

ORIGINAL DOCUMENTS IN

Case No. 422

Date of filing: 19 DEC 84

** AWARD - Type of Award Agreed terms
- Date of Award 19 DEC 84
4 pages in English 4 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 Nos. 233

422

Special Chamber

Award No. 154 -233/422-SC

INTERCONTINENTAL HOTELS CORPORATION and
OVERSEAS PRIVATE INVESTMENT CORPORATION,

Claimants,

and

THE ISLAMIC REPUBLIC OF IRAN, IRAN
NATIONAL TOURIST ORGANISATION, TOURIST
ACCOMODATION COMPANY, IRAN HOTELS
DEVELOPMENT CORPORATION, THE HOTEL
INTERCONTINENTAL TEHRAN LABOUR
SYNDICATE,

Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری دعوی ایران - ایالات متحدہ
ثبت شد - FILED	
Date	19 DEC 1984 تاریخ ۱۳۶۳ / ۹ / ۲۸
No.	233/422 شماره

INTERCONTINENTAL HOTELS CORPORATION,

Claimant,

and

THE GOVERNMENT OF IRAN, MINISTRY OF
NATIONAL GUIDANCE, IRAN NATIONAL TOURIST
ORGANISATION, TOURIST ACCOMODATIONS
COMPANY, IRAN HOTELS DEVELOPMENT CORP.,
IRAN CATERING SERVICES IHDC, SEPAHAN
HOTELS DEVELOPMENT CORPORATION, HOTEL
INTERCONTINENTAL TEHRAN LABOUR SYNDICATE,

Respondents.



AWARD ON AGREED TERMS

The Claimants, INTERCONTINENTAL HOTELS CORPORATION and OVERSEAS PRIVATE INVESTMENT CORPORATION, and Respondents herein, GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, MINISTRY OF NATIONAL GUIDANCE, HOTEL INTERCONTINENTAL TEHRAN LABOUR SYNDICATE, IRAN HOTELS DEVELOPMENT CORPORATION ("IHDC"), IRAN TOURING AND TOURISM ORGANISATION, TOURIST ACCOMODATION COMPANY, IRAN CATERING SERVICES OF IHDC and SEPAHAN HOTELS DEVELOPMENT CORPORATION have entered into a Settlement Agreement, signed by representatives of, on the one hand, Intercontinental Hotels Corporation and Overseas Private Investment Corporation and on the other hand, of Iran Hotels Development Corporation and Iran Touring and Tourism Organisation, and dated 26 September 1984, resolving all matters in dispute between them whereby it is agreed, inter alia, that the Claimant Intercontinental Hotels Corporation shall be paid the amount of US\$ 1,940,000.00 in full and final settlement of all the Claims, counterclaims and disputes asserted in or related to Cases Nos. 233 and 422. It is further agreed that Overseas Private Investment Corporation withdraws its claims in Case No. 233 against "IHDC, the Government of Iran, its agencies, instrumentalities or entities in connection with IHC's investment in IHDC or the Agreement". Intercontinental Hotels Corporation withdraws its claims in Cases Nos. 233 and 422 against "Ministry of National Guidance, Tourist Accomodations Company, Iran Touring and Tourism Organisation, Hotel-Intercontinental Tehran Labour Syndicate, and the Government of Iran, its agencies, instrumentalities and entities in connection with IHC's investment in IHDC or the Agreements".

On 11 October 1984, a Request from the Parties was filed, signed by representatives of on the one hand Intercontinental Hotels Corporation and Overseas Private Investment Corporation, and on the other hand, of Iran Hotels Development Corporation, for an Arbitral Award on Agreed Terms to be rendered, recording and giving effect to the Settlement Agreement pursuant to Article 34(1) of the Tribunal Rules.

The Settlement Agreement together with the Joint Request are attached hereto.

By letter dated 10 December 1984, the Agent of The Islamic Republic of Iran stated that his Government had no objection to the Agreement being recorded as an Award on Agreed Terms.

By Presidential Order No. 29 dated 19 September 1984, this Case was transferred to the Special Chamber for the purpose of dealing with the Settlement Agreement.

