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AIMS TRIBUNAL

دیوان داوری دعاری ایران - ایالات متحدہ

ORIGINAL DOCUMENTS IN SAFE

Case No. 130

Date of filing: 21 Sep 84

** AWARD - Type of Award Partial on Agreed Terms
- Date of Award 21 Sep 84
6 pages in English pages in Farsi
+ exhibits

** 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
 pages in English pages in Farsi

** OTHER; Nature of document:

- Date
 pages in English pages in Farsi

CASE NO. 130

SPECIAL CHAMBER

AWARD NO. 148-130-SC

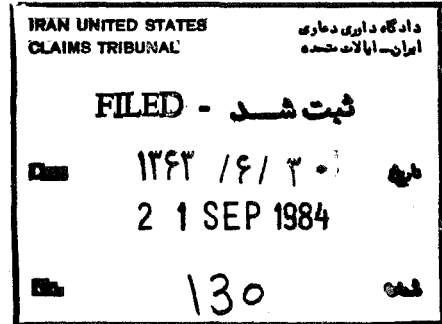
CHICAGO BRIDGE & IRON COMPANY,

Claimant,

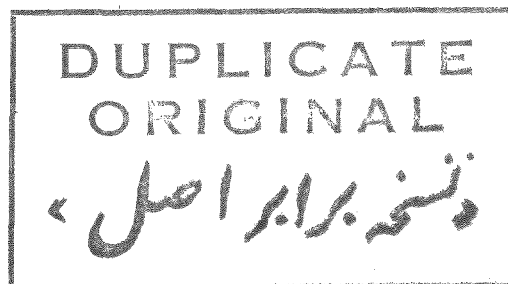
-and-

THE ISLAMIC REPUBLIC OF IRAN,
NATIONAL IRANIAN OIL COMPANY,
RAZI CHEMICAL COMPANY (formerly
called SHAHPUR CHEMICAL COMPANY),
IRAN JAPAN PETROCHEMICAL COMPANY,
LAVAN PETROLEUM COMPANY,
IRAN PAN AMERICAN OIL COMPANY,
IRAN CARBON COMPANY,
NORM ENGINEERING COMPANY,
FARBAL COMPANY,
IRAN OIL SERVICES COMPANY,
BANK MELLAT (formerly called the
FOREIGN TRADE BANK OF IRAN),
BANK SADERAT,
NATIONAL IRANIAN GAS COMPANY and
KANGAN LIQUEFIED NATURAL GAS CORPORATION,

Respondents.



PARTIAL AWARD ON AGREED TERMS



Claimant, Chicago Bridge & Iron Company ("CBI") for itself and on behalf of two affiliated companies organized under the laws of Liechtenstein, Oasis Supply Company Anstalt ("OASIS") and CBI Eastern Anstalt ("Eastern"), filed its Statement of Claim on 19 November 1981 against fourteen named Respondents: The Islamic Republic of Iran, National Iranian Oil Company ("NIOC"), Razi Chemical Company ("Razi"), Iran Japan Petrochemical Company ("IJPC"), Iran Pan American Oil Company, Lavan Petroleum Company, Iran Carbon Company, Norm Engineering Company ("NORM"), Farbal Company ("Farbal"), Iran Oil Services Company, Bank Mellat, Bank Saderat, National Iranian Gas Company ("NIGC") and Kangan Liquefied Natural Gas Corporation. Several Statements of Defence and Counterclaims were filed by or on behalf of Respondents. A Pre-hearing Conference was held on 30 April 1984.

On 23 July 1984 Claimant CBI, together with OASIS and Eastern, on the one hand, and Respondents NIOC, NIGC and Razi on the other hand, filed a Joint Request for Arbitral Award on Agreed Terms with an attached Settlement Agreement signed by the same Parties and a Waiver of Claims and certain other documents. Further documents envisaged in the Settlement Agreement were received by the Tribunal on 8 August 1984. On 30 August 1984, the Agent of the Islamic Republic of Iran filed a letter giving his "confirmation to the Settlement Agreement reached between Chicago Bridge and Iron Company... and National Iranian Oil Company and its affiliates...." By Presidential Order No. 29 of 19 September 1984 this case was transferred to the Special Chamber.

