2. In the event that either Party considers that the dispute arising out of the interpretation or application of this Agreement cannot be settled by negotiation, mediation, conciliation or other similar procedure, and after thirty days of the delivery of the initial request for consultations, the dispute shall be submitted at the request of either Party to arbitration for a binding award by a tribunal in accordance with this Agreement and applicable rules of international law. The Arbitration Rules of the United Nations Commission on International Trade Law as revised on August 15, 2010 shall apply mutatis mutandis, except as modified by paragraph 3, 4 and 5 of this Article or an agreement by the Parties.

3. Unless the Parties otherwise agree, the tribunal shall be composed of three arbitrators, two arbitrators designated by each Party respectively and the third, who shall be the presiding arbitrator and shall be a national of a third State which is a non-nuclear-weapon State Party to the Non-Proliferation Treaty, elected by agreement of the two arbitrators. If, within thirty days of the request for arbitration, either Party has not designated an arbitrator, either Party may request the President of the International Court of Justice to appoint an arbitrator. The same procedure shall apply if, within thirty days of the designation or appointment of the second arbitrator, the third arbitrator has not been elected, provided that the third arbitrator so appointed shall be a national of a third State which is a non-nuclear-weapon State Party to the Non-Proliferation Treaty. A majority of the members of the tribunal shall constitute a quorum, and all awards shall require the concurrence of a majority of the members of the tribunal. The arbitral procedure shall be fixed by decisions of the tribunal. The awards of the tribunal shall be binding on the Parties.

4. Expenses incurred by the arbitrators, and other costs of the proceedings, shall be borne equally by the Parties. However, the tribunal may, in its discretion, decide that a higher proportion of the expenses and the costs be borne by one of the Parties.

5. When the Parties express their common views on the interpretation of this Agreement, such views shall be binding on the tribunal, and any award issued by the tribunal shall be consistent with such views.

ARTICLE 12

1. If the United Arab Emirates or Japan at any time following entry into force of this Agreement:

(a) materially violates the provisions of Article 4, 5, 6, 7, 8 or 9 of this Agreement, or the awards of the arbitral tribunal referred to in Article 11 of this Agreement; or

(b) terminates or materially violates its Safeguards Agreement with the Agency referred to in Article 3 of this Agreement,

the Government of Japan or the Government of the United Arab Emirates respectively shall have the right to cease further cooperation under this Agreement in whole or in part; to require the return, pursuant to paragraph 4 of this Article, of any nuclear material, material and equipment transferred pursuant to this Agreement; and to terminate this Agreement by giving ninety days written notice, regardless of the provisions of paragraph 2 of Article 14 of this Agreement.

2. If the United Arab Emirates or Japan detonates a nuclear explosive device, the Government of Japan or the Government of the United Arab Emirates respectively shall have the right specified in paragraph 1 of this Article.

3. In determining whether to exercise its rights under paragraph 1 of this Article based on a material violation, a Party shall consider whether the facts giving rise to the right to take such action in accordance with paragraph 1 were caused deliberately. In the event that the Party finds such material violation not to be deliberate, and to the extent that the Party judges that such material violation can be rectified, the non-breaching Party shall endeavor, subject to its laws and regulations, to afford the breaching Party an opportunity to cure the violation within a reasonable period.

4. If either Party exercises its right under this Article to require the return of any nuclear material, material and equipment transferred pursuant to this Agreement, it shall compensate the other Party or the persons concerned for the fair market value thereof.

ARTICLE 13

The Annexes to this Agreement form an integral part of this Agreement. The Annexes may be modified by an agreement in writing between the Parties without amendment of this Agreement.