AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MAURITIUS AND THE GOVERNMENT OF BARBADOS FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Republic of Mauritius and the Government of Barbados (hereinafter referred to as the Contracting Parties),

Desiring to create favourable conditions for greater flow of investments by investors of one Contracting Party in the territory of the other Contracting Party,

Recognising that the promotion and reciprocal protection of such investments will be conducive to the stimulation of individual business initiatives and will increase prosperity in the territories of both Contracting Parties,

Hereby agree as follows:

Article 1. Definitions

1. For the purposes of this Agreement,

(a) "investment" means every kind of asset invested by investors of one Contracting Party in accordance with the laws and regulations of the other Contracting Party in the territory of the latter, and in particular, though not exclusively, includes: (i) Movable and immovable property and any other property rights such as mortgages, liens and pledges;

(ii) Shares, stock, debentures and any other kind of participation in companies;

(iii) Claims to money or to any other performance under contract having an economic value;

(iv) Intellectual property rights, goodwill, technical processes and know-how; and

(v) Concessions conferred by law or under contract, including concessions to search for, cultivate, extract, or exploit natural resources;

(b) "investor" means in respect of either Contracting Party: (i) A natural person who has the nationality of the Contracting Party in accordance with its applicable law; or

(ii) An entity constituted or organised under the applicable law of the Contracting Party including a company, corporation, partnership, sole proprietor, association, body or organisation;

(c) "return" means the amount yielded by an investment and in particular profits, dividends, interests, capital gains, royalties and fees; page

(d) "territory" means (i) In the case of the Republic of Mauritius: (A) All the territories and islands which, in accordance with the laws of Mauritius, constitute the State of Mauritius;

(B) The territorial sea of Mauritius; and

(C) Any area outside the territorial sea of Mauritius which in accordance with international law has been or may hereafter be designated under the laws of Mauritius as an area, including the Continental Shelf, within which the rights of Mauritius with respect to the sea, the sea-bed and sub-soil and their natural resources may be exercised;

(ii) In the case of Barbados, the territorial waters thereof, including any area outside such territorial waters which in accordance with international law and the laws of Barbados is an area within which the rights of Barbados with respect to the sea, the sea-bed and sub-soil and their natural resources may be exercised.

2. Any change in the form in which assets are or have been invested does not affect their character as investments as

defined in this Agreement.

Article 2. Scope of the Agreement

This Agreement shall apply to investments which are made prior to or after its entry into force by investors of either Contracting Party in accordance with the laws and regulations of the other Contracting Party in the territory of the latter.

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Article 3. Promotion of Investments

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

2. A Contracting Party shall grant assistance in and provide facilities for obtaining visas and work permits to nationals of the other Contracting Party in connection with activities associated with such investments in the first-mentioned Contracting Party.

Article 4. Protection of Investments

1. Investments and activities associated with investments of investors of either Contracting Party shall be accorded fair and equitable treatment and shall enjoy protection in the territory of the other Contracting Party.

2. The treatment and protection referred to in paragraph 1 of this Article shall not be less favourable than that accorded to investments and activities associated with such investments made by investors of a third State.

3. The provisions of paragraph 2 of this Article shall not be construed so as to oblige either Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege resulting from:

(a) Any customs union, free trade area, common market or any similar international agreement or interim arrangement leading to such customs union, free trade area, or common market of which either of the Contracting Parties is a member;

(b) Any international agreement or arrangement relating wholly or mainly to taxation or any domestic legislation relating wholly or mainly to taxation; page

(c) Special advantages to foreign development finance institutions operating in the territory of either Contracting Party for the exclusive purpose of development assistance through mainly non-profit activities.

Article 5. Expropriation

1. Neither Contracting Party shall expropriate, nationalise or take similar measures (hereinafter referred to as "expropriation") against investments of investors of the other Contracting Party in its territory unless the expropriation is:

(a) For the public interest;

(b) In accordance with domestic legal procedures;

(c) Without discrimination; and

(d) For adequate, prompt and effective compensation.

