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Case No. 931

Date of filing: 17 Dec 1986

\*\* AWARD - Type of Award on Agreed Terms  
- Date of Award 17 DEC 86  
5 pages in English          pages in Farsi

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

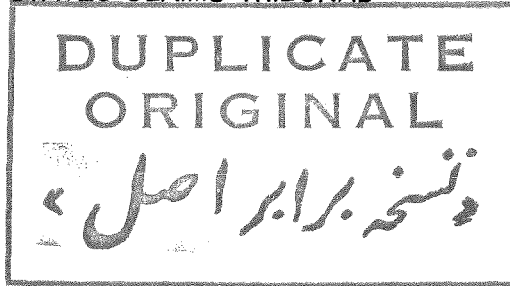
\*\* CONCURRING OPINION of     
- Date                           
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\*\* SEPARATE OPINION of     
- Date                           
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\*\* DISSENTING OPINION of     
- Date                           
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- Date                           
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IRAN-UNITED STATES CLAIMS TRIBUNAL



دیوان داوری دعوی ایران - ایالات متحده

CASE NO. 931

CHAMBER THREE

AWARD NO. 281-931-3

INDIAN HEAD INCORPORATED,  
Claimant,

and

ISLAMIC REPUBLIC OF IRAN,  
PEERLESS IRAN PUBLIC CORPORATION (presently  
known as SHERKATE SAHAMI POMPE PARS),  
IRAN HELICOPTER SUPPORT AND RENEWAL CO.,  
IRAN AIRCRAFT INDUSTRY,  
IRAN ELECTRONICS INDUSTRIES,  
IRAN AIR,  
THE IRANIAN NAVY,  
SHERKAT SAHAMI SHAHRE SANATI KUROSH (presently  
known as SHAHRE SANATI KAVEH),  
Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داوری دعوی ایران - ایالات متحده
ثبت شد - FILED	
Date	17 DEC 1986 تاریخ
	۱۳۶۵/۹/۲۶
No.	931 شماره

AWARD ON AGREED TERMS

1. INDIAN HEAD INCORPORATED (the "Claimant") submitted a Statement of Claim on 18 January 1982 against Respondents ISLAMIC REPUBLIC OF IRAN, PEERLESS IRAN PUBLIC CORPORATION (presently known as SHERKATE SAHAMI POMPE PARS), IRAN HELICOPTER SUPPORT AND RENEWAL CO. ("IHSRC"), IRAN AIRCRAFT INDUSTRY, IRAN ELECTRONICS INDUSTRIES, IRAN AIR, THE IRANIAN NAVY, and SHERKAT SAHAMI SHAHRE SANATI KUROSH (presently known as SHAHRE SANATI KAVEH) (collectively the "Respondents"). On 29 September 1983 and 13 December 1983 Respondents submitted their Statements of Defense.

2. On 16 September 1986 the Claimant, Peerless Iran Public Corporation, IHSRC, Iran Aircraft Industry, Iran Electronics Industries, Iran Air, The Iranian Navy and Sherkat Sahami Shahre Kurosh submitted a Joint Request for Rendering an Award on Agreed Terms (the "Joint Request"), signed by the Agent of the Government of the Islamic Republic of Iran and by the representative of the Claimant. Attached thereto was submitted a Settlement Agreement dated 16 July 1986, signed by the representatives of Peerless Iran Public Corporation, IHSRC, Iran Aircraft Industry, Iran Electronics Industries, Iran Air, The Iranian Navy, Sherkat Sahami Shahre Sanati Kurosh and the Claimant. In the Joint Request the Tribunal is requested to record the Settlement Agreement as an Award on Agreed Terms. Copies of the Joint Request and Settlement Agreement are attached hereto and incorporated by reference.

3. The scope and subject matter of the Settlement Agreement is defined in Article I as including the termination with prejudice of "disputes, differences, claims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts ... between the parties and against Iran ... including all Respondents in Case No. 931." The Tribunal deems the submission of the Joint Request, signed, inter alia, by the Agent of the Government of the Islamic Republic of Iran, to constitute a binding acceptance and ratification of the Settlement Agreement by the Islamic Republic of Iran.

