments

1. Each Contracting Party shall permit investors of the other Contracting Party the transfer of payments in connection with an investment into and out of its territory, including the transfer of:

a) the initial capital and any additional capital for the maintenance, management and development of the Investment;

b) returns;

c) payments under a contract, including amortization of principal and accrued interest payments made pursuant to a loan agreement;

d) royalties and fees referred to in Article 1 (4);

e) proceeds from sale or liquidation of the whole or any part of the Investment, including shares;

f) earnings and other remuneration of personnel engaged from abroad in connection with the Investment;

g) payments of compensation pursuant to Articles 6 and 7;

h) payments referred to in Article 9; and

i) Payments arising out of the settlement of disputes.

2. Transfers of payments under clause (1) of this Article shall be effected without delay or restrictions and, except in the case of payments in kind, in a freely convertible currency. In case of such delay in effecting the required transfers, the Investor affected shall be entitled to receive simple interest for the period of such delay.

3. Transfers shall be made at the spot market rate of exchange prevailing on the date of transfer for the currency to be transferred. In the absence of a market for foreign exchange, the rate to be applied will be the most recent rate applied to inward investments or the exchange rate determined in accordance with the regulations of the International Monetary Fund or the exchange rate for conversion of currencies into special drawing rights or United States Dollars, whichever is the most

favorable to the Investor.

Article 9. Subrogation

1. If a Contracting Party, its designated agency or a company or other enterprise constituted or incorporated in that Contracting Party ("Indemnifying Party"), other than an investor, makes a payment under an indemnity or guarantee against non-commercial risk it has assumed in respect of an Investment in the e territory of the other Contracting Party ("host Contracting Party"), or otherwise acquires part or all of the rights and claims of such an Investment as a result of the complete or partial default of the Investor, the host Contracting Party shall recognize:

a) the assignment to the Indemnifying Party by law or by legal transaction or part or all of the rights and claims resulting from such an Investment;

b) that the Indemnifying Party is entitled to exercise such rights and claims and shall assume all obligations related to the Investment by virtue of subrogation, to the same extent as its predecessor in title or the original Investor; and

c) the subrogated rights or claims shall not exceed the original rights or claims of such Investor.

The Indemnifying Party shall be entitled, in all circumstances, to;

a) the same treatment in respect of the rights and claims acquired and the obligations assumed by it by virtue of the assignment referred to in paragraph 1 above; and

b) any payments received in pursuance of those rights and claims;

As the original Investor was entitled to receive by virtue of this Agreement in respect of the Investment concerned.

Notwithstanding the provisions of clause (1) of this Article, subrogation shall take place in either of the Contracting Parties only after the approval of the Contracting Party', if such an approval is required.

Without prejudice to Article 8 any payments received in local currency by the Indemnifying Party in pursuance of the rights and claims acquired shall be freely available to the indemnifying Party for the purpose of meeting any expenditure incurred in the territory of the host Contracting Party.

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

1. Disputes arising between a Contracting Party and an investor of the other Contracting Party in respect of an investment under this Agreement shall be governed by this Article.

2. In the context of Republic of India, this Article shall cover measures underlying a dispute taken by the Central Government and/or the state governments while exercising their executive powers in accordance with the Constitution of India.

3. In the context of the United Arab Emirates, this Article shall cover measures underlying a dispute taken by the Federal Government and/or the Local Governments of the member Emirates while exercising their executive powers.

4. Any dispute arising between a Contracting Party and an investor of the ether Contracting Party in respect of an Investment under this Agreement shall, as far as possible, be settled amicably through negotiations between the parties to the dispute. For the purpose of this provision, a Notice of Dispute (Notice of Dispute) shall be served by the investor containing the following:

a) The name and the address of the disputing Investor where a claim is made by an Investor of a Contracting Party in respect of an investment made in the territory of the other Contracting Party;

b) The relevant provisions of this Agreement alleged to have been breached;

c) The issues and the factual basis for the claim; and

d) The relief sought and the approximate amount of damages claimed.

5. If such dispute cannot be settled amicably within a period of six months from the date of receipt of Notice of Dispute, the dispute may be submitted to one of the following dispute settlement mechanisms:

a) the International Center for Settlement of Investment Disputes (the Center), established pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington, 18 March 1965 (the Washington Convention") if both Contracting Parties are parties to the Washington Convention or

b) an arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL), in force at the time of the commencement of the dispute; or

c) the competent court of the Contracting Party in the territory of which the investment is made.

Once the investor has submitted the dispute under any of the procedures stipulated under sub-clause (a) to (c) of clause (5) of this Article, that choice shall be final and binding on that investor.

6. If the Investor concerned chooses to submit the dispute to international arbitration as per sub-clause a or (b) of clause (5) of this Article, it shall give the other Contracting Party at least ninety (90) days advance written notice of its intention to submit the dispute to arbitration.

7. In case the dispute is submitted to an arbitral tribunal established under the Arbitration Rules of UNCITRAL in force at the time of the commencement of the dispute under sub-clause (b) of clause (5) of this Article, it shall be subject to the following modifications:

a) The arbitral tribunal shall be comprised of three arbitrators with relevant expertise, one arbitrator appointed by each of the disputing parties and the third, who shall be the Chairman, appointed by agreement of the co-arbitrators. The parties shall appoint their respective arbitrators within sixty (60) days from the expiry of the ninety (90) day notice period referred to under clause (6) of this Article. The third arbitrator shall not be a national of either Contracting Party or a national of a country with which either Contracting Party does not have diplomatic or consular relations.

b) If the third arbitrator has not been appointed within sixty days (60) days from the date both parties have appointed their respective arbitrators, the appointing authority under this Article shall be in the following order:

(i) the President; or

(ii) the Vice-President; or

(iii) the next most senior Judge of the International Court of Justice.

