AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF TURKEY AND THE GOVERNMENT OF THE REPUBLIC OF BENIN CONCERNING THE RECIPROCAL PROMOTION AND PROTECTION OF INVESTMENTS

The Government of the Republic of Turkey and the Government of the Republic of Benin, hereinafter referred to as "the Contracting Parties".

Considering increasing cooperation and friendship relations between the Contracting Parties and two Nations;

Desiring to promote greater economic cooperation between the Contracting Parties particularly with respect to investment by investors of one Contracting Party in the territory of the other Contracting Party;

Recognizing that the treatment provided by the present Agreement will stimulate the flow of capital and technology, and the economic development of the Contracting Parties;

Agreeing that fair and equitable treatment of investments is desirable in order to maintain a stable framework for investment and will contribute to maximizing effective utilization of economic resources and improve living standards;

Convinced that these objectives can be achieved without relaxing health, safety and environmental measures of general application as well as internationally recognized labor rights, and

Having resolved to conclude an agreement concerning the reciprocal promotion and protection of investments,

Have agreed as follows:

Article 1. Definitions

For the purpose of this Agreement;

1. The term "investment" means every kind of asset, owned or controlled directly by the "investor" of a Contracting Party, connected with business activities, acquired for the purpose of establishing lasting economic relations in the territory of the other Contracting Party in conformity with its laws and regulations, and shall include in particular, but not exclusively:

(a) movable and immovable property, as well as any other rights as mortgages, liens, pledges and any other similar rights as defined in conformity with the laws and regulations of the Contracting Party in whose territory the property is situated,

(b) reinvested returns, claims to money or any other rights having financial value related to an investment:

(c) shares, stocks or any other form of participation in companies;

(d) industrial and intellectual property rights, in particular patents, industrial designs. technical processes, as well as trademarks, goodwill and know-how;

(e) business concessions conferred by law or by contract, including concessions related to natural resources;

provided that such investments are not in the nature of acquisition of shares or voting power amounting to, or representing of, less than ten (10) percent of a company through stock exchanges which shall not be covered by this Agreement.

2. The term "investor" means:

(a) natural persons having the nationality of a Contracting Party according to its laws,

(b) companies, corporations, firms, business partnerships, incorporated ar constituted under the law in force of a

Contracting Party, whether it is privately or governmentally owned or controlled, and having their registered offices together with substantial business activities in the territory of that Contracting Party,

who have made an investment in the territory of the other Contracting Party.

3. The term "returns" means the amounts yielded by an investment and includes in particular, though not exclusively, profit, interest, capital gains, royalties, fees and dividends.

4. The term "territory" means; the land territory, internal waters, the territorial sea and the airspace above them, as well as the maritime areas over which each Contracting Party has sovereign rights or jurisdiction for the purpose of exploration, exploitation and preservation of natural resources whether living or non-living, pursuant to international law,

5, The term "freely convertible currency" means a convertible currency as classified as freely usable by the International Monetary Fund or any currency that is widely traded in international foreign exchange markets.

6. The term "without delay" shall mean any time limit which is normally required to complete the formalities necessary for the transfers of payments. Such time limit shall run from the date when the transfer request has been submitted and shall under no circumstance exceed one month.

Article 2. Scope of Application

This Agreement shall apply to investments in the territory of one Contracting Party, made in accordance with its national laws and regulations, by investors of the ether Contracting Party, whether prior to, or after the entry into force of the present Agreement. However, this Agreement shall not apply to any disputes that have arisen before its entry into force.

Article 3. Promotion and Protection of Investments

1. Subject to its laws and regulations, each Contracting Party shall in its territory promote as far as possible investments by investors of the other Contracting Party.

2. Investments of investors of each Contracting Party shall at all times be accorded treatment in accordance with international law minimum standard of treatment, including fair and equitable treatment and full protection and security in the territory of the other Contracting Party. Neither Contracting Party shall in any way impair the management, maintenance, use, operation, enjoyment, extension, sale, liquidation or disposal of such investments by unreasonable or discriminatory measures.

Article 4. Treatment of Investments

1. Each Contracting Party shall admit in its territory investments on a basis no less favourable than that accorded in like circumstances to investments of investors of any third State, within the framework of its laws and regulations.

2. Each Contracting Party shall accord to these investments, once established, treatment no less favourable than that accorded in like circumstances to investments of its investors or to investments of investors of any third State, whichever is the most favourable, as regards the management, maintenance, use, operation, enjoyment, extension, sale, liquidation or disposal of the investment.