In their Joint Request the Parties requested that the Settlement Agreement be recorded as an Arbitral Award on Agreed Terms and that the agreed-upon payment be made from the Security Account to CBI, as well as to OASIS and

Eastern. It was further stated that the payment was to be "received by CBI on behalf of itself, OASIS and Eastern to which OASIS and Eastern hereby give their consent."

The Settlement Agreement provides, among other reciprocal obligations between the Parties, for the termination of any judicial or administrative proceedings between the Parties, including proceedings before this Tribunal, "in relation to disputes, differences, claims or counterclaims in Case No. 130...." In addition to disputes between the Parties to the Settlement Agreement, CBI agreed to waive its claims against other named Respondents in Case No. 130 with three exceptions. Two of them concern NORM and Farbal with respect to which it was stated that "[r]espondents consider Farbal and NORM companies to be private Iranian companies. CBI might anyhow choose either to withdraw its claims in that connection from the Iran-US Claims Tribunal or to continue the claims directly against NORM and Farbal, should the Tribunal permit CBI so to do and should it find the claims to be under its jurisdiction...." The third exception relates to IJPC, against which Claimant has not waived its claim.

The Settlement Agreement stipulates that "[u]pon payment of the Settlement Amount, all titles, rights, benefits, and interests of CBI, to its shares and participation in Kalingas...shall be considered as transferred to NIGC...", and that upon payment of the same amount "...all titles, rights, benefits and interests of CBI in properties brought in Iran under various contracts including properties stored at Kharg Island, but except for those alleged to be under possession of NORM and IJPC, shall be considered as transferred to NIOC...." With a view to the transfer of the interests and properties just referred to it is further provided in Article 7(3) of the Settlement Agreement that

CBI shall deposit with the Tribunal the share certificates of Kalingas Co. and a quitclaim bill of sale for transfer of all its remaining properties in Iran and a bill of sale and assignment of shares for transfer of its interests in Kalingas and in all its shares in Kalingas as well as proxies from the persons in whose names the bank accounts were registered, and the Tribunal shall deliver all the foregoing documents to Respondents upon issuance of the Award on agreed terms.

The Tribunal notes that the quitclaim bill of sale was submitted to the Tribunal together with the Joint Request, and the share certificates and remaining documents were received by the Tribunal on 8 August 1984. There has been no objection with regard to these documents.

According to Article 3 of the Settlement Agreement, US \$1,130,000.00 shall be paid to CBI, OASIS and Eastern "[i]n full and final settlement of all outstanding disputes, differences, claims and counterclaims, asserted or unasserted, pertaining to and arising out of the transactions, events, and relationships related to Case No. 130, which are the subject matter of this Settlement Agreement, and in consideration of the covenants, premises and other agreements contained herein...."

Copies of the Joint Request, Settlement Agreement and Waiver of Claims are attached hereto.

The Tribunal finds that the provisions of the Settlement Agreement and the other documents submitted by the Parties satisfy the conditions for the issuance of an Award on Agreed Terms in accordance with Article 34 of the Tribunal Rules and the standards applicable thereto. The Tribunal notes that the Settlement Agreement contains certain provisions cited above which can only be interpreted to mean that the original claim, in so far as it concerns

NORM, Farbal and IJPC, has not been definitely settled. Therefore the Tribunal determines that a Partial Award on Agreed Terms can be rendered, excluding only those portions of the claim which relate to the three just-mentioned companies.

