AGREEMENT ON RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS BETWEEN THE GOVERNMENT OF HUNGARY AND THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN

PREAMBLE

The Government of Hungary and the Government of the Islamic Republic of Iran and hereinafter referred to as the "Contracting Parties";

Desiring to intensify economic cooperation to the mutual benefit of both Contracting Parties;

Recognizing that these objectives should be achieved in a manner consistent with the promotion and protection of public health, environment, security, safety, and sustainable development as well as with the promotion of internationally recognized labour rights and principles of corporate social responsibility;

Acknowledging the rights and responsibilities of the Contracting Parties to regulate investment within their territories in order to meet legitimate policy objectives;

Aiming to secure an overall balance of rights and obligations between investors and the host state;

Intending to create and maintain favourable conditions for investments of the investors of the Contracting Parties in each others' territory ;

Have agreed as follows:

Article 1. DEFINITIONS

For the Purpose of this Agreement:

1. The term "investment" refers to every kind of asset invested by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter and shall include in particular:

(a) movable and immovable property as well as any rights in rem such as mortgages, liens, pledges and similar rights;

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

(c) claims to money or to any performance having an economic value related to an investment;

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

(e) any right conferred by law or under contract and any licenses and permits pursuant to law, including the right to search for, extract, cultivate or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their character as investment on condition that this alteration is made in accordance with the laws and regulations of the Contracting Party in the territory of which the investment has been made, provided that such alterations are approved by the responsible authority of the host state, if so required.

2. The term "investor" shall mean any natural or legal person of one Contracting Party that has made an investment in the territory of the other Contracting Party within the framework of this Agreement:

(a) The term "natural person" shall mean any natural person having the nationality of either Contracting Party in accordance with its laws and not having the nationality of the host state.

(b) The term "legal person" shall mean with respect to either Contracting Party, any legal entity incorporated or constituted in accordance with its laws, having its headquarters or principal place of business with substantial business activities in the territory of one Contracting Party.

An "investor" should have substantial business activities in the territory of the other Contracting Party with significant physical presence in connection with its investment. "Significant physical presence" does not include, for example, sales offices without other operational facilities, post office box-based business or other types of business with no or limited presence.

3. The term "returns" refers to the amounts legally yielded by an investment in particular including profits, interest, capital gains, dividends, royalties and fees.

4. The term "territory" shall mean:

(a) in the case of Hungary, the territory over which Hungary exercises, in conformity with international law, sovereignty, sovereign rights or jurisdiction;

(b) in the case of the Islamic Republic of Iran the term refers to areas under sovereignty or jurisdiction, as the case may be, of the Islamic Republic of Iran including maritime areas.

5. The term "freely convertible currency" means the currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets provided it is not contrary to the regulations of either of the Contracting Parties, and independently from how the International Monetary Fund determines the scope of freely convertible, or freely usable currency.

Article 2. PROMOTION AND PROTECTION OF INVESTMENTS

1. Each Contracting Party shall in its territory, within the framework of its laws and regulations, create favourable conditions for attraction of investments of investors of the other Contracting Party.

2. Each Contracting Party shall accord at all times in its territory to investments made by investors of the other Contracting Party and to investors with respect to their investments fair and equitable treatment and full protection and security in accordance with paragraphs 3-6.

3. A breach of the obligation of fair and equitable treatment referred to in paragraph 2 may be found where a measure or series of measures constitutes:

(a) denial of justice in criminal, civil or administrative proceedings;

(b) fundamental breach of due process, including a fundamental breach of transparency and obstacles to effective access to justice, in judicial and administrative proceedings;

(c) manifest arbitrariness;

(d) targeted discrimination on manifestly wrongful grounds, such as gender, race or religious belief; or

(e) harassment, coercion, abuse of power or similar bad faith conduct.

4. For greater certainty, "full protection and security" refers to the Contracting Party's obligations relating to physical security of investors and investments.

5. A determination that there has been a breach of another provision of this Agreement, or of a separate international agreement, does not establish a breach of this Article that there has been a breach of fair and equitable treatment or full protection and security under this Article.

