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CLAIMS TRIBUNAL

دیوان داری دعاوی ایران - ایالات متحدہ

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ORIGINAL DOCUMENTS IN SAFE

Case No. 444

Date of filing: 15 APR 86

** AWARD - Type of Award on Agreed Terms
- Date of Award _____
4 pages in English _____ 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 _____
_____ pages in English _____ pages in Farsi

** OTHER; Nature of document: _____

- Date _____
_____ pages in English _____ pages in Farsi

DUPLICATE
ORIGINAL
«نسخه برابر اصل»

Case No. 444
Chamber One
Award No. 357-444-1

INGERSOLL-RAND COMPANY,
Claimant,

and

THE ISLAMIC REPUBLIC OF IRAN,
NATIONAL IRANIAN GAS COMPANY,
NATIONAL IRANIAN OIL COMPANY,
IRANIAN COMPRESSED AIR
INDUSTRIES (IRAIND CO.),
SHAHPUR CHEMICAL COMPANY,
Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL
دادگاه داورى دعاوى
ایالات متحدہ

ثبت شد - FILED

Date 15 APR 1988 تاریخ
۱۳۶۷ / ۱۱ / ۲۴

No. 444 شماره

AWARD ON AGREED TERMS

1. On 12 January 1988 a Joint Request for an Arbitral Award on Agreed Terms was filed with the Tribunal, signed by a representative of INGERSOLL-RAND COMPANY for and on behalf of itself, its affiliates and subsidiaries, including but not limited to Ingersoll-Rand S.A. and Ingersoll-Rand World Trade Ltd., on the one hand, and on the other by the AGENT OF THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, and a representative of NATIONAL IRANIAN GAS COMPANY, NATIONAL IRANIAN OIL COMPANY and RAZI CHEMICAL COMPANY, requesting the Tribunal to record a Settlement Agreement dated 8 January 1988 as an Arbitral Award on Agreed Terms pursuant to Article 34, paragraph 1, of the Tribunal Rules. The Settlement Agreement was entered into by Ingersoll-Rand Company, for and on behalf of itself, its affiliates and subsidiaries, including but not limited to Ingersoll-Rand S.A. and Ingersoll-Rand World Trade Ltd. (hereinafter collectively referred to as "the Claimant"), on the one hand, and National Iranian Gas Company ("NIGC"), National Iranian Oil Company ("NIOC") and Razi Chemical Company (formerly known as Shahpur Chemical Company) ("RAZI") (hereinafter collectively referred to as "the Respondents") on the other. Copies of the Joint Request and the Settlement Agreement are attached.

2. The Settlement Agreement provides for certain reciprocal obligations of the Parties. It is stated in the Joint Request that the Claimant and Respondents agreed in the Settlement Agreement, inter alia, "that Ingersoll-Rand Company shall be paid the amount of two million United States Dollars (U.S. \$2,000,000) in complete and final settlement of all claims asserted or not yet asserted in connection with Case No. 444".

3. Further, it is stated in the Joint Request that "subject to the issuance of the Award on Agreed Terms, Claimant hereby withdraws its claims against Iranian Compressed Air Industries ("IRAIND") for lack of jurisdiction and requests the Tribunal to terminate Claimant's claim against IRAIND therefor".

4. Article 1(B) of the Settlement Agreement requires the issue by NIGC of a letter of credit in accordance with certain specifications to be agreed between the Parties. Article 1(D) states:

"If for any reason NIGC has not provided to the Tribunal within ten (10) weeks from the date this Settlement Agreement is filed with the Tribunal, proof of the issuance of the letter of credit, this Agreement shall become null and void ab initio".

Following submissions by the Agent of the Government of the Islamic Republic of Iran filed on 18 March 1988 and by the Claimant filed on 22 March 1988 the Tribunal issued an Order on 30 March 1988 in which it noted "... that the Parties to the Settlement Agreement dated 8 January 1988, filed on 12 January 1988, have by mutual agreement extended the date laid down in Article 1(D) of the Settlement Agreement by 30 days."

5. On 29 March 1988 the Agent of the Government of the Islamic Republic of Iran filed a letter representing that such a letter of credit had been issued, together with a telex which was to be considered as Bank Markazi's credit instrument. On 5 April 1988 the Claimant filed a letter confirming that the above-mentioned telex constituted the required letter of credit. The Tribunal is satisfied that the requirement of Article 1 as to proof of the issuance of the letter of credit has been met.

