AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF TURKEY AND THE GOVERNMENT OF THE REPUBLIC OF IRAQ CONCERNING THE MUTUAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Turkey and the Government of the Republic of Iraq, hereinafter referred to as the "Contracting Parties";

Desiring to enhance economic cooperation between them, particularly with regard to investments made by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the conclusion of an agreement regarding the treatment to be accorded to such investments will promote the economic development of the Contracting Parties through the flow of capital and technology;

Agreeing that the fair and equitable treatment of investments is desirable for the maintenance of a stable environment for investments and will contribute to maximizing the efficient use of economic resources and improving living standards; and

Believing that the aforementioned objectives can be achieved without violating laws and regulations—including internationally recognized labor rights as well as general health, safety, and environmental safeguards;

Having decided to conclude an agreement on the mutual promotion and facilitation of investments;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

1. The term "investment" refers to any capital or other investment-related resources acquired in the territory of a Contracting Party in accordance with that Contracting Party's laws and regulations for the purpose of establishing long-term economic relations, and which possesses the characteristics of an investment—such as a commitment, an expectation of income or profit, the assumption of risk, and a contribution to economic development (1) — and is associated with business activities, and includes, without limitation, the following:

(1) The mere ownership of an asset does not, in and of itself, constitute an "investment", regardless of the form it takes.

(a) movable and immovable property, as well as other property rights such as mortgages, lease agreements, pledges, and guarantees, and other similar rights defined in accordance with the laws and regulations of the Contracting Party in which the property is located;

(b) reinvested income;

(c) monetary claims related to an investment or other rights of financial value related to an investment;

(d) shares, stock, or any other form of participation in a company;

(e) industrial and intellectual property rights, such as patents, industrial designs, and technical processes, as well as trademarks, trade goodwill, and know-how;

(f) commercial concessions granted by law or contract, including concessions relating to natural resources.

2. The term "Investor" means:

(a) natural persons who are nationals of a Contracting Party under its laws and who have made an investment in the territory of the other Contracting Party;

(b) an enterprise that has its registered place of business in the territory of a Contracting Party, engages in active business operations, and has been established or organized in accordance with the laws in force in that Contracting Party.

3. The term “Income” means amounts derived from an investment and includes, without limitation, profits, interest, capital gains, royalties, fees, and dividends.

4. The term “territory” means,

(a) with respect to the Republic of Turkey: its land territory, internal waters, territorial waters, and the airspace above them, as well as the maritime areas over which Turkey exercises sovereign rights and jurisdiction in accordance with international law for the purpose of exploring, exploiting, and protecting living or non-living natural resources;

(b) With respect to the Republic of Iraq, it refers to its land territory, internal waters, territorial waters, continental shelf, and the exclusive economic zone over which Iraq exercises sovereign rights in accordance with international law.

Article 2. Scope of Application

This Agreement applies to investments made by an investor of the other Contracting Party in the territory of a Contracting Party in accordance with its laws and regulations, whether such investments were made before or after the entry into force of this Agreement. However, this Agreement shall not apply to disputes arising prior to its entry into force.

Article 3. Promotion and Protection of Investments

1. Within the framework of its laws and regulations, each Contracting Party shall, to the extent possible, promote the investments of investors of the other Contracting Party in its territory.

2. The investments of investors of each Contracting Party in the territory of the other Contracting Party shall be accorded treatment in accordance with international customary law, including “fair and equitable treatment” and “full protection and security.” No Contracting Party shall, through unreasonable or discriminatory measures, impede the management, maintenance, use, operation, enjoyment, expansion, sale, liquidation, or disposal of such investments.

3. The obligation set forth in paragraph 2 of this Article ensures the following:

(a) “fair and equitable treatment” includes the obligation not to impede justice in judicial proceedings, in accordance with the principle of due process; and

(b) “full protection and security” requires each Contracting Party to take such measures as may be reasonably necessary to ensure the physical integrity and security of an investment made by an investor of the other Contracting Party.

