AGREEMENT FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS BETWEEN THE FEDERAL REPUBLIC OF BRAZIL AND THE ITALIAN REPUBLIC

The Federal Republic of Brazil and the Italian Republic (hereinafter referred to as the “Contracting Parties”),

Motivated by the desire to create conditions favorable to greater reciprocal economic cooperation and, in particular, to the realization of investments by one country in the territory of the other;

Taking into account that the maintenance of a satisfactory climate for investments is the best way to establish and maintain an adequate international flow of capital; and

Recognizing that the conclusion of an agreement for the reciprocal promotion and protection of investments may contribute to stimulating business initiatives that favor the prosperity of both countries;

Have agreed as follows:

Article I. Definitions

1. For the purposes of this Agreement, the following definitions apply:

I. the term “investment” refers to any type of asset invested by a natural or legal person of a Contracting Partyin the territory of the other Contracting Party, regardless of the legal form chosen and the applicable legal framework, in accordance with the laws and regulations of the Party in whose territory the investment was made. The term investment includes, in particular but not exclusively:

a) movable and immovable property, as well as any right in rem, including, to the extent they are usable for investment purposes, security interests in third-party property;

b) shares, bonds, equity interests, and any other debt instrument, as well as government bonds and public securities in general;

c) financial claims or any other right arising from obligations or performance, having economic value, relating to investments, as well as reinvested earnings and capital gains;

d) intellectual and industrial property rights, such as copyrights, trademarks, patents, industrial designs, know-how, trade names, and goodwill;

e) any economic right conferred by law or by contract, as well as any license and concession granted in accordance with the provisions in force in the Party hosting the investment for the conduct of economic activities, including those of prospecting, cultivation, extraction, and exploitation ofnatural resources.

II. The term “investors” means:

a) natural persons who are nationals of the Contracting Party from which the investment originates, in accordance with its domestic law;

b) legal entities established in accordance with the laws of the Contracting Party from which the investment originates and having their seat in the territory of that Party, including companies, foundations, associations, public institutions, partnerships, or corporations, regardless of whether they are limited liability or not;

III. The term “investment income” means income derived from an investment, including profits, capital gains, dividends, interest, royalties, fees for technical assistance and services, and any other consideration in kind.

IV. the term “territory” means, in addition to the areas bounded by land or island boundaries, the territorial sea, as defined by the United Nations Convention on the Law of the Sea, and the corresponding seabed and subsoil, as well as any maritime area beyond the territorial sea, including the seabed and subsoil, to the extent that in this area the Contracting Party exercises sovereignty, sovereign rights, or jurisdictional rights, in accordance with international law.

2. No change in the manner in which assets and capital have been invested or reinvested shall affect the status of the investment, as defined by this Agreement, subject to applicable laws and regulations.

Article II. Promotion and Protection of Investment

1. Each Contracting Party shall promote within its territory investments by investors of the other Contracting Party and shall permit such investments, in accordance with the provisions of its legislation.

2. Each Contracting Party shall ensure, within its territory, non-discriminatory, fair, and equitable treatment for investments by investors of the other Contracting Party and shall ensure that the management, maintenance, enjoyment, transformation, termination, and liquidation of investments made in its territory by investors of the other Contracting Party, as well as by companies and enterprises in which such investments have been made, are not in any way affected by unjustified or discriminatory measures.

Article III. Treatment and Most-Favored-Nation Clause

1. In all matters governed by this Agreement, the treatment referred to in the second paragraph of Article II shall not be less favorable than that accorded by a Contracting Party to investments made in its territory by investors from a third country.

2. This treatment shall not, however, extend to concessions granted by a Contracting Party to investors of a third Party by virtue of its participation in a free trade area, customs union, common market, regional integration agreements, multilateral economic agreements, and agreements to facilitate cross-border trade.

3. The treatment referred to in this Article shall not extend, furthermore, to tax rate reductions, tax exemptions and other similar incentives granted by a Contracting Party to investors from third countries pursuant to an agreement to avoid double taxation or other tax agreements.