2. The compensation mentioned in paragraph 1(d) of this Article shall be equivalent to the market value of the expropriated investments immediately before the expropriation became public knowledge. Where the market value cannot be ascertained, the compensation shall be determined in accordance with generally recognised principles of valuation taking into account, inter alia, the capital invested, depreciation, capital already repatriated, replacement value and other relevant factors. The compensation shall include interest at the current commercial lending rate applicable to the currency in which the investment was originally made from the date of expropriation until the date of payment and shall be made without unreasonable delay, be effectively realisable and be freely transferable.

3. Any investor affected by the expropriation shall have a right under the law of the Contracting Party making the expropriation, to a prompt review by a judicial or other independent authority of that Contracting Party, of his or its case and of the valuation of his or its investment in accordance with the principles set out in paragraph 2 of this Article.

page 4. Where a Contracting Party expropriates the assets of a company which was incorporated or constituted under the law in force in any part of its own territory, and in which investors of the other Contracting Party own shares, it shall ensure that the provisions of paragraphs 1 to 3 of this Article are applied to the extent necessary to guarantee reasonable compensation in respect of their investments to such investors of the other Contracting Party who are owners of those shares.

Article 6. Compensation for Losses

1. Investors of either Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, a state of national emergency, revolt, insurrection or riot in the territory of the latter Contracting Party 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. Resulting payments shall be freely transferable at the rate of exchange applicable on the date of transfer pursuant to the exchange regulations in force.

2. Without derogating from the provisions of paragraph 1 of this Article, investors of either Contracting Party who, in any of the situations referred to in that paragraph, suffer losses in the territory of the other Contracting Party resulting from:

(a) Requisitioning of their property by the forces or authorities of the latter Contracting Party, acting under and within the scope of the legal provisions relating to their competences, duties and command structures; or

(b) Destruction of their property by the forces or authorities of the latter Contracting Party, which was not caused in combat action or was not required by the necessity of the situation of observance or any legal requirement;

Shall be accorded restitution or adequate compensation, not less favourable than that which the latter Contracting Party accords to its own investors or to investors of any third State. page

Article 7. Transfer of Funds

1. Each Contracting Party shall, subject to its laws and regulations, guarantee investors of one Contracting Party the transfer of investments and returns held in the territory of the other Contracting Party, including:

(a) Profits, dividends, interests, capital gains and fees;

(b) Amounts from total or partial liquidation of investments;

(c) Payments made pursuant to a loan agreement in connection with investments;

(d) Royalties paid in respect of matters referred to in paragraph 1(a) (iv) in Article 1;

(e) Payments for technical assistance or technical service and management fees;

(f) Payments in connection with projects or contracts; and

(g) Earnings of nationals of one Contracting Party who work in connection with an investment in the territory of the other Contracting Party.

2. All transfers shall be effected within a reasonable time in any freely convertible currency at the market rate of exchange prevailing at the date of transfer.

Article 8. Subrogation

Where one Contracting Party or its designated agency has guaranteed any indemnity in respect of any investment by any of its investors in the territory of the other Contracting Party and has made payment to such investors in respect of their claims under this Agreement, the other Contracting Party agrees that the first Contracting Party or its designated agency is entitled by virtue of subrogation to exercise the rights and assert the claims of those investors. The subrogated rights or claims shall not exceed the original rights or claims of such investors.

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Article 9. Settlement of Disputes between Contracting Parties

1. Any dispute between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as

possible, be settled amicably through consultations between the Contracting Parties.

2. If the dispute cannot be settled within a period of six months following the date on which written notice of the dispute has been received by one party from the other party to the dispute, it shall, upon the request of either Contracting Party, be submitted to an arbitral tribunal.

3. The arbitral tribunal shall comprise three arbitrators. Within a period of two months from the date on which either Contracting Party received written notice of request for arbitration from the other Contracting Party, each Contracting Party shall appoint one arbitrator. The two arbitrators shall, within a further period of two months, together select a third arbitrator who is a national of a third State which has diplomatic relations with both Contracting Parties. The third arbitrator shall be appointed by the two Contracting Parties as Chairman of the arbitral tribunal.

4. If the arbitral tribunal has not been constituted within a period of four months from the date of the receipt of the written notice for arbitration, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to appoint the arbitrator(s) who has or have not yet been appointed. If the President of the Court is a national of either Contracting Party or is otherwise prevented from discharging the said function, the next most senior member of the International Court of Justice who is not a national of either Contracting Party, shall be invited to make the necessary appointments.

