

ORIGINAL DOCUMENTS IN SAFE

Case No. 807

Date of filing 12 Aug 1983

☒ AWARD. Date of Award 12 Aug 1983

3 pages in English. 3 pages in Farsi.

(w) attachments

DECISION. Date of Decision _____

_____ pages in English. _____ pages in Farsi.

ORDER. Date of Order _____

_____ pages in English. _____ pages in Farsi.

CONCURRING OPINION of _____

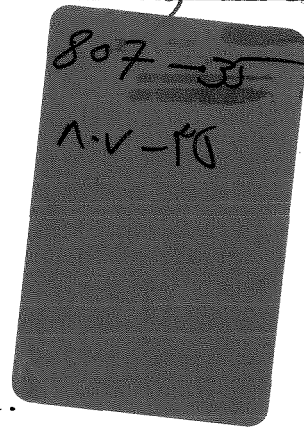
Date _____ pages in English. _____ pages in Farsi.

DISSENTING OPINION of _____

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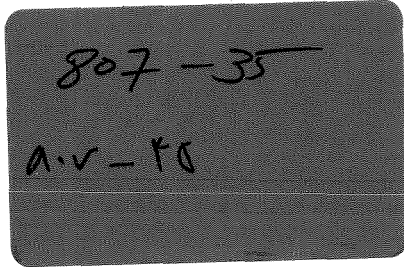
OTHER; Nature of document: _____

Date _____ pages in English. _____ pages in Farsi.



IRAN-UNITED STATES CLAIMS TRIBUNAL

دیوان داوری دعاری ایران - ایالات متحدہ



CASE NO. 807

CHAMBER ONE

AWARD NO. 64 -807-1

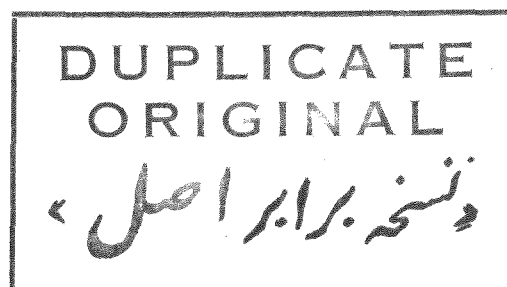
THE PROCTOR & GAMBLE COMPANY,
Claimant,

and

THE GOVERNMENT OF THE
ISLAMIC REPUBLIC OF IRAN;
PARS INTERNATIONAL MANUFACTURING
COMPANY LTD.; PARS VEGETABLE OIL
COMPANY and BANK MELLI IRAN,
Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داوری دعاری ایران - ایالات متحدہ
ثبت شد - FILED	
Date ۱۳۶۲ / ۵ / ۲۱	تاریخ ۱۲ AUG 1983
No. 807	شماره ۸۰۷

AWARD ON AGREED TERMS



On 8 June 1983 a Joint Request for an Award on agreed terms and a Settlement Agreement dated 8 June 1983, signed by THE PROCTOR & GAMBLE COMPANY, the Claimant, and THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, PARS INTERNATIONAL MANUFACTURING COMPANY, LTD., PARS VEGETABLE OIL COMPANY and BANK MELLI IRAN, the Respondents in Case No. 807, were filed with the Tribunal. Copies of the Joint Request and the Settlement Agreement are annexed hereto.

The Settlement Agreement provides for certain reciprocal obligations by the Parties, including the payment of the sum of US\$220,000.00 to the Claimant.

Article Three of the Settlement Agreement provides that such payment shall be made upon release of Guarantee No.

360-17206 issued by the Union Bank of Switzerland in favour of Bank Melli Iran. Article Two provides that:

"Confirmation of the release of the aforesaid Guarantee shall be evidenced by an appropriate notice to be sent by Respondents to UBS and the Tribunal within 60 days after this Agreement is signed by the representatives of the Claimant and Respondents." By a letter dated 8 July 1983 the Claimant has confirmed to the Tribunal that the said guarantee has been released by virtue of a discharge received by Union Bank of Switzerland on 22 June 1983. This is accepted by the Tribunal as an appropriate notice.

The Tribunal accepts the Settlement Agreement in accordance with Article 34 of the Tribunal Rules.