4. The Settlement Agreement provides in Article III, inter alia, that the sum of seven hundred thirty thousand U.S. Dollars (US\$730,000) (the "Settlement Amount") shall be paid to the Claimant in the manner specified in this Article, "[i]n full, complete and final settlement of all disputes, differences, claims arising out of the relationships, transactions, contracts and occurrence related to and subject matter of the Statement of Claim and this Settlement Agreement, and in consideration of the covenants, premises, transfers, waivers, withdrawals, and other agreements contained herein ...."

5. The Tribunal notes that Article III, paragraph 1, of the Settlement Agreement obligates "Bonyad Mostazafan-Iran" to pay to the Claimant a stipulated portion of the Settlement Amount. In view of such agreement as to the obligations of Bonyad Mostazafan-Iran, the Tribunal accepts the addition of Bonyad Mostazafan-Iran as a Respondent in this Case.

6. The Settlement Agreement in Article IV further provides, that upon issuance of the Award on Agreed Terms, the Claimant and the Respondents shall, among other reciprocal obligations between them, dismiss, withdraw and terminate any judicial or administrative proceedings between them including proceedings before this Tribunal, "related to the Statement of Claim or any past dealings which are the scope and subject matters of this Settlement Agreement."

7. Article V of the Settlement Agreement states, inter alia, that "[u]pon the issuance of the Award on Agreed Terms by the Tribunal, all rights and ownership benefits of Claimant ... and its related persons in Peerless Iran Public Corporation ... shall be transferred to ... Bonyad Mostazafan (Iran)...."

8. The Claimant undertakes in Article VI of the Settlement Agreement to "endorse the original share certificates and deliver them, together with all the other documents in its possession related to the Peerless Iran Public Corporation

..., to the Tribunal to be ultimately handed over to the Agent of the Islamic Republic of Iran upon the issuance of Award on Agreed Terms." The issuance of the Award of Agreed Terms is dependent upon the fulfillment of these obligations by the Claimant.

9. The Tribunal notes that on 25 September 1986 the Claimant lodged with the Tribunal the original stock certificate representing 25,000 shares of Peerless Iran and on 24 October 1986 the Claimant submitted to the Tribunal copies of certain documents specified in a letter of 22 October 1986. In view of these submissions the Tribunal by its Order filed on 11 November 1986 informed the Parties that it would render the Award on Agreed Terms in this Case, unless the Respondents raised justifiable objection by 28 November 1986. No objection was raised by that date.

10. The Tribunal finds that the provisions of the Settlement Agreement and the Joint Request 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 determines that an Award on Agreed Terms can be issued.

11. Based on the foregoing,

THE TRIBUNAL AWARDS AS FOLLOWS:

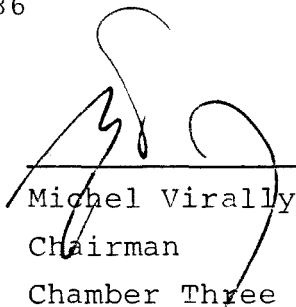
a) The Settlement Agreement is hereby recorded as an Award on Agreed Terms binding on INDIAN HEAD INCORPORATED, ISLAMIC REPUBLIC OF IRAN, PEERLESS IRAN PUBLIC CORPORATION (presently known as SHERKATE SAHAMI POMPE PARS), IRAN HELICOPTER SUPPORT AND RENEWAL CO., IRAN AIRCRAFT INDUSTRY, IRAN ELECTRONICS INDUSTRIES, IRAN AIR, THE IRANIAN NAVY, SHERKAT SAHAMI SHAHRE SANATI KUROSH (presently known as SHAHRE SANATI KAVEH) and BONYAD MOSTAZAFAN-IRAN each of which is bound to fulfill the terms and conditions set forth in the Settlement Agreement.

b) The obligations specified in Article III of the Settlement Agreement in the total amount of Seven Hundred Thirty Thousand United States Dollars (US\$730,000) shall be satisfied by payment to INDIAN HEAD INCORPORATED out of the Security Account established pursuant to Paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated 19 January 1981.

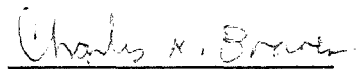
c) The Registry is hereby instructed to deliver to the Agent of the Government of the Islamic Republic of Iran the documents submitted to the Tribunal by INDIAN HEAD INCORPORATED pursuant to Article VI of the Settlement Agreement.


d) This Award on Agreed Terms is hereby submitted to the President for notification to the Escrow Agent.