5. The arbitral tribunal shall determine its own procedure. The tribunal shall reach its decision in accordance with the provisions of this Agreement and the principles of international law recognised by both Contracting Parties.

6. The tribunal shall reach its decision by a majority of votes. The decision shall be final and binding on both Contracting Parties. The tribunal shall, upon the request of either Contracting Party, explain the reasons for its decision.

page 7. Each Contracting Party shall bear the costs of its appointed arbitrator and of its representation in arbitral proceedings. The relevant costs of the Chairman and the tribunal shall be borne in equal parts by the Contracting Parties.

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

1. Any dispute concerning an investment between an investor of one Contracting Party and the other Contracting Party shall, as far as possible, be settled amicably through negotiations between the investor and the other Contracting Party.

2. If the dispute referred to in paragraph 1 of this Article cannot be settled within a period of six months following the date on which written notice of the dispute has been received by one party from the other party to the dispute, the investor shall have the right to submit the dispute for resolution by international arbitration to one of the following fora:

(a) The International Centre for Settlement of Investment Disputes (ICSID) under the Convention on the Settlement of Investment Disputes between States and Nationals of other States done at Washington, March 18, 1965; or

(c) An arbitral tribunal to be set up under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The appointing authority under the said rules shall be the Secretary-General of ICSID.

3. The arbitral tribunal referred to in paragraph 2 (b) of this Article shall, with respect to the procedure, follow the Arbitration Rules of UNCITRAL.

4. Any arbitration under paragraph 3 of this Article shall be held in a State that is a party to the United Nations Convention on Recognition and Enforcement of Foreign Arbitral Awards, done at New York, June 10, 1958.

5. The arbitral tribunal shall decide the issues in dispute in accordance with the provisions of this Agreement, the law of the Contracting Party accepting the investment and the applicable rules of international law.

page 6. Any arbitral award rendered pursuant to this Article shall be final and binding on the parties to the dispute. Each Contracting Party shall carry out without delay the provisions of any such award and provide in its territory for the enforcement of such award.

7. Each party to the dispute shall bear the cost of its appointed member of the tribunal and of its representation in the proceedings. The cost of the appointed Chairman and the remaining costs shall be borne in equal parts by the parties to the dispute.

8. The investors of each Contracting Party shall have a right of access to the competent court of the Contracting Party for exercising adjudicatory authority in any dispute. If the investor has resorted to the procedure specified in this paragraph, the provisions paragraph 2 of this Article shall not apply, unless the court refers the matter to international arbitration.

Article 11. Application of other Rules

1. If the treatment to be accorded by one Contracting Party in accordance with its laws and regulations to investments or activities associated with such investments of investors of the other Contracting Party is more favourable than the treatment provided for in this Agreement, the more favourable treatment shall be applicable.

2. The provisions of this Agreement shall not in any way limit the right of either Contracting Party to apply prohibitions or restrictions of any kind or take any other action which is directed to the protection of its essential security interest, or to the protection of public health or the prevention of diseases in pests and animals or plants.

Article 12. Entry Into Force

Each Contracting Party shall notify the other Contracting Party of the fulfilment of its internal legal procedures required for the bringing into force of this Agreement. This Agreement shall enter into force on the day following the date of receipt of the later of the two notifications.

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Article 13. Duration and Termination

1. This Agreement shall remain in force for a period of ten years. Thereafter it shall continue in force until the expiration of twelve months from the date on which either Contracting Party shall have given written notice of termination of this Agreement to the other Contracting Party.

2. In respect of investments made prior to the date when the notice of termination of this Agreement becomes effective, the provisions of Articles 1 to 11 shall remain in force for a further period of ten years from the date.

IN WITNESS WHEREOF, the duly authorised representatives of their respective Governments have signed this Agreement.

Done at St Kitts on this 28 day of September 2004, in duplicate in the English language.

Kushal Chand Kushiram

Owen S. Arthur

Minister of Industry, Financial Services and Corporate Affairs

Prime Minister

For the Government of Republic of Mauritius

For the Government of Barbados