

Case No. 8

Date 2 DEC 1982

۱۳۶۱/۹/۱۱

ORIGINAL DOCUMENTS IN SAFE

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- Decision; No. of pages \_\_\_\_\_ Date of Decision \_\_\_\_\_

- Order; No. of pages \_\_\_\_\_ Date of Order \_\_\_\_\_

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DUPLICATE ORIGINAL  
نسخه برابر اصل

CASE NO. 8

CHAMBER TWO

AWARD NO.: 14-8-2

THE B.F. GOODRICH COMPANY,  
Claimant,

and

ABADAN PETROCHEMICAL COMPANY, LIMITED,  
Respondent.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داورى دعاوى ايران - ايالات متحده
FILED - ثبت شد	
No. 8 A	شماره
Date 2 DEC 1982	تاريخ
1361/9/11	

AWARD ON AGREED TERMS

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APPEARANCES:

For the Claimant:

Mr. Jurriaan Sluijter,  
European Area Counsel

For the Respondent:

Mr. Akbar Shirazi, Adviser to the  
Agent and Representative of the  
Islamic Republic of Iran,  
the Hague, Netherlands

Mr. A Ashrafi  
Legal Department,  
National Petrochemical Company,  
Tehran, Iran

Mr. Mohammed K. Eshragh,  
As the Agent of the  
Islamic Republic of Iran  
to the Iran-United States  
Claims Tribunal,  
the Hague, Netherlands

AWARD ON AGREED TERMS

The Tribunal has satisfied itself that it has jurisdiction in the above entitled matter and notes that on 12 January, 1982, the Claimant, THE B. F. GOODRICH COMPANY, and the Respondent, ABADAN PETROCHEMICAL COMPANY, LIMITED, entered into a settlement agreement, a copy of which is annexed hereto, resolving the matters in dispute between them.

The Parties have requested the Tribunal to accept and record the said settlement in the form of an arbitral award on agreed terms, pursuant to Article 34 of the Provisionally Adopted Rules of the Tribunal.

The Claimant has confirmed that the tax receipt referred to in paragraph 2 of the said agreement has been supplied, that the shipment request referred to in paragraph 3 of the agreement has been issued and that the irrevocable letter of credit referred to in said paragraph 3 has been opened in a manner satisfactory to the Claimant.

By a letter dated 1 December 1982, a copy of which is annexed hereto, the Claimant has waived the penalty payable under paragraph 6 of the agreement, and any rights of cancellation it might have had under paragraph 9 of the agreement.

In accordance with paragraph 2 of the annexed agreement, the amount of U.S. \$552,136.93 to be paid to the Claimant, referred to in paragraph 1 of the agreement, is to be increased by agreement between the Parties by the sum of U.S. \$2,415.38, which is the difference between US \$30,204.76 and the actual amount of taxes paid, being US \$27,789.38 (Rials 1,961,930).

For the foregoing reasons:

THE TRIBUNAL AWARDS AS FOLLOWS:

The Respondent, ABADAN PETROCHEMICAL COMPANY, LIMITED, is obligated to pay the Claimant, THE B.F. GOODRICH COMPANY, US \$ 554,552.31,

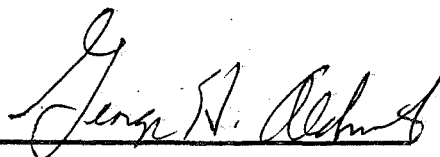
which obligation shall be satisfied by payment out of the Security Account established by Article 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria of 19 January, 1981. This award is hereby submitted to the President of the Tribunal for the purpose of notification to the Escrow Agent.

