

AGREEMENT BETWEEN THE SLOVAK REPUBLIC AND THE HASHEMITE KINGDOM OF JORDAN FOR THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Slovak Republic and the Hashemite Kingdom of Jordan (hereinafter referred to as the "Contracting Parties"),

Desiring to intensify economic cooperation to the mutual benefit of both countries,

Intending to create and maintain favourable conditions for investments of investors of one Contracting Party in the territory of the other Contracting Party, and

Conscious that the reciprocal promotion and protection of investments, according to the present Agreement, stimulates business initiatives in this field.

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" means every kind of assets or rights invested by investors of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter Contracting Party and in particular, though not exclusively, includes:

- a) movable and immovable property and any other property rights such as mortgages, liens, leases or pledges;
- b) shares in, stocks and debentures of, and any other form of participation in a company or any business enterprise and rights or interest derived therefrom;
- c) claims to money or to any performance under contract having a financial value;
- d) intellectual property rights including rights with respect to copyrights, patents, trademarks, trade names, industrial designs, technical processes, trade secrets and know-how, and goodwill; and
- e) business concessions having an economic value conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources.

Any change of the form in which assets or rights are invested or reinvested shall not affect their character as an investment, unless such changes are contrary to the approval granted, if any.

2. The term "return" means the amount yielded by investments and, in particular, though not exclusively, includes profit, interest, capital gains, dividends, royalties and all kinds of fees.

3. The term "investor" means any natural or legal person of one Contracting Party who invest in the territory of the other Contracting Party:

- a) the term "natural person" means a natural person having the nationality of that Contracting Party in accordance with its laws; and
- b) the term "legal person" means any entity, which is incorporated or constituted in accordance with the laws and regulations of one of the Contracting Parties and which has its registered office, central administration or principal place of business in the territory of one of the Contracting Parties.

4. The term "territory" means:

a) As regards to the Slovak Republic: The land territory, internal waters and the air space above them, over which it exercises its sovereignty, sovereign rights and jurisdiction in accordance with international law;

b) As regards to the Hashemite Kingdom of Jordan: The territory of the Hashemite Kingdom of Jordan, as well as, those maritime areas adjacent to the outer limit of the territorial sea, including the seabed and subsoil, over which the Hashemite Kingdom of Jordan exercise, in accordance with the international law, sovereign rights and jurisdiction.

5. "Freely convertible currency" means the currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets.

6. "Public purpose" means as established under the national legislation of each of the Contracting Parties.

7. "Related activities", means any activities related to the investment, established and practiced in accordance with the laws and regulations of the hosting Contracting Party, and in particular though not exclusively, includes:

a) establishing branches or any other facilities to run and maintain the work,

b) contracting or performance of contracts related to investment.

Article 2. Promotion and Protection of the Investments

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

2. Investments and the related activities made by investors of each Contracting Party shall be accorded fair and equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair by unreasonable or discriminatory measures the operation, management, maintenance, use, enjoyment or disposal of investments in its territory by investors of the other Contracting Party.

3. Each Contracting Party shall allow, in accordance with its laws and regulations, the entry and sojourn of the investors of the other Contracting Party and top- management employees who are employed for the purpose of the investment. Their families shall also enjoy same treatment.

4. Each Contracting Party shall allow the investors of other Contracting Party to employ any top-management employees they choose for running the investment in accordance with laws and regulations related to entry, sojourn and work of the hosting Contracting Party, without consideration of their nationalities.

Article 3. National and Most-favoured-nation Treatment

1. Each Contracting Party shall in its territory accord to investments and returns of investment of the investors of the other Contracting Party treatment, which is fair and equitable and not less favourable than that, which it in like circumstances accords to investments and returns of its own investors or to investments and returns of investors of any third State whichever is more favourable.

2. Each Contracting Party shall in its territory accord to investors of the other Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investment, treatment which is fair and equitable and not less favourable than that, which it in like circumstances accords to its own investors or investors of any third State, whichever is more favourable.

3. The provisions of paragraphs 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party the benefit of any treatment, preference or privilege, which may be extended by the former Contracting Party by virtue of any international agreement or arrangement relating wholly or mainly to taxation.

4. The non-discrimination, national treatment and most-favoured nation treatment provisions of this Agreement shall not apply to all actual or future advantages accorded by either party to nationals or companies of its own, of Member States of customs, economic or monetary union, common market or free trade area, or of any other third country' by virtue of such a Contracting Party's membership or association with such union, common market or free trade area.