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

Based on the foregoing,

THE TRIBUNAL AWARDS AS FOLLOWS:

i) The Settlement Agreement is hereby recorded as an Award on Agreed Terms binding upon the Parties. Consequently,

the Respondents are obligated to pay the Claimant, INGERSOLL-RAND COMPANY the amount of Two Million United States Dollars (U.S.\$2,000,000) 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.

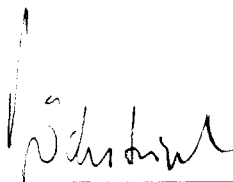
ii) The Tribunal declares the proceedings by the Claimant against IRAIND terminated.

iii) In accordance with the provision of Article 2(H) of the Settlement Agreement the Tribunal hereby instructs the Registry to deliver to NIOC the notarized bill of sale deposited by the Claimant with the Tribunal pursuant to that provision.

iv) The Tribunal notes the provision of the Settlement Agreement that Claim Nos. 12669 and 12670 "will be considered as dismissed, withdrawn terminated and settled upon issuance of the Award on Agreed Terms." Accordingly, copies of this Award are being transmitted by the Registrar to the other Chambers for their action.

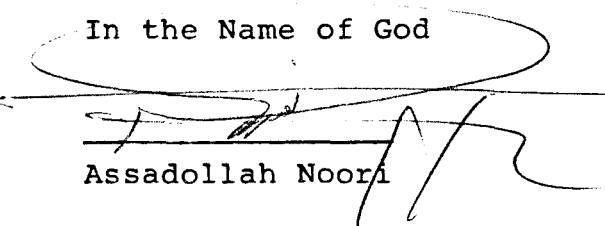
This Award is submitted to the President of the Tribunal for notification to the Escrow Agent.

Dated, The Hague
14 April 1988

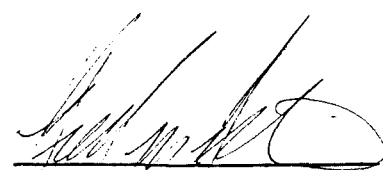


Karl-Heinz Böckstiegel
Chairman
Chamber One

In the Name of God



Assadollah Noori



Howard M. Holtzmann

IRAN UNITED STATES CLAIMS TRIBUNAL	دایرگاه داری دعاری ایران - ایالات متحده
فیت شد - FILED	
Date	12 JAN 1988 ۱۳۶۶ / ۱۰ / ۲۲
No	444

IN THE NAME OF GOD
THE BENEFICENT, THE MERCIFUL

153

Before the Iran-U.S. Claims Tribunal
The Hague, The Netherlands

Claim No. 444, Chamber One

SUBJECT: JOINT REQUEST FOR AN ARBITRAL AWARD ON
AGREED TERMS

Pursuant to Article 34 of the Tribunal Rules, the National Iranian Gas Company, National Iranian Oil Company, and Razi Chemical Company (formerly known as Shahpour Chemical Company) ("RAZI") (hereinafter collectively referred to as "Respondents"), and Ingersoll-Rand Company, for and on behalf of itself, its affiliates and subsidiaries, including but not limited to Ingersoll-Rand S.A. and Ingersoll-Rand World Trade Ltd, (hereinafter referred to as "Claimant"), jointly request that the Tribunal issue an arbitral Award on Agreed Terms that will record and give effect to the Agreement and mutual accord reached between the Parties to Case No. 444.

On 8th January, 1988, Claimant and Respondents entered into a Settlement Agreement, a copy of which is attached hereto, wherein it was agreed, inter alia, that Ingersoll-Rand Company shall be paid the amount of two million United States dollars (US\$2,000,000) in complete and final settlement of all claims asserted or not yet asserted in connection with Case No. 444.

The undersigned request the Tribunal to record the Settlement Agreement as an Award on Agreed Terms, with the Settlement Amount to be

A.A.M
M.K.

made to the Claimant, Ingersoll-Rand Company for and on behalf of itself, its affiliates and subsidiaries, out of the Security Account which was established pursuant to Article VII of the Declaration of the Popular and Democratic Republic of Algeria dated 19 January 1981 (9 Dey 1359).

