AGREEMENT

BETWEEN

THE GOVERNMENT OF THE KINGDOM OF BAHRAIN

AND

THE GOVERNMENT OF THE RUSSIAN FEDERATION

FOR

THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Kingdom of Bahrain and the Government of the Russian Federation hereinafter referred to as the "Contracting Parties";

Intending to create favourable conditions for making investments by investors of one Contracting Party in the territory of the other Contracting Party; and

Recognising that the encouragement and reciprocal protection of such investments by an international agreement will be conducive to the stimulation of the flow of capital and will increase prosperity in both States;

Have agreed as follows:

Article 1
Definitions

For the purposes of the present Agreement the terms below shall have the following meaning:

a) "investor" (with regard to each Contracting Party) shall mean:

   (i) natural persons deriving their status as nationals of that Contracting Party according to its legislation;
   (ii) any legal persons, including corporations, firms or business associations incorporated or constituted under the legislation of that Contracting Party;

b) "investments" shall mean all kinds of property assets invested by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the legislation of the latter Contracting Party and in particular:

   (i) movable and immovable property and any property rights;
   (ii) shares, stocks and other forms of shared participation in the capital of commercial organisations;
   (iii) claims to money invested for the purpose of creating economic values or under contracts having an economic value, related to investments;
   (iv) rights to intellectual property (copyrights, patents, industrial designs, utility models, trade marks and service marks, technology, information having commercial value, and "know-how");
   (v) concessions conferred by law or under contract to conduct business activities including, in particular, those related to the exploration,

the development, the extraction and the exploitation of natural resources.

Any change of the form of investments shall not affect their qualification as investments if such change does not contradict the legislation of the Contracting Party in the territory of which the investments were made;

c) "returns" shall mean the amounts yielded from investments and include, in particular, though not exclusively, profits, dividends, licence fees, capital gains, royalties and any other fees;

d) "territory of the Contracting Party" shall mean:

(i) in case of the Kingdom of Bahrain, the territory of the Kingdom of Bahrain as well as the maritime areas, including seabed and subsoil thereof, where the Kingdom of Bahrain exercises its sovereign rights and/or jurisdiction in accordance with international law; and

(ii) in case of the Russian Federation, the territory of the Russian Federation as well as its exclusive economic zone and continental shelf as they are defined in the UN Convention on the Law of the Sea of the 10th of December 1982;

e) "legislation of the Contracting Party" shall mean the laws and other regulations of the Kingdom of Bahrain or the laws and other regulations of the Russian Federation.

Article 2
Protection of Investments

1. Each Contracting Party shall aspire to 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 legislation.

2. Each Contracting Party shall, in accordance with its legislation, provide full protection on its territory to investments of investors of the other Contracting Party. In accordance with its legislation, 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 investors of the other Contracting Party.

Article 3
Treatment of Investments

1. Each Contracting Party shall ensure in its territory fair treatment of the investments made by investors of the other Contracting Party related to management and disposal of investments.

2. The treatment referred to in paragraph 1 of this Article shall be at least as favourable as that granted to the investments of its own investors or investors of a third state, whichever is more favourable according to the investor.

3. Each Contracting Party shall, in accordance with its legislation, reserve the right to determine economic fields and areas of activity where the activities of foreign investors shall be excluded or restricted.

4. The most favoured nation treatment granted in accordance with paragraph 2 of this Article shall not apply to benefits that the Contracting Party is providing or will provide in the future:

   a) in connection with participation in a free trade zone, customs or economic union, or other similar integration institutions;

   b) on the basis of agreements meant to avoid double taxation, or other arrangements on taxation issues.

5. Without prejudice to the provisions of Articles 4, 5 and 8 of this Agreement each of the Contracting Parties is not obliged to accord treatment more favourable than that granted by that Contracting Party in accordance with its obligations under the Agreement establishing the World Trade Organisation ("WTO") of the 15th of April 1994, including its obligations under the General Agreement on Trade in Services ("GATS"), and also in accordance with any other multilateral arrangements concerning the treatment of investments arrived at with the participation of both Contracting Parties.

Article 4
Expropriation

1. Investments of investors of either Contracting Party shall not be nationalized, expropriated, or subjected to measures having effect as nationalization or expropriation (hereinafter referred to as "expropriation") in the territory of the other Contracting Party except for a public purpose on a non-discriminatory basis, under procedures established in accordance with the legislation of that Contracting Party and against prompt, adequate and effective compensation. Such compensation shall amount to the genuine value of the expropriated investments immediately before the date of the expropriation or before the date when impending expropriation became public knowledge, whichever is the earlier.

2. Such compensation shall be paid in the national currency of the state of the Contracting Party, if the investments were made in that currency. The compensation shall be paid in a foreign currency if the investments were made in a foreign currency. If the investments were made in foreign currency the rate of return on capital should be paid at the LIBOR rate for six months credits in the appropriate freely convertible currency. If the investments were made in the national currency of the state of the Contracting Party, the rate of return on capital should be paid at the inter-bank market rate for three months credits in the national currency of the state of the Contracting Party.

Article 5
Compensation for Losses

Investors of one Contracting Party whose investments in the territory of the other Contracting Party suffer losses owing to war or other armed conflict, revolution, state of national emergency, revolt, insurrection, riot or other similar event in the territory of the latter Contracting Party shall be accorded by the latter Contracting Party treatment, as regards restitution, indemnification, compensation or other settlement, no less favourable than that which it accords to its own investors or to investors of any third state, whichever is most favourable to the investor.