The appointing authority under this sub-clause shall not be a national of either Contracting Party or a national of a country with which either Contracting Party does not have diplomatic or consular relations.

c) the arbitral tribunal shall state the basis and reasons of its award.

d) The arbitral tribunal shall reach its award based upon the provisions of this Agreement and the relevant domestic laws of the Contracting Party where the investment is made. In reaching its decision, the arbitral tribunal shall accord a high level of deference to the relevant domestic laws and policies of the Contracting Party where the investment is made.

e) The tribunal shall reach its decision by a majority of votes. The award shalla be final and binding on both parties.

f) The parties to the arbitration shall share the costs of the arbitration, including the arbitrator fees expenses, allowances and other costs in equal proportion. Each party, shall bear the cost of its representation in the arbitral proceedings

8. This Article shall not be applied on the following situations:

a) If there is a written contract or agreement between a Contracting Party and an investor, the dispute shall only be resolved in accordance with the procedure specified in that contract or agreement; or

b) If more than five (5) years have elapsed from the date on which the investor first acquired, or ought to have with reasonable diligence knowledge, first acquired, knowledge of the measure underlying the dispute in question and the knowledge that the investment had incurred substantial loss or damage as a result of such Measure.

Article 11. Settlement of Disputes between Contracting Parties

1. The Contracting Parties shall as far as possible, settle any dispute concerning the interpretation or application or execution of this Agreement through consultations or other diplomatic channels.

2. If the dispute has not been settled within six months following the date on which such consultations or other diplomatic channels were requested by either Contracting Party and unless the Contracting Parties otherwise agree in writing, either Contracting Party may, by written notice to the other Contracting Party, submit the dispute to an ad hoc arbitral tribunal in accordance with the following 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 with whom both the Contracting Parties have diplomatic relations, as Chairman of the arbitral tribunal to be appointed by the two Contracting Parties. Such members shall be appointed within two months, and such Chairman within four 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 complied with, 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 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 of the International Court of Justice shall be invited to make necessary appointments. If the Vice-President of the International Court of Justice 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 take its decision by a majority of votes. Such decision shall be made in accordance with the provisions of this Agreement and applicable rules of international law and shall be final and binding on both Contracting Parties. Each Contracting Party shall bear the costs of the member of the arbitral tribunal appointed by the Contracting Party, as well as the costs of its representation in the arbitration proceedings. The expenses of the Chairman as well as any other costs of the arbitration proceedings shall be borne in equal parts by the two Contracting Parties. However, the arbitral tribunal may, at its discretion, direct that a higher proportion or all of such costs be paid by one of the Contracting Parties. In all other respects, the arbitral tribunal shall determine its own procedures.

Article 12. Entry and Sojourn of Personnel

Investors of either Contracting Party shall be permitted to engage top managerial and technical personnel of their choice regardless of nationality and each Contracting Party shall in this respect make available all necessary facilities to the extent permitted by its laws and regulations. Each Contracting Party shall, subject to its laws and regulations relating to the entry, stay and work of natural person, examine in good faith and give sympathetic consideration to request by investor of the other Contracting Party and key personnel who are employed by such investors including family members, to enter, leave and remain temporarily in its territory for the purpose of carrying out activities connected with the investment.

Article 13. Application Cf other Rules

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

Article 14. Applicable Law

1. Except as otherwise provided in this Agreement, all Investmems shall be governed by the laws in force in the territory of the Contracting Party in which such investments are made.

2. Nothing in this Agreement precludes the host Contracting Party from taking necessary reasonable Measures in accordance with its laws applied generally on a non-discriminatory basis, in circumstances of extreme emergency for the specific purposes of prevention of diseases or pests.

Article 15. Amendment

The Agreement may be amended at any time at the request of either Contracting Party and the requesting Contracting Party shall submit its request on writing explaining the grounds on which the amendment shall be made.

Article 16. Consultation

Either Contracting Party may request consultation with the other Contracting Party with respect to any Measure underlying a dispute taken by either Contracting Party, or any other issue relating to the interpretation, application and amendment of this Agreement. The other Contracting Party shall respond promptly.

Article 17. Entry Into Force

Each Contracting Party shall notify the other that its constitutional requirements for the entry into force of this Agreement have been fulfilled, and the Agreement shall enter into force on the thirtieth day after the date of receipt of the latter notification.

Article 18. Duration and Termination

This Agreement shall remain in force for a period of ten (10) years. During that period and no later than 01-01-2016, both Contracting Parties shall commence renegotiation of the terms of this Agreement and endeavour to enter into a revised or new Agreement within a reasonable period. When both Contracting Parties agree on the revised or new Agreement, the same shall supersede the existing Agreement from the date of its entry into force.

In witness whereof the undersigned duly authorized thereto by their respective Governments, have signed this Agreement.

Done in two originals at New Delhi on this Twelfth (12th) day of December 2013, corresponding to, Ninth Safar 1435 in the Arabic, Hindi and english languages, all texts being equally authentic. In case of divergence in interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF INDIA

(Namo Narain Meena)

Minister of State for Finance

FOR THE GOVERNMENT OF THE UNITED ARAB EMIRATES

(Obaid Humaid Al Tayer)

Minister of State for Financial Affairs