Dated, The Hague,  
17 December 1986

  
Michel Virally  
Chairman  
Chamber Three

In the name of God

  
Charles N. Brower

  
Parviz Ansari Moin

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IN THE NAME OF GOD

IRAN-U.S. CLAIMS TRIBUNAL

THE HAGUE  
THE NETHERLANDS

Chamber 3.  
Case No.931.


IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه اداری و حقوقی ایران - ایالات متحده
<b>FILED - ثبت شد</b>	
Date	46 SEP 1986
	۱۳۶۵ / ۹ / ۲۵
No.	931

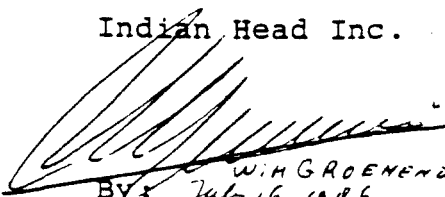
JOINT REQUEST FOR RENDERING AN AWARD ON AGREED TERMS

On the strength of Article 34 of the Tribunal Rules, Indian Head Inc. and Peerless Iran Public Corporation (presently Sherkate Sahami Pompe Pars, Iran Helicopter Support and Renewal Co., Iran Aircraft Industry, Iran Electronics Industries, Iran Air, the Iranian Navy Sherkat Sahami Shahre Sanati Kurosh (presently Shahre Sanati Kaveh) jointly request the Tribunal to render an Award on Agreed Terms under which the attached Agreement may be filed and granted legal effect.

On July 16th 1986 (Tir 25, 1365) the parties referred to hereinabove concluded an agreement, a copy of which is submitted appended hereto, and, under which it was agreed that all the claims relating to Case No.931 whether pending or not yet raised should be categorically and finally terminated by Indian Head Inc. against receipt of the latter of a sum of 730,000 US dollars.

The undersigned request the Tribunal to render an Award on the said Agreed Terms and upon the thorough fulfillment by Claimant of the obligations set forth in Article VI of the attached Settlement Agreement, to the effect that the agreed amount be paid to Claimant (Indian Head Inc) from the Security Account, opened pursuant to Paragraph VII of the Declaration dated January 19, 1981 (Day 29, 1359) of the Democratic and Popular Republic of Algeria, as the full and final settlement of the claims brought by the Claimant and its affiliated and subsidiary companies in Case No.931.

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

Indian Head Inc.  
  
 BY: W. H. GROENENDIJK  
 July 16, 1986

Date:

IRAN UNITED STATES CLAIMS TRIBUNAL	اداره داری و محاسبات ریاست جمهوری
<b>ثبت شد - FILED</b>	
Date	16 SEP 1986 ۱۳۶۵ / ۶ / ۲۵
No.	931

IN THE NAME OF GOD

IRAN-U.S. CLAIMS TRIBUNAL

SETTLEMENT AGREEMENT OF CASE NO.931 CHAMBER 3.

This Settlement Agreement made this 16th of July 1986 by and between Peerless Iran Public Corporation (presently Sherkate Pompe Pars) Iran Helicopter Support and Renewals Co. Iran Aircraft Industry, Iran Electronics Industries, Iran Air, Iranian Navy, Sherkat Shahami, Industrial City of Kurosh (presently Industrial City of Kaveh) organized and existing under the laws of Iran, hereinafter called "Respondents", on one part and Indian Head Inc., a company organized and existing under the laws of the State of Delaware, USA, hereinafter called "Claimants" on the other part, which for the purpose of this Settlement Agreement represent itself and its subsidiaries, parents and affiliates, whether or not named in the Statement of Claim and other documents filed by the Claimant in Case No.931.

WHEREAS, Claimant has raised certain claims as contemplated in the Statement of Claim filed with the Iran-U.S. Claims Tribunal (hereinafter "the Tribunal"), under Case No.931 (hereinafter the Statement of Claim") against Respondents and the Islamic Republic of Iran "Iran";

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WHEREAS, Respondent in responding to the Statement of Claim, have filed its Statement of Defence.

WHEREAS, the Parties (the Parties being defined as Claimants and Respondent) have agreed to settle all their claims, disputes, differences outstanding or capable of arising between them and/or against Iran, Iranian entities, organizations, institutions and in general all claims contained in the Statement of Claim and subsequent submissions and the Statement of Defence filed with the Tribunal.

