



ORIGINAL DOCUMENTS IN SAFE

Case No. 21

Date of filing: 19/10/92

** AWARD - Type of Award AAT
- Date of Award 19 OCT 92
3 pages in English 4 pages in Farsi

** DECISION - Date of Decision _____
_____ pages in English _____ pages in Farsi

** CONCURRING OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

** SEPARATE OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

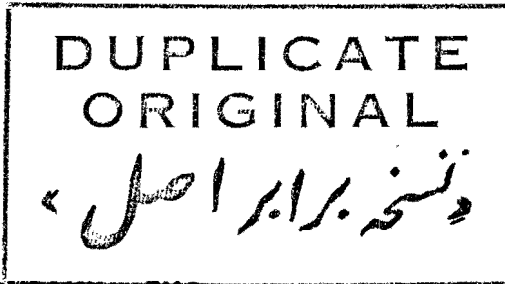
** DISSENTING OPINION of _____
- Date _____
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** OTHER; Nature of document: _____

- Date _____
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IRAN-UNITED STATES CLAIMS TRIBUNAL

دیوان داورى دعاوى ایران - ایالات متحدہ



CASE NO. 21
CHAMBER ONE
AWARD NO.537-21-1

SUN COMPANY, INC.,
Claimant,

and

NATIONAL IRANIAN OIL COMPANY,
THE ISLAMIC REPUBLIC OF IRAN,
Respondents.

IRAN-UNITED STATES CLAIMS TRIBUNAL	دیوان داورى دعاوى ایران - ایالات متحدہ
FILED	ثبت شد
DATE	19 OCT 1992
	تاریخ ۱۳۷۱ / ۷ / ۲۷

AWARD ON AGREED TERMS

1. SUN COMPANY, INC. ("SUN" or the "Claimant"), on behalf of its subsidiary SUN INTERNATIONAL LIMITED ("Sun International"), the assignee of the claim of IRANIAN SUN OIL COMPANY ("Iranian Sun") as the successor to and transferee of rights, interests, benefits, obligations, and liabilities of the Claimant pursuant to the Joint Structure Agreement ("JSA") of 13 February 1965, filed its Statement of Claim on 9 November 1981 against THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN ("IRAN") and THE NATIONAL IRANIAN OIL COMPANY ("NIOC") (the "Respondents"). On 24 May 1982 and 15 June 1984, the Respondents filed Statements of Defense and Counterclaim.

2. On 28 September 1992, the Claimant and the Respondents (the "Parties") submitted a Joint Request for Arbitral Award on Agreed Terms (the "Joint Request"). Attached thereto the Parties submitted a Settlement Agreement dated 14 August 1992, signed by the Agent of IRAN and by representatives of NIOC, the Claimant, Sun International and Iranian Sun (the "Settlement Agreement"). The signatories to the Settlement Agreement stated their "desire to resolve and to make full, complete, and final settlement of all their claims and disputes existing or capable of arising

between them related to Case No. 21 and the claims and counter-claims filed therein."

3. The Joint Request states that "in consideration of the full and final settlement of all disputes, differences, claims, counterclaims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts, and events related to the subject matter of Case No. 21, the sum of One hundred thirty million, four hundred fifty thousand United States Dollars (U.S.\$130,450,000) shall be paid to the Claimant." Furthermore, in the Joint Request the Parties requested that the Tribunal issue an Arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement. Copies of the Joint Request and Settlement Agreement are attached hereto and incorporated herein by reference.

4. The Tribunal accepts the Settlement Agreement in accordance with Article 34, paragraph 1, of the Tribunal Rules.

5. Finally, the Tribunal notes that as per its Order dated 1 October 1992, Judge Ansari's withdrawal as an arbitrator from Case No. 21 was accepted by the Tribunal and Mr. Ahmed Sadek El-Kosheri was designated by Presidential Order No. 79 (Rectified Version) dated 6 October 1992 to act as a Member of Chamber One in Case No. 21 and accordingly signs this Arbitral Award on Agreed Terms.

6. Based on the foregoing,

THE TRIBUNAL AWARDS AS FOLLOWS:

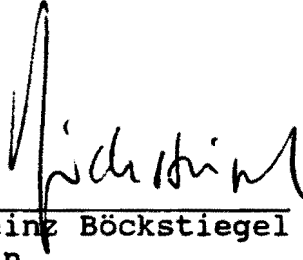
(a) The Settlement Agreement is hereby recorded as an Award on Agreed Terms binding upon the Parties each of which is bound to fulfill the conditions set forth in the Settlement Agreement.