4. In addition to the provisions of paragraph 1 of this Article, each Contracting Party shall accord to investments by investors of the other Contracting Party treatment no less favorable than that accorded to investments by its own investors.

5. The treatment accorded to activities related to the investments of investors of each Contracting Party shall not be less favorable than that accorded to similar activities related to investments by its own investors or by any other third country.

6. The provisions of this Article shall also apply to income derived from an investment as well as, in the event of liquidation, to the proceeds thereof.

Article IV. Nationalization and Expropriation

1. Each Contracting Party undertakes not to adopt measures that limit, either temporarily or permanently, the rights of ownership, possession, or enjoyment pertaining to investments made in its territory by investors of the other Contracting Party, except as provided for by specific provisions of law, judgments, or orders of the competent judicial authorities or other non-discriminatory provisions of a general nature, intended to regulate economic activities.

2. Investments made by investors of one Contracting Party shall not be directly or indirectly nationalized, expropriated, or subjected to any other measure having equivalent effect that may be adopted by the authorities of the other Contracting Party in relation to investments made in its territory, except in cases of public utility or necessity or of national interest, in accordance with the legal provisions of the Party receiving the investment, provided that such measures are adopted on the basis of non-discriminatory criteria.

3. The authority of the Contracting Party that adopts any of these measures shall pay the investor or investors of the other Contracting Party fair and prompt compensation.

4. Fair compensation shall be equivalent to the actual market value of the investment immediately prior to the time when the decisions on nationalization or expropriation were announced or made public and shall be determined on the basis of internationally accepted real reference parameters. If there are difficulties in ascertaining the market value, compensation shall be determined on the basis of an assessment of the constituent elements of the enterprise as well as the components and results of the related business activities. Compensation shall be determined in a convertible currency at the exchange

rate in effect on the day on which the nationalization or expropriation was enacted and shall include interest accrued as of the date of payment, calculated based on the six-month LIBOR rate applicable on the date of nationalization or expropriation. Once determined, the compensation shall be promptly paid and shall be freely transferable.

5. If, following expropriation, the expropriated assets have not been put to their intended use, in whole or in part, the investor or its successors in title shall be entitled to obtain the repurchase of such assets at market price.

Article V. Compensation for Damage or Losses

If investors of one of the Contracting Parties suffer losses or damage to investments made in the territory of the other Contracting Party as a result of war or other armed conflicts, revolutions, uprisings, or other emergency situations, they shall receive from that Contracting Party treatment no less favorable with respect to restitution, compensation, indemnification, or any other compensatory measure no less favorable than that accorded to its own investors or to those of third countries.

Article VI. Transfers

1. Each Contracting Party shall guarantee the free transfer of income, earnings, and other proceeds derived from investments made in its territory by investors of the other Contracting Party, and in particular, but not exclusively:

a) capital and additional capital contributions used for the maintenance and expansion of investments, including reinvested earnings used;

b) net income, dividends, royalties, fees for technical assistance and services, interest, and any other profits;

c) proceeds from the total or partial sale or liquidation of an investment;

d) loan repayments related to an investment and the payment of the respective interest;

e) remuneration and compensation received by nationals of the other Contracting Party and arising from employment and services rendered in the implementation of investments made in its territory, to the extent and in accordance with the procedures provided for by applicable national laws and regulations;

f) the compensation provided for in Articles IV and V, as well as the transfers referred to in Article VII.

2. Transfers shall be made, once the investor has completed the legal or regulatory procedures of the Contracting Party hosting the investment, without undue delay and in any event within six months of the request, following the fulfillment of all tax obligations.

3. The tax obligations referred to in paragraph 2 of this Article shall be deemed fulfilled when the investor has completed the procedures required by the law of the Contracting Party in whose territory the investment was made.

4. Transfers shall be authorized in convertible currency at the exchange rate in effect at the time of submission of the duly documented application to a banking institution authorized to conduct foreign exchange operations.