The Tribunal has satisfied itself that it has jurisdiction in this matter within the terms of the Declaration of the Democratic and Popular Republic of Algeria concerning the Settlement of Claims by the Government of the United States of America and the Islamic Republic of Iran of 19 January 1981.

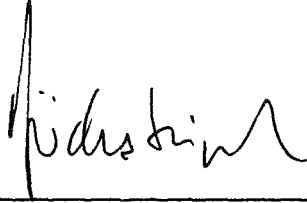
For the foregoing reasons,

THE TRIBUNAL AWARDS AS FOLLOWS:

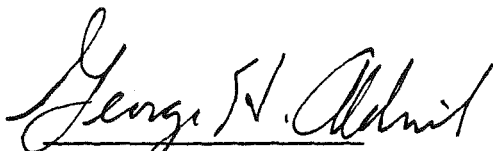
The Settlement Agreement filed with the Request is hereby accepted and recorded as an Award on Agreed Terms, binding on the Parties, in full and final Settlement of the entire cases. Consequently, the Respondent IRAN HOTELS DEVELOPMENT CORPORATION shall pay to the Claimant INTERCONTINENTAL HOTELS CORPORATION the amount of One Million Nine Hundred and Forty Thousand United States Dollars (US \$ 1,940,000.00), which obligation shall be satisfied by payment out of the Security Account established pursuant to Paragraph 7 of the Declaration of the Democratic and Popular Republic of Algeria of 19 January 1981.

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

Dated, The Hague,
19 December 1984

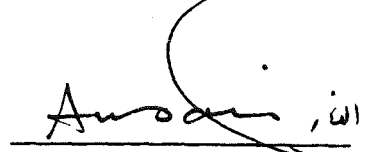


Karl-Heinz Böckstiegel
Chairman
Special Chamber



George H. Aldrich

In the name of God,



Parviz Ansari Mojn

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری دعاری ایران - ایالات متحده
ثبت شد - FILED	
Date	۱۳۶۲ / ۷ / ۱۹ 11 OCT 1984
No.	233/422

IN THE IRAN-UNITED STATES CLAIMS TRIBUNAL
THE HAGUE, THE NETHERLANDS

INTERCONTINENTAL HOTELS CORPORATION and)	
OVERSEAS PRIVATE INVESTMENT CORPORATION,)	
)	No. 233
Claimants,)	Chamber 2
v.)	
)	
IRAN,)	
Respondent.)	

INTERCONTINENTAL HOTELS CORPORATION,)	
Claimant,)	
)	No. 422
v.)	Chamber 2
)	
IRAN,)	
Respondent.)	

JOINT REQUEST FOR ARBITRAL
AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal's Rules of Procedure, the Parties 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.

On September 26, 1984, the parties to this request entered into a Settlement Agreement, a copy of which is attached hereto. The undersigned request the Tribunal to

record the Settlement Agreement as an arbitral award on agreed terms, with full payment to IHC to be made out of the Security Account.

Overseas Private Investment Corporation ("OPIC") further requests, jointly with the other parties to this request, that OPIC's claims in Case No. 233 be withdrawn from the Tribunal upon entry of the award sought in the present request.

Respectfully submitted,

By Mohammady
Mohammad-Hossein Mohammadi

Representative of Iran
Hotels Development
Corporation

By L. M. Popper
Lewis M. Popper

Representative of
Intercontinental Hotels
Corporation & Overseas
Private Investment
Corporation

Date Mohammady

Date Sept. 6, 1984

A. A. NARARI

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه ادعای داری ایران - ایالات متحده
FILED - ثبت شد	
Date	۱۳۶۳ / ۷ / ۱۹ 11 OCT 1984
No.	233 / 422

SETTLEMENT AGREEMENT

THIS Agreement is made on the 26th day of September 1984 (4 Mehr 1363) between the parties in Cases Nos. 233 and 422. The parties agree and commit themselves as follows:

