AGREEMENT ON THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS BETWEEN THE UNITED MEXICAN STATES AND THE KINGDOM OF SPAIN

The United Mexican States and the Kingdom of Spain, hereinafter referred to as the "contracting parties",

Desiring to intensify economic cooperation in the mutual benefit of both countries;

Aiming to create favourable conditions for investments by investors of one Contracting Party in the territory of the other party; and

Recognizing that the promotion and protection of investments under this Agreement stimulate initiatives in this field,

Have agreed as follows:

Article I. Definitions

For the purposes of this Agreement, the term:

1. ICSID means the International Centre for Settlement of Investment Disputes;

2. ICSID Convention means the Convention on the Settlement of Investment Disputes between States and Nationals of Other States;

3. New York Convention means the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards;

4. Investment means, inter alia, the following assets owned or controlled by investors of one Contracting Party and established in the territory of the other Contracting Party in accordance with the legislation of the latter:

a) An enterprise;

b) Actions, social partners and other forms of equity participation in an enterprise;

c) Debt instruments of an enterprise

(i) Where the enterprise is an affiliate of the investor, or

(ii) Where the original maturity of the debt instrument is at least three years,

But does not include an obligation of a Contracting Party or a state enterprise, regardless of original maturity date;

d) A loan to an enterprise

(i) Where the enterprise is an affiliate of the investor, or

(ii) Where the original maturity of the loan is at least three years,

But does not include a loan to a contracting party or a state enterprise, regardless of original maturity date;

e) Ownership of movable or immovable property rights such as mortgages and other pledges and usufructs or tangible or intangible property, including industrial and intellectual property rights acquired or used for other economic activities or business purposes;

f) The rights resulting from the amount of capital or other resources in the territory of a contracting party to economic activity in the territory of the other contracting party, including those arising from a contract or concession;

This definition are excluded from monetary claims derived exclusively from:

(i) Commercial contracts for the sale of goods or services by a national or enterprise in the territory of a contracting party to an enterprise in the territory of the other Contracting Party; or

(ii) The granting of credit in connection with a commercial transaction, such as trade financing, except a loan covered by subparagraph (d); (d);

5. Investors means:

a) Natural persons having the nationality of a Contracting Party according to its legislation; or

b) Companies, legal entities, including companies, associations of companies, corporations, branches and other organizations, which are duly constituted or otherwise organized under the law of a Contracting Party and having their headquarters in the territory of that Contracting Party;

That has made an investment in the territory of the other contracting party.

6. Territory means the land territory, internal waters and the territorial sea of each Contracting Party as well as the exclusive economic zone and the continental shelf extending beyond the limits of the territorial waters of each of the Contracting Parties on which they are or may have jurisdiction or sovereign rights in accordance with international law;

7. UNCITRAL Arbitration Rules means the Arbitration Rules of the United Nations Commission on International Trade Law.

Article II. Promotion and Admission

1. Each Contracting Party shall admit investments by investors of the other Contracting Party in accordance with its laws.

2. In order to encourage mutual investment flows, the Contracting Parties shall exchange information to facilitate the knowledge of the conditions and opportunities for investments in their territories.

Chapter II: investment protection

Article III. National Treatment and Most-favoured-nation Treatment

1. Each Contracting Party shall accord in its territory to investments of investors of the other Contracting Party A treatment no less favourable than that accorded to investments in like circumstances of its own to investors or investments of investors of any third State, whichever is more favourable to the investor.

2. Each Contracting Party shall accord to investors of the other contracting party, as regards the management, maintenance, enjoyment and use, sale or liquidation of investments in its territory treatment no less favourable than that accorded in like circumstances to its own investors to investors or of any third State, whichever is more favourable to the investor.

3. The treatment granted under paragraphs 1 and 2 above shall not be construed as to oblige either contracting party to extend to the investors of the other contracting party and their investments the benefit of any treatment, preference or privilege resulting from: paragraphs 1 and 2 above shall not be construed as to oblige either contracting party to extend to the investors of the other contracting party and their investments the benefit of any treatment, preference or privilege resulting from:

a) Any association or its participation in existing or future free trade area, customs union, economic or monetary or in any other form of regional economic organization or similar international agreement, or

b) Any international agreement relating wholly or mainly to taxation or any other arrangement or domestic legislation relating wholly or mainly to taxation.