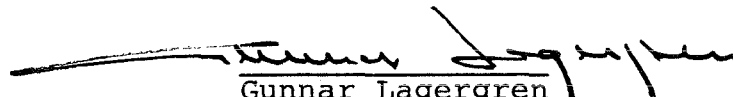
Based on the foregoing:

The Settlement Agreement is hereby recorded as an Award on agreed terms, binding upon the Parties. Consequently the Respondents THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, PARS INTERNATIONAL MANUFACTURING COMPANY, LTD., PARS


VEGETABLE OIL COMPANY and BANK MELLI IRAN are obligated to pay the Claimant, THE PROCTOR & GAMBLE COMPANY, the sum of Two Hundred and Twenty Thousand United States Dollars (\$220,000.00) which obligation shall be satisfied by payment 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.

The Award is hereby submitted to the President of the Tribunal for notification to the Escrow Agent.

Dated, The Hague
12 August 1983


Gunnar Lagergren
Chairman
Chamber One

I agree with the Chairman in accepting and recording of the Settlement Agreement as an award on agreed terms but I dissent as to the remaining part of this Award not only because that part unilaterally condemns one of the parties to the performance of its obligations and ignores the reciprocal obligations of the other party but also because it provides for an enforcement procedure, which a judge is barred from after deciding the dispute or accepting and recording the settlement, according to Article 34 of the UNCITRAL Rules and the functus officio rule (dessaisissement du juge) with respect to that case.


Howard M. Holtzmann
Concurring Opinion


Mahmoud M. Kashani

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into on this eighth day of June 1983, between the Claimant in Case 807 before the Iran-United States Claims Tribunal (and its subsidiary company Procter & Gamble AG and affiliates Procter & Gamble Development Company AG, Detergent Products AG and Procter & Gamble Marketing AG, collectively referred to herein as "Claimant"), on the one hand, and the Respondents in said Case No. 807 (referred to herein as "Respondents") on the other hand, in complete and final settlement of all claims, disputes and counterclaims now existing, made or which could have been made in connection with this Case.

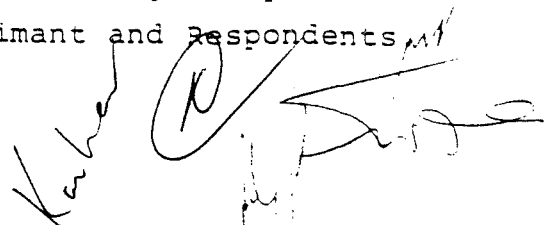
ARTICLE ONE:

Claimant and Respondents agree to submit this Settlement Agreement to the Iran-United States Claims Tribunal to be recorded as an arbitral Award on Agreed Terms.

ARTICLE TWO:

In consideration of the settlement of all their differences as specified in the Statement of Claim submitted in Case No. 807 to the Iran-United States Claims Tribunal, Respondents will release or cause to be released Guarantee No. 360-17206 (hereinafter "Guarantee") issued by the Union Bank of Switzerland (UBS) in favor of Bank Melli Iran (BMI), and Respondents will cancel and waive any and all claims or other demands which they may or could have, arising from the said Guarantee, resulting, directly or indirectly, in a liability to Claimant.

Confirmation of the release of the aforesaid Guarantee shall be evidenced by an appropriate notice to be sent by Respondents to UBS ^{and the Claimant} within 60 days after this Agreement is signed by the representatives of the Claimant and Respondents.



ARTICLE THREE:

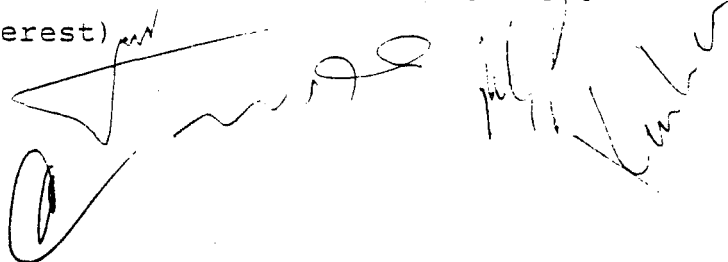
In consideration of the settlement of all their differences as specified in the Statement of Claim submitted in Case No.807 to the Iran-United States Claims Tribunal and any claim or counterclaim arising therefrom, Respondents agree to pay to the Claimant the sum of two hundred and twenty thousand United States Dollars (U.S.\$220,000/-).