Based on the foregoing, THE TRIBUNAL AWARDS AS FOLLOWS:

The Settlement, including Waiver of Claims, is hereby recorded as a Partial Award on Agreed Terms binding on all the Parties except as to those portions in the original claim in Case No. 130 which relate to the Respondents NORM, Farbal and IJPC.

The Respondents shall pay ONE MILLION ONE HUNDRED and THIRTY THOUSAND United States Dollars (U.S. \$1,130,000.00) which obligation shall be satisfied 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. This payment shall be made to Chicago Bridge & Iron Company in accordance with the Joint Request.

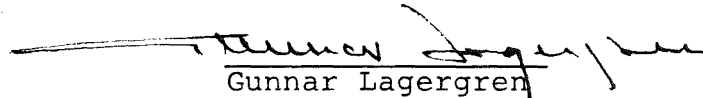
Upon the filing of this Partial Award on Agreed Terms the Tribunal will deliver to the Agent of the Islamic Republic of Iran the documents mentioned in Article 7(3) of the Settlement Agreement, to be transferred to NIOC, NIGC and Razi.

This Partial Award is without prejudice to those portions of the claim filed in Case No. 130 which relate to NORM, Farbal and IJPC and which remain in Chamber Three.

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

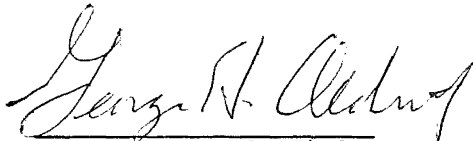
Dated, The Hague

21 September 1984



Gunnar Lagergren
Chairman
Special Chamber

In the Name of God



George H. Aldrich

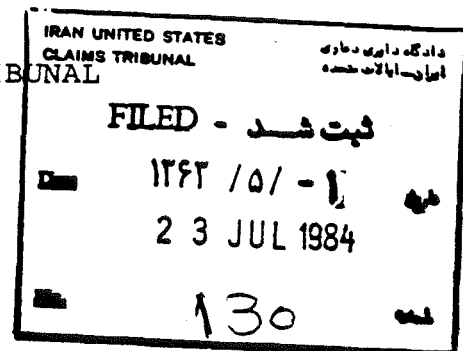


Parviz Ansari Moin

IN THE NAME OF GOD

IN THE IRAN-UNITED STATES CLAIMS TRIBUNAL

THE HAGUE, THE NETHERLANDS



Claim No. 130

Chamber No. 3

Claimant: CHCAGO BRIDGE AND IRON
COMPANY ("CBI")

Respondents: The Islamic Republic of Iran,
National Iranian Oil Company (NIOC),
NATIONAL IRANIAN GAS COMPANY (NIGC),
RAZI CHEMICAL COMPANY (RAZI),
and others

IN THE NAME OF GOD

JOINT REQUEST FOR ARBITRAL AWARD
ON AGREED TERMS

Pursuant to Article 34 of the Tribunal's Rules of Procedure, Chicago Bridge and Iron Company ("CBI"), and National Iranian Oil Company ("NIOC") and National Iranian Gas Company ("NIGC") and Razi Chemical Company ("RAZI") jointly request that the Tribunal issue an Arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement reached by the Parties to the Settlement Agreement.

On 23rd June, 1984 CBI Oasis Supply Company Anstalt ("OASIS"), CBI Eastern Anstalt ("Eastern"), on one part and NIOC, NIGC and RAZI on the other, entered into a Settlement Agreement, a copy of which is attached hereto, providing that CBI, Oasis and Eastern will be paid the amount of One million one hundred thirty thousand dollars (\$1,130,000.00) in complete and final settlement of all claims and counterclaims now existing or capable of arising in connection with Case No. 130, which are the subject matter of the Settlement Agreement. The undersigned request the Tribunal to record the Settlement Agreement as an Arbitral Award on Agreed Terms, with full payment to CBI, OASIS and Eastern to be made from the Security Account by payment to be received by CBI on behalf of itself, OASIS and Eastern to which OASIS and Eastern hereby give their consent.

