AGREEMENT

BETWEEN

THE SLOVAK REPUBLIC

AND

THE LEBANESE REPUBLIC

FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Slovak Republic and the Lebanese Republic (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 promotion and reciprocal 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" shall comprise every kind of assets invested in connection with business and economic activities by an investor 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 shall include, in particular, though not exclusively:

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

    b) shares in companies, 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 an economic value;

    d) intellectual property rights including rights with respect to copyrights, patents, trademarks, trade names, industrial designs, technical processes, trade secrets, 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.

2. The term "investor" means any natural or legal person of one Contracting Party who invests 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:

      i) as regards the Slovak Republic: 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 in the territory of that Contracting Party. Moreover, the activities of the registered office should have a real and continuous link with the economy of the Contracting Party where it is registered;

      ii) as regards the Lebanese Republic: legal entities, including companies, corporations, business associations and other organizations, including holding or offshore companies registered in either of the Contracting Parties, which are constituted or otherwise duly organized under the law of that Contracting Party.

3. The term "returns" means the amounts yielded by investments and, in particular, though not exclusively, includes profits, interests, capital gains, dividends, royalties management and technical assistance fees or other fees, irrespective of the form in which the return is paid.

4. The term "territory" means:

   a) As regard 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 regard the Lebanese Republic, the territory, including the territorial sea and the economic exclusive zone as well as the continental shelf that extends outside the limits of the territorial waters, over which Lebanon exercises, in accordance with internal and international law, sovereignty, sovereign rights, and jurisdiction.

5. The term "public interest" means as established under the national legislation of each of the Contracting Parties.

6. The term "freely convertible currency" means the currency that is widely used to make payments for international transactions and widely exchanged in principal international exchange markets.

7. The term "without any undue delay" means the period normally necessary for the completion of a transfer or of any other operation under this Agreement.

ARTICLE 2

Promotion and Protection of the Investments

1. Each Contracting Party shall encourage and create favourable conditions 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 returns of investors of either Contracting Party shall at all times enjoy full protection and security in the territory of the other Contracting Party. Each Contracting Party shall refrain from impairing by unreasonable or discriminatory measures the management, maintenance, use, enjoyment, extension, sale or liquidation of such investments.

3. When a Contracting Party shall have admitted an investment on its territory, it shall, in accordance with its laws and regulations, grant the necessary permits in connection with such an investment, including authorizations for engaging top managerial and technical personnel of their choice, regardless of nationality.

ARTICLE 3
National and Most-Favoured-Nation Treatment

1. The host Contracting Party shall ensure fair and equitable treatment, within its territory, to investors of the other Contracting Party and their investments made in the territory of this Contracting Party. This treatment shall not be less favourable than that granted by the host Contracting Party to the investments made within its territory by its own investors or by investors of any third state, whichever is more favourable.

2. The Most favored Nation Treatment shall not be construed so as to oblige one Contracting Party to extend to investors of the other Contracting Party and their investments made in the territory of this Contracting Party, the advantages resulting from:

   a) any existing or future free trade area, customs union, common market, economic and monetary union or other similar regional economic integration agreement,

including regional labour market agreements, to which one 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.

3. The provisions of paragraph 1 of this Article shall not be construed so as to oblige Lebanese Republic to extend to the investors of the Slovak Republic and their investments made in the Lebanese territory, the treatment granted to its own investor regarding ownership of real estate and other real rights, according to the Decree law No. 11 614 dated January 4, 1969 as amended.

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, not 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:

a) requisitioning of their property by forces or authorities of the other Contracting Party; or

b) 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. Compensation shall include interest at a market rate from the date of requisition or destruction until the day of payment.

3. Resulting payments under this Article shall be freely transferable in a freely convertible currency without undue delay.

ARTICLE 5
Expropriation

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

2. Such compensation shall amount to the fair market value of the expropriated investments immediately before expropriation was taken or before impending expropriation became public knowledge, whichever is the earlier, 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 made in a freely convertible currency.

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 valuation 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 ensure to investors of the other Contracting Party the free transfer, into and out of its territory, of their investments and transfer payments related to investments. Such payments shall include in particular, though not exclusively:

   a) principal and additional amounts to maintain, develop or increase the investment;

   b) returns;

   c) proceeds obtained from the total or partial sale or disposal of an investment, including the sale of shares;

d) amounts required for the payment of expenses, which arise from the operation of the investment, such as loan repayments, payment of royalties, management fees, license fees or other similar expenses;

e) compensation payable pursuant to Articles 4, 5, 7 and 8;

f) unspent earnings and other remuneration of personnel engaged from abroad and working in connection with an investment.