4. For greater certainty, the concepts of “national treatment” and “full protection and security” do not require compliance with the standards of treatment applicable to foreign nationals under the laws of the Contracting Parties, nor do they imply any additional obligations.

5. A finding that any provision of this Agreement other than this Article, or any other international agreement, has been violated shall not result in a finding that paragraph 2 of this Article has been violated.

Article 4. Treatment of Investments

1. Each Contracting Party shall, within the framework of its laws and regulations, admit into its territory the investments of the other Contracting Party on terms no less favorable than those applied to investments by investors of any third country in comparable circumstances.

2. Each Contracting Party shall, with respect to such established investments, their management, maintenance, use, operation, enjoyment, expansion, sale, liquidation, or disposal, within the framework of its laws and regulations, shall accord treatment no less favorable than that accorded to its own investors or to investors from any third country in similar circumstances.

3. The Contracting Parties shall, within the framework of their respective national laws, evaluate applications for entry and temporary residence submitted by citizens of either Contracting Party seeking to enter the territory of the other Contracting Party in connection with the establishment and maintenance of an investment.

4. (a) The provisions of this Article shall not be construed to require a Contracting Party to extend to investors of the other Contracting Party any treatment, preference, or privilege that it has granted, in whole or in part, under any international agreement or arrangement relating to taxation.

(b) The provisions of this Agreement regarding non-discrimination, national treatment, and most-favored-nation treatment, shall not be construed to require either Contracting Party to extend to investors of the other Contracting Party any treatment, preference, or privilege arising from that Contracting Party's membership in or association with a customs union, economic union, or monetary union, a common market, or a free trade area, or from the treatment that such a union, member states of such a union, common market, or free trade area, or to citizens or companies of any third country, shall not apply.

(c) For greater certainty, the Most-Favored-Nation treatment referred to in paragraphs 1 and 2 of this Article, does not include investor-state dispute settlement procedures or mechanisms set forth in Article 10 (Settlement of Disputes Between a Contracting Party and Investors of the Other Contracting Party) or in other international agreements.

(d) The provisions of Article 3 (Protection and Security of Real Property and Investments Thereof) and Article 4 of this Agreement, shall not oblige the Contracting Parties to accord the investments of investors of the other Contracting Party the same treatment that it accords to the investments of its own investors with regard to the acquisition of land, real estates, and real rights thereof and these rights shall be governed by the laws and regulations of the host Contracting Party.

Article 5. General Exceptions

1. No provision of this Agreement shall be construed to prevent a Contracting Party from adopting, maintaining, or enforcing any non-discriminatory legal measure:

(a) enacted and implemented for the protection of human, animal, or plant life or health, or the environment; or

(b) relating to the conservation of living or non-living exhaustible natural resources.

2. No provision of this Agreement shall:

(a) require a Contracting Party to disclose any information it deems contrary to its essential security interests or to permit access to such information;

(b) require any Contracting Party:

(i) with respect to the procurement and transactions of goods, equipment, services, and technology related to the illicit trafficking of arms, ammunition, and military equipment, or intended to directly or indirectly supply a military or other security organization;

(ii) during wartime or other emergency situations related to international relations; or

(iii) concerning the implementation of national policies or international agreements aimed at preventing the proliferation of nuclear weapons or other explosive nuclear devices; in a manner that would prevent it from taking measures it deems necessary to protect its essential security interests; or

(c) shall not be construed as preventing any Contracting Party from taking steps to fulfill its obligations under the Charter of the United Nations for the maintenance of international peace and security.

3. These measures shall be taken and maintained provided that they are not applied arbitrarily or without justification, or in a manner that would result in a disguised restriction on the investments of investors of another Contracting Party.

4. The implementation of this Agreement shall not prevent any Party from enforcing its regulations on combating corruption and money laundering.