6. The Contracting Parties recognize that it is inappropriate to encourage investment by relaxing core labour standards, public health, safety or environmental measures. They shall not waive or otherwise derogate from or offer to waive or otherwise derogate from, such measures as encouragement for the establishment, acquisition, expansion or retention in their territories, of an investment.

Article 3. NATIONAL AND MOST-FAVOURED-NATION TREATMENT

1. Each Contracting Party shall in its territory accord to investors of the other Contracting Party and their investments and returns of investments treatment which is no less favourable than that which it accords, in like situations, to its own

investors or their investments and returns of investments with respect to the management, conduct, operation, maintenance, use, enjoyment and sale or other disposal of their investments in its territory.

2. Each Contracting Party shall in its territory accord to investors of the other Contracting Party and their investments and returns of investments treatment which is no less favourable than that which it accords, in like situations, to the investors of any third State or their investments and returns of investments with respect to the management, conduct, operation, maintenance, use, enjoyment and sale or other disposal of their investments in its territory.

3. For greater certainty, the "treatment" referred to in paragraph (2) of this Article does not include procedures for the resolution of investment disputes between investors and states provided for in other international investment treaties and any other agreements. Substantive obligations in other international investment treaties and other trade agreements do not in themselves constitute "treatment", and thus cannot give rise to a breach of this Article, absent measures adopted or maintained by a Party pursuant to those obligations.

4. The National Treatment and Most-Favoured-Nation Treatment provisions of this Agreement shall not apply to advantages accorded by a Contracting Party pursuant to its obligations as a member of a customs, economic, or monetary union, a common market or a free trade area.

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

(a) any forms of multilateral agreements on investments to which either of the Contracting Parties is or may become a party;

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

6. For greater certainty, a determination of whether an investment or an investor is in like situations for the purposes of paragraphs 1 and 2 of this Article shall be made based on an assessment of the totality of circumstances related to the investor or the investment, including:

(a) the effect of the investment on

i. the local community where investment is located;

ii. the environment, including effects that relate to the cumulative impact of all investments within a jurisdiction;

(b) the character of the measure, including its nature, purpose, duration and rationale; and

(c) the regulations that apply to investments or investors.

7. A measure of the Contracting Party that treats investors of the other Contracting Party or their investments less favourably than:

(a) its own investors or their investments is not inconsistent with paragraph 1 of this Article; or

(b) investors of another State or their investments is not inconsistent with paragraph (2) of this Article;

if it is adopted and applied by the Contracting Party in pursuit of a legitimate public purpose that is not based on the nationality of the investor or of nationality of the owner of an investment, either explicitly or factually, including the protection of health, safety, the environment, and internationally and domestically recognized labour rights, or the elimination of bribery and corruption, and it bears a reasonable connection to the stated purpose.

8. Paragraph (2) of this Article shall not apply to:

(a) treatment by the Contracting Party under any bilateral or multilateral international agreement in force or signed by the Contracting Party prior to the date of entry into force of this Agreement;

(b) treatment by the Contracting Party pursuant to:

i. bilateral or multilateral agreement establishing, strengthening or expanding a free trade area, customs union, common market, labour market, integration commitment or similar international agreement; or

ii. investment contract concluded between host state and investor promoting investment of such investor; or

(c) for the avoidance of any doubt, any provisions of Article 14 of this Agreement.

Article 4. INVESTMENT AND REGULATORY MEASURES

1. The provisions of this Agreement shall not affect the right of the Contracting Parties to regulate within their territories through measures necessary to achieve legitimate policy objectives, such as the protection of public health, safety, environment or public morals, social or consumer protection or promotion and protection of cultural diversity. The provisions of this Agreement shall not be interpreted as a commitment from a Party that it will not change the legal and regulatory framework, including in a manner that may negatively affect the operation of investments or investor's expectations of profits.

2. For greater certainty, the mere fact that a Contracting Party regulates, including through a modification of its laws and regulations, in a manner which negatively affects an investment or interferes with an investor's expectations, including its expectations of profits, does not amount to a breach of an obligation under this Agreement.

3. For greater certainty, a Contracting Party's decision not to issue, renew or maintain subsidy or grant:

(a) in the absence of any specific commitment under law or contract to issue, renew, or maintain that subsidy or grant; or

(b) if the decision is made in accordance with the terms or conditions attached to the issuance, renewal or maintenance of the subsidy or grant, if any,

does not constitute a breach of the provisions of this Agreement.