(b) The payment obligation specified in the Settlement Agreement in the amount of One hundred thirty million, four hundred and fifty thousand United States dollars (U.S.

\$130,450,000) shall be satisfied by payment to SUN COMPANY, INC. out of the Security Account established pursuant to Paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated 19 January 1981.

(c) This Award is hereby submitted to the President of the Tribunal for notification to the Escrow Agent.

Dated, The Hague
19 October 1992



Karl-Heinz Böckstiegel
Chairman
Chamber One

In the Name of God

أحمد صادق الكوشيري

A.S. El-Kosheri
Ahmed Sadek El-Kosheri

Richard C. Allison
Richard C. Allison

FILED ثبت شد
28 SEP 1992
تاریخ ۱۳۷۱ / ۷ / ۶

SUN COMPANY, INC.,
Claimant,
and

THE ISLAMIC REPUBLIC OF IRAN,
NATIONAL IRANIAN OIL COMPANY,
Respondents.

Case No. 21
Chamber One

642

**JOINT REQUEST FOR ARBITRAL
AWARD ON AGREED TERMS**

Pursuant to Article 34 of the Rules of Procedure of the Iran-United States Claims Tribunal (the "Tribunal"), Sun Company, Inc. ("Claimant"), a Pennsylvania corporation, on one part, and National Iranian Oil Company ("NIOC") and the Government of the Islamic Republic of Iran ("Iran"), hereinafter collectively called "Respondents," on the other part, jointly request that the Tribunal issue an Arbitral Award on Agreed Terms that will record and give effect to the attached Settlement Agreement, which is incorporated herein by reference.

The Settlement Agreement, which was entered into on 14th August 1992, provides that in consideration of the full and final settlement of all disputes, differences, claims, counterclaims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts, and events related to the subject matter of Case No. 21, the sum of One hundred thirty million, four hundred fifty thousand United States Dollars (U.S.\$130,450,000) shall be paid to the Claimant.

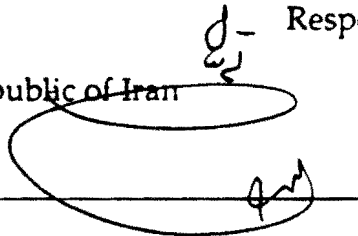
The representatives of the Parties expressly declare and warrant that they are duly empowered to sign this Joint Request, and the signing and submission of the Joint Request by the representatives of Iran, NIOC and Claimant shall signify that all necessary authorities have given their approval.

Respectfully submitted,

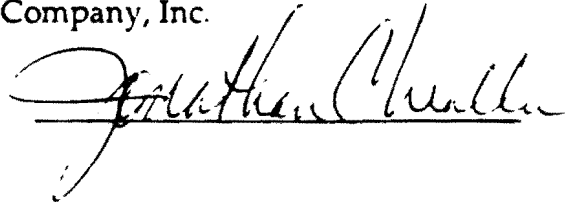
The Islamic Republic of Iran

Sun Company, Inc.

By:



By:



National Iranian Oil Company

By:

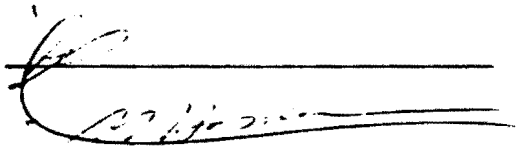


Exhibit 1



IRAN-UNITED STATES CLAIMS TRIBUNAL	دیوان داری و دماوی ایران - ایالات متحده
FILED	ثبت شد
DATE	28 SEP 1992
Case No. 21	تاریخ
Chamber One	۱۳۷۱/۶

SUN COMPANY, INC.,
Claimant,
and
THE ISLAMIC REPUBLIC OF IRAN,
NATIONAL IRANIAN OIL COMPANY,
Respondents.

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 14th day of August, 1992, by and between Sun Company, Inc. ("Claimant"), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, Iranian Sun Oil Company, a corporation organized and existing under the laws of the State of Delaware, and Sun International Limited, a corporation organized and existing under the laws of Bermuda, on one part; and National Iranian Oil Company ("NIOC") and the Government of the Islamic Republic of Iran ("Iran"), hereinafter collectively called "Respondents," on the other part. Claimant and Respondents are hereinafter collectively referred to as the "Parties."