Article 6
Transfers of Payments

1. Each Contracting Party shall guarantee to investors of the other Contracting Party a free transfer abroad of payments related to their investments, and in particular:

a) returns;

b) funds in repayment of loans and credits relating to investments as well as accrued rate of return on capital;

c) funds received as a result of partial or full liquidation or sale of investments;

d) compensation stipulated in Article 4 and payments resulting from Article 5 of this Agreement; and

e) wages and other remuneration received by the investors and natural persons of one Contracting Party who have the right to work in the territory of the other Contracting Party in relation to an investment.

2. The payments specified in paragraph 1 of this Article shall be converted into any freely convertible currency at the investor's choice at the market exchange rate applicable at the date of the conversion. Transfers of such payments shall be made without delay, in accordance with the legislation of the Contracting Party in whose territory the investments were made.

Article 7
Subrogation

If a Contracting Party or its designated agency made payment to an investor based on a guarantee of protection from non-commercial risks in relation to an investment in the territory of the other Contracting Party, such other Contracting Party shall recognize the acquirement of the rights of such investor by the former Contracting Party by virtue of subrogation. Such rights shall be exercised in accordance with the legislation of the latter Contracting Party.

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

1. Disputes between one of the Contracting Parties and an investor of the other Contracting Party arising from this Agreement, including disputes relating to the amount, conditions or procedure of a compensation payment in accordance with Articles 4 and 5 of this Agreement or to the procedure for transfer of payments set out in Article 6 of this Agreement, should be settled, if possible, by way of negotiations.

2. When the dispute cannot be settled by way of negotiations within a period of six months starting from the date of the request of any party to the dispute

for settlement by way of negotiations it shall be submitted at the choice of an investor for consideration to:

a) a competent court of the state of the Contracting Party in the territory of which the investments were made; or
b) an ad hoc arbitration tribunal in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL); or
c) the International Centre for Settlement of Investment Disputes, created pursuant to the Convention on the Settlement of Investment Disputes between States and Nationals of Other States opened for signature at Washington on 18 March 1965 for settlement of a dispute according to the provisions of this Convention (subject to its entry into force for the states of both Contracting Parties); or
d) an arbitration or mediation to be held under the Additional Facility Rules of the International Centre for Settlement of Investment Disputes where the state of either of the Contracting Parties is not a party to the said Convention.

3. An arbitration award shall be final and binding upon both parties to the dispute. Each Contracting Party shall ensure the enforcement of this award in accordance with its legislation.

Article 9
Settlement of Disputes Between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall be settled through negotiations. If a dispute is not settled in such a way within six months from the date of written application for negotiations by one of the Contracting Parties, it shall be submitted upon the request of either Contracting Party to an arbitration tribunal.

2. An arbitration tribunal shall be constituted for each individual case and to this effect each Contracting Party shall appoint one member of the arbitration tribunal within two months of the receipt of the request for arbitration. Those two members then shall select a national of a third state who on the approval of the two Contracting Parties shall be appointed as the Chairman of the arbitration tribunal within a month from the date of the appointment of the other two members.

3. If within the time-limits specified in paragraph 2 of this Article the necessary appointments have not been made, either Contracting Party may, in the

absence of any other agreement, invite the President of the International Court of Justice to make such appointments. If the President of the International Court of Justice is a national of the state of either Contracting Party or is otherwise unable to discharge the said function, the Vice-President of the International Court of Justice shall be invited to make the necessary appointments. If the Vice-President of the International Court of Justice is a national of the state of either Contracting Party or is otherwise unable to discharge the said function, the member of the International Court of Justice who is not a national of the state of either Contracting Party next in seniority shall be invited to make the necessary appointments.

4. The arbitration tribunal shall render the award by a majority of votes. Such award shall be final and binding upon the Contracting Parties. Each Contracting Party shall bear the costs of activities of its own member of the court and its representation in the arbitration proceedings. The costs related to the activities of the Chairman of the arbitration tribunal and other costs shall be borne in equal parts by the Contracting Parties. The tribunal may, however, in its award direct that a higher portion of costs shall be borne by one of the Contracting Parties and such award shall be binding on both Contracting Parties. The arbitration tribunal shall establish its own procedure independently.

Article 10
Consultations

The Contracting Parties shall hold consultations, at the request of either of them, on the matters concerning the interpretation or application of this Agreement.

Article 11
Application of other Rules

If the legislation of either Contracting Party, or obligations under international Agreements existing at present or established hereafter between the Contracting Parties in addition to the present Agreement contain rules, whether general or specific, entitling investments by investors 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, be applied.

Article 12
Application of the Agreement

The present Agreement shall apply to investments made in the territory of one Contracting Party in accordance with its legislation by investors of the other Contracting Party after 1 January of 1992. However, the Agreement shall not apply to disputes that have arisen before its entry into force.

Article 13
Entry into Force and Duration of the Agreement

1. Each Contracting Party shall notify the other Contracting Party in writing of the completion of internal state procedures required for the entry into force of this Agreement. This Agreement shall enter into force on the date of the last of the two notifications.

2. This Agreement shall remain in force for a period of ten years. Upon expiration of this period its validity shall automatically be extended for subsequent five-year periods unless one of the Contracting Parties notifies the other Contracting Party in writing at least twelve months in advance of its intention to terminate this Agreement.

3. This Agreement may be amended by the mutual written consent of the Contracting Parties. Any amendment shall enter into force after each Contracting Party has notified the other Contracting Party in writing about the completion of all internal state procedures for the entry into force of such amendment.

4. With respect to the investments, made prior to the date of termination of this Agreement and covered by it, the provisions of all other Articles of this Agreement shall continue to be valid for the next ten years after the date of its termination.

Done at .Moscow... on ..29./.4./..... 2014 ..... in duplicate in the Arabic, Russian and English languages, all texts being equally authentic. In the event of any conflict of interpretation, the English text shall be applied.

For the Government of
the Kingdom of Bahrain

For the Government of
the Russian Federation