4. For greater certainty, nothing in this Agreement shall be construed as preventing a Contracting Party from discontinuing the granting of a subsidy or requesting its reimbursement where such measure has been ordered by a competent court, administrative tribunal or other competent authority, or requiring that Contracting Party to compensate the investor therefor.

Article 5. EXPROPRIATION AND COMPENSATION

1. Investments and returns of investments of investors of either Contracting Party shall not be nationalized, confiscated, expropriated or subjected to similar measures by the other Contracting Party except such measures are taken for public purposes, in accordance with due process of law, in a non-discriminatory manner, and where effective and appropriate, prompt compensation is paid. The amount of compensation shall be paid without delay.

2. The compensation mentioned in paragraph 1 of this Article shall be equivalent to the market value of the expropriated investment immediately before the expropriation occurred or the impending expropriation became public knowledge, whichever is the earlier, and shall include interest on basis of international banking practice from the date the compensation is due until the date of actual payment, and shall be made without delay, be effectively realizable and be freely transferable in a freely convertible currency.

3. The determination of whether a measure or series of measures of the Contracting Party constitute measures having equivalent effect to expropriation requires a case-by-case, fact-based inquiry that considers:

(a) the economic impact of the measure or series of measures, although the sole fact that a measure or series of measures of the Contracting Party has an adverse effect on the economic value of an investment does not establish that such measure or series of measures constitute measures having equivalent effect to expropriation or nationalization;

(b) the extent to which the measure or series of measures interfere with distinct, reasonable investment-backed expectations arising out of the Contracting Party's prior binding explicit written commitment directly and specifically to the investor; and

(c) the character of the measure or series of measures, including their nature, object, content, duration and rationale.

4. Non-discriminatory measures of the Contracting Party that are designed and applied to protect legitimate public welfare objectives, such as health, safety and the environment, which are taken in good faith, which are not arbitrary, and which are not disproportionate in light of their purpose, do not constitute measures having equivalent effect to expropriation or nationalization.

Article 6. COMPENSATION FOR LOSSES

1. When investments or returns of investments of investors of either Contracting Party suffer losses owing to war, armed conflict, a state of national emergency, revolt, insurrection, 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 favourable than that which the latter Contracting Party accords to its own investors or to investors of any third State whichever is more favourable.

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 losses in the territory of the other Contracting Party resulting from:

(a) requisitioning of their investment or a part thereof by its forces or authorities;

(b) destruction of their investment or a part thereof 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 by the Contracting Party, in whose territory the losses occurred, prompt, appropriate and effective restitution or compensation without undue delay.

Article 7. TRANSFERS

1. The Contracting Parties shall permit the free transfer of payments related to investments and returns. The transfers shall be made in a freely convertible currency and in accordance with the laws and regulations of the Contracting Party where investments were made without any restriction and undue delay. Such transfers shall include in particular, though not exclusively:

(a) capital and additional amounts to maintain or increase the investment;

(b) returns as defined in paragraph (3) of Article 1 of this Agreement;

(c) the amounts required for payment of expenses which arise from the operation of the investment, such as payment of royalties and license fees or other similar expenses;

(d) payments in connection with contracts, including loan agreements;

(e) proceeds of the total or partial sale or liquidation of the investment;

(f) the wages or other similar earnings of natural persons engaged from abroad, in connection with an investment, subject to the laws and regulations of the Contracting Party, in which the investment has been made;

(g) compensations owed pursuant to Articles 5 and 6 of this Agreement;

(h) payments arising out of settlement of a dispute under Article 14 of this Agreement.

2. The transfers shall be made after the investor fulfilled all of its related financial obligations according to the laws in force of the Contracting Party in the territory of which the investment was made.

3. Nothing in this Article shall be construed to prevent a Party from applying in an equitable and non-discriminatory manner and not in a way that would constitute a disguised restriction on transfers, its laws relating to:

(a) bankruptcy, insolvency or protection of the rights of creditors;

(b) issuing, trading or dealing in securities;

(c) criminal or penal offences;

(d) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities;

(e) social security, public retirement and compulsory savings programs

(f) the satisfaction of judgements in adjudicatory proceedings.