1. Parties as used herein shall mean those referred to in Cases Nos. 233 and 422;
2. WHEREAS, IHC has filed two claims that have been docketed with the Iran-United States Claims Tribunal ("Tribunal") as Cases No. 233 and 422;
3. WHEREAS, the Respondent IHDC for itself and on behalf of its subsidiaries Iran Catering Services of IHDC and Sepahan Hotels Development Corporation (hereinafter collectively referred to as "IHDC") in Cases 233 and 422 has asserted various counterclaims against IHC; and
4. WHEREAS, the parties desire to settle between and among themselves all claims and counterclaims asserted in Cases 233 and 422, as well as all other claims and disputes of any kind in any way arising out of or related to (1) IHC's investment in IHDC or (2) any agreements that have heretofore been concluded by and among IHC and its subsidiaries, on the one hand; and IHDC and its subsidiaries or affiliates, on the other hand, or that have been referred to in Cases 233 and 422 (hereinafter, "the Agreements"), which claims and disputes they have had, now have or will have against one another from the beginning of the world to the end of the world, whether such claims have yet been asserted or not and whether asserted before the Tribunal or arbitral bodies or courts of law in Iran, the United States or elsewhere, including but not limited to particular claims and disputes asserted by IHC against IHDC, Iran, its instrumentalities and agencies and filed with the courts of law in the United States;

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5. WHEREAS, Iran Tourist and Tourism Organisation desires to acquire and IHC is willing to dispose of its shares and any property and equity interest in IHDC;

6. NOW THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, the parties agree and commit themselves as follows:

Terms and Provisions

7. OPIC withdraws its claims in Case 233 and undertakes not to assert in any court any claims whatsoever against IHDC, the Government of Iran, its agencies, instrumentalities or entities in connection with IHC's investment in IHDC or the Agreements, and for this purpose the fully authorized representative of OPIC will sign this Agreement.

8. IHC withdraws its claims in Cases 233 and 422 and undertakes not to assert in any court any claims whatsoever against Ministry of National Guidance, Tourist Accomodations Company, Iran Touring and Tourism Organisation, Hotel-Intercontinental Tehran Labour Syndicate, and the Government of Iran, its agencies, instrumentalities and entities in connection with IHC's investment in IHDC or the Agreements.

9. It is agreed to effect a payment to IHC in the amount of One Million Nine Hundred and Forty Thousand United States Dollars (U.S.\$ 1,940,000.00) ("the Settlement Amount") in

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the manner set out in Paragraph 10 below in consideration for the acquisition of all of IHC's equity interest in IHDC's share capital and in complete and final settlement of all claims and disputes asserted, or which could be asserted, whether in the arbitrations or otherwise, by either party against the other, it being understood by the parties that the amount actually received by IHC will be the Settlement Amount less any fees imposed by the U.S. Government or any bank transfer fees or any other such charges imposed by any natural person or legal entity (other than Iran, its instrumentalities and related entities) in connection with the procedure whereby the arbitration will be settled and the payment of the Settlement Amount to IHC will be effected.

10. The Parties agree to submit this Settlement Agreement and such other documents and agreements as may be necessary or appropriate, to the Tribunal with the request that the Tribunal record this Settlement Agreement as an award on agreed terms pursuant to Article 34 of the Rules of Procedure of the Tribunal and order the Settlement Amount to be paid to IHC out of the security account (the "Security Account") established under Paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria, dated January 19, 1981. IHDC and ITTO undertake to pay the Settlement Amount to the Central Bank of Iran.

11. It is the desire of the parties that the Settlement Amount be awarded to IHC by the Tribunal as promptly as possible and that all the claims and counterclaims asserted in the arbitrations be thereupon terminated. Accordingly, by September 26, 1984, the parties will jointly file with the Tribunal a request for an award on agreed terms in the form of the attachment hereto. Following the filing of said

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request, the parties will cooperate fully with one another and with the Tribunal with respect to the consideration thereof by the Tribunal.