Respectfully submitted

NATIONAL IRANIAN OIL COMPANY

By Shahab

NATIONAL IRANIAN GAS COMPANY

By Shahab

RAZI CHEMICAL COMPANY

By Shahab

Date _____

CHICAGO BRIDGE AND IRON
COMPANY

By Richard B. Burt

CBI EASTERN ANSTALT

By Richard B. Burt

OASIS SUPPLY COMPANY
ANSTALT

By Richard B. Burt

Date _____

FILED - ثبت شد

Date

۱۳۶۳ / ۵ / - ۵
23 JUL 1984

No.

130

IN THE NAME OF GOD

Settlement Agreement

IRAN UNITED STATES CLAIMS TRIBUNAL		دادگاه داری و محاکمه ایران - ایالات متحده
فایلد - ثبت شد		
Date	۱۳۶۲ / ۵ / - ۱ 23 JUL 1984	تاریخ
No.	۱۳۰	شماره

This Settlement made this 23rd day of June 1984, by and between the National Iranian Oil Company ("NIOC"), National Iranian Gas Company ("NIGC"), Razi Chemical Company ("Razi") all organized under the laws of Iran (hereinafter called "Respondents") which for the purpose of this Agreement they represent themselves, their affiliates and subsidiaries, and Chicago Bridge & Iron Company ("the Claimant") a company organized under the laws of Illinois, United States of America, Oasis Supply Company Anstalt ("OASIS"), and CBI Eastern Anstalt ("Eastern") both organized under the law of Liechtenstein (hereinafter collectively called "CBI"), which for the purpose of this Settlement they represent themselves, their subsidiaries, parents and affiliates.

WHEREAS, CBI directly or on behalf of other companies have raised certain claims against Respondents for certain direct relationships had with Respondents or indirectly for alleged contracts had with other Iranian and/or non-Iranian companies, as contemplated in the Statement of Claim filed with the Iran-U.S. Claims Tribunal under No. 130,

WHEREAS, Respondents have filed their Statements of Defence and their counterclaims and refused any obligation to respond the claims raised against Iranian and/or non-Iranian private companies, and

WHEREAS, CBI and Respondents have agreed to settle all their claims, disputes, differences outstanding between them and

in connection with all other claims under Case No. 130 in the manner as contemplated herein.

Now, therefore, CBI and Respondents agree as follow:

Article 1:

The scope and subject matter of this Settlement Agreement is:

- (1) To settle and dismiss, forever
 - (a) All disputes, differences, claims and matters, directly or indirectly, raised or capable of arising out of the relationships, contracts, events and the subject matters of the Case No. 130, against NIOC and the Related counterclaims.
 - (b) All disputes, differences, claims and matters, directly or indirectly, raised or capable of arising out of the relationships, contracts, events and the subject matters of the Case No. 130, against NIGC and the related counterclaims, and claims arising out of, and related to, Kalingas Project, "Participation Agreement" and "Repayment Agreement" signed between CBI and National Iranian Gas Company.
 - (c) All disputes, differences, claims and matters, directly or indirectly, raised or capable of arising out of the relationships, contracts, events and the subject matter of the Case No. 130, against National Iranian Petrochemical Co. and Razi and the related counterclaims.

It is further agreed that:

- (a) CBI waives, withdraws and dismisses forever and with prejudice, all and any claims against Iranian Oil Service Co. Ltd. ("IROS") and Iran Carbon Company ("ICC") and/or any right to raise any claim in that connection against the Islamic Government of Iran, Respondents or any other persons.
- (b) CBI withdraws,, without prejudice, its claims against - Morrison-Knudsen - and Lummus (non-Iranian companies) from the Iran-U.S. Claims Tribunal and the courts in the United States of America. Claims with respect to and in relation with Morrison-Knudsen and Lummus (if any) should be raised against those companies. CBI waives, withdraws, and dismisses, forever and with prejudice, any direct or indirect claim against the Islamic Government of Iran and Respondents in that connection. It is agreed that in this connection no action should be taken by CBI detrimental to the Government of the Islamic Republic of Iran and/or the Respondents.
- (c) CBI waives, withdraws and dismisses, forever, and with prejudice, any claim against Respondents in connection with claims related to Farbal and Norm.