Article IV. Minimum Standard of Treatment

1. Each Contracting Party shall accord to investments of investors of the other contracting party treatment in accordance with customary international law, including Fair and Equitable Treatment and full protection and security.

2. A determination that there has been a violation of any provision of this Agreement or of a separate international agreement does not establish that there has been a violation of this article.

Article V. Expropriation and Nationalization

1. No Contracting Party or expropriated nacionalizará an investment, either directly or indirectly through measures equivalent to expropriation or nationalization (expropriation), except:

a) For a public purpose;

b) On a non-discriminatory basis;

c) Under the principle of legality; and

d) Through the payment of compensation in accordance with paragraph 2 siguiente.párrafo 2 below.

2. The compensation shall:

a) It shall be equivalent to the fair market value of the expropriated investment immediately before the expropriation took place. the fair market value shall not reflect any change in value occurring because the expropriation had become publicly known earlier.

Valuation criteria shall include going concern value, including asset value declared tax value of tangible property as well as other criteria that are relevant to determine fair market value.

b) It shall be paid without delay.

c) Shall include at a commercially reasonable interest rate for that currency in which payment is made, from the date of expropriation until the date of payment.

d) It shall be fully realized and freely transferable.

3. The Investor affected shall have a right under the law of the contracting party making the expropriation, to prompt review by a judicial authority or another competent and independent authority of that Contracting Party of its case, to determine whether such expropriation and the valuation of its investment have been adopted in accordance with the principles set out in this article.

Article VI. Losses

Investors of one Contracting Party whose investments in the territory of the other contracting party suffer losses owing to war or other armed conflict, a national state of emergency, revolt or riot or other similar circumstances, shall be accorded restitution, indemnification, compensation or other settlement, a treatment no less favourable than that which it accords to its own investors to investors or of any third State.

Article VII. Transfers

1. Each Contracting Party shall ensure that all transfers relating to an investment of an investor of the other Contracting Party may be made freely and without delay. transfers shall be made in a freely convertible currency at the rate of exchange prevailing on the date of transfer. such transfers shall include:

a) Profits, dividends, interests, capital gains, payment of royalties, fees payments; management of technical assistance and other fees and other amounts derived from the investment;

b) Products derived from the sale of all or part of the investment or from the partial or complete liquidation of the investment;

c) Payments made under a contract of which is a party to an investor or investment including its payments made pursuant to a loan agreement;

d) Resulting payments of compensation for expropriation or compensation for losses; and

e) Payments arising out of the implementation of the provisions relating to the settlement of disputes.

2. Notwithstanding the preceding paragraph, a Contracting Party may prevent a transfer through the equitable and non-discriminatory and in good faith to its legislation in the following cases:

a) Bankruptcy or insolvency or the protection of the rights of creditors;

b) Issuance, trade or operations;

c) Criminal or administrative offences;

d) Reports of transfers of currency or other monetary instruments; or

e) Guarantee of compliance with judgments in contentious proceedings.

3. In case of a fundamental imbalance in the balance of payments or a threat thereof, a Contracting Party may temporarily restrict transfers provided that such a contracting party incorporate measures or a programme in accordance with international standards. these restrictions should be imposed on an equitable, non-discriminatory basis and in good faith.

Article VIII. Subrogation

If a Contracting Party or an entity designated by it has provided any financial guarantee on non-commercial risks in connection with an investment made by its investors in the territory of the other Contracting Party and from the first time that the contracting party or its designated agency makes payment under the first guarantee granted by the contracting party or its designated entity shall direct beneficiaries of any payments to which the investor could be secured. in the event of a dispute, the investor may initiate or participate in proceedings before national courts or tribunals of international arbitration in accordance with chapter III.

Chapter III: settlement of disputes

Section 1: disputes between investors and a contracting party of the other Contracting Party

Article IX. Notification and Consultation

1. Any dispute between a Contracting Party and an investor of the other Contracting Party arising out of an alleged breach of an obligation under this Agreement shall be notified in writing by the investor Contracting Party to the recipient of the investment. to the extent possible, the parties to the dispute seek to settle the dispute by means of a friendly settlement.