3. The Contracting Parties shall within the framework of their national legislation give favorable consideration to applications for the entry and sojourn of nationals of either Contracting Party who wish to enter the territory of the other Contracting Party in connection with the making and carrying through of an investment.

4. (a) The provisions 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.

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

(c) Paragraphs (1) and (2) of this Article shall not apply in respect of dispute settlement provisions between an investor end the hosting Contracting Party laid down simultaneously by this Agreement and by another similar international agreement to which one of the Contracting Parties is signatory.

(d) The provisions of Articles 3 and 4 of this Agreement shall not oblige the host Contracting Party to accord investments of investors of the other Contracting Party the same treatment that it accords to investments of its own investors with regard to acquisition of land, real estates, and real sights thereof.

Article 5. General Exceptions

1. Nothing in this Agreement shall be construed to prevent a Contracting Party from adopting, maintaining, or enforcing any non-discriminatory legal measures:

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

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

2. Nothing in this Agreement shall be construed:

(a) to require any Contracting Party ting Party to furnish or allow access to any information the disclosure of which it determines to be contrary to its essential security interests;

(b) to prevent any Contracting Party from taking any actions that it considers necessary for the protection of its essential security interests,

(i) relating to the traffic in arms, ammunition and implements of war and to such traffic and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security esiablishipent,

(ii) taken in time of war or other emergency in international relations, or

(iii) relating to the implementation of national policies or international agreements respecting the non-protiferation of nuclear weapons or other nuclear explosive devices; or

(c) to prevent any Contracting Party from taking action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.

Article 6. Expropriation and Compensation

1. Investments shall not be expropriated, nationalized, dispossessed or subject, directly or indirectly, to measures of similar effects (hereinafter referred as expropriation) except for a public purpose, in a non-discriminatory manner, upon payment of prompt, adequate and effective compensation, and in accordance with due process of law and the general principles of treatment provided for in Article 4 of this Agreement.

2. Non-discriminatory legal measures designed and applied to protect legitimate public welfare objectives, such as health, safety and environment, do not constitute indirect expropriation.

3. Compensation shall be equivalent to the market value of the expropriated investment before the expropriation was taken or became public knowledge. Compensation shall be paid without delay and be freely transferable as described in paragraph 2 Article 8.

4. The market value shall be determined in accordance with generally recognized principles of valuation and equitable principles taking into account, where appropriate, the capital invested, depreciation, capital and repatriated, replacement value, currency exchange rate movements and other relevant factors.

5. Compensation shall be payable in a freely convertible currency and in the event that payment of compensation is delayed, it shall include an appropriate interest cate from the date of expropriation until the date of payment.

Article 7. Compensation for Losses

1. Investors of either Contracting Partly whose investments suffer losses in the territory of the other Contracting Party owing to war, insurrection, civil disturbance or other similar events shall be accorded by such other Contracting Party treatment no less favourable than that accorded to its own investors or to investors of any third State, whichever is the most favourable treatment, as regards any measures it adopts in relation to such lasses.

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:

(a) requisitioning of their property by its forces or authorities; or

(b) destruction of their property by its forces or authorities, which was not caused in combat action or was not required by the necessity of the situation;

shall be accorded restitution or compensation which in either case shall be prompt, adequate and effective. Resulting payments shall be freely convertible,

Article 8. Repatriation and Transfer

1. Subject to its laws and regulations, each Contracting Party shall guarantee in good faith all transfers related to an investment to be made freely and without delay into and out of its territory. Such transfers include:

(a) the initial capital and additional amounts to maintain or increase investment,

(b) returns,

(c) proceeds from the sale ar liquidation of all or any part of an investment,

(d) compensation pursuant to Article 6 and 7,

(e) reimbursements and interest payments deriving from loans in connection with investments,

(f) salaries, wages and other remunerations received by the nationals of one Contracting Party who have obtained in the territory of the other Contracting Party the corresponding work permits related to an investment,

(g) payments arising from an investment dispute.

2. Transfers shall be made in the convertible currency in which the investment has been made or in any convertible currency at the rate of exchange in force at the date of transfer, unless otherwise agreed by the investor and the hosting Contracting Party.

3. Where, in exceptional circumstances, payments and capital movements cause or threaten to cause serious balance of payments difficulties, each Contracting Party may temporarily restrict transfers, provided that such restrictions are imposed on a non- discriminatory and in good faith basis.

