

ORIGINAL DOCUMENTS IN SAFE

Case No. 308

Date of filing: 5. OCT 1983

** AWARD - Type of Award Partial on Agreed Terms
 - Date of Award 5. OCT 83
5 pages in English 5 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

308-106
۳-۸-۱۶

CASE NO. 308

CHAMBER TWO

AWARD NO. 81-308-2

COMBUSTION ENGINEERING, INC.;
VETCO, INC.; CREST ENGINEERING INC.;
NATCO U.K. LIMITED,

Claimants,

- and -

THE ISLAMIC REPUBLIC OF IRAN;
THE INDUSTRIAL DEVELOPMENT AND
RENOVATION ORGANIZATION OF IRAN;
OIL SERVICES COMPANY OF IRAN;
NATIONAL IRANIAN OIL COMPANY;
NATIONAL IRANIAN STEEL INDUSTRIES CO.;
MACHINE SAZI PARS; BANK OF IRAN & MIDDLE EAST;
FOREIGN TRADE BANK OF IRAN; BANK BAZARGANI;
TAVANIR COMPANY; BANK MARKAZI;
MACHINE SAZI ARAK; CREST ENGINEERING IRAN LIMITED
and THE POOR PEOPLES FOUNDATION,
Respondents.

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه دآوری دعاوی ایران - ایالات متحدہ
ثبت شد - FILED	
No. 308	شماره
Date ۱۳۶۲ / ۷ / ۱۲	تاریخ
- 5 OCT 1983	

PARTIAL AWARD
ON AGREED TERMS

DUPLICATE
ORIGINAL
نسخه برابر اصل

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 dated 19 January 1981.

One of the Claimants in this case, COMBUSTION ENGINEERING, INC., and one of the Respondents, IRAN POWER AND TRANSMISSION COMPANY (TAVANIR COMPANY) have entered into a Settlement Agreement, signed by them, resolving the matters in dispute between them as described in part 3.1 of the Statement of Claim.

By this Settlement Agreement it is agreed that the Respondent, IRAN POWER AND TRANSMISSION COMPANY (TAVANIR COMPANY) shall pay to the Claimant the sum of US\$ 615,414.26, and shall provide the Claimant with certain tax receipts as specified in the Settlement Agreement. Under the same Settlement Agreement it is agreed that upon receipt of the above mentioned amount and tax receipts, the Claimant COMBUSTION ENGINEERING, INC., shall fabricate and/or ship to the said Respondent, at no charge, certain items under Tavanir orders as specified in the Settlement Agreement.

This Settlement Agreement settles all claims of Combustion Engineering against Tavanir and all other agencies of the Government of the Islamic Republic of Iran and all counterclaims of Tavanir against Combustion Engineering in respect of the matters listed in the Settlement Agreement.

The Parties as above filed with the Tribunal a Joint Request signed by them to have this Settlement Agreement recorded in the form of an arbitral award on agreed terms.

The ratification of the Settlement Agreement, as required by its Article IV, is stated to have been obtained in letter no. 7092 of 24 August 1983 of the Deputy Agent of the Islamic Republic of Iran, by which the Joint Request and the Settlement Agreement were submitted for filing with the Tribunal.

The said Joint Request and Settlement Agreement, as well as the abovementioned letter of the Deputy Agent of the Islamic Republic of Iran, are attached to the present award on agreed terms.

For the foregoing reasons:

THE TRIBUNAL AWARDS AS FOLLOWS:

The Settlement Agreement filed with the Joint Request is hereby accepted and recorded as a partial award on agreed terms, binding on both Parties, in complete and final settlement of all claims of Combustion Engineering against Tavanir and all other agencies of the Government of the Islamic Republic of Iran, and all counterclaims of Tavanir against Combustion Engineering, arising out of or in connection with the following Tavanir orders:

<u>TAVANIR ORDER. NO.</u>	<u>C.E. NUMBER</u>	<u>VALUE US\$</u>
36-238	141584	710,220.60
36-66	137547	21,493.35
37-76	148312	19,837.00
35-169	122691	1,894.48
36-37	131224	1,890.06
36-48	138497	643.80
31-136	136139	430.10
35-244	128466	498.02
60278	75586	816.40
36/6	60277	13,719.34

36/6	60277	707.15
36/269	60278	7,876.39
36/269	60278	1,376.00

Consequently, Respondent IRAN POWER AND TRANSMISSION COMPANY (TAVANIR COMPANY) is obligated to pay Claimant COMBUSTION ENGINEERING, INC., the sum of Six Hundred Fifteen Thousand Four Hundred Fourteen United States Dollars and Twenty Six Cents (US\$615,414.26), 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.

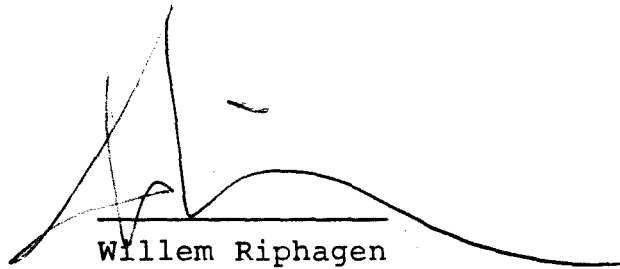
The Respondent shall further provide Claimant Combustion Engineering with tax receipts for the amounts withheld from Tavanir Orders 36/6 and 36/269 of US\$ 1,461.71 and US\$ 1,800.20, respectively.