Respondents consider Farbal and NORM companies to be private Iranian companies. CBI might anyhow choose either to withdraw its claims in that connection from the Iran-U.S. Claims Tribunal or to continue the claims directly against NORM and Farbal, should the

Tribunal permit CBI so to do and should it find the claims to be under its jurisdiction. It is anyhow agreed that no action should be taken by CBI detrimental to the Government of the Islamic Republic of Iran and/or the Respondents.

(3) CBI vests without recourse, and considers to be vested from the time that claims arose, in NIOC all its rights to receive, demand and to claim against AMOCO Europe, Lapco and IPAC or against any person that NIOC might find appropriate including the former second parties to Lapco and IPAC Joint Structure agreements, as a direct claim or by way of counterclaim. CBI shall have no right to claim against any person in any forum in respect of the aforementioned claims, rights and interests.

(4) CBI waives, withdraws and dismisses, forever and with prejudice, all and any claims against the Islamic Government of Iran and all Iranian banks named in the Statement of Claim, Case No. 130, for the claims there contained.

CBI vests without recourse, and considers to be vested in NIOC all its rights to receive, demand and to claim against those Iranian banks for all and any amount belonging to CBI, its affiliate, subdivisions and parent companies. CBI shall provide proxies from the persons in whose names the bank accounts were registered to enable NIOC to cash the money.

Article 2:

CBI and Respondents agree to submit, as soon as practicable but no later than one month from the date hereof, this Settlement Agreement to the Iran-U.S. Claims Tribunal to be recorded as an arbitral award on agreed terms.

Article 3:

In full and final settlement of all outstanding disputes, differences, claims and counterclaims, asserted or unasserted, pertaining to and arising out of the transactions, events, and relationships related to Case No. 130, which are the subject matter of this Settlement Agreement, and in consideration of the covenants, premises and other agreements contained herein, the sum of one million one hundred thirty thousand United States Dollars (US \$1,130,000.00) shall be paid to CBI ("The Settlement Amount").

Article 4:

CBI and Respondents agree that the Settlement Amount shall be paid 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.

Article 5:

Upon payment of the Settlement Amount, CBI and the Respondents shall cause, without delay and with prejudice, all proceedings between the parties, against banks and against the Islamic Government of Iran in all courts, forums, or any authority or administrative bodies to be dismissed, withdrawn and terminated, and shall be barred from instituting and/or continuing with any proceedings before the Iran-United States Claims Tribunal or any other forum or authority or administrative body, whatsoever, including but not limited to any court in the United States of America or the Islamic Republic of Iran in relation to disputes,

differences, claims or counterclaims in Case No. 130 or any past dealings, which are the scope and subject matter of this Settlement Agreement.

Article 6

Upon payment of the Settlement Amount CBI or Respondents and CBI's or Respondents' directors, officers, employees, successors, assignees, transferees, subsidiaries, affiliates, agents and parent companies (should there be any) shall have no right to make claims in future against the Islamic Government of Iran and Iranian governmental entities and instrumentalities and/or banks and/or against each other or each other's directors, officers, employees, subsidiaries, affiliates, agents, parent companies, successors, assigns and transferees based on any right or obligation past or present and/or other matter which has or could have been raised related to the transactions, events, relationships and subject matters of Case No. 130 or any other past dealing which are the scope and subject matter of the Settlement Agreement.