Article 9. Subrogation

1. Ifa Contracting Party or its designated agency (the Insurer) makes a payment under an indemnity or guarantee against non-commercial risks it has assumed in respect of an investment in the territory of the other Contracting Party (the host Contracting Party), the host Contracting Party shall recognize:

(a) the assignment to the Insurer by law or by legal transaction of part or all of the rights and claims resulting from such an investment;

(b) that the Insurer is entitled to exercise such rights and claims and shall assume all obligations related to the investment by virtue of subrogation, to the same extent as its predecessor in title or the original investor; and

(c) the subrogated rights or claims shall not exceed the original rights or claims of such investor.

2. The Insurer shall be entitled in all circumstances to:

(a) the same treatment in respect of the rights and claims acquired and the obligations assumed by it by virtue of the assignment referred to in paragraph 1 above; and

(b) any payments reecived in pursuance of those rights and claims:

as the origina! investor was entitled to receive by virtue of this Agreement in respect of the investment concerned

3. Without prejudice to the provisions of Article 8, any payments received in local currency by the Insurer in pursuance of the rights and claims acquired shall be freely available to the Insurer for the purpose of meeting any expenditure incurred in the territory of the host Contracting Party.

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

1. Disputes between one of the Contracting Parties and an investor of the other Contracting Party, in connection with his or her investment, shall be notified in writing, including detailed information, by the investor to the recipient Contracting Party of the investment. As far as possible, the investor and the concerned Contracting Party shall endeavor to settle these disputes by consultations and negotiations in good faith.

2. If these disputes, cannot be settled in this way within six (6) months following the date of the written notification mentioned in paragraph 1, the disputes can be submitted, as the investor may choose, to:

(a) the competent court of the Contracting Party in whose territory the investment has been made, or

(b) except as provided under paragraph 4 (a) and (b) of this Article, to:

(i) the International Center for Settlement of Investment Disputes (ICSID) set up by the "Convention on Settlement of Investment Disputes Between States and Nationals of other States", or

(ii) an ad hoc arbitral tribunal established under the Arbitration Rules of Procedure of the United Nations Commission for International Trade Law (UNCITRAL).

3. Once the investor has submitted the dispute to one or the other of the dispute settlement forums mentioned in paragraph 2 of this Article, the choice of one of these forums shall be final.

4. Notwithstanding the provisions of paragraph 2 of this Article:

(a) only the disputes arising directly out of investment activities which have obtained necessary permission, if there is any permission required, in conformity with the relevant legislation of the host Contracting Party on foreign capital, and that effectively started shall be subject to the jurisdiction of the International Center for Settlement of Investment Disputes (ICSID} or any other international dispute settlement mechanism as agreed upon by the Contracting Parties,

(b) the disputes, related to the property and real rights upon the real estates within the territory of the Republic of Turkey are totally under the jurisdiction of the Turkish courts and therefore shall not be submitted to jurisdiction of the International Center for Settlement of Investment Disputes (ICSID) or any other international dispute settlement mechanism; and

(c) In the implementation of Article 64 of the "Convention on the Settlement of Investment Disputes between States and Nationals of other States", the following provision shall apply:

The Republic of Turkey shall not accent the referral of any disputes arising between the Republic of Turkey and any other Contracting State concerning the interpretation or application of the "Convention on the Settlement of Investment Disputes between States and Nationals of other States", which is not settled by negotiation, to the International Court of Justice,

5. The arbitral tribunal shall take its decisions in accordance with the provisions of this Agreement, the laws and regulations of the Contracting Party involved in the dispute on which territory the investment is made (including its rules on the conflict of laws) and the relevant principles of international law as accepted by both Contracting Parties.

6. The arbitration awards shall be final and binding for all parties in dispute. Each Contracting Party commits itself to execute the award according to its national law.

Article 11. Denial of Benefits

1. A Contracting Party may deny the benefits of this Agreement to an investor of the other Contracting Party that is a company of such other Contracting Party and to investments of such investor if the company has no substantial business activities in the territory of the Contracting Party under whose law it is constituted or organized, and investors of a non-Contracting Party or investors of the denying Contracting Party, own or control the company.

2. The denying Contracting Party shall, to the extent practicable, notify the other Contracting Party before denying the benefits.

Article 12. Settlement of Disputes between the Contracting Parties

1. The Contracting Parties shall seek in good faith and a spirit of cooperation a rapid and equitable solution to any dispute between them concerning the interpretation or application of this Agreement. In this regard, the Contracting Parties agree to engage in direct and meaningful negotiations, upon exchange of the written notifications to arrive at such solutions. If the Contracting Parties cannot reach an agreement 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 by diplomatic channels, to an arbitral tribunal of three members,

2. 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 ether Contracting Party may request the President of the International Couri of Justice to make the appointment.