Subject to the issuance of the Award on Agreed Terms, Claimant hereby withdraws its claims against Iranian Compressed Air Industries ("IRAIND") for lack of jurisdiction and requests the Tribunal to terminate Claimant's claim against IRAIND therefor.

Ingersoll-Rand Company for and on behalf of itself, its affiliates and subsidiaries, including but not limited to Ingersoll-Rand S.A. and Ingersoll-Rand World Trade Ltd. (As per Power of Attorney attached.)

By [Signature]

Date [Signature]

Agent of the Government of the Islamic Republic of Iran to the Iran-U.S. Claims Tribunal

By 12-1-88 [Signature]

Date 12/1/88 [Signature]

National Iranian Gas Company, National Iranian Oil Company, & Razi Chemical Company

By [Signature]

Date _____

ثبت شد - FILED

Date 12 JAN 1988 تاریخ

۱۳۶۶ / ۱۰ / ۲۲

No.

444

IN THE NAME OF GOD
THE BENEFICENT, THE MERCIFUL

SETTLEMENT AGREEMENT

This Settlement Agreement is made this 8th day of January 1988 by and between Ingersoll-Rand Company, for and on behalf of itself, its affiliates and subsidiaries, including but not limited to Ingersoll-Rand S.A. and Ingersoll-Rand World Trade Ltd (hereinafter collectively referred to as "Claimant"), on the one side and National Iranian Gas Company ("NIGC"), National Iranian Oil Company ("NIOC"), and Razi Chemical Company (formerly known as Shahpour Chemical Company) ("RAZI") (hereinafter collectively referred to as "Respondents"), on the other.

WITNESSETH :

WHEREAS, the Claimant has filed a Statement of Claim with the Iran-U.S. Claims Tribunal (the "Tribunal") that has been docketed as Case No.444 ("Case 444");

WHEREAS, in Case 444 the Claimant has asserted various claims against Respondents which are hereinafter collectively referred to as the "NIGC/NIOC/RAZI Claims";

WHEREAS, in Case 444 the Respondents have asserted various counter-claims against the Claimant which are hereinafter referred to as the "Counterclaims";

WHEREAS, the Parties to this Agreement wish amicably to settle the NIGC/NIOC/RAZI Claims and Counterclaims set forth in Case 444 filed with the Tribunal;

NOW, THEREFORE, the Parties to this Agreement agree to settle the NIGC/NIOC/RAZI Claims and Counterclaims set forth in Case 444 in exchange for the considerations and under the terms and conditions set forth below.

A.A.M

ARTICLE 1

Payment

A. The Claimant shall be paid the amount of two million United States dollars (US\$2,000,000) (the "Settlement Amount").

B. NIGC shall issue within eight (8) weeks from the date this Settlement Agreement is filed with the Tribunal an irrevocable 180 days deferred payment letter of credit (the "Letter of Credit") in favour of Ingersoll-Rand Co. Ltd. (I-R UK) in accordance with an order placed in response to telex quotation No. 876324 and telex No. 876338 dated 23 December 1987 as amended by telex No. 876420 dated 7 January 1988, telex No. 880008 and telex No. 880036 dated 11 January 1988 and NIGC telex purchase order of PDM 14600 dated 23 December 1987 and telex No. PDM 15567 dated 7 January 1988 and telex No. PDM 15927 dated 11 January 1988, the details and conditions of which order shall be agreed upon between I-R UK and NIGC.

Claimant's utilization of the letter of credit benefits shall be conditional upon the presentation of a certified photocopy Award on Agreed Terms issued by the Tribunal, along with other appropriate documentations, to the advisory bank in London .

C. NIGC shall provide the Tribunal with proof of the issuance of the Letter of Credit by sending to the Tribunal, with a copy to the Claimant, a letter representing that the Letter of Credit has been issued, to which letter should be attached a copy of the Letter of Credit.

D. If for any reason NIGC has not provided to the Tribunal within ten (10) weeks from the date this Settlement Agreement is filed with the Tribunal, proof of the issuance of the letter of credit, this Agreement shall become null and void ab initio.