Dated The Hague  
9 December 1982



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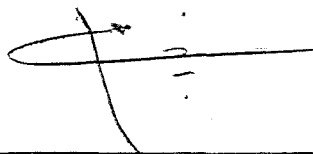
Pierre Bellet  
Chairman  
Chamber Two



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George H. Aldrich

In the Name of God



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Shafie Shafeiei

A G R E E M E N T

This Agreement made on January 12, 1982, between:

ABADAN PETROCHEMICAL COMPANY LIMITED, an Iranian corporation with its registered office at Tehran (hereinafter called "APC") on the one hand, and

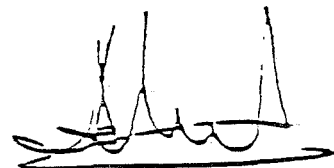
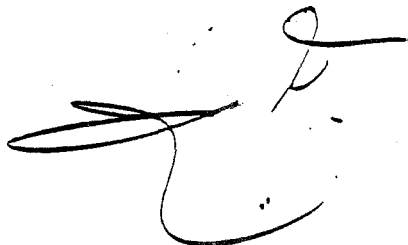
The B.F. GOODRICH COMPANY, having its principal office at 500, South Main Street, Akron, Ohio, U.S.A. (hereinafter called "BFG") on the other hand.

CONSIDERING THAT:

Under (i) a Technical and Sales Service Agreement, dated June 14, 1966, and as amended effective January 1, 1974, (ii) A Supplemental Technical Agreement re Oxyhydrochlorination Process, dated February 1, 1973, and (iii) a Letter Purchase Agreement, dated April 5, 1977, all as fully listed in Claim No.8, Section B, submitted by BFG to the Islamic Republic of Iran - United States of America Claims Tribunal, BFG claims that APC owes the amount of Two Million Seven Hundred and Five Thousand and Five Hundred and Six United States Dollars and Fifteen cents (U.S. \$ 2,705,506.15) to BFG; but that APC disagrees as to the exact amounts due by APC to BFG;

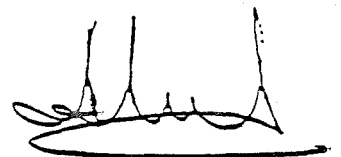
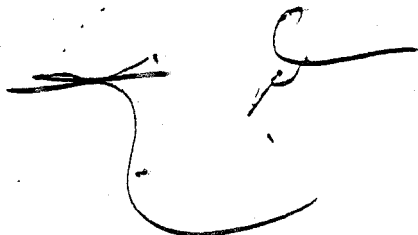
NOW THEREFORE PARTIES AGREE AS FOLLOWS:

1. APC will pay to BFG into the account number 2019768 held by BFG with the National City Bank of Cleveland, Ohio, U.S.A. or such other account as BFG may designate or agree to, the amount of Five Hundred and Fifty Two Thousand One Hundred Thirty Six United States Dollars and Ninety Three cents



...2...  
(US \$ 552,136.93) net without any deduction for cost of transfer or any other banking charges.

2. APC shall at the time of the payment, referred to in Article 1, or immediately after such payment supply to BFG tax receipts for tax withheld by APC on account of Technical Service fees and paid to the Authorities of the Islamic Republic of Iran. Parties presently estimate such tax receipts to be to the equivalent of approximately Thirty Thousand, Two Hundred and Four United States Dollars and Seventy Six cents (U.S. \$ 30,204.76), but it is understood that if tax receipts are supplied to a lower amount, the amount referred to in Article I will be increased by such difference, and that, if tax receipts are supplied for a higher amount, the Article III-D, 5th paragraph, of the Technical and Sales Service Agreement, dated June 14, 1966, will apply to such excess.
  
3. APC or its designated forwarding agent will issue soonest to BFG or an European Subsidiary of BFG as agreed on between parties, a shipment request for the spare parts described in the aforementioned Section B of Claim Number 8 and presently stored for APC at BFG's facility at Avon Lake, Ohio, U.S.A., and APC will open at the same time or immediately thereafter in favour of BFG or such European Subsidiary a confirmed irrevocable letter of credit for the amount of Two Hundred Ninety One Thousand Six Hundred Fifty Eight United States Dollars and Thirty One cents (U.S. \$ 291,658.31) with the National City Bank of Cleveland,



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Ohio, U.S.A., or such other bank as BFG or such European subsidiary may designate or agree to. Such letter of credit will contain instructions to the relevant bank that the above amount will be paid out on presentation by BFG or such European subsidiary of relevant documents including purchase orders, packing lists, commercial invoices, certificates of origin and a clean bill of lading assigned to APC and issued to BFG or to such European subsidiary by the forwarder appointed by APC. It is further understood that all costs of freight from BFG's facility at Avon Lake, Ohio, U.S.A., will be for the account of APC.