Article 7:

(1) Upon payment of the Settlement Amount, all titles, rights, benefits, and interests of CBI, to its shares and participation in Kalingas company including property rights, rights of ownership, and other rights and interests, acquired as a result of holding such shares whether such rights or interests have been acquired or granted by law, agreement, the Articles of Association of Kalingas or in any other way shall be considered as transferred to NIGC free of any lien or any other legal charges. Therefore, NIGC is entitled to take all necessary steps to record such transfer.

(2) Upon payment of the Settlement Amount, all titles, rights, benefits and interests of CBI in properties brought

in Iran under various contracts including properties stored at Kharg Island, but except for those alleged to be under possession of NORM and IJPC, shall be considered as transferred to NIOC, free of any lien or any other legal charges.

(3) CBI shall deposit with the Tribunal the share certificates of Kalingas Co. and a quitclaim bill of sale for transfer of all its remaining properties in Iran and a bill of sale and assignment of shares for transfer of its interests in Kalingas and in all its shares in Kalingas as well as proxies from the persons in whose names the bank accounts were registered, and the Tribunal shall deliver all the foregoing documents to Respondents upon issuance of the Award on agreed terms.

Article 8:

(1) CBI shall indemnify and hold harmless Respondents, their subsidiaries, affiliates, assigns, transferees, successors, agents, their parent companies, their parent's affiliates, assigns, transferees, successors, agents, subsidiaries (the "Indemnified Respondents") and the Islamic Government of Iran, its entities and instrumentalities and the Banks against any claim which CBI, its subsidiaries, affiliates, assigns, transferees, successors, agents, its parent companies, and its parent's subsidiaries, affiliates, assigns, transferees, successors and agents may raise or take against the Indemnified Respondents or the Islamic Government of Iran, its entities or instrumentalities and the Banks under the same cause or causes of action contained in Claim No. 130, which are the scope and subject matter of the Settlement Agreement, and transfers pursuant to Article 7 hereof.

(2) Respondents shall indemnify and hold harmless CBI, its subsidiaries, affiliates, assigns, transferees, successors, agents, its parent companies, their parent's affiliates, assigns, transferees, successors, agents and subsidiaries the ("Indemnified Claimants") against any claim (or

counterclaim) which Respondents, their subsidiaries, affiliates, assigns, transferees, successors, agents, their parent companies, their parent's affiliates, assigns, transferees, successors, agents and subsidiaries may raise or take against the Indemnified Claimant under the same cause or causes of action contained in Claim No. 130, which are the scope and subject matter of the Settlement Agreement.

(3) In this Settlement Agreement the CBI's dues for Iranian tax, Social Security Organization premiums under the contracts with NIOC, NIGC, RAZI, ICC, LAPCO, and IPAC are taken into consideration. Therefore, Respondents acknowledge that all counterclaims, whether asserted or unasserted, for Iranian tax and S.S.O. premiums in connection with those contracts will be paid or otherwise satisfied by Respondents.

CBI shall be deemed to be released from the abovementioned Iranian tax and S.S.O. liabilities upon the payment of the Settlement Amount.

Article 9:

Upon payment to CBI of the Settlement Amount, the releases, waivers, withdrawals, dismissals and the transfer of shares, interests, rights, benefits, properties and titles to CBI's materials and equipment contained and referred to in this Settlement Agreement shall become self-executing. After issuance of award on agreed terms by the Tribunal and delivery of the share certificates, quitclaim bill of sale and assignment of shares to Respondents by the Tribunal's Registrar, no further documents need to be executed in implementing the provisions of this Agreement.

Article 10:

Upon payment to CBI of the Settlement Amount, the parties shall 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 counterclaims asserted before the Iran-U.S. Claims Tribunal, United States courts or elsewhere with respect to matters involved in Case No. 130.

Article 11:

Unless otherwise agreed upon between the parties hereto this agreement shall become completely null and void if not filed together with the Joint Request for Arbitral Award on the agreed terms by Respondents within one month from the date hereof and, in that event, no party to this Agreement may rely upon, cite or publish its terms.