12. Effective as of the date of payment of the Settlement Amount to IHC, IHC on behalf of itself, its directors, officers and employees (or transferees to the rolls of IHDC) and its subsidiaries and OPIC hereby release and forever discharge the Respondents and their subsidiaries, affiliates, directors, officers, and employees, the Government of Iran, its agencies, and instrumentalities, and each of them, from any and all manner of actions, suits, judgments, arbitrations, damages, debts, obligations, claims and demands whatsoever, in any way arising out of or related to the investment in IHDC by IHC and the Agreements, whether they be presently known or unknown or suspected or unsuspected, and whether they be related or unrelated to the arbitration as to law or facts or both, which, against the Respondents and their subsidiaries, affiliates, directors, officers and employees, or any of them, IHC or any of IHC's employees (or transferees to the rolls of IHDC) or IHC's subsidiaries, affiliates, directors, officers and employees and OPIC ever had, now has or will or may have, from the beginning of the world to the end of the world.

13. Upon the coming into force of the releases and discharges stipulated in Paragraph 12 hereof, the Respondents and their subsidiaries, affiliates, directors, officers and employees hereby release and forever discharge IHC and its subsidiaries, affiliates, directors, officers and employees and OPIC, and each of them, from any and all manner of actions, suits, judgements, arbitrations, damages, debts, obligations, claims and demands whatsoever, in any way arising out of or related to the investment in IHDC by IHC and the Agreements, whether they be presently known or unknown or suspected or unsuspected, and whether they be related or unrelated to the arbitrations as to law or facts

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or both, which, against IHC and its subsidiaries, affiliates, directors, officers, and employees and OPIC, or any of them, the Respondents and their subsidiaries, affiliates, directors, officers, and employees ever had, now have or will or may have, from the beginning of the world to the end of the world.

14. It is the intention of the parties that, upon payment to IHC of the Settlement Amount, all claims and counter-claims asserted in the arbitration shall be deemed dismissed with prejudice. In addition, promptly upon said payment having been made, the parties will move to dismiss with prejudice all litigations, arbitrations or other suits in any way arising out of or related to the investment in IHDC by IHC and the Agreements which they or their successors and assigns or subsidiaries may have pending against one another, whether in the United States of America, Iran, or elsewhere in the world.

15. (a) Effective as of the date of payment of the Settlement Amount to IHC, the Agreements and obligations between IHC and its subsidiaries and Respondents entered into at any time prior to the date of this Agreement shall automatically terminate and be of no further force or effect. Respondents shall not hereafter use the name, tradename or trademark of "Intercontinental" or any other name, tradename or trademark owned by IHC or its subsidiaries, except that consumable or crested items now in use shall continue to be used.

(b) (i) Effective as of the date of payment of the Settlement Amount to IHC, such right, title and interest as IHC and its subsidiaries, affiliates, directors and nominees may have with respect to any

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shares of IHDC, including property rights, rights of ownership, dividends (declared or undeclared) and any other rights or interests based upon its holding of such shares, including, but not limited to, such rights as have been or may have been acquired by law, the Articles of Association of IHDC or otherwise, shall be deemed extinguished and transferred to ITTO, and IHC and its subsidiaries, affiliates, directors and nominees shall be entirely divested of any equity interest or rights in IHDC and its subsidiaries. Thereafter, IHDC shall be and is hereby entitled to take all necessary steps to record said transfer without further authorization from IHC and its subsidiaries, affiliates, directors and nominees. In this connection, promptly following the payment of the Settlement Amount to IHC, IHC shall arrange for delivery to Iran of the IHDC share certificates of IHC and its nominees, being 25 percent of the total share capital of IHDC as of the date of the last Annual General Meeting of IHDC that IHC attended. If for any reason said share certificates are not delivered to Iran by the thirtieth (30th) day following the date of payment of the Settlement Amount to IHC, the share certificates not delivered shall be deemed null and void and IHDC shall be entitled to issue new shares in their place. IHC warrants and represents that, as of the date of the payment of the Settlement Amount, there will be no outstanding assignment, pledge or other transfer of said shares, or any interest in them, granted by IHC to any third party. IHC shall directly respond to and defend against any and all lawsuits or claims in the United States and outside of Iran which may be asserted with respect to said shares by any third party claiming an assignment, pledge or transfer from IHC; and IHC shall indemnify and hold harmless Respondents and Iran and all its political subdivisions, agencies and

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instrumentalities against any damage or loss payable to such a third party.