Article 4. Compensation for Losses

1. Investors of one Contracting Party whose investments suffer losses owing to war or other armed conflict, a state of

national emergency, revolt, insurrection, riot or other similar situations in the territory of the other Contracting Party, shall be accorded by the latter Contracting Party, treatment, as regards restitution, indemnification, compensation or other forms of settlement, no 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 situations referred to in that paragraph, suffer losses in the territory of the other Contracting Party resulting from:

- Requisitioning of their property by forces or authorities of the other Contracting Party;
- Destruction of their property by forces or authorities of the other Contracting Party which was not caused in combat action or was not required by the necessity of the situation,

Shall be accorded restitution or adequate compensation no less favourable than that, which would be accorded under the same circumstances to an investor of the other Contracting Party or to an investor of any other State, this compensation should be adequate, efficient, paid immediately and in freely convertible currency.

Article 5. Expropriation

1. Investments of investors of one Contracting Party shall not be nationalized, expropriated or otherwise subjected to any other measures having an effect equivalent to nationalization or expropriation (hereinafter referred to as expropriation 14) in the territory of the other Contracting Party except for public purpose and against prompt, adequate and effective compensation. The expropriation shall be carried out on a non-discriminatory basis in accordance with legal procedures.

Such compensation shall amount to the fair market value of the expropriated investments (determined on the basis of the latest available balance sheets or on the average market value for the same kind of investment) immediately before expropriation was taken or before impending expropriation became public knowledge, whichever is the earlier, and shall include interest at the applicable commercial rate from the date of expropriation until the date of payment and shall be effectively realizable. Compensation shall be paid in a freely convertible currency.

2. In both expropriations and compensation, treatment no less favourable than that which the Contracting Party accords to its own investors or to investors of any third State shall be accorded.

3. Investors of one Contracting Party affected by expropriation shall have a right to prompt review by a judicial or other independent authority of the other Contracting Party, of their case and of the evaluation of their investments in accordance with the principles set out in this Article.

4. Where a Contracting Party expropriates the assets of a company, which is incorporated or constituted under its laws and regulations, and in which investors of the other Contracting Party own shares, debentures or other forms of participation, the provisions of this Article shall be applied.

Article 6. Transfers

1. Each Contracting Party shall guarantee to investors of the other Contracting Party, after fulfillment of their financial obligations, the free transfer of payments, including principals, and returns related to their investments. Such transfers shall include, in particular, though not exclusively:

- a) net profit, capital gains, dividends, interest, royalties, fees and any other current income accruing from investments;
- b) proceeds accruing from the sale or the total or partial liquidation of investments;
- c) funds in repayment of loans related to investments;
- d) earnings of nationals or residents of the other Contracting Party who are allowed to work in connection with investments in its territory;
- e) additional funds necessary for the maintenance or development of the existing investments; and
- f) compensation pursuant to Articles 4 and 5.

2. All transfers under this Agreement shall be made in a freely convertible currency and without undue delay.

3. Notwithstanding paragraphs 1 and 2 above, a Contracting Party may adopt or maintain measures relating to cross-border capital and payment transactions adopted by the European Communities and particularly but not limited by the following

cases:

- a) In the event of serious balance of payments and external financial difficulties or threat thereof; or
- b) In cases where, in exceptional circumstances, movements of capital cause or threaten to cause serious difficulties for macroeconomic management, in particular, monetary and exchange rate policies; or
- c) In the exceptional cases of economic sanctions.

4. Measures referred to in paragraph 3 of this Article:

- a) shall not exceed those necessary to deal with the circumstances set out in paragraph 3 of this Article;
- b) shall be temporary and shall be eliminated as soon as conditions permit; and
- c) shall be promptly notified to the other Contracting Party.

Article 7. Subrogation

1. If a Contracting Party or its designated agency makes a payment to its own investors under a guarantee or indemnity given in respect of investments 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 Contracting
- b) that the former Contracting Party or its designated agency is entitled by virtue of subrogation to exercise the rights of and enforce the claims of those investors.

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

Article 8. Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party

1. Any dispute between a Contracting Party and an investor of the other Contracting Party shall, as far as possible, be settled by the parties to the dispute in an amicable way.