Article 12:

The representatives of the parties hereto hereby expressly declare that they are duly empowered to sign this Agreement.

Article 13:

This Agreement has been written and signed in both language of Farsi and English and each text shall have the same equal validity.

National Iranian Oil Co.

Chicago Bridge and Iron
Company

&

&

National Iranian Gas Co.

Oasis Supply Co. Anstalt

&

&

Razi Chemical Company

CBI Eastern Anstalt

By

Shahab

By

Richard B. B.

Date

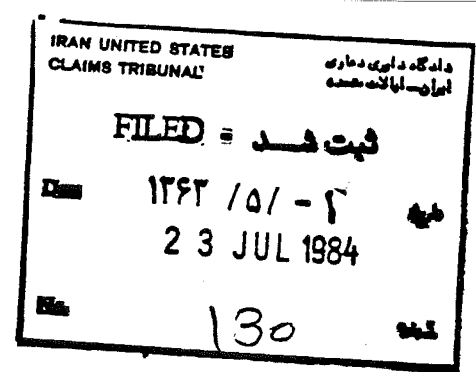
۱۳۵۳ ۰۶/۲۲

Date

23rd June, 1984

(as per power of Attorney
attached)

WAIVER OF CLAIMS



WHEREAS

Chicago Bridge and Iron Company (CBI) a corporation organized and existing under the laws of the State of Illinois, United States of America, has filed a claim before the Iran-U.S. Claims Tribunal (Case No. 130), and with U.S. courts arising out of a "Participation Agreement" and a "Repayment Agreement" (collectively called "the Agreements") signed by and between CBI and National Iranian Gas Co. ("NIGC");

WHEREAS

CBI in Case No. 130 and before U.S. courts took the position that, for various reasons which were set forth in the Statement of Claims, NIOC/NIGC were in breach of the Participation Agreement and therefore the loan amount and interest thereon under the Repayment Agreement plus additional damages in respect of other liabilities of NIOC/NIGC are due and payable to CBI;

WHEREAS

Repayment of the original loan amount of eleven million seven hundred and ninety

thousands and one hundred twenty six U.S. Dollars and thirty six cents (11.790,126.36 U.S.\$) and the interest thereon was, pursuant to the Repayment Agreement, conditioned inter alia, upon the percentage of annual production of LNG from Pars Field and the sale of the natural gas produced from Pars Field by NIGC to Kalingas;

WHEREAS


Repayment of the loan was agreed to be made solely out of the proceeds of the sale of natural gas by NIGC to Kalingas as provided for in Article 6 of the Repayment Agreement; and

WHEREAS

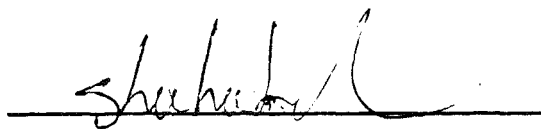
NIOC/NIGC in case No. 130 and in the cases before U.S. courts take the position that, because the conditions of the Agreements did not materialize, the loan amount and interest thereon and additional damages are not due and payable and that, in addition, certain amounts are due as damages by CBI to NIGC and other Iranian Agencies.

Now therefore, CBI, NIOC and NIGC hereby waive, withdraw and dismiss all of their claims, counterclaims and disputes with respect to the Agreements and other issues in case No. 130 and the related claim filed before U.S. courts, acknowledging and agreeing that neither they, nor their parents, subsidiaries, affiliates, agents, assigns, transferees, and subsidiaries and affiliates, assigns, agents and transferees of their parents, shall, now or in future, bring or cause any person to bring any claim with respect to such claims, counterclaims and disputes in any forum including but not limited to the Iran-U.S. Claims Tribunal, U.S. and Iranian Courts and/or to tribunals and/or forums in any other country.

Chicago Bridge and Iron Company (CBI)



National Iranian Gas Company



National Iranian Oil Company