(ii) IHC undertakes to fully settle and extinguish any and all past and future tax claims (including claims for interest or penalties) imposed outside Iran for past activities of IHC and its subsidiaries related to the investment in IHDC by IHC and the Agreements, as well as taxes imposed outside Iran related to the transfer of IHC's shares in IHDC to ITTO of the Ministry of Guidance. Reciprocally, IHDC undertakes to fully settle and extinguish any and all past and future tax claims (including claims for interest or penalties) imposed inside Iran for past activities of IHC and its subsidiaries related to the investment in IHDC by IHC and the Agreements, as well as taxes imposed inside Iran related to the transfer of IHC's shares in IHDC to ITTO. IHDC represents that the terms of this subparagraph effectively release IHC and its subsidiaries from any tax liability to the Government of Iran for past activities of IHC and its subsidiaries related to the investment in IHDC by IHC and the Agreements, and for the transfer of IHC's shares in IHDC to ITTO.

16. Should the Tribunal refuse to grant an award on agreed terms as contemplated hereby, this Agreement shall be deemed void and without further force or effect, and this Agreement and the settlement it represents shall not prejudice either party in future proceedings in Cases 233 and 422.

17. Should the parties fail for any reason to submit this Settlement Agreement to the Tribunal for recording as an award on agreed terms, or should the Tribunal for any reason fail or refuse to record this Settlement Agreement as an award on agreed terms, the parties agree that this Agreement shall be maintained as confidential by each of them and that neither they nor their respective employees,

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representatives, witnesses (expert or otherwise), counsel or advisors shall be allowed to refer to it or to any of its terms or conditions in any proceedings before the Tribunal or in any communications with or to the Tribunal, or in any judicial proceedings. The provisions of this Paragraph 17 shall survive any termination of this Agreement pursuant to Paragraphs 11 or 16 hereof.

18. The parties agree to waive any and all claims against the other for costs (including attorneys' fees) in any way arising out of or related to the prosecution or defense (whether by arbitration or otherwise) of any claims, counterclaims or disputes asserted (or which could have been asserted) in Cases 233 and 422, whether before the Tribunal or elsewhere.

19. The term "nominee" as used herein shall mean any individual or corporate body who is a registered holder of any shares of IHDC stock, the real or beneficial ownership of which shares lies with IHC, and who was designated by IHC, either directly or indirectly, to act as such registered holder for any purpose whatsoever.

20. This Settlement shall be binding upon the parties and their respective successors, assigns, heirs, executors or administrators.

21. The rights, privileges and obligations of each of the parties under this Agreement may not be assigned or otherwise transferred except upon the prior written consent of the other parties, and except as otherwise provided in this Agreement.

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22. The parties warrant and represent that the persons executing this Agreement on each of their behalf have been duly and fully authorized to do so and that their signatures will commit their respective principals to the fulfillment of their respective obligations hereunder.

23. This Settlement Agreement is executed in both English and Farsi originals, each of which is equally authoritative.

24. The negotiation, preparation or execution by the parties of this Settlement Agreement shall not be construed as an admission by any of them or any other party as to the accuracy or validity of any claims or counterclaims brought against any of them in the arbitrations.

25. This Agreement contains all the agreements of the parties with respect to the subject matter hereof. It may not be amended or modified except by a writing executed by the parties.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized representatives this 26th day of September, 1984.

By Mohammadi
Mohammad-Hossein Mohammadi

Representative and
Chairman of the Board of
Directors of Iran Hotels
Development Corporation
(Private Joint Stock Company)

By Lewis M. Popper
Lewis M. Popper

Representative of
Intercontinental Hotels
Corporation and
Overseas Private
Investment Corporation

By Mohammadi
Davood Bahrami

Davood Bahrami
Representative of Iran
Tourist and Tourism
Organization