4, For the purpose of this Agreement, exchange rates shall be the rate published, in accordance with the laws and regulations of the Contracting Party which has admitted the investment, by the financial institution effecting the transfer unless otherwise agreed. Should such rate not exist the official rate has to be applied unless otherwise agreed.

Article 8. SUBROGATION

1. If a Contracting Party or its designated agency makes a payment to its own investors under a guarantee or insurance it

has accorded in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize:

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

(b) that the former Contracting Party or its designated agency is entitled by virtue of subrogation to exercise the rights and enforce the claims of that investor and shall assume the obligations related to the investment.

2. The subrogated rights or claims shall not exceed the original rights or claims of the investor.

Article 9. DENIAL OF BENEFITS

A Contracting Party may deny the benefits of this Agreement to an investor of the other Contracting Party that is a legal person and to investments of that investor, if investors of a third state own or control the first mentioned investor and:

(a) the investor has no substantial business activities in the territory of the Contracting Party under whose law itis constituted, or

(b) the denying Contracting Party adopts or maintains measures with respect to the third state that prohibit transactions with such investor and its investments or that would be violated or circumvented if the benefits of the Agreement were accorded to the investments of investor.

Article 10. GENERAL EXCEPTIONS

1. Subject to the requirement that such measures are not applied in a manner that would constitute arbitrary or unjustifiable discrimination between investments or between investors, nothing in this Agreement shall be construed to prevent the Contracting Party from adopting or enforcing measures necessary:

(a) to protect public security or public morals or to maintain public order;

(b) to protect human, animal or plant life or health;

(c) to ensure compliance with laws and regulations; or

(d) for the conservation of living or non-living exhaustible natural resources.

2. Nothing in this Agreement shall prevent the Contracting Party from adopting or maintaining reasonable measures for prudential reasons, including:

(a) the maintenance of the safety, soundness, integrity or financial responsibility of financial institutions;

(b) ensuring the integrity and stability of the Contracting Party's financial system.

3. (a) Nothing in this Agreement shall be construed to prevent a Contracting Party from adopting or maintaining measures that restrict transfers where the Contracting Party experiences serious balance of payments difficulties, or the threat thereof, and such restrictions are consistent with paragraph b.

(b) Measures referred to in paragraph a. shall be equitable, neither arbitrary nor unjustifiably discriminatory, in good faith, of limited duration and may not go beyond what is necessary to remedy the balance of payments situation. A Contracting Party that imposes measures under this Article shall present as soon as possible a time schedule for their removal. Such measures shall be taken in accordance with other international obligations of the Contracting Party concerned, including those under the Articles of Agreement of the International Monetary Fund.

4. The provisions of this Agreement shall not apply to public health insurance, or public pension schemes.

5. The dispute settlement according to Article 14 shall not be considered as treatment, preference or privilege.

Article 11. ESSENTIAL SECURITY INTERESTS

1. Nothing in this Agreement shall be construed:

(a) to require any Contracting Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests; or

(b) to prevent any Contracting Party from taking any action that it considers necessary for the protection of its essential security interests:

i. relating to the traffic in arms, ammunition and implements of war and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment;

ii, measures taken in time of war or other emergency in international relations; or

iii. relating to the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices.

2. A Contracting Party's essential security interests may include interests and measures deriving from its membership in a customs, economic, or monetary union, a common market or a free trade area.

Article 12. APPLICABILITY OF THE AGREEMENT

1. This Agreement shall apply to all investors and investments made by investors of either Contracting Party in the territory of the other Contracting Party, admitted in accordance with its laws and regulations, whether made before or after the entering into force of this Agreement, but shall not apply to any dispute or claim concerning an investment which arose or which was settled before the entry into force of this Agreement.

In the case of the Islamic Republic of Iran this Agreement shall apply only to investments approved by the competent authority that is the Organization for Investment, Economic and Technical Assistance of Iran (O.I.E.T.A.I.) or any other authority which may succeed it.

2. For greater certainty, this Agreement provides only post establishment treatment and protection and does not cover the pre-establishment phase or matters of market access.

