AGREEMENT BETWEEN THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT AND THE GOVERNMENT OF THE REPUBLIC OF ARMENIA FOR THE PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Arab Republic of Egypt and the Government of the Republic of Armenia, (hereinafter referred to the Contracting Parties),

Desiring to create favourable conditions for greater investment by nationals and companies of one State in the territory of the other State;

Recognizing that the encouragement and reciprocal protection under international agreement of such investments will be conductive to the stimulation of individual business initiative and will increase prosperity in both States;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

(1) "Investment" means every kind of assets and in particular, though not exclusively, includes:

(a) Movable and immovable property and any other property rights such as mortgages, liens or pledges;

(b) Shares in and stock and debentures of a company and any other form of participation in a company;

(c) Claims to money or to any performances under contract having a financial value;

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

(e) Business concessions conferred by law or under contract, including concessions to search for, cultivate, extract or exploit natural resources.

A change in the form in which assets are invested does not affect their character as investments and the term "investment" includes all investments made from the date of entry into force of this Agreement;

(2) "return" means the amounts yielded by an investment and in particular, though not exclusively, includes profit, interest, capital gains, dividends, royalties and fees;

(3) "nationals" means:

(a) In respect of the Arab Republic of Egypt: physical persons deriving their status as nationals of the Arab Republic of Egypt from the law in force in the Arab Republic of Egypt;

(b) In respect of the Republic of Armenia: physical persons deriving their status as nationals of the Republic of Armenia from the law in force in the Republic of Armenia;

(4) "companies" means:

(a) In respect of the Arab Republic of Egypt: corporations, firms and associations incorporated or constituted under the law in force in any part of the Arab Republic of Egypt and having their headquarters in it's territory;

(b) In respect of the Republic of Armenia: corporations, firms and associations incorporated or constituted under the law in force in any part of the Republic of Armenia and having their headquarters in it's territory;

(5) "territory" means:

(a) In respect of the Arab Republic of Egypt: territory of the Arab Republic of Egypt;

(b) In respect of the Republic of Armenia: territory of the Republic of Armenia

Article 2. Promotion and Protection of Investments

(1) Each Contracting Party shall encourage and create favourable conditions for nationals or companies of the other Contracting Party to invest capital in its territory, and, subject to its right to exercise powers conferred by its laws, shall admit such capital.

(2) Investments of nationals or companies of each Contracting Party shall at all times 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 management, maintenance, use, enjoyment or disposal of investments in its territory of nationals or companies of the other Contracting Party. Each Contracting Party shall observe any obligation it may have entered into with regard to investments of nationals or companies of the other Contracting Party.

Article 3. National Treatment and Most - Favoured - Nation Provisions

(1) Neither Contracting Party shall in its territory subject investments or returns of nationals or companies of the other Contracting Party to treatment less favourable than that which it accords to investments or returns of its own nationals or companies or to investments or returns of nationals or companies of any third State.

(2) Neither Contracting Party shall in its territory subject nationals or companies of the other Contracting Party, as regards their management, maintenance, use, enjoyment or disposal of their investments, to treatment less favourable than that which it accords to its own nationals or companies or to nationals or companies of any third State.

(3) For the avoidance of doubt it is confirmed that the treatment provided for the paragraphs (1) and (2) above shall apply to the provisions of Articles 1 to 11 of this Agreement.

Article 4. Compensation for Losses

1) Nationals or companies of one 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 latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which the latter Contracting Party accords to its own nationals or companies or to nationals or companies of any third State. Resulting payments shall be freely transferable.

2) Without prejudice to paragraph (1) of this Article, nationals and companies 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:

(a) Requisitioning of their property by the forces or authorities, or

(b) Destruction of their property by the forces or authorities, which was not caused in combat action or was not required by the necessary of the situation,

Shall be accorded restitution or adequate compensation. Resulting payments shall be freely transferable.

Article 5. Expropriation

(1) Investments of nationals or companies of either Contracting Party shall not be nationalised, expropriated or subjected to direct measures having effect equivalent to nationalisation or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for a public purpose related to the internal needs of that Party on a non-discriminatory basis and against prompt, adequate and effective compensation. Such compensation shall amount to the genuine value of the investment expropriated immediately before the expropriation, shall include interest at a normal commercial rate until the date of payment, shall be made without any unreasonable delay, be effectively realizable and be freely transferable. The national or company affected shall have a right, under the law of the Contracting Party making the expropriation, to prompt review, by a judicial or other independent authority of that Party, of his or its case and of the valuation of his or its investment in accordance with the principles set out in this paragraph.

(2) Where a Contracting Party expropriates the assets of a company which is incorporated or constituted under the law in force in any part of its own territory, and in which nationals or companies of the other Contracting Party own shares, it shall ensure that provisions of paragraph (1) of this Article are applied to the extent necessary to guarantee prompt, adequate and effective compensation in respect of their investments to such nationals or companies of the other Contracting Party. Who are owners of those shares.