Article VII. Subrogation

If a Contracting Party or one of its institutions has provided an insurance guarantee against non-commercial risks for investments made by one of its investors in the territory of the other Contracting Party and has made payments under the guarantee provided, it shall be deemed to have been subrogated by operation of law to the same creditor’s position as the insured investor. For payments to be made to the Contracting Party or its institution pursuant to such subrogation, Articles IV and V of this Agreement shall apply, respectively.

Article VIII. Settlement of Disputes between Investors and Contracting Parties

1. Any dispute or disagreement that may arise between one of the Contracting Parties and an investor of the other Contracting Party shall, to the extent possible, be resolved through amicable consultations between the Parties.

2. If such disputes or disagreements cannot be resolved amicably within six months from the dateof the investor’s written request for resolution, they may be submitted, at the investor’s choice:

a) to the local courts of the Contracting Party or,

b) to international arbitration, under the conditions described in paragraph 4 of this Article.

3. The choice of one of these two avenues shall be final and irrevocable.

4. In the event of the option to resort to international arbitration, the dispute or disagreement shall be submitted:

a) to the International Centre for Settlement of Investment Disputes, established by the Washington Convention of March 18, 1965, if and as soon as the Contracting Parties have acceded thereto;

b) to an ad hoc tribunal, established in accordance with the arbitration rules of the United Nations Commission on International Trade Law (UNCITRAL), adopted by General Assembly Resolution 31/98 of December 15, 1976. The Arbitral Tribunal shall consist of three arbitrators, one appointed by the Contracting Party involved in the dispute, one appointed by the investor of the other Contracting Party, and a third arbitrator, who shall preside over the Tribunal, appointed by the two arbitrators so selected. If the arbitrators are not citizens of one of the Contracting Parties, they must be citizens of States that maintain diplomatic relations with both Contracting Parties. If the third arbitrator is not appointed within thirty days of the appointment of the other two arbitrators, his appointment shall be entrusted to the President of the Arbitral Tribunal of the International Chamber of Commerce in Paris.

5. The Arbitral Tribunal shall decide in accordance with the provisions of this Agreement, the relevant principles of international law, the general principles of law recognized by the Contracting Parties, the law of the Contracting Party involved in the dispute, and in compliance with any specific agreements relating to the investment.

6. Arbitral awards shall be final and binding on the Parties to the dispute and shall be enforced in accordance with national law.

7. The Contracting Parties shall refrain from discussing, through diplomatic channels, matters pertaining to an arbitration or judicial proceeding already initiated, until the relevant proceedings have been concluded and one of the Parties to the dispute has complied with the arbitral award or the court judgment within the time limits for compliance prescribed in the award or judgment itself.

Article IX. Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation and application of this Agreement shall, as far as possible, be settled through diplomatic channels.

2. In the event that such disputes cannot be settled within six months of the date on which one of the Contracting Parties has made a written request to the other Contracting Party, they shall, at the initiative of one of the Contracting Parties, be submitted to an ad hoc arbitral tribunal in accordance with the provisions of this Article.

3. The arbitral tribunal shall be constituted as follows: within two months of the date of receipt of the request for arbitration, each Contracting Party shall appoint one member of the tribunal. These two members shall then select, as President, a national of a third State. The President shall be appointed within three months of the date of appointment of the other two members.

4. If, within the time limits specified in paragraph 3 of this Article, the appointments have not yet been made, either Contracting Party may, in the absence of any other agreement, request that the President of the International Court of Justice make the appointments. If the President is a national of one of the Contracting Parties or for any other reason is unable to proceed with the appointments, the request shall be addressed to the Vice President of the Court.If the Vice President is also a national of one of the Contracting Parties, or for any reason is unable to accept, the task shall fall to the most senior member of the International Court of Justice who is not a national of one of the Contracting Parties.