2. The notice of intent shall specify:

a) The name and address of the investor combatant and, when the claim is made by an investor on behalf of an enterprise in accordance with article X, the name and address of the enterprise; Article X, the name and address of the enterprise;

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

c) A summary of the factual and legal issues surrounding the claim; and

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

The notice of intent shall be accompanied by the documents necessary to demonstrate the identity of the investor combatant and, where appropriate, the company. furthermore, if necessary, be accompanied letter power of attorney or document'proving sufficiently empowered to act on behalf of the investor litigants.

3. If the dispute cannot be settled in this way within six months from the date of the written notification mentioned in paragraph 1 above shall be subject to the dispute settlement mechanism provided in this sección.párrafo 1 above, shall be subject to the dispute settlement mechanism provided in this section.

Article X. Aim , Scope and Time Limits

1. The Investor claiming before any court or administrative tribunal that the contracting party has failed to fulfil an obligation under this Agreement, may not submit a claim under this section. an investor may not make a claim under this section on behalf of an enterprise, whichever argued before any court or administrative tribunal that the contracting party has failed to fulfil an obligation under this Agreement.

2. A corporation incorporated under the laws of a Contracting Party may not submit a claim to the same arbitration against contracting party.

3. An investor of a Contracting Party may, on their own account or on behalf of an enterprise owned or controlled, directly or indirectly, to submit a claim to arbitration in the sense that the other contracting party has failed to fulfil an obligation under this agreement, if the investor or its investment has incurred loss or damage by virtue of the alleged violation or as a result of it.

4. An investor may not make a claim under this section if more than three years have elapsed from the date on which the

investor knew or should have had knowledge of the alleged breach and the loss or damage.

5. An investor litigants may submit a claim to arbitration only if:

a) The Investor expresses its consent to arbitration in accordance with the procedures set out in this section; and

b) The Investor waives its right to initiate or continue any proceedings before an administrative tribunal or court under the law of a contracting party or other dispute settlement procedures with respect to the measure of a Contracting Party combatant constituting an alleged breach of an obligation of this agreement except those procedures in which is requested precautionary measures of suspensive effect, declaratory or special, not involving damages before an administrative tribunal or court under the law of the contracting party litigants. where the claim is for loss or damage to an interest in an enterprise of the other Contracting Party that is a juridical person owned or controlled by an investor, the company also submit such waiver.

6. An investor litigants may submit a claim to arbitration on behalf of an enterprise of the other Contracting Party that is a juridical person that the investor owns or controls, only if both the investor and the Enterprise:

a) Express their consent to arbitration in accordance with the procedures set out in this section; and

b) Waive their right to initiate or continue any proceedings before an administrative tribunal or court under the law of a contracting party or other dispute settlement procedures with respect to the measure of a Contracting Party combatant constituting an alleged breach of an obligation under this agreement except those procedures in which is requested precautionary measures of suspensive effect, declaratory or special, not involving the payment of damages before an administrative tribunal or court under the law of the contracting party litigants.

7. The consent and waiver required by this article shall be in writing, be delivered to the contracting party combatant and included in the submission of a claim to arbitration.

Article XI. The Arbitration

1. Provided that six months have elapsed from the date of the submission of the notice of intent referred to in article IX litigants, the investor may submit the claim to arbitration under article IX: litigants, the investor may submit the claim to arbitration under:

a) The ICSID Convention provided that both parties are contracting parties to the Convention;

b) The rules of ICSID Additional Facility if one of the contracting parties, but not both, is a party to the ICSID Convention;

c) The UNCITRAL Arbitration Rules; or

d) Any other arbitration rules if the parties involved so agree.

2. The ICSID Convention or the above-mentioned rules shall govern the arbitration except to the extent modified by this section.

Article XII. Consent

1. Each Contracting Party gives its unconditional consent to the submission of a dispute to international arbitration in accordance with the procedures set out in this section.

2. The consent under paragraph 1 and the submission of a claim to arbitration by an investor combatant shall comply with the requirements set out in paragraph 1 and the submission of a claim to arbitration by an investor combatant shall comply with the requirements set out in:

a) Chapter II of the ICSID Convention (Jurisdiction of the Centre) and the rules of ICSID Additional Facility which require the written consent of the Parties; and

b) Article II of the New York Convention for an agreement in writing.

Article XIII. Number of Arbitrators and Method of Appointment

1. The Tribunal shall be composed of three arbitrators, unless the parties agree otherwise contending uneven number of arbitrators. each of the Parties involved shall appoint an arbitrator; the third arbitrator who shall be the Chair of the arbitral tribunal shall be appointed by mutual agreement of the Parties to the conflict.