WHEREAS, Claimant, on behalf of its subsidiary, Sun International Limited, the assignee of the claim of Iranian Sun Oil Company as the successor to and transferee of rights, interests, benefits, obligations, and liabilities of Claimant pursuant to the Joint Structure Agreement ("JSA") of February 13, 1965, between NIOC, as the First Party, and Claimant and three other companies, as the Second Party, filed a Statement of Claim with the Iran-United States Claims Tribunal ("the Tribunal") raising certain claims against the Respondents relating to the JSA, which claim was docketed by the Tribunal as Case No. 21;

WHEREAS, Respondents have asserted defenses and filed counterclaims in Case No. 21;

WHEREAS, the Parties desire to resolve and to make full, complete, and final settlement of all their claims and disputes existing or capable of arising between them related to Case No. 21 and the claims and counterclaims filed therein;

NOW, THEREFORE, the Parties agree:

1. In consideration of the full and final settlement of all disputes, differences, claims, counterclaims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts including but not limited to the JSA, and events in any manner related to the subject matter of the Statement of Claim, counterclaims, and other submissions by the Parties in Case No. 21, and in consideration of the covenants and promises set forth herein, Claimant shall be paid the amount of One hundred thirty million, four hundred fifty thousand United States Dollars (U.S.\$130,450,000) (the "Settlement Amount"). The Settlement Amount shall be paid out of the Security Account established pursuant to paragraph 7 of the Declaration of the Democratic and Popular Republic of Algeria of January 19, 1981. Payment shall be deemed to have occurred when the Settlement Amount is received by the Federal Reserve Bank of New York.

2. In consideration of the payment of the Settlement Amount, Claimant for itself and for its subsidiaries, affiliates, parents, predecessors, successors, and assigns hereby

[Handwritten signatures]

release, quitclaim, and forever discharge Respondents and their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, and assigns, from and against any and all claims, demands, losses, damages, suits, actions and causes of action of any nature, whether in rem or in personam or otherwise, which they have ever had, now have or may have in the future arising out of or in connection with Case No. 21 and related to the JSA.

3. In consideration of the covenants and promises set forth herein, the Respondents for themselves and for their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, and assigns hereby release, quitclaim, and forever discharge Claimant and its subsidiaries, affiliates, parents, predecessors, successors, and assigns from and against any and all claims, demands, losses, damages, suits, actions and causes of action of any nature, whether in rem or in personam or otherwise, which they have ever had, now have or may have in the future arising out of or in connection with Case No. 21, including, but not limited to, (a) the purchases of crude oil that are the subject matter of Counterclaim No. Eight and (b) any Stated Payment, Additional Payment, or other financial imposition or tax of any kind by Iran or NIOC.

1. In consideration of the payment of the Settlement Amount, Claimant, its subsidiaries, affiliates, parents, predecessors, successors and assigns shall indemnify and hold harmless Respondents, their affiliates, subsidiaries, agencies and instrumentalities, predecessors, successors, and assigns against any claim, counterclaim, action or proceeding that any or all of the Claimant, its subsidiaries, affiliates, parents, predecessors, successors, and assigns may raise, assert, initiate or take against any or all of the Respondents, their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, and assigns relating to, or arising out of, or capable of arising out of, the contracts, transactions, relationships, rights, or occurrences including but not limited to the JSA and any matters that are the subject of the claims raised in Case No. 21.

5. In consideration of the covenants and promises set forth herein, Respondents, their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors and assigns shall indemnify and hold harmless, Claimant, its subsidiaries, affiliates, parents, predecessors, successors and assigns against any claim, counterclaim, action or proceeding that any or all of the Respondents, their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors and assigns may raise, assert, initiate or take against any or all of the Claimant, its subsidiaries, affiliates, parents, predecessors, successors, and assigns relating to or arising out of, or capable of arising out of, the contracts, transactions, relationships, rights or occurrences including but not limited to the JSA and any matters that are the subject of the counterclaims raised in Case No. 21.

6. Upon payment of the Settlement Amount, the Parties shall not directly, indirectly, individually, or in conjunction with others at any time thereafter take or pursue any legal action or initiate or pursue arbitral or court proceedings or otherwise make any claim whatsoever against each other or any of their respective subsidiaries, affiliates, parents, predecessors, successors, assigns, agencies, or instrumentalities with respect to the subject matter of the claims and counterclaims in Case No. 21.

A handwritten signature in black ink, appearing to read "L. P. Hill", is located in the bottom right corner of the page.