A.A.M



E. The Parties shall submit to the Tribunal as soon as possible but not later than 13th January 1988 a joint request, pursuant to Article 34 of the Tribunal Rules, that the Tribunal record this Agreement as an Arbitral Award on Agreed Terms, and that the Tribunal order payment of only the Settlement Amount to the Claimant from the Security Account. If for any reason the joint request and this Settlement Agreement are not submitted to the Tribunal by 13 January 1988 this Settlement Agreement shall be null and void ab initio.

F. The Respondents confirm that all applicable Iranian taxes have been deducted from the Settlement Amount. Should there be any taxes imposed on the Settlement Amount by the Government of the Islamic Republic of Iran, NIGC, NIOC and/or RAZI shall be responsible therefor. Should there be any taxes imposed on the Settlement Amount by countries other than Iran, the Claimant shall be responsible therefor.

ARTICLE 2

Releases and Termination of Proceedings


A. The issuance of the Award on Agreed Terms shall constitute complete and final settlement of all claims and counterclaims now existing or capable of arising in connection with the subject matter of the NIGC/NIOC/RAZI Claims or Counterclaims and shall terminate all proceedings in connection with NIGC/NIOC/RAZI Claims or Counterclaims.

A.A.M

B. Upon the issuance of the Award on Agreed Terms, the Claimant, for itself and its subsidiaries and affiliates (and for the successors and assigns of themselves and of their subsidiaries and affiliates) by this Agreement releases and forever discharges the Respondents and their subsidiaries, affiliates, directors, officers and employees (and the successors and assigns of the Respondents and their subsidiaries, affiliates, directors, officers and employees) from any and all liability that they ever had, now have or hereafter may have by reason of any past dealings between the Claimant (or any of its affiliates and subsidiaries) and the Respondents arising out of the NIGC/NIOC/RAZI Claims. Accordingly, the Claimant agrees that it shall without delay cause all other proceedings with respect to the NIGC/NIOC/RAZI Claims filed by the Claimant as well as any of its subsidiaries or affiliates against the Respondents in any court or forum to be finally withdrawn and terminated.

C. Upon the issuance of the Award on Agreed Terms, the Respondents for themselves and their subsidiaries and affiliates (and for successors and assigns of themselves and of their subsidiaries and affiliates) by this Agreement release forever discharge the Claimant and its subsidiaries, affiliates, directors, officers and employees (and the successors and assigns of the Claimant and its subsidiaries, affiliates, directors, officers and employees) from any and all liabilities that they ever had, now have or hereafter may have by reason of any past dealings between the Claimant (or any of its affiliates and subsidiaries) and the Respondents arising out of the NIGC/NIOC/RAZI Claims and Counterclaims. Accordingly, the Respondents agree that they shall cause all other proceedings with respect to the NIGC/NIOC/RAZI Claims or Counterclaims filed by the Respondents against the Claimant (or any of its subsidiaries and affiliates) in any court or forum to be finally withdrawn and terminated. Respondents jointly and severally agree to indemnify Claimant against any claims asserted by or on behalf of the Islamic Republic of Iran or any of its agencies or instrumentalities arising out of Case 444.

D. Upon the issuance of the Award on Agreed Terms, the Claimant for itself and its subsidiaries and affiliates (and for the successors and assigns of themselves and their subsidiaries and affiliates) by this Agreement releases and forever discharges the Government of the Islamic

A.A.M. 

Republic of Iran and its agencies and instrumentalities ("Iran") from any liability that they ever had, now have or hereafter may have that arises or is capable of arising out of the NIGC/NIOC/RAZI Claims or Counterclaims. Claimant shall cause all claims, if any, against the Government of the Islamic Republic of Iran and its agencies and instrumentalities in any court or forum to be finally withdrawn and terminated.

E. As to any past dealings between the Claimant (or any of its affiliates and subsidiaries) and the Respondents, should any claim be pending or be filed by a third party in any court or forum against either of the Parties hereto based on any assignment or transfer of rights of any kind from one of the Parties hereto or any of their subsidiaries or affiliates, the Parties who or whose subsidiaries or affiliates has caused or effected such assignment or transfer of rights shall be exclusively liable to such third party.