2. Each Contracting Party shall further ensure that the transfers referred to in paragraph 1 of this Article shall be made without undue delay and without any restriction in a freely convertible currency of the choice of the investor and at the prevailing market rate of exchange applicable to the currency on the date of transfer.

3. In the absence of a market for foreign exchange, the rate to be used shall be the most recent exchange rate for the conversions of currencies into Special Drawing Rights.

4. Notwithstanding paragraphs (1) and (2) above, a Contracting Party may adopt or maintain measures relating to cross-border capital and payment transactions, particularly but not limited to 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.

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

   a) shall not exceed those necessary to deal with the circumstances set out in paragraph 4 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 against non-commercial risks 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 Party, of any rights or claims from investors to the former Contracting Party or its designated agency; and

   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 which may arise between an investor of one Contracting Party and the other Contracting Party in connection with an investment on the territory of that other Contracting Party shall be subject to amicable consultations between the parties in dispute.

2. If any dispute between an investor of one Contracting Party and the other Contracting Party can not be thus settled within a period of twelve (12) months following the date on which such consultations were requested in written notification, the investor shall be entitled to submit the case either to:

   a) the competent court of the Contracting Party in the territory of which the investment has been made; or

   b) the International Centre for Settlement of Investment Disputes (ICSID) established pursuant to the applicable provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington D.C. on 18 March 1965; or

   c) an arbitrator or international ad hoc arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties to the dispute may agree in writing to modify these Rules.

   The choice made as per subparagraphs a), b) or c) herein above is final.

3. For the purpose of this Article and Article 25(2)(b) of the said Washington Convention, any legal person which is constituted in accordance with the laws and regulations of one Contracting Party and which, before a dispute arises, was controlled by an investor of the other Contracting Party, shall be treated as a national of the other Contracting Party.

4. The arbitration 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, the rules of conflict of laws which the arbitration tribunal considers applicable, the terms of any specific agreement concluded in relation to the particular investment involved and the relevant principles of international law.

5. Neither Contracting Party shall have the right to make counter claim, as a defense, at any stage of arbitration or within the execution of arbitration decision for the reason that the investor of the other Contracting Party in the dispute has received or will receive, pursuant to an insurance or guarantee contract, indemnification or other compensation for all or part of any alleged loss.

6. Any arbitral award rendered pursuant to this Article shall be final and binding on the parties to the dispute. Each Contracting Party shall carry out without delay the provisions of any such award and provide in its territory for the enforcement of such award.

7. Any arbitration under paragraph 3 of this Article shall, at the request of either party to the dispute, be held in a state that is a party to the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("New York Convention"), done at New York, June 10, 1958. Claims submitted to arbitration under this Article shall be considered to arise out of a commercial relationship or transaction for the purpose of Article A of the New York Convention.

ARTICLE 9

Settlement of Disputes between the Contracting Parties

1. The Parties agree to consult promptly, on the written request of either, to resolve any disputes in connection with the interpretation or application of this Agreement.

2. If the dispute cannot be thus settled within six (6) months from the beginning of the consultations, it shall upon the request of either Contracting Party, be submitted to an Arbitral Tribunal (hereafter referred to as the "Tribunal") in accordance with the provisions of this Article.

3. The Tribunal shall be constituted for each individual case in the following way. Within two (2) 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 (3) 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 arbitral 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 final and 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.

6. The tribunal shall issue its decision on the basis of respect for the law, the provisions of this Agreement, as well as the universally accepted principles of international law.

7. Subject to other provisions made by the Contracting Parties, the tribunal shall determine its procedure.

ARTICLE 10
Application of Other Rules and Special Commitments

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

2. Each Contracting Party shall observe any other obligation it has assumed in accordance with its laws and regulations or under a specific contract with regard to investments in its territory by investors of the other Contracting Party.