Now, therefore, in consideration of and under the conditions set forth herein, the Parties agree as follows;

#### ARTICLE 1

The scope and subject matter of this Settlement Agreement is:

To settle, dismiss and terminate forever and with prejudice disputes, differences, claims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts and occurrences subsequent submissions and the Statement of Defense filed with the Tribunal, between the parties and against Iran, Iranian entities, organizations, institutions and instrumentalities, including all Respondents in Case No.931.

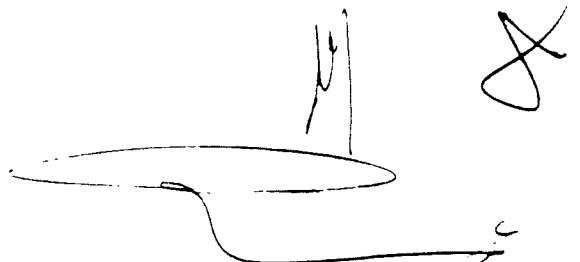


ARTICLE II

The Parties agree to submit this Settlement Agreement to the Tribunal on or before September 16, 1986 together with a joint motion requesting it to record and give effect to the provisions of this Settlement Agreement as an Arbitral Award on Agreed Terms. If this Settlement Agreement is not submitted by such date, or within such additional time as the Parties may agree in writing or by telex, then, it shall automatically become null and void, and the Parties, without prejudicing their respective rights will be placed in the same position as they were prior to the date of this Settlement Agreement.

ARTICLE III

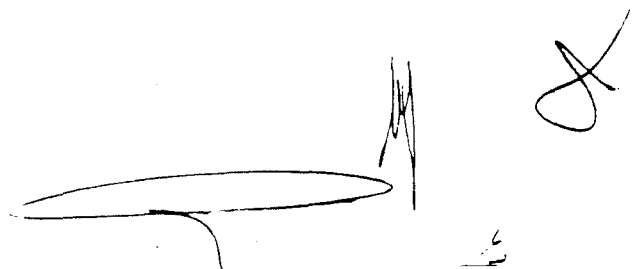
In full, complete and final settlement of all disputes, differences, claims arising out of the relationships, transactions, contracts and occurrence related to and subject matter of the Statement of Claim and this Settlement Agreement, and in consideration of the covenants, premises, transfers, waivers, withdrawals, and other agreements contained herein, the sum of seven hundred thirty thousand dollars (US\$ 730,000) hereinafter the Settlement Amount shall be paid to Claimant out of the Security Account established pursuant to para. 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981, in the manner as specified below:

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1. Six hundred forty thousand U.S.dollars (US\$640,000) by Bonyad Mostazafan-Iran.
2. Fifty thousand U.S.dollars (US\$50,000) by Iran Helicopter.
3. Forty thousand U.S dollars (US\$ 40,000) by Iran Electronic Industries.

#### ARTICLE IV

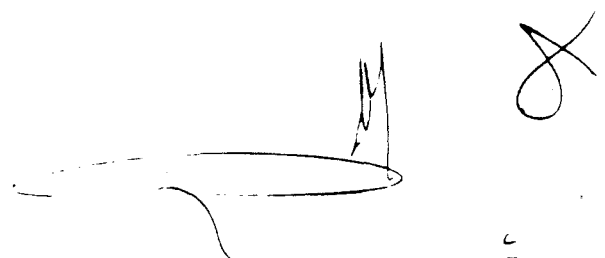
(i) Upon the issuance of the Award on Agreed Terms, Claimant shall cause without delay and with prejudice, all proceedings against Respondents, and their and their Related Persons ("Related Persons being defined as their subsidiaries, affiliates, assignees, transferees, predecessors, successors, and agents) as well as against Iran, Iranian entities, organizations, instrumentalities, institutions and divisions, and/or against all persons named as Respondents in the Statement of Claim, in all courts, forums or any authorities or administrative bodies to be dismissed, withdrawn and terminated, and shall be barred from instituting and/or continuing with any proceedings before the Iran-U.S. Claims Tribunal or any other forums authorities or administrative bodies, 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, related to the Statement of Claim or any past dealings which are the scope and subject matters of this Settlement Agreement.