Article 6. Expropriation and Compensation

1. Investments shall not be expropriated, except where such expropriation is carried out in the public interest, in a non-discriminatory manner, upon payment of prompt, adequate, and effective compensation, and in accordance with due legal process and the general principles of treatment set forth in Article 3 of this Agreement (Promotion and Protection of Investments); nor may they be nationalized or subjected to measures—whether direct or indirect—that have a similar effect (hereinafter referred to as "expropriation").

2. Non-discriminatory legal measures enacted and implemented to protect legitimate objectives related to public welfare,

such as health, safety, and the environment, do not constitute indirect expropriation.

3. Compensation shall be equal to the market value of the expropriated investment as of the date the expropriation measures were taken and made public. The amount of compensation shall be calculated in accordance with the laws and regulations of the Host Contracting Party, taking into account general valuation principles. Compensation shall be paid without delay and shall be freely transferable as specified in Article 8 (Transfers) of this Agreement.

4. Compensation shall be paid in a freely convertible currency, and in the event of a delay in payment, the compensation shall include, unless otherwise specified in the laws of the host Contracting Party, an appropriate commercial interest rate from the date of expropriation until the date of payment.

Article 7. Compensation for Losses

1. Investors of each Contracting Party whose investments in the territory of the other Contracting Party have suffered damage due to war, insurrection, civil unrest, or other similar events shall, with respect to the compensatory measures taken by the other Contracting Party regarding such losses, shall be subject to the treatment applied by the other Contracting Party to its own investors or to investors from any third country, whichever is more favorable.

2. Subject to the provisions of paragraph 1, in any of the situations specified in that paragraph, the losses of investors of a Contracting Party who have suffered damage in the territory of the other Contracting Party shall be compensated:

(a) in the event of the seizure of their property by the forces or official authorities of the other Contracting Party; or

(b) the destruction of their property by the forces of the other Contracting Party, whether in a combat zone or not; compensation shall be paid promptly, adequately, and effectively.

Such compensation shall be paid in the currency of the Contracting Party in which the investor holds the funds, or in another currency, in accordance with the laws and regulations of that Contracting Party.

Article 8. Transfers

1. After the investor has fulfilled all financial obligations to the host Contracting Party, each Contracting Party shall, in good faith, guarantee that all transfers relating to an investment may be made freely and without delay into and out of its territory, in accordance with its own laws and regulations. Such transfers include:

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

(b) revenues;

(c) amounts derived from the liquidation of an investment or the sale of all or part of it;

(d) compensation arising from Article 6 (Expropriation and Compensation) and Article 7 (Compensation for Losses);

(e) interest and principal payments on loans related to investments;

(f) salaries, wages, and other payments received by nationals of one Contracting Party who have obtained work permits in connection with an investment in the territory of the other Contracting Party; (g) payments arising from an investment dispute;

2. Unless otherwise agreed by the investor and the host Contracting Party, transfers shall be made in accordance with the laws and regulations of the host Contracting Party, in the convertible currency in which the investment was made or in any other convertible currency, at the market exchange rate in effect on the date of the transfer.

3. In exceptional circumstances where payments and capital movements cause or threaten to cause serious difficulties in the balance of payments, each Contracting Party may restrict transfers without discrimination and in good faith.

Article 9. Subrogation

1. If one of the Contracting Parties has entered into a public insurance policy to protect its investors, the insurer is authorized to enforce the terms of the insurance contract arising from subrogation, and the insurance coverage against non-commercial risks for investments shall be recognized by the other Contracting Party.

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

claims of the investor.

3. Disputes between a Contracting Party and the insurer shall be resolved in accordance with the provisions of Article 10 of this Agreement (Settlement of Disputes Between a Contracting Party and Investors of the Other Contracting Party).

Article 10. Settlement of Disputes between a Contracting Party and Investors of the other Contracting Party

1. This Article applies to disputes arising between a Contracting Party and an investor of the other Contracting Party, where the investor alleges that the Contracting Party has breached an obligation under this Agreement, thereby causing loss or damage to the investor or the investment.