2. The arbitrators to be designated under this article shall be experienced in International Law and investment.

3. Where a tribunal established under this article shall not be integrated within a period of 90 days from the date that the claim is submitted to arbitration, either as a combatant party does not appoint an arbitrator or warring parties fail to agree on the designation of the Chairman of the arbitral tribunal, the Secretary-General of ICSID, at the request of any of the Parties, at its discretion, shall appoint the arbitrator or arbitrators not yet appointed. however, in case of the appointment of the Chairman of the Tribunal, the Secretary-General of ICSID shall ensure that the Chairman shall not be a national of a Contracting Party or a national of the contracting party of the investor litigants.

Article XIV. Cumulation of Procedures

1. It may accumulate procedures in the following cases:

a) Where an investor combatant submit a claim on behalf of a company which is controlled, directly or indirectly, in parallel, and one or more investors that have participation in the same enterprise, but without the control of claims for own account as a result of the infringement; or

b) Submitted to arbitration where two or more claims that arise in common issues of fact or law.

2. A party who seeks litigants determined cumulation, shall request the Secretary-General to establish a tribunal of ICSID and in the request shall specify:

a) The name of the Contracting Party or investors fighting against which the order is sought to obtain cumulation;

b) The nature of the order sought and cumulation;

c) The rationale underlying the request.

3. The Tribunal cumulation will be in accordance with the UNCITRAL Arbitration Rules and shall conduct as laid down in these rules, except as provided in this section.

4. The Tribunal shall decide on the jurisdiction of cumulation which will be subject to the claims and shall jointly such claims, except that determines that the interests of any of the parties involved.

5. If the Tribunal determines that cumulation procedures or claims submitted to arbitration under article X raise issues of fact or law, the Tribunal, in the interest of fair and efficient resolution and, having heard warring parties may assume jurisdiction and article X: resolving issues of fact or law, the Tribunal, in the interest of fair and efficient resolution and, having heard warring parties may assume jurisdiction and resolve:

a) All or part of the procedures jointly; or

b) One or more of the claims contained in these procedures, on the basis of which would contribute to the resolution of the others.

6. Within 60 days of the date of receipt of the request, the Secretary-General of ICSID, having heard warring parties for which it seeks an order of cumulation, shall establish a tribunal composed of three arbitrators. an arbitrator shall be a national of the Contracting Party combatant; an arbitrator shall be a national of the contracting party of the investors. a third arbitrator who will serve as the Chairman of the arbitral tribunal shall not be a national of one of the Contracting Parties. nothing in this paragraph shall preclude the investor and the contracting party opposing combatants appoint the members of the Tribunal by a special agreement.

Article XV. Applicable Law

1. Any tribunal established under this section shall decide the dispute to be submitted to it in accordance with the provisions of this Agreement and the applicable rules and principles of international law.

2. The interpretation formulated by the contracting parties agree on a provision of this Agreement shall be binding on a tribunal established in accordance with the same procedure.

Article XVI. Final Award

1. Where a tribunal established under this section and an award rendered unfavourable to one of the Contracting Parties, the Tribunal shall decide separately or jointly:

a) The payment of monetary damages and any applicable interest;

b) Restitution of property in which case the award shall provide that the Contracting Party may pay pecuniary damage, plus interest, in lieu of restitution.

2. Where an investor makes a claim on behalf of an enterprise:

a) The award granted monetary damages and any applicable provide that interest shall be the sum paid to the enterprise;

b) The award for the restitution of property that shall provide restitution be made to the enterprise.

3. The award shall be made without prejudice to any right that any person with legal interest in the relief under applicable domestic law.

4. The arbitral award shall be public.

Article XVII. Implementation of Award

1. An award made by a tribunal established under this section shall be binding only for opposing parties and only in respect of the particular case.

2. The Parties involved shall abide by and comply with an award without delay.

3. The Contracting Party concerned shall provide for the enforcement of an award in its territory.

4. The Investor litigants may seek enforcement of an arbitration award under the ICSID Convention or the New York Convention.

5. For the purposes of article I of the New York Convention, it shall be considered that the claim is submitted to arbitration under this section arises out of a commercial relationship or transaction.