2. The local remedies under the laws and regulations of one Contracting Party in the territory of which the investment has been made shall be available for investors of the other Contracting Party on the basis of treatment no less favourable than that accorded to investments of its own investors or investors of any third State, whichever is more favourable to investors.

3. If the dispute cannot be settled within six (6) months from the date on which the dispute has been notified by either party, it shall be submitted upon request and choice of the investor of the Contracting Party:

- a) to local competent court of the Contracting Party which is a party of the dispute,
- b) to the International Center for Settlement of Investment Disputes (ICSID) established by the Washington Convention of 18 March 1965 on the Settlement of Investment Disputes between States and Nationals of other States in case both Contracting Parties are parties to this Convention, or
- c) to an international ad hoc arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL).

Each Contracting Party gives its consent to the submission of disputes to international arbitration set out in subparagraphs b) and c).

The award shall be final and binding on the parties to the dispute. Each Contracting Party shall ensure the recognition and enforcement of the award in accordance with its relevant laws and regulations.

4. In case the investor chose any of the international arbitral tribunal mentioned in paragraph 3 of this Article, this one shall notify in writing the other Contracting Party hosting the investment which is a party of dispute before submitting the dispute to any international arbitral tribunal.

5. In case any of the Contracting Parties and the investor reaches an agreement to settle their dispute at any stage, they shall withdraw the dispute from any international arbitral tribunal.

6. If any of these choices of settlement mentioned in paragraph 3 subparagraphs b) and c) of this Article has been chosen by

the investor and started its procedures, the investor is not allowed to submit his dispute to any local judicial authorities.

Article 9. Settlement of Disputes between the Contracting Parties

1. The Contracting Parties agree to consult promptly, on the request of either, to resolve any disputes in connection with this Agreement, or to discuss any matter relating to the interpretation or application of this Agreement. The Parties also agree to consult promptly whenever a Contracting Party believes that steps are necessary to assure compatibility between this Agreement and the Treaties Establishing the European Communities with a view to assuring compatibility.

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 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 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, on approval of the two Contracting Parties, shall be appointed 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.

4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, a request may be made by either Contracting Party to the President of the International Court of Justice to make the appointments. If the President is a national of either Contracting Party, or if he 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. Such decision shall be binding. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in equal parts by both Contracting Parties.

Article 10. Application of other Rules and Special Commitments

1. Where a matter is governed simultaneously both by this Agreement and by another international agreement to which both Contracting Parties are signatories, nothing in this Agreement shall prevent either Contracting Party or of any of its investors, who own investments in the territory of the other Contracting Party, from taking advantage of whichever rules are more favourable to his case.

2. If the treatment to be accorded by one Contracting Party to investments and to investors of the other Contracting Party, in accordance with its laws and regulations or other specific provisions of contracts, is more favourable than that accorded by this Agreement, the more favourable shall be accorded.

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

4. The Contracting Parties agree that the issue of whether a measure of a Contracting Party is consistent with this Agreement is a matter to be resolved exclusively under the dispute settlement procedures of this Agreement.

Article 11. Applicability of this Agreement

This Agreement shall apply to investments made prior to its entry into force for the Contracting Parties concerned consistent with the laws and regulations of the Contracting Party in whose territory it was made as well as investments made thereafter. This Agreement shall apply to investments existing at the time of entry into force as well as to those established or acquired thereafter. However, this Agreement shall not apply to the disputes arising before its entry into force.

Article 12. Entry Into Force, Duration and Termination

1. This Agreement is subject to an approval in accordance with procedures required by law of both Contracting Parties for bringing this Agreement into force and it shall enter into force on the 90th day after the date of Contracting Parties notification confirming that all constitutional formalities required by law for bringing this Agreement into force have been fulfilled.

2. This Agreement shall remain in force for an infinite period of time. Each Contracting Party may terminate this Agreement by giving a written notice through diplomatic channels. The termination will be effective one year after receiving such written notice.

3. In respect of investments made prior to the date of the termination of this Agreement, the provisions of Articles 1 to 11 shall continue to be effective for a period of ten years from the date of its termination.

In witness whereof, the undersigned, duly authorized thereto, have signed this Agreement.

Done at Amman on the February 21 day of 2008 in duplicate in the Slovak, Arabic and English languages, all texts being equally authentic. In the case of any divergence of interpretation, the English text shall prevail.

For the Slovak Republic

(signature)

For the Hashemite Kingdom of Jordan

(signature)