Article 6. Repatriation of Investments and Returns

Each Contracting Party shall in respect of investments quarantee to nationals or companies of the other Contracting Party the unrestricted transfer of their investments and returns. Transfers shall be effected without delay in the convertible currency in which the capital was originally invested or in any other convertible currency agreed by the investor and the Contracting Party concerned. Unless otherwise agreed by the investor transfers shall be made at the rate of exchange applicable in the host state on the date of transfer pursuant to he exchange regulations in force.

Article 7. Exceptions

The provisions of this Agreement relative to the grant of treatment not less favourable than that accorded to the nationals or companies of either Contracting Party or of any third State shall not be construed so as to oblige one Contracting Party to extend to the nationals or companies of the other the benefit of any treatment, preference or privilege resulting from:

a) Any existing or future customs union or similar international agreement to which either of the Contracting Parties is or may become a party, or

b) Any international agreement or arrangement relating wholly or mainly to taxation or any domestic legislation relating wholly or mainly to taxation.

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

The Contracting Parties shall strive to settle any dispute between one Contracting Party and an investor of the other Contracting Party in an amicable way.

(2) If any such dispute should arise and cannot be settled within six months it shall be submitted, at the request of either party, to arbitration. The arbitration shall be conducted in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law, as adopted in Resolution 31/98 of the United Nations General, Assembly on 15 December 1976, unless the Parties otherwise agree.

(3) The arbitration decision shall be final and binding upon all Parties to the dispute. Each Contracting Party shall undertake to fulfil the decision in accordance with its legislation.

Article 9. Settlement of Dispute between the Contracting Party

1) The Contracting Parties shall in the spirit of cooperation seek for a quick and just settlement of any disputes between them concerning the interpretation or application of this Agreement.

2) If a dispute between the Contracting Parties cannot thus be settled within six months, it shall upon the agreement of the Contracting Parties be submitted to Arbitration Court ADHOC.

3) The Arbitration Court shall be constituted in the following way. Within six months after the receipt of the request for arbitration each Contracting Party shall appoint one member of the Arbitration Court. The appointed two members shall then select a national of a third country who, on the approval of the two Contracting Parties, shall be appointed Chairman of the Arbitration Court (hereinafter referred to as the chairman). The Chairman shall be appointed within two months from the dated of appointment of the other two members of the Arbitration Court.

(4) If within the periods specified in paragraph (3) of this Article the necessary appointments have not been made, either Contracting Party may, in the absence of other agreements, invite the President of the International Court of Justice to make such appointments. If the President is a citizen of either Contracting Party or if he otherwise is prevented from discharging the said function, the Vice-President shall be invited to make the necessary appointments. If the Vice-President is a citizen of either Contracting Party or he is also prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a citizen of either Contracting Party shall be invited to make the necessary appointments.

(5) The Arbitration Court shall reach its decision by a majority of votes. Such decision shall be binding upon both Contracting Parties. The Arbitration Court shall determine its own procedures.

Article 10. Subrogation

(1) If one Contracting Party or its designated Agency ("the first Contracting Party") makes a payment under an indemnity given in respect of an investment in the territory of the other Contracting Party, ("the second Contracting-Party"), the second Contracting Party shall recognize:

(a) The assignment to the first Contracting Party by law or by legal transaction of all the rights and claims of the party indemnified, and

(b) That the first Contracting Party is entitled to exercise such rights and enforce such claims by virtue of subrogation, to the same extent as the party indemnified.

2) The first Contracting Party shall be entitled in all circumstances to the same treatment in respect of:

(a) The rights and claims acquired by it by virtue of the assignment and

(b) Any payments received in pursuance of those rights and claims, as the party indemnified was entitled to receive by virtue of this Agreement in respect of the investment concerned and its related returns.

(3) Any payments received in non-convertible currency by the first Contracting Party in pursuance of the rights and claims acquired shall be freely available to the expenditure incurred in the territory of the second Contracting Party.

Article 11. Application of other Rules

If the provisions of law of either Contracting Party or obligations under international law existing at present or established hereafter between the Contracting Parties in addition to the present Agreement contains rules, whether general or specific, entitled investments by nationals or companies of the other Contracting Party to a treatment more favourable than is provided for by the present Agreement, such rules shall to the extent that they are more favourable prevail over the present Agreement.

Article 12. Entry Into Force

Each Contracting Party shall notify the other in writing of the completion of the legal procedures required in its territory for the entry into force of this Agreement.

This Agreement shall enter into force on the date of the two notifications

Article 13. Duration and Termination

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 to the other. Provided that in respect of investments made whilst the Agreement is in force, its provisions shall continue in effect with respect to such investments for a period of twenty years after the date of termination and without prejudice to the application thereafter of the rules of general international law.

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

Done in on 1996 in two originals in Arabic, Armenian and English languages, all texts are authentic. In case of divergence of interpretation the English text shall prevail.

FOR THE GOVERNMENT OF THE ARAB REPUBLIC OF EGYPT

FOR THE GOVERNMENT OF THE REPUBLIC OF ARMENIA