It is agreed that such payment shall be made 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 January 19, 1981. Payment to Claimant shall be made as soon as the UBS Guaranty mentioned above is released. The Pars International Manufacturing Co., (PIMCO) will pay to the Central Bank of Iran the Rials equivalent of the dollars to be paid under settlement agreement and will obtain the Central Bank's approval for payment of the settlement amount to be made out of the Security Account mentioned above.

Submission of this Settlement Agreement by the Agent of the Government of the Islamic Republic of Iran to the Iran-United States Claims Tribunal, means that such approval has been obtained.

ARTICLE FOUR:

Upon complete execution of this Agreement and transfer of shares to PIMCO pursuant to Article Five hereunder, Respondents shall release and discharge Claimant, or cause such release and discharge, from any and all claims or assessments for Iranian taxes (including any penalties and interest)

The bottom of the page features several handwritten signatures and initials in dark ink. On the left, there is a large, stylized signature that appears to be 'A'. To its right, there are several smaller, more fluid signatures and initials, including one that looks like 'PIMCO' and another that resembles 'K'. The handwriting is cursive and somewhat overlapping.

ARTICLE FIVE:

Upon the release of the UBS guaranty as herein provided, all title, rights and interests of the Claimant, ~~past, present or future~~ to their 42,709 shares in PIMCO including property rights, rights or ownership, dividends not received by the Claimant (declared or undeclared), and any other rights or interests as a result of holding such shares including but not limited to such rights or obligations which have been or may have been acquired or granted by law, the Articles of Association of PIMCO, or in any other way, shall be deemed transferred to the National Industrial Organization of IRAN (NIOI) so as to represent the total divestment of Claimant's rights and interest in PIMCO. Thereafter NIOI is entitled to take all necessary steps to record such transfer.

Any tax imposed on the Claimants outside of the Islamic Republic of Iran, by virtue of the transfer of the shares and dividends of PIMCO which is referred to in this Article, shall be borne by Claimant. Any such tax or fees imposed in the Islamic Republic of Iran shall be borne by the Respondents.

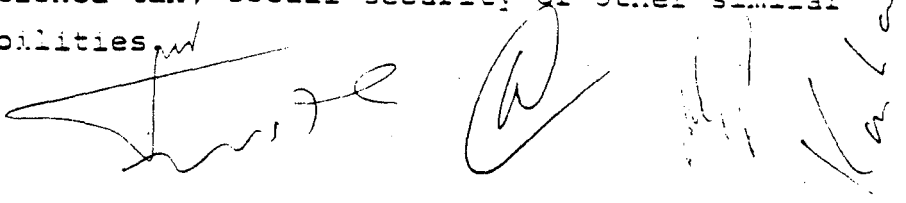
ARTICLE SIX:

Upon the complete fulfillment of all the conditions and undertakings herein, Claimant and the Respondents shall mutually release each other from any and all claims and shall be barred from continuing with any proceedings before the Iran-United States Claims Tribunal or any other

forum, including any court in the United States of America, in the Islamic Republic of Iran, or in any other countries, in relation to all claims or counterclaims in case No.807 and/or any past dealings.

ARTICLE SEVEN:

Upon the complete fulfillment of all the conditions and undertakings in Articles Two, Three, Four, and Five, the Claimant and Respondents, their successors, assignees and transferees, should there be any, shall have no right to make claims in the future against each other and assigns, or each others' directors, officers and employees, whether or not based on any rights or obligations, past or present, and/or in connection with the shares of Claimant in Pars International Manufacturing Co. Ltd. (PIMCO), any loans, any loan guarantees, and/or any other matter which has been raised or which could have been raised in Case No.807 and/or any other past dealings. If there have been claims asserted or proceedings instituted before this or in any other forum by a third party claiming an assignment or transfer of rights of any kind, including those arising out of UBS guaranty mentioned above, the party who has made the assignment or transfer shall be exclusively liable to the third party. This mutual release includes, but is not limited to, issues of taxation, including all interest and penalties, social security or like payments which have been or might be claimed by Respondents in connection with any prior operations of Claimant in Iran. The award to be rendered in this case shall constitute full and complete discharge of Claimant in respect of all the aforementioned tax, social security or other similar liabilities.