2. Any dispute arising between one Contracting Party and an investor of the other Contracting Party regarding the investor's investment shall be notified in writing by the investor to the Contracting Party in which the investment was made, including detailed information. To the extent possible, the investor and the relevant Contracting Party shall endeavor in good faith to resolve such disputes through consultation, negotiation, or mediation.

3. The investor shall lose the right to file a claim with the national courts or arbitration centers covered by paragraph 4 of this Article after the expiration of a five (5)-year period from the date the investor first learned or should have learned of the alleged breach of the Agreement. If the investor does not file its claim within this period, the investor shall be deemed to have waived its right to bring the claim.

4. If such disputes cannot be resolved amicably within six (6) months following the date of the written notice specified in paragraph 2, the disputes shall be submitted, at the investor's option:

(a) the competent court of the Contracting Party in whose territory the investment was made; or

(b) the International Centre for Settlement of Investment Disputes (ICSID), established under the "Convention on the Settlement of Investment Disputes between States and Nationals of Other States"; or

(c) an ad hoc arbitration tribunal to be established in accordance with the Rules of Arbitration of the United Nations Commission on International Trade Law (UNCITRAL), adopted by the United Nations General Assembly on December 15, 1976, and revised in 2010; or

(d) any other arbitration institution to which the parties to the dispute may agree to submit the dispute.

5. Once the investor submits the dispute to one of the dispute resolution methods referred to in paragraph 4 of this Article, the selection of that method is final.

6. When determining whether an investment dispute falls within the scope of ICSID's jurisdiction and the arbitral tribunal's authority to hear the case, the arbitral tribunal constituted under paragraph 4(b), shall be guided by any notification submitted to ICSID by either Contracting Party regarding which disputes are eligible for submission to ICSID proceedings, in accordance with Article 25, paragraph 4, of the ICSID Convention, which constitutes an integral part of this Agreement.

7. The arbitral tribunal shall render its awards in accordance with the provisions of this Agreement, the laws and regulations (including conflict-of-laws rules) of the Contracting Party that is a party to the dispute and in whose territory the investment is made, and the applicable principles of international law between the Contracting Parties.

8. Arbitration awards shall be final and binding on all parties to the dispute. Each Contracting Party shall enforce the awards rendered in accordance with its own national laws.

Article 11. Denial of Benefits

1. A Contracting Party may refuse to apply the benefits arising from this Agreement to an investor of that Contracting Party who is a company of the other Contracting Party, and to the investments of such an investor, if the company in question has no active business operations in the Contracting Party's territory where it was incorporated under that Contracting Party's laws, or if an investor from a non-Contracting Party or investors from the Contracting Party refusing to apply the benefits of this Agreement own or control such a company.

2. A Contracting Party that refuses to grant benefits shall, to the extent possible, notify the other Contracting Party prior to such refusal.

Article 12. Settlement of Disputes between the Contracting Parties

1. The Contracting Parties shall seek a prompt and equitable resolution, in a spirit of good faith and cooperation, to any dispute arising between them regarding the interpretation or application of this Agreement. To this end, the Contracting Parties agree to engage in direct and meaningful negotiations to reach such a resolution.

2. If the Contracting Parties cannot reach an agreement through the methods specified above within six (6) months after the beginning of disputes between themselves through the foregoing procedure, the disputes may be submitted, upon the request of either Contracting Party, to an arbitral tribunal of three members.

3. Within two (2) months of receipt of a request, each Contracting Party shall appoint an arbitrator. The two arbitrators shall select a third arbitrator as Chairman, who is a national of a third State. In the event either Contracting Party fails to appoint an arbitrator within the specified time, the other Contracting Party may request the President of the International Court of Justice to make the appointment.

4. If the two arbitrators cannot reach an agreement on the selection of the President within two (2) months of their appointment, the President shall be appointed by the President of the International Court of Justice upon the request of one of the Contracting Parties.