(ii) Upon the issuance of the Award on Agreed Terms, Respondents shall cause without delay and with prejudice, all proceedings against Claimant, and its Related Persons, in all courts, forums or any authorities or administrative bodies to be dismissed, withdrawn and terminated and shall be barred from instituting and/or continuing with any proceedings before the Iran-U.S. Claims Tribunal or any other forums, authorities or administrative bodies, 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 related to the Statement of Claim or any past dealings which are the scope and subject matters of this Settlement Agreement.

#### ARTICLE V

Upon the issuance of the Award on Agreed Terms by the Tribunal, all rights and ownership benefits of Claimant (Indian Head Inc) and its related persons in Peerless Iran Public Corporation (presently Sherkate Pompe Pars) including but not limited to their rights to the property, ownership, dividends and in general all rights and benefits resulting from the ownership of the said shares shall be transferred to Iran to be finally, and after the application and implementation of the respective Iranian laws and regulations, transferred to Bonyad Mostasafan (Iran), in a manner and to such an extent that Claimant and its related persons shall be denied all such rights and benefits thereafter.

A large, stylized handwritten signature or scribble is located at the bottom right of the page. It consists of a long horizontal line that curves upwards and then loops back down, with a vertical line extending upwards from the top of the loop. To the right of this main signature is a smaller, more distinct handwritten mark that resembles a stylized 'X' or a similar symbol.

## ARTICLE VI

Claimant hereby undertake that immediately after the submission of this Settlement Agreement and prior to the issuance of the Award on Agreed Terms by the Tribunal it shall endorse the original share certificates and deliver them, together with all the other documents in its possession related to the Peerless Iran Public Corporation (presently Sherkate Pompe Pars), to the Tribunal to be ultimately handed over to the Agent of the Islamic Republic of Iran upon the issuance of Award on Agreed Terms. The issuance of the Award on Agreed Terms by the Tribunal is conditioned upon the fulfillment by Claimant of this obligation. }

## ARTICLE VII

Claimant shall indemnify and hold harmless Respondents and their Related Persons as well as Iran, Iranian entities, organizations, instrumentalities, institutions, and divisions against any claim which Claimant, its subsidiaries, affiliates, assignees, transferees, successors, agents, its parent companies, or third persons may raise or take against the Respondent, their Related Persons, Iran, Iranian entities, organizations, instrumentalities, and/or against all persons named as Respondent in the Statement of Claim in connection with and under the same cause or causes of action contained in the Statement of Claim and/or matters which are the scope and subject matter of this Settlement Agreement.



**ARTICLE VIII**

In consideration of the covenants, premises and other agreements contained in this Settlement Agreement, upon the issuance of the Award on Agreed Terms by the Tribunal Claimants, Respondents and Iran, Iranian entities, organizations, instrumentalities, institutions and divisions shall be released and forever discharged from any rights, obligations, and interests, past, present or future or any other matters which have been raised, could have been raised or may in future raise in relation to the subject matters of the case and/or this Settlement Agreement as contemplated in Article I above.

**ARTICLE IX**

Upon the issuance of the Award on Agreed Terms, Claimant and Respondents 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 asserted before the Iran-U.S. Claims Tribunal, United States courts or elsewhere with respect to matters involved in the Statements of Claim, and or matters which are the scope and subject matters of this Settlement Agreement.

**ARTICLE X**

In this Settlement Agreement the Claimant's dues for Iranian taxes and Social Security Organization premiums have been taken into account and deducted from the Settlement Amount. Therefore, Respondents agree that all Iranian taxes and Social Security Organization premiums will be paid or otherwise satisfied.

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**ARTICLE IX**

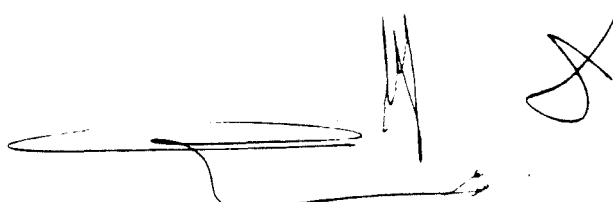
This Settlement Agreement is for the sole purpose of settling the dispute at issue in Case No.931.Nothing in this Settlement Agreement shall be relied upon or construed as relevant to or to affect in any way any argument Respondents or the Islamic Republic of Iran, its agencies,instrumentalities, entities has raised, or may raise,concerning the jurisdiction or the merits of other cases whether before the Tribunal or any other forum.