4. On receipt by BFG of (i) the amount referred to in Article 1, whether from APC or as provided for in Article 8, and (ii) the tax receipts referred to in Article 2, and provided that also APC has opened the letter of credit referred to in Article 3, BFG waives any and all of its claims against APC and hereby states and confirms that by such payment, supply of tax receipts and opening of a letter of credit APC will have met all of its outstanding obligations as of December 31, 1981, towards BFG to the full satisfaction of BFG, and APC waives any claims it might have against BFG as of December 31, 1981, inasfar as resulting from claim Number 8, referred to in the next Article.
  
5. Immediately on receipt by BFG of (i) the amount referred to in Article 1, whether from APC or as provided for in Article 8, and (ii) the tax receipts referred to in Article 2, and provided that also APC has opened the letter of credit referred to in Article 3, BFG shall forthwith drop and withdraw any and all actions, court cases, and legal proceedings, including the claim filed on October 20, 1981, Number 8, Section B, (against APC only) at the Islamic

Republic of Iran - United States of America Claims Tribunal at the Peace Palace, The Hague, The Netherlands, amounting to Two Million Seven Hundred and Five Thousand Five Hundred and Six United States Dollars and Fifteen cents (U.S. \$ 2,705,506.15), which may have been initiated by BFG or any of its subsidiaries in any Court of Law.

6. In case BFG does not receive (i) the amount referred to in Article 1 and/or (ii) the tax receipts referred to in Article 2, and/or (iii) APC's shipping instructions are not received and the letter of credit referred to in Article 3 is not opened on or before April 12, 1982, APC will pay to BFG an additional amount of Ten Thousand United States Dollars (U.S. \$ 10,000) on or before July 12, 1982, for each month that APC is in arrear, with the understanding, however, that such penalty will be reduced proportionately in case (i) APC will have made such payment or such payment will have been received in the manner provided for in Article 8, and (ii) APC will have provided such tax receipts, or (iii) opened such letter of credit, or (iv) ~~APC~~ APC is in arrears for part of a month ~~with~~

*7.5.82*

*4/12/82*

7. This Agreement is subject to the approval of the Authorities of the Islamic Republic of Iran. APC will immediately notify BFG by telex when such approval will have been obtained.

*[Handwritten signature]*

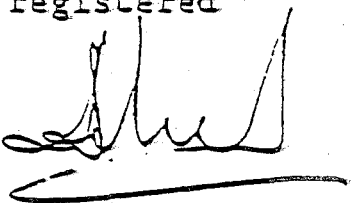
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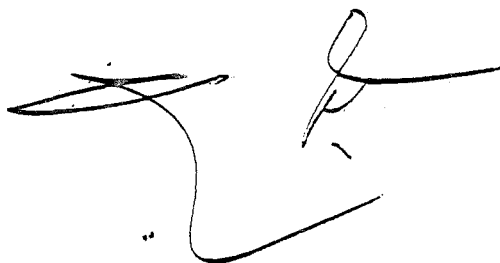
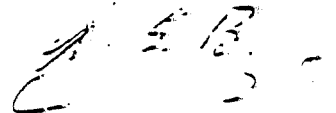


8. Upon approval as stated in Article 7 hereof, either party may submit this Agreement to the Islamic Republic of Iran - United States of America Claims Tribunal in order that the President of such Tribunal may order the amount referred to in Article 1 wholly or partly to be paid out of the funds reserved for the payment of arbitral awards against the Islamic Republic of Iran as provided for in Article 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria.
9. In case (i) the amount referred to in Article 1 and/or (ii) the tax receipts referred to in Article 2 will not have been received by BFG and/or (iii) APC's shipping instructions are not received and the letter of credit referred to in Article 3 will not have been opened on or before July 12, 1982, either party will be entitled to cancel this Agreement with immediate effect by so informing the other party by telex, to be followed up by registered letter.