3. If both arbitrators cannot reach an agreement about the choice of the Chairman within two (2) months after their appointment, the Chairman shall be appointed upon the request of either Contracting Party by the President of the International Court of Justice.

4. If, in the cases specified under paragraphs (2) and (3) of this Article, the President of the International Court of Justice is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the Vice- President, and if the Vice-President is prevented from carrying out the said function or if he is a national of either Contracting Party, the appointment shall be made by the most senior member of the Court who is not a national of either Contracting Party,

5. The tribunal shall have three (3) months from the date of the selection of the Chairman to agree upon rules of procedure consistent with the other provisions of this Agreement. In the absence of such agreement, the tribunal shall request the President of the International Court of Justice to designate rules of procedure, taking into account generally recognized rules of international arbitral procedure.

6. Unless otherwise agreed, all submissions shall be made and all hearings shall be completed within eight (8) months of the date of selection of the Chairman, and the tribunal shall vender its decision within two (2) months after the date of the final submissions or the date of the closing of the hearings, whichever is later. The arbitral tribunal shall reach its decisions, which shall be final and binding, by a majority of votes. Arbitral Tribunal shall reach its decision on the basis of this Agreement and in accordance with international law applicable between the Contracting Parties,

7. Expenses incurred by the Chairman, the other arbitrators, and other costs of the proceedings shall be paid for equally by the Contracting Parties. The tribunal may, however, at its discretion, decide that a higher proportion of the costs be paid by one of the Contracting Parties.

8 A dispute shall not be submitted to an international arbitral tribunal under the provisions of this Article, if 4 dispute on the same matter has been brought before another international arbitral tribunal under the provisions of Article 10 and is still before the tribunal, This will not impair the engagement in direct and meaningful negotiations

Article 13. Annex on Expropriation

The Annex on Expropriation shall form an integral part of this Agreement.

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

1. This Agreement shall enter into force on the date of last notification by the Contracting Parties, in writing and through diplomatic channels, of the completion of the respective internal legal procedures necessary to that effect.

2. This Agreement shall remain in force for a period of fifteen (15) years and shall continue in force unless terminated in accordance with paragraph 4 of this Article.

3. This Agreement may be amended by mutual written consent of the Contracting Parties at any time. The amendments shall enter into force in accordance with the same legal procedure prescribed under the first paragraph of the present Article.

4. Either Contracting Party may, by giving one year's prior written notice to the other Contracting Party, terminate this Agreement al the end of the initial fifteen-year period or at any time thereafter.

With respect to investments made or acquired prior to the date of termination of this Agreement and to which this Agreement otherwise applies, the provisions of all of the other Articles of this Agreement shall thereafter continue to be effective for a further period of ten (16) years from such date of termination.

IN WITNESS WHEREOF, the undersigned representatives, duly authorized thereto by their respective Governments, have signed this Agreement.

DONE in duplicate at Ankara on 11/12/2013 in Turkish, French and English languages. all texts being equally authentic.

in case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF THE REPUBLIC OF BENIN

Zater CAGLAYAN

Minister of Economy

FOR THE GOVERNMENT OF THE REPUBLIC OF TURKEY

Nassirou BAKO-ARIFARI

Minister of Foreign Affairs, African Integration, Francophonie and Beninese Abroad

Annex. Expropriation

The Contracting Parties confirm their shared understanding that;

1. An action or a series of actions by a Contracting Party cannot constitute an expropriation unless it interferes with a tangible or intangible property right or property interest in an investment.

2. Article 6 [Expropriation and Compensation] paragraph 1 addresses two situations, The first is direct expropriation, where an investment is nationalized or otherwise directly expropriated through formal transfer of title or outright seizure.

3. The second situation addressed by Article 6 [Expropriation and Compensation] paragraph 1 is indirect expropriation, where an action or series of actions by a Contracting Party has an effect equivalent to direct expropriation without formal transfer of title or outright seizure.

(a) The determination of whether an action or series of actions by a Contracting Party, in a specific fact situation, constitutes an indirect expropriation, requires a case-by-case, fact-based inquiry that considers, among other factors:

(i) the economic impact of the government action, although the fact that an action or series of actions by a Party has an adverse effect on the economic value of an investment, standing alone, does not establish that an indirect expropriation has occurred;

(ii) the extent to which the government action interferes with distinct, reasonable investment-backed expectations; and

(iii) the character of the government action.