Article 13. TRANSPARENCY AND PUBLICATION OF INFORMATION

1. Each Contracting Party shall publish, or otherwise make publicly available, its laws and regulations of general application as well as international agreements which may affect the investments of investors of the other Contracting Party in the territory of the former Contracting Party.

2. Nothing in this Article shall require the Contracting Party to furnish or allow access to any confidential or proprietary information, including information concerning particular investors or investments, the disclosure of which would impede law enforcement or be contrary to domestic laws protecting confidentiality, or would prejudice legitimate commercial interests of particular investors.

Article 14. SETTLEMENT OF DISPUTES BETWEEN A CONTRACTING PARTY AND INVESTOR(S) OF THE OTHER CONTRACTING PARTY

1. If any dispute arises between the host Contracting Party and investor(s) of the other Contracting Party with respect to an investment, the host Contracting Party and the investor(s) shall primarily endeavour to settle the dispute in an amicable manner through consultation.

2. The consultation starts on the date when the disputing investor of one Contracting Party requests consultation in written notification from the other Contracting Party. In order to facilitate the amicable settlement of the dispute the written notice shall specify the issues, the factual basis of the dispute, the findings of the disputing investor (including any supporting documents) and their presumed legal basis. Unless otherwise agreed, at least one consultation shall be held within 90 days from the date on which the disputing investor of one Contracting Party has requested consultation from the other Contracting Party in written notification.

3. If any dispute between an investor of one Contracting Party and the other Contracting Party cannot thus be settled within a period of six months following the date of receipt of the written notification, either of them, while notifying the other side simultaneously in writing, shall be entitled to submit the dispute either to:

(a) the competent court of the Contracting Party in the territory of which the investment has been made; or

(b) an ad hoc arbitral tribunal established in accordance with the Arbitration Rules of United Nations Commission on International Trade Law (UNCITRAL). The parties to the dispute may agree in writing to modify those Rules; or

(c) any other form of dispute settlement agreed upon by the parties to the dispute.

4, Once a dispute has been submitted to the court or an arbitral tribunal mentioned in paragraph 3 (a)-(c) the investor shall have no recourse to the other dispute settlement fora listed in paragraph 3 (a)-(c).

5. An investor may submit a dispute as referred to in paragraph 1 and 2 to arbitration in accordance with paragraph 3 only if not more than 2 years have elapsed from the date on which the alleged breach has occurred, If the claimant fails to submit a claim within this period the claimant shall be deemed to have waived its rights to bring a claim and may not submit a claim to arbitration under this Article.

6. Arbitrators appointed to arbitration tribunal under this Article shall have expertise or experience in public international law, in particular international investment law. It is desirable that they have expertise or experience in resolution of disputes arising under international investment agreements.

7. Arbitrators and their staff and assistants shall be independent of, and not be affiliated with or take instructions from the claimant or the respondent or the government of a Contracting Party with regard to investment matters. Arbitrators shall not take instructions from any organization, government or disputing parties with regard to matters related to the dispute. They shall not participate in the consideration of any disputes that would create a direct or indirect conflict of interest. In addition, they shall refrain from acting as counsel or as party-appointed expert or witness in any pending or new investment protection dispute under this or any other agreement or domestic law.

8. The applicable arbitration rules shall govern the arbitration to the extent modified by this Article or in accordance to this Agreement.

9. Arbitration established under this Article shall decide the issues in dispute in accordance with:

(a) this Agreement; and

(b) applicable rules and principles of international law.

10. The tribunal referred to in paragraph 3 bc. shall not have jurisdiction to determine the legality of a measure, alleged to constitute a breach of this Agreement, under the domestic law of a Party. For greater certainty, in determining the consistency of a measure with this Agreement, the tribunal may consider, as appropriate, the domestic law of a Party as a matter of fact. In doing so, the tribunal shall follow the prevailing interpretation given to the domestic law by the courts or authorities of that Party and any meaning given to domestic law by the tribunal shall not be binding upon the courts or authorities of that Party.

11. A joint interpretation of the Contracting Parties, exchanged through diplomatic channels, interpreting a provision of this Agreement shall be binding on the arbitral tribunal, and any decision or award issued by a tribunal must be consistent with that interpretation.