5. If, in the situations described in paragraphs 3 and 4 of this Article, the President of the International Court of Justice is prevented from performing the said duty or if the President is a national of one of the Contracting Parties, the appointment shall be made by the Vice President; and if the Vice President is also prevented from performing this duty or is a national of one of the Contracting Parties, the appointment shall be made by the most senior member of the Court who is not a national of any of the Contracting Parties.

6. Within three (3) months from the date of the Chairperson's election, the arbitral tribunal shall agree on rules of procedure consistent with the other provisions of this Agreement. In the absence of such an agreement, the arbitral tribunal shall request the President of the International Court of Justice to determine the rules of procedure, taking into account generally accepted international arbitration procedures.

7. Unless otherwise agreed, all submissions shall be made and all hearings concluded within eight (8) months from the date of the President's election, and the arbitral tribunal shall render its decision within two (2) months following the date on which the final submissions are made or the hearings are concluded, whichever occurs later. The arbitral tribunal shall render its final and binding decision by a majority vote. The Arbitration Tribunal shall render its decision in accordance with this Agreement and the international law in force between the Contracting Parties.

8. The expenses of the Chairperson, the other arbitrators, and other costs related to the proceedings shall be borne equally by the Contracting Parties.

9. If a dispute has been submitted to an international arbitration tribunal pursuant to Article 10 of this Agreement (Settlement of Disputes Between a Contracting Party and Investors of the Other Contracting Party), and is still pending before that tribunal, the same dispute may not be submitted to another international arbitration tribunal under the provisions of this Article. This shall not preclude the establishment of direct and meaningful consultations between the two Contracting Parties.

Article 13. Transmission of Documents

1. Notifications and other documents to be sent to the Republic of Turkey regarding disputes falling under Article 10 (Settlement of Disputes between a Contracting Party and Investors of the Other Contracting Party) and Article 12 (Settlement of Disputes between the Contracting Parties) shall be addressed to:

Presidential Complex,

Presidency of Administrative Affairs,

General Directorate of Law and Legislation,

06560 Beştepe-Ankara,

Turkey.

2. Notices and other documents to be sent to the Republic of Iraq regarding disputes falling under Article 10 (Settlement of Disputes between a Contracting Party and the Investors of the Other Contracting Party) and Article 12 (Settlement of Disputes Between the Contracting Parties) shall be sent to the Republic of Iraq at the following address:

Ministry of Foreign Affairs,

Republic of Iraq,

Salhiya-Fadel-Al-Jamali Street,

Baghdad,

Iraq.

Article 14. Entry Into Force, Duration, Amendment, and Termination

1. This Agreement shall enter into force on the date the last of the written notifications, transmitted through diplomatic channels, confirming that the Contracting Parties have completed the necessary legal procedures for its entry into force is received.

2. This Agreement shall remain in force for a period of ten (10) years.

3. This Agreement may be amended at any time by mutual written consent of the Contracting Parties. Such amendments shall enter into force in accordance with the same legal procedures specified in paragraph 1 of this Article.

4. Either Contracting Party may terminate this Agreement at the end of the initial ten (10) year period by providing one year's prior written notice to the other Contracting Party. Following the first ten-year period, the validity of the Agreement shall be extended once for a period of five (5) years.

5. With respect to investments made or established prior to the date of termination of this Agreement, or to which this Agreement would otherwise apply, the provisions of all other Articles of this Agreement shall remain in effect for an additional five (5) years from the date of termination.

IN VIEW OF THE FOREGOING, this Agreement has been signed by the representatives authorized by the Governments and whose signatures appear below.

Dated April 22, 2024, according to the Gregorian calendar, and corresponding to 13 Shawwal 1445 according to the Hijri calendar, this Agreement has been drawn up in Baghdad in two original copies each in Turkish, Arabic, and English, with all texts being equally authentic. In the event of any discrepancy in interpretation, the English text shall prevail.

ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF TURKEY

Mehmet Fatih KACIR

Minister of Industry and Technology

ON BEHALF OF THE GOVERNMENT OF THE REPUBLIC OF IRAQ

Dr. Haider Mohammed MAKKIYAH

Chairman of the Crime Commission