The bottom of the page features several handwritten signatures in dark ink. There are approximately four distinct signatures, some of which are quite stylized and overlapping. The signatures appear to be written over the end of the typed text.

ARTICLE EIGHT:

The releases contained in Articles Four, Six and Seven and the transfer of shares and dividends referred to in Article Five are self-executing, and hence there is no necessity to execute further documents in this regard.

ARTICLE NINE:

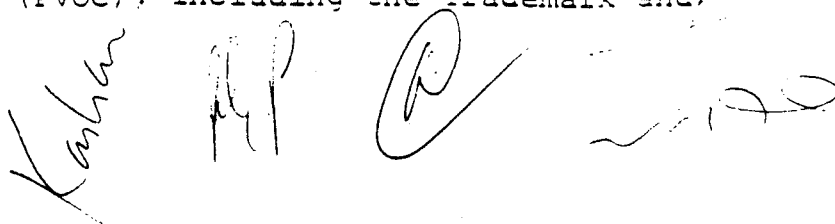
Upon the complete performance of all the conditions and undertakings herein, the Claimant and Respondents in Case No.807 agree to waive any and all claims for costs (including attorney's fees) arising out of or related to the arbitration, prosecution or defence of the claims or counter-claims asserted (or which might have been asserted) before the Iran-United States Claims Tribunal, or elsewhere, with respect to matters involved in this case.

ARTICLE TEN:

Claimant and Respondents agree to treat this document as confidential and to give copies only to those persons within the Government of the Islamic Republic of Iran and the United States of America and others who have a need for access to such copies and further to request those persons to treat these copies as confidential. Claimant and Respondents further agree that they shall not use, or cause any third-party to use, this Settlement Agreement in the prosecution or defence of any other case before the Iran-United States Claims Tribunal.

ARTICLE ELEVEN:

All agreements made by and between Claimant and PIMCO and Pars Vegetable Oil Company (PVOC), including the Trademark and



Technical Assistance Agreement effective March 21, 1968 and the CAMAY Agreement effective June 21, 1975, and any and all amendments thereof and any addendum and supplement thereto, are hereby confirmed terminated. PIMCO and PVOC shall have the right to continue manufacturing synthetic detergents, toilet soap and other similar products. Respondents shall not use any Trademark belonging to Claimant.

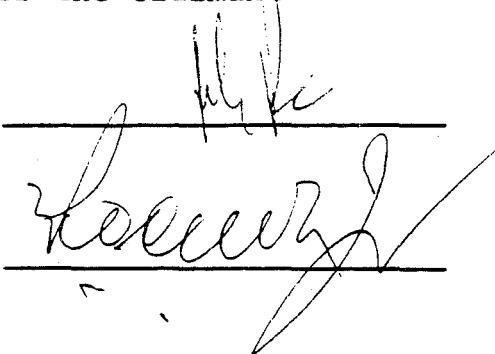
ARTICLE TWELVE:

This Agreement shall be interpreted in its entirety and the parties shall give equal weight and force to each and every provision.

Signed and executed in the Hague, the Netherlands, on this eighth day of June 1983.

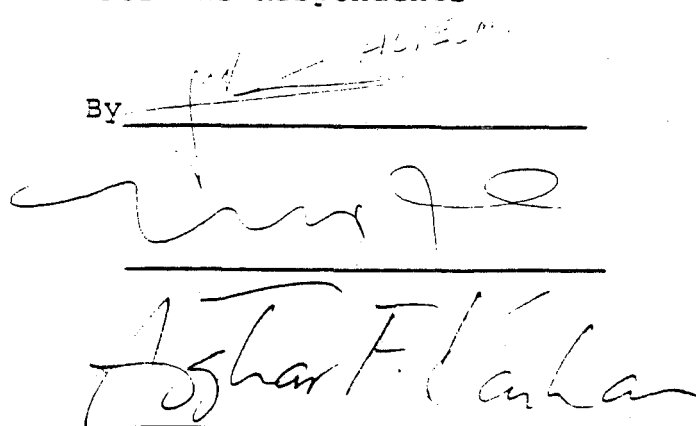
For the Claimant

By



For the Respondents

By



Agent of the Government of the
Islamic Republic of Iran to
the Iran-United States Claims
Tribunal.