Article XVIII. Payments Under a Contract of Insurance or Guarantee

In an arbitration under this section, a contracting party not used as a defense, contra-reclamación, right of set-off or other litigant, that the investor has received or will receive pursuant to a contract of insurance or guarantee, indemnification or other compensation for all or part of the alleged damages.

Section 2: disputes between the Contracting Parties

Article XIX. Disputes between the Contracting Parties

1. Any dispute between the contracting parties concerning the interpretation or application of this Agreement shall be settled as far as possible, by mutual agreement.

2. If the dispute cannot be settled in this way within six months from the beginning of negotiations, the dispute shall be submitted, at the request of either of the contracting parties to an arbitration tribunal.

3. The arbitration tribunal shall be constituted as follows: each Contracting Party shall appoint one arbitrator and these two arbitrators shall elect a national of a third State as Chairman. the arbitrators shall be appointed within three months and the Chairman within five months from the date on which either Contracting Party has informed the other of its intention to submit the dispute to an arbitration tribunal.

4. If one of the Contracting Parties has not appointed its arbitrator within the deadline, the other Contracting Party may invite the President of the International Court of Justice to make the appointment. if the two arbitrators cannot reach an agreement on the appointment of the third arbitrator within the prescribed period, either Contracting Party may invite the President of the International Court of Justice to make the appointment.

5. If in the cases referred to in paragraph 4 above, the President of the International Court of Justice cannot discharge the said function or is a national of either Contracting Party, the Vice-President shall be invited to make the necessary appointments. if the Vice-President cannot discharge the said function or is a national of either Contracting Party, the appointment shall be made by the most senior member of the said Court who is not a national of any party contratantes.párrafo 4 above, the President of the International Court of Justice cannot discharge the said function or is a national of either Contracting Party, the Vice-President shall be invited to make the necessary appointments. if the Vice-

President cannot discharge the said function or is a national of either Contracting Party, the appointment shall be made by the most senior member of the said Court who is not a national of either of the Contracting Parties.

6. The arbitral tribunal established under this section shall decide the dispute in accordance with this Agreement and applicable rules and principles of international law.

7. Unless the Contracting Parties decide otherwise, the tribunal shall determine its own procedure.

8. The tribunal shall reach its decision by a majority of votes and it shall be final and binding on the contracting parties.

9. Each Contracting Party shall bear the costs of the arbitrator appointed by it and its representation in the arbitral proceedings. the other expenses, including the President, shall be borne in equal parts by the contracting parties.

Chapter IV Final provisions

Article XX. Additional Obligations

If the obligations arising out of an international agreement to which both parties are contracting parties contain rules under which must be accorded to investors and to investments of investors of the other contracting party to a more favourable treatment than that provided for in this Agreement, such rules shall prevail over this agreement to the extent that they are more favourable.

Article XXI. Scope

This Agreement shall also apply to investments made before its entry into force by investors of one Contracting Party in accordance with the laws of the other Contracting Party in the territory of the latter.

Article XXII. Entry Into Force

1. Each Contracting Party shall notify the other in writing and through diplomatic channels on the fulfilment of their constitutional requirements in relation to the approval and Entry into Force of this Agreement.

2. This Agreement shall enter into force thirty days after the latter two of the notifications referred to in paragraph 1 above anterior.párrafo 1.

Article XXIII. Duration and Termination

This agreement is concluded for a period of 10 years. thereafter it shall continue in force until the expiration of twelve months from the date on which either contracting party notifies the other in writing of its intention to terminate it. the provisions of this Agreement shall remain in force in respect of investments made during its effect for a period of ten years from the date of termination and thereafter without prejudice to the application of the general rules of International Law.

Article XXIV. Repeal

This Agreement after its Entry into Force, repeals and replaces the Agreement for the reciprocal promotion and protection of investments between the United Mexican States and the Kingdom of Spain, which entered into force on 18 December 1996. however, a claim submitted to arbitration before the Entry into Force of this Agreement shall be settled in accordance with the previous agreement.

This is a faithful and complete copy in English to the Agreement on the reciprocal promotion and protection of investments between the United Mexican States and the Kingdom of Spain, signed in Mexico City on 10 October two thousand and six.

I, this twenty four pages useful in Mexico City, Federal District, on 7 April two thousand and eight in order to incorporate the decree promulgating. record -. - heading.