**ARTICLE XII**

The Parties agree that this Settlement Agreement shall be approved and ratified by Iranian authorities. Should for any reason whatsoever they choose not to confirm this Settlement Agreement, then it shall become null and void, and in that event no party to this Settlement Agreement may rely upon, cite or publish its terms or any statements made in the course of settlement discussions.

**ARTICLE XIII**

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

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ARTICLE XIV

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

ARTICLE XV

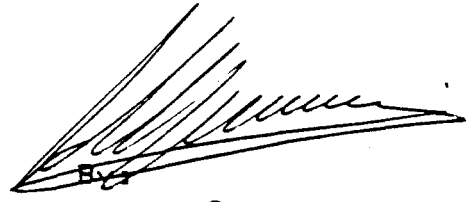
This Agreement (in four originals) has been written and signed in both languages of Farsi and English and each text shall have the same equal validity.

Peerless Iran Public Corporation (presently Sherkate Pompe Pars).

By: Fereidoon Amidi  
Alireza Herati

Date: July 16, 1986

Indian Head Inc.



W.M. GROENENDIJK

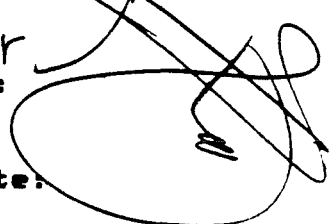
Date: July 16, 1986

Iran Helicopter Support and Renewal Co.  
Iran Aircraft Industry.  
Iran Electronic Industry.

By: Alireza Manzari

Date:

Iran Air  
Islamic Republic of Iranian Navy  
Sherkat Sahami Industrial City of Kurosh (presently Industrial City of Kaveh)

for  
By:   
Date:





# Indian Head

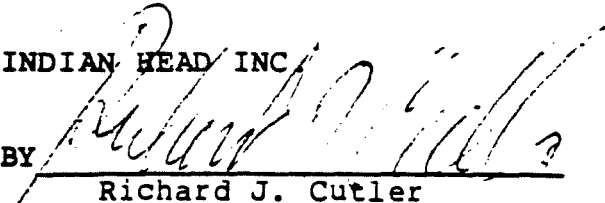
1211 Avenue of the Americas  
New York, N.Y. 10036  
Telephone (212) 764-3100

## INDIAN HEAD INC.

I, RICHARD J. CUTLER, as Vice President of INDIAN HEAD INC., (a Delaware corporation) hereby grants to WIM GROENENDIJK a power of attorney to perform any and all actions and execute any and all documents on behalf of and in the name of Indian Head Inc. in relation to Claim No. 931 filed with the IRAN-UNITED STATES CLAIMS TRIBUNAL including, without limitation, compromising, settling, releasing and otherwise disposing of said claim in any such manner as he deems desirable.

INDIAN HEAD INC

BY

  
Richard J. Cutler  
Vice President

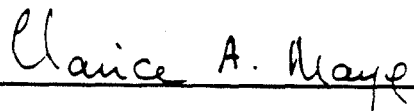
Dated:

July 16, 1986

(Corporate Seal)

State of New York  
County of New York

On this 16th day of July, 1986, before me personally appeared Richard J. Cutler, whose signature appears above, to me known to be a Vice President of Indian Head Inc. and acknowledged the foregoing instrument to be the free act and deed of such officer and the free act and deed of said Corporation.

  
Clarice A. Maye

CLARICE A. MAYE  
Notary Public, State of New York  
No. 41-4833295  
Qualified in Queens County  
Certificate Filed in New York County  
Commission Expires March 30, 1987

INDIAN HEAD INC.

INDIAN HEAD INC., (a Delaware corporation) hereby grants to WIM GROENENDIJK a power of attorney to perform any and all actions and execute any and all documents on behalf of and in the name of Indian Head Inc. in relation to Claim No. 931 filed with the IRAN-UNITED STATES CLAIMS TRIBUNAL including, without limitation, compromising, settling, releasing and otherwise disposing of said claim in any such manner as he deems desirable.

INDIAN HEAD INC.

BY 

Vice President

Dated:

July 9, 1986,

(Corporate Seal)