ARTICLE 11

Essential security interests

Nothing in this Agreement shall be construed to prevent any Contracting Party from taking any actions that it considers necessary for the prevention of its essential security interests related to:

a) criminal or penal offences;

b) traffic in arms, ammunition and implements of war and transactions in other goods, materials, services and technology undertaken directly or indirectly for the purpose of supplying a military or other security establishment;

c) measures taken in time of war or other emergency in international relations;

d) the implementation of national policies or international agreements respecting the non-proliferation of nuclear weapons or other nuclear explosive devices;

e) the pursuance of its obligations under the United Nation Charter for the maintenance of international peace and security;

f) public order;

g) the protection of investors, depositors, financial market participants, policy-holders, policy-claimants, or persons to whom a fiduciary duty is owed by a financial institution;

h) the maintenance of the safety, soundness, integrity or financial responsibility of financial institutions; and

i) ensuring the integrity and stability of a financial system of one of the Contracting Parties.

ARTICLE 12
Applicability of this Agreement

The present Agreement shall apply to investments in the territory of a Contracting Party made in accordance with its laws and regulations by investors of the other Contracting Party prior as well as after to the entry into force of this Agreement. The Agreement shall not apply to claims which have been settled or procedures which have been initiated prior to its entry into force.

ARTICLE 13
Entry into Force, Duration and Termination

1. This Agreement shall enter into force on the 60th day after the date of the latter notification through diplomatic channels in which Contracting Parties have notified each other in a written form of the fulfillment of all constitutional procedures necessary for bringing this Agreement into force.

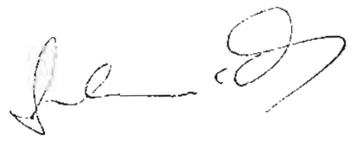
2. This Agreement shall remain in force for a period of ten (10) years. Thereafter, it shall remain in force for an unlimited period of time unless denounced in writing by either Contracting Party twelve (12) months in advance.

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

(10) years from the date of its termination unless the Contracting Parties decide otherwise.

IN WITNESS WHEREOF, the undersigned duly authorized thereto, have signed this Agreement.

DONE in duplicate at Beirut on the 20th day of February 2009 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	For the Lebanese Republic
	

Protocol

On signing the Agreement between the Slovak Republic and the Lebanese Republic, on the promotion and protection of investments, the Contracting Parties also agreed to the following clauses, which shall be deemed to form an integral part of the Agreement.

1- With reference to article 3, paragraph 3

Lebanese and non-Lebanese persons have the right to own real estate in Lebanon.

However, according to Decree-Law No. 11614, dated 4 January 1969, as amended by Law 296 of 3 April 2001, concerning the acquisition in Lebanon of real estate rights by non-Lebanese, non-Lebanese persons, whether legal or natural persons, and Lebanese legal persons considered by this law as non-Lebanese as defined by Article 2 (at least one share owned by non-Lebanese), willing to acquire any real estate right on the Lebanese territory are required to obtain a licence granted by Decree from the Council of Ministers upon proposal of the Minister of Finance.

By exception to the above rule, the amended Article 3 states some cases that do not require a licence. The most important case is the acquisition by non-Lebanese natural and legal persons and Lebanese legal persons considered by this law as non-Lebanese of built property or property set for building, of a maximum of 3,000 sq. m. throughout the Lebanese Territory.

According to the amended Article 7, paragraph a), it is forbidden to licence non-Lebanese natural and legal persons and Lebanese legal persons considered by this law as non-Lebanese to acquire more than 3 per cent of the total area of Lebanon, providing that it would not exceed 3 per cent of the area of each Caza, excepting Beirut where they are allowed to acquire till 10 per cent of its area.

The application of the provisions of this Decree-Law which constitutes an exception to national treatment is justified by the small geographical size of the Lebanese

territory. Moreover, keeping control over the Lebanese land and real estate is a matter of national interest for Lebanon.

2- With reference to Article 5:

1. "Measures having an effect equivalent to nationalization or expropriation" as used in Paragraph 1 of Article 5, also named "indirect expropriation", results from a measure or series of measures of a Contracting Party that have an effect equivalent to direct expropriation without formal transfer of title or outright seizure.

2. The determination of whether a measure or series of measures taken by a Contracting Party constitute an indirect expropriation requires a case-by-case, fact-based inquiry that considers, among other factors:

   a) the substantially diminution of the value of the assets,

   b) the creation of major obstacles to the activities, or

   c) the creation of substantial prejudice to the value of the same asset.

DONE in duplicate at Beirut on the 10th day of February 2009 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**	For **the Lebanese Republic**