F. Claimant declares that except Claims Nos. 12669 (U.S. No.33523), and 12670 (U.S. No.33524) neither itself nor any of its directors, officers, subsidiaries and affiliates has pending before the Tribunal any claim of less than two hundred fifty thousand United States dollars (US\$250,000) in relation to, connected with or arising out of contracts, dealings, relationships, transactions and occurrences had or occurred, prior to the date of this Settlement Agreement, against NIGC/NIOC/RAZI, their directors, officers, subsidiaries, affiliates and/or against Iran, and/or against Respondents; and agrees that all such claims, including claims Nos. 12669 and 12670 will be considered as dismissed, withdrawn, terminated and settled upon issuance of the Award on Agreed Terms.

G. Upon the issuance of the Award on Agreed Terms, the Claimant and Respondents waive any claim and all claims for costs, including attorneys fees, arising out of or related to the arbitration or prosecution of the NIGC/NIOC/RAZI Claims or Counterclaims.

A.A.M

D

H. Upon the issuance of the Award on Agreed Terms, all titles, rights, benefits and interest of the Claimant in the Afrineh inventory claimed in the Statement of Claim, including but not limited to such properties in possession of third persons in Iran shall be transferred to NIOC. Such transfers shall be on the "as is, where is" basis. Claimant shall prepare and deposit with the Tribunal, together with the Settlement Agreement, a notarized bill of sale of transfer of all such properties. The Tribunal shall deliver the abovementioned documents to NIOC upon the issuance of the Award on Agreed Terms.

ARTICLE 3

Validity

- A. This Agreement is valid only in its entirety and the entire Agreement shall be read and construed as a whole.
- B. This Agreement has been written and signed in both languages of Farsi and English, both of equal validity.

ARTICLE 4

Confidentiality

- A. Prior to the issuance of the Award on Agreed Terms, the Parties to this Agreement shall not refer to or divulge the contents of this Agreement (except for submission to the Tribunal); or of documents generated solely for purposes of settlement negotiations, in any pending or future proceedings between the Parties in the Tribunal or elsewhere.
- B. The Parties shall not use, or cause any third party to use, this Settlement Agreement in the prosecution or defense of any other case before the Tribunal or any other court or forum.

A.A.M.

C. This Settlement Agreement is for the sole purpose of settling the disputes at issue in Case No.444. Nothing in this Settlement Agreement can be relied upon or construed as relevant to, or to affect in any way, any argument, Iran, and/or Respondents 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.

ARTICLE 5

Authority

The representatives of the Parties hereto expressly declare that they are duly empowered to sign this Agreement and their signatures will commit their respective principals to fulfillment of their obligations under this Agreement without any limitations whatsoever, except as may be otherwise contained in this Settlement Agreement.

ARTICLE 6

Effective Date

A. This Settlement Agreement shall be void ab initio, if this Settlement Agreement is not approved as an Award on Agreed Terms by the Iran-U.S. Claims Tribunal on or before 14 weeks from the date of this Settlement Agreement is filed with the Tribunal.

B. The releases set forth in this Settlement Agreement are self-executing upon the issuance of the Award on Agreed Terms. Accordingly, no other document needs to be executed therefor.

IN WITNESS WHEREOF, the Parties hereto have executed and delivered this Settlement Agreement.

Ingersoll-Rand Company for and on behalf of itself, its affiliates and subsidiaries, including but not limited to Ingersoll-Rand S.A. and Ingersoll-Rand World Trade Ltd.
(As per Power of Attorney attached)

By [Signature]
Date [Signature]

National Iranian Gas Company
National Iranian Oil Company &
Razi Chemical Company

By [Signature]
Date _____

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that Ingersoll -Rand Company, a corporation organized and existing under and by virtue of the laws of the State of New Jersey, United States of America and whose address is 200 Chestnut Ridge Road, Woodcliff Lake, New Jersey .07675, United States of America, hereby appoints T. Diederik de Groot, its attorney-in-fact to act on its behalf and as its duly authorized agent and representative, in connection with any and all matters relating to -- including but not limited to the settling of -- the arbitration of its claims against the National Iranian Oil Company, National Iranian Gas Company, Shahpur Chemical Company, Iranind Co. and the Islamic Republic of Iran in Claim No. 444 filed with the Iran-United States Claims Tribunal at the Hague, the Netherlands.