7. In consideration of the payment of the Settlement Amount, Claimant, Sun International Limited, and Iranian Sun Oil Company hereby transfer and assign to and vest in NIOC unconditionally, irrevocably, without any lien or encumbrance, and without the right to any recourse all of their rights, benefits, interests, shares, and titles in LAPCO and LAPCO's properties, assets, and accounts whatsoever, that were kept or held in Iran or outside of the United States of America or the United Kingdom of Great Britain and Northern Ireland, and account number 910-1-222025 at the Chase Manhattan Bank, New York, New York. In consideration of the covenants and promises set forth herein, Respondents, their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors and assigns hereby transfer and assign to and vest in Claimant unconditionally, irrevocably, without any lien or encumbrance, and without the right to any recourse all of their rights, benefits, interests, shares, and titles in LAPCO's properties, assets and accounts whatsoever that were kept or held in the United States of America or the United Kingdom of Great Britain and Northern Ireland, except account number 910-1-222025 at the Chase Manhattan Bank, New York, New York.

8. Upon payment of the Settlement Amount, the Parties shall waive any and all claims for costs, including attorneys' fees, arising out of or related in any way to the arbitration, prosecution, or defense of any claim before any forum including the Iran-United States Claims Tribunal with respect to Case No. 21.

9. This Settlement Agreement is for the sole purpose of settling the disputes at issue in Case No. 21. Nothing in this Settlement Agreement shall be relied upon or construed as relevant to or to affect in any way any argument or position that the Parties or their subsidiaries, affiliates, parents, predecessors, successors, assigns, agencies, or instrumentalities have raised or may raise concerning the jurisdiction or the merits of this case or other cases, whether before the Tribunal or any other forum or fora. This Settlement Agreement shall not constitute a legal precedent for any person or Party, and shall not be used except for the sole purpose of giving effect to its terms, and shall not prejudice or affect other rights of the Parties or the rights of any other person in other cases before the Tribunal or elsewhere.

10. The releases, waivers, transfers, undertakings, declarations, obligations, and agreements herein are self-executing upon payment of the Settlement Amount, and need not be authorized, evidenced, or signified by any additional document, agreement, or other writing.

11. By September 28, 1992, the Parties shall submit to the Tribunal a Joint Request for Arbitral Award on Agreed Terms in the form attached as Exhibit 1 ("Joint Request") asking the Tribunal to record this Settlement Agreement as an Arbitral Award on Agreed Terms giving effect to this Settlement Agreement. The Parties agree to take all reasonable steps necessary to file the Joint Request as soon hereafter as possible and to cooperate to effect the expeditious issuance by the Tribunal of an Arbitral Award on Agreed Terms. The Joint Request may be filed with the Tribunal by any Party on or after September 28, 1992, and such filing shall constitute the request of all Parties that the Tribunal record this Settlement Agreement as an Arbitral Award on Agreed Terms giving effect to this Settlement Agreement. Prior to September 28, 1992, Claimant may deliver written notice to any of the Respondents, or any Respondent may deliver written notice to the Claimant,



at an address or in a manner designated by or acceptable to the Party receiving notice, that the Party receiving notice may file the Joint Request with the Tribunal. Such filing shall constitute the request of all Parties that the Tribunal record this Settlement Agreement as an Arbitral Award on Agreed Terms giving effect to this Settlement Agreement. Prior to October 28, 1992, neither Claimant nor Respondents shall request the Tribunal to amend, modify or change the terms of the Tribunal's scheduling Order in Cases 20 and 21 filed July 17, 1992, Tribunal document number 635. If the Joint Request is not submitted by October 28, 1992, this Settlement Agreement shall be null and void and of no effect whatsoever, unless otherwise agreed upon in writing by the Parties.

12. If for any reason the Arbitral Award on Agreed Terms is not issued, final, and binding, in accordance with the Tribunal Rules, within 30 days of the filing of the Joint Request, then, unless otherwise agreed in writing by the Parties, the Tribunal shall resume jurisdiction over all claims and counterclaims in Case No. 21 and the Parties shall be placed in the same position as they had occupied prior to this Settlement Agreement as if it had not been entered into.

13. The representatives of the Parties expressly declare that they are duly empowered to sign this Settlement Agreement and that their signatures will commit their respective principals to fulfillment of their obligations under this Settlement Agreement without any limitations whatsoever, and the signing of this Settlement Agreement by the representatives of Iran, NIOC and Claimant shall signify that all such authorities have given their approval.

14. For the purpose of construction and interpretation of this Settlement Agreement the entire agreement shall be read and construed as a whole without giving any specific effect to any article separately.

15. This Settlement Agreement (in four originals in each language) has been written and signed in both English and Persian, and each text shall have equal validity.

IN WITNESS WHEREOF, the Parties have executed and delivered this Settlement Agreement this 14th day of August, 1992.

The Islamic Republic of Iran

By: _____

National Iranian Oil Company

By: _____

Sun Company, Inc.

By: Jonathan Challen

Sun International Limited

By: Jonathan Challen

Iranian Sun Oil Company

By: Jonathan Challen

Jonathan Challen