5. The Arbitral Tribunal shall decide by majority vote, and its decisions shall be binding. Each of the Contracting Parties shall bear the expenses of its own arbitrator and those of its participation in the arbitral proceedings. The expenses of the President and the remaining expenses of the proceedings shall be borne by the two Contracting Parties in equal shares.

6. The Arbitral Tribunal shall determine its own procedures.

Article X. Applications of other Provisions

1. If the laws of one of the Contracting Parties or current or future obligations arising under international law result in general or specific provisions that grant investments or investors of the other Contracting Party a more favorable treatment than that provided for in this Agreement, such provisions shall prevail to the extent they are more favorable.

2. Both Contracting Parties shall comply with any other obligations they have agreed to regarding investments by investors of the other Contracting Party in their respective territories.

Article XI. Relations between Governments

The provisions of this Agreement shall apply regardless of whether diplomatic or consular relations exist between the Contracting Parties, in accordance with Article 63 of the Vienna Convention on the Law of Treaties of May 23, 1969.

Article XII. Investments Made Prior to the Agreement

1. The provisions of this Agreement apply to investments made before or after its entry into force.

2. This Agreement does not apply to disputes and disagreements that gave rise to legal proceedings prior to its entry into force.

Article XIII. Entry Into Force, Extension and Termination

1. This Agreement shall enter into force thirty days after the date on which the two Contracting Parties have notified each other of the completion of the procedures required by their respective constitutional systems.

2. This Agreement shall remain in force for an initial period of ten years, after which it shall be tacitly extended for successive periods of five years.

3. This Agreement may be terminated by either of the Contracting Parties, within one year of the expiration date, by means of written notification transmitted through diplomatic channels.

4. In the event of termination, the provisions set forth in Articles I through XII of this Agreement shall continue to apply, for a period of five years, to all investments made prior to such notification.

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

Done at Brasília on the 3rd day of April 1995, in two original copies in the Italian and Portuguese languages, both texts being equally authentic.

For the Government of the Italian Republic

Susanna Agnelli

Minister of State for Foreign Affairs

For the Government of the Federative Republic of Brazil

Luiz Felipe Lampreia

Minister of State for Foreign Affairs

Protocol

In signing the Agreement on the Reciprocal Promotion and Protection of Investments between the Italian Republic and the Federal Republic of Brazil, the Government of the Italian Republic and the Government of the Federal Republic of Brazil further agree on the following provisions, which form an integral part of this Agreement.

1. With reference to Article 3:

a) Activities related to investments concerning the purchase, sale, and transport of: raw materials and their derivatives, energy, fuels, capital goods, as well as any other transaction related thereto and in any case connected to the business initiatives referred to in this Agreement, shall equally enjoy within the territory of each Contracting Party a treatment no less favorable than that accorded to similar activities and initiatives of domestic investors or those of any other third country.

b) Each Contracting Party shall regulate, in accordance with its laws and regulations and as favorably as possible, matters relating to the entry, stay, employment, and movement within its territory of citizens of the other Contracting Party, and of members of their families, who carry out activities related to investments under this Agreement.

c) Without prejudice to the provisions of paragraph 4 of the aforementioned Article, the Government of the Federal Republic of Brazil reserves the right to grant preferential treatment to Brazilian enterprises with domestic capital in the procurement of goods and services by the government, in accordance with the provisions of paragraph 2 of Article 171 of the Constitution of the Federal Republic of Brazil. This provision shall cease to have effect in the event that paragraph 2 of Article 171 of the Constitution of the Federal Republic of Brazil is modified due to a constitutional amendment or revision.

The Government of the Federal Republic of Brazil shall notify the Government of the Italian Republic immediately, through diplomatic channels, of such a constitutional amendment or revision.

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

Done at Brazil on the 3rd day of April 1995, in two original copies in the Italian and Portuguese languages, both texts being equally authentic.

For the Government of the Italian Republic

Susanna Agnelli

Minister of State for Foreign Affairs

For the Government of the Federative Republic of Brazil

Luiz Felipe Lampreia

Minister of State for Foreign Affairs