IN WITNESS WHEREOF, Ingersoll-Rand Company has caused this Power of Attorney to be executed by its duly authorized officer and its corporate seal to be hereunto affixed on the 2/ day of December 1987.

INGERSOLL-RAND COMPANY

By: Robert T. Boyd
Robert T. Boyd, Secretary

ATTEST:

[Signature]
United States of America)
: State of New Jersey)

On the 2/ day of December 1987, before me personally came Robert T. Boyd, by me known, who, by me duly sworn, did depose and say that deponent is the Secretary of Ingersoll-Rand Company; that deponent knows the seal of the corporation; that the seal affixed to this Power of Attorney is the corporate seal; and that deponent is duly authorized to grant this Power of Attorney, to execute the document on the corporation's behalf, and to affix the seal of the corporation to the document.

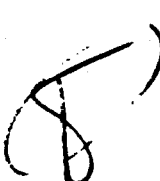
Joanne D. Conway
Notary Public

JOANNE D. CONWAY
NOTARY PUBLIC OF NEW JERSEY
My Commission Expires April 30, 1991

P O W E R O F A T T O R N E Y

KNOWN ALL MEN BY THESE PRESENTS, that I,
T. Diederik DE GROOT, Attorney at Law of Amsterdam and
residing in Amsterdam,

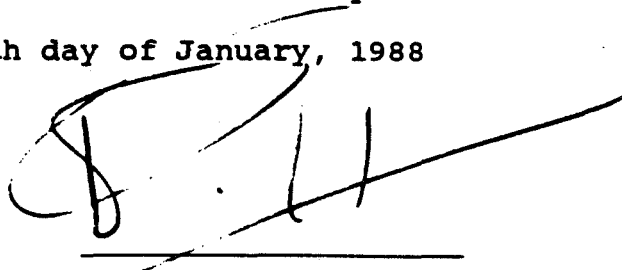
WHEREAS, by virtue of a Power of Attorney issued
and executed on the 21st day of December, 1987, by
Ingersoll-Rand Company, a corporation organized and existing
under and by virtue of the laws of the State of New Jersey,
United States of America, and whose address is 200 Chestnut
Ridge Road, Woodcliff Lake, New Jersey 07675, United States
of America, I was appointed as its attorney-in-fact to act
on its behalf and as its duly authorized agent and
representative, in connection with any and all matters
relating to - including but not limited to the settling of -
the arbitration of its claims against the National Iranian
Oil Company, National Iranian Gas Company, Shahpur Chemical
Company, Iranind Co. and the Islamic Republic of Iran in
Claim No. 444 filed with the Iran-United States Claims
Tribunal at The Hague, The Netherlands, all of this with
full powers of substitution;



HEREWITH APPOINT Bert S. KERKMAN, Attorney at Law of Amsterdam and residing in Amsterdam, as my true and lawful attorney-in-fact to act for me and in my name, place and stead, to perform some or all of the powers thus conferred upon me by Ingersoll-Rand Company;

And I hereby give and grant unto my attorney in fact-full power and authority to do and perform every act necessary, requisite or proper to be done in connection therewith as fully as I might or could do were I personally present.

IN WITNESS WHEREOF, I have hereto set my hand in the city of Amsterdam this 8th day of January, 1988

A handwritten signature in black ink, appearing to be 'T. Diederik de Groot', written over a horizontal line. The signature is stylized and somewhat cursive.

T. Diederik de Groot

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to: t. diderik de groot
baker mckenzie, netherlands
tlx: 16474 abog nl

urgent urgent urgent urgent

re: iranian claims

this is to advise you that the power of attorney sent to you with my letter of 21 dec 87 is considered to be broad enough for you to sign the joint request and settlement agreement on behalf of our affiliates and subsidiaries, including but not limited to ingersoll-rand s.a. and ingersoll-rand world trade ltd as noted in such agreements. it is also considered broad enough for you to sign the bill of sale as noted within article 3h of the settlement agreement.

please also be advised that if timing does not permit either yourself or mr. mueller to sign such documents, you may delegate such power to one of the associates of your amsterdam office.

mr. charles cummings of your new york office will be furnishing you the text of the final documents for execution.

regards,

arthur fruchtman
director of contracts
ingersoll-rand company
woodcliff lake nj usa
jan.07.1988

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