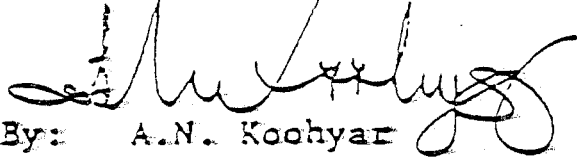
The 12th day of January, 1982.



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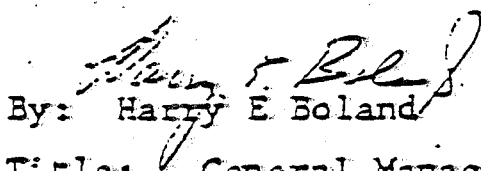
ABADAN PETROCHEMICAL COMPANY LIMITED



By: A.N. Koohyar

Title: Authorised Representative

The B.F. GOODRICH COMPANY



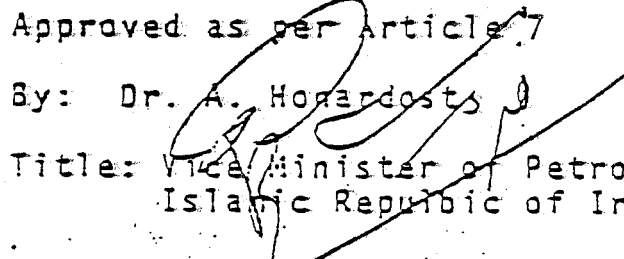
By: Harry E. Boland

Title: General Manager International Division  
The BF Goodrich Company, Chemical Group

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By: Jur Sluijter

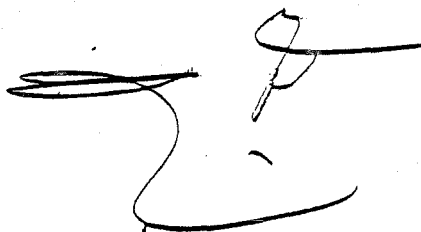
Title: European Area Counsel  
The BF Goodrich Company

Approved as per Article 7



By: Dr. A. Hovardosts

Title: Vice Minister of Petroleum  
Islamic Republic of Iran



The B.F. Goodrich Company

Iran-United States Claims Tribunal  
Parkweg 13  
2585 JH The Hague  
The Netherlands

December 1, 1982

Dear Sirs,

Re: Claim No. 8

By the present we confirm that the respondent, Abadan Petrochemical Company, Limited (APC) has met its obligations, as referred to in article 3 of the Settlement Agreement between respondent and claimant, The B.F. Goodrich Company (BFG), to the full satisfaction of claimant.

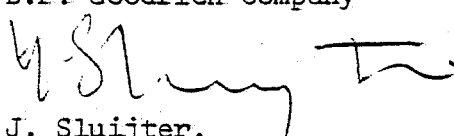
Claimant also confirms receipt of a copy of the tax receipts referred to in article 2 of the Settlement Agreement and declares that respondent has met its obligations based on that article to its full satisfaction.

Finally claimant waives any penalties it might be entitled to under article 6 of the Settlement Agreement and any rights of cancellation it might have under article 9 of the Settlement Agreement.

Claimant therefore requests the Iran-United States Claim Tribunal to issue the Award on Agreed Terms as proposed by the Tribunal during the hearing on April 26, 1982, and accepted by claimant and respondent.

Sincerely yours,

The B.F. Goodrich Company

  
J. Sluiter,  
European Area Counsel