12. The awards of arbitration shall be final and binding on the parties to the dispute and shall be executed in accordance with the law of the Contracting Party in the territory of which the investment has been made and the award is relied upon, by the date indicated in the award.

13. The UNCITRAL rules on transparency in treaty-based investor-State arbitration shall apply to arbitration proceedings initiated against Hungary under this Agreement. The Islamic Republic of Iran shall duly consider the application of the UNCITRAL rules on transparency in treaty-based investor-state arbitration to arbitration proceedings initiated against the Islamic Republic of Iran under this Agreement. Nothing in this Agreement or the applicable arbitration rules shall prevent the exchange of information between the European Union and Hungary or vice versa relating to a dispute.

14. Upon entry into force between the Contracting Parties of an international agreement providing for a multilateral investment tribunal and/or a multilateral appellate mechanism applicable to disputes under this Agreement, the relevant parts of this Agreement shall cease to apply.

Article 15. SETTLEMENT OF DISPUTES BETWEEN THE CONTRACTING PARTIES

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

2. If the dispute cannot be thus settled within six months, it shall upon the request of either Contracting Party, be submitted to an Arbitral tribunal of three members, in accordance with the provisions of this Article.

3. The arbitral tribunal shall be constituted for each individual case in the following way. Within two months (sixty days) from

the date of the receipt of the request for arbitration, each Contracting Party shall appoint one member of the tribunal. These two members shall then select a national of a third State who shall be appointed the Chairman of the tribunal (hereinafter referred to as the "Chairman"). The Chairman shall be appointed within three months from the date of appointment of the other two members. The Chairman shall be a national of a state having diplomatic relations with both Contracting Parties at the time of appointment.

4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, a request may be made to the President of the International Court of Justice to make the appointments. If the President happens to be a national of either Contracting Party, or if the President is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointments. If the Vice-President also happens to be a national of either Contracting Party or 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 appointments.

5. The arbitral tribunal shall reach its decision by a majority of votes.

6. The tribunal shall issue its decision on the basis of the provisions of this Agreement, as well as of the applicable rules and principles of international law.

7. Subject to other provisions made by the Contracting Parties, the tribunal shall determine its procedure.

8. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitral proceedings; the cost of the Chair and the remaining costs shall be borne in equal parts by both Contracting Parties. The arbitral tribunal may make a different regulation concerning the costs.

9. The decisions of the tribunal are final and binding for each Contracting Parties.

Article 16. FINAL PROVISIONS, ENTRY INTO FORCE, DURATION, TERMINATION AND AMENDMENTS

1. This Agreement shall apply without prejudice to the obligations of the Contracting Parties deriving from their membership or participation in any existing or future customs unions, economic union, regional economic integration agreement or similar international agreement such as the European Union. Consequently the provisions of this Agreement may not be invoked or interpreted, neither in whole nor in part, in such a way as to invalidate, amend or otherwise affect the obligations of the Contracting Parties from such membership or participation.

2. This Agreement shall be approved by the competent authorities of each Contracting Party in accordance with their laws and regulations. The Contracting Parties shall notify each other through diplomatic channels that their internal procedure requirements for the entry into force of this Agreement have been complied with. This Agreement shall enter into force sixty (60) days after the receipt of the last notification.

3. This Agreement shall remain in force for a period of ten years and afterwards shall continue to be in force, unless one of the Contracting Parties notifies the other Contracting Party in writing about the termination of the Agreement at least one year before the end of the initial ten-year period or anytime thereafter. The Agreement will be terminated twelve months from the date on which either Contracting Party has given written notice of termination to the other Contracting Party.

4. In respect of investments made prior to the termination of this Agreement, the provisions of this Agreement shall continue to be effective for a period of ten years from the date of termination.

5. This Agreement may be amended by written agreement between the Contracting Parties. Any amendment shall be an integral part of the Agreement and enter into force under the same procedure required for entering into force of the present Agreement.

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

DONE in duplicate at Tehran, this day December, 4, 2017 corresponding to Azar 13, 1396 (Solar Hijri), in Hungarian, Persian and English languages, all texts being equally authentic. In case of any divergence of interpretation, the English text shall prevail.