The Claimant shall, upon receipt of the payment from the Security Account and upon receipt of the above mentioned tax receipts, fabricate and/or ship to Tavanir, FOB Vessel, Gulf or Atlantic Port, freight prepaid to Iran, at no charge, the following items under Tavanir Orders 36-37 and 35-169:

- a. Tavanir order no. 36-37
 - Item 14
 - Item 28
- b. Tavanir order no. 35-169
 - Item 1
 - Item 61
 - Item 122

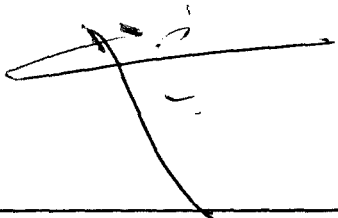
The Award is hereby submitted to the President of the Tribunal
for notification to the Escrow Agent.

Dated, the Hague,
5 October 1983

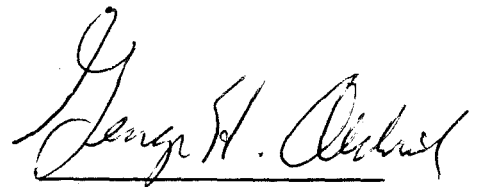
A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Willem Riphagen
Chairman
Chamber Two

In the name of God

A handwritten signature in black ink, featuring a large, stylized 'S' shape with a horizontal line crossing it.

Shafie Shafeiei

A handwritten signature in black ink, written in a cursive style with a large initial 'G'.

George H. Aldrich

IRAN UNITED STATES
CLAIMS TRIBUNAL

ثبت شد - FILED

۱۳۶۲ / ۶ / ۲
24 AUG 1983

308

دائرة داری دعاوی
ایران - ایالات متحده



EMBASSY OF THE ISLAMIC REPUBLIC OF IRAN

Agent Bureau
The Hague

No. 4092
Date. 24/Aug/83
Encl. ۱۳۹۲/۳۲

IN THE NAME OF GOD, THE MOST COMPASSIONATE, THE MOST MERCIFUL.

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

دیوان داوری دعاوی ایران - ایالات متحده
لااه
هلند.

Case No. 308
Chamber 2

پرونده شماره ۳۰۸
شعبه ۲

Sir,
Enclosed please find two original
copies of a Settlement Agreement
concluded between "Tavanir" and
Combustion Engineering C.E."

I respectfully inform you that
the ratification referred to in
Article 4 of the Settlement
Agreement has been obtained.

You are respectfully requested to
order necessary actions to be
taken to record the attached
Settlement in the form of an arbi-
trary award on agreed terms.

Yours sincerely,

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

عالیجناب ،

به پیوست دو نسخه اصل موافقتنامه حل
وفصل منعقد بین شرکت توانیر و
کامبوستن اینجینیرینگ تقدیم
میگردد و بدینوسیله با اطلاع میروساند
که تاءبید مندرج در بند ۴ موافقتنامه
مذکور حاصل گردیده است .

خواهشمند است دستور فرمائید این
موافقتنامه حلوفصل نزد دیوان به ثبت
رسیده و مبنای رای براساس توافق
طرفین قرار گیرد .

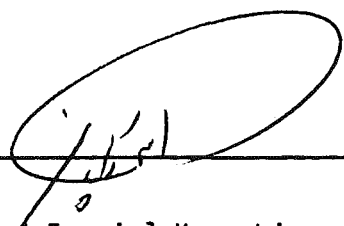
با احترام

محمد کریم اشراق
قائم مقام نماینده دولت جمهوری اسلامی
ایران در دیوان داوری دعاوی ایران -
ایالات متحده .

Iran-United States Claims Tribunal
Chamber 2

We enclose a copy of the Settlement Agreement entered into by Combustion Engineering, Inc. ("C-E") of the one part and Iran Power Generation and Transmission Company ("Tavanir") of the other in respect of claim 3.1 in C-E's Statement of Claim (Claim 308). We hereby jointly request the Tribunal, pursuant to Article 34 of the Arbitration Rules of the United Nations Commission on International Trade Law as adopted by the Tribunal to record the attached Settlement in the form of an arbitral award on agreed terms in favor of C-E for U.S. Dollars 615,414.26 pursuant to Article II.A.2. of the attached Settlement and thereafter to order, authorize and do all things necessary to ensure that payment of the said award shall be made from the security fund established with the N.V. Settlement Bank of the Netherlands pursuant to paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated 19th January 1981 to the Federal Reserve Bank of New York as provided for in the "Technical Agreement" dated 17th August 1981.

Iran Power Generation and Transmission
Company

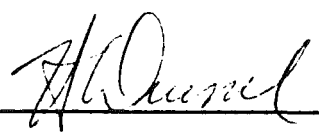
By:  _____

Name: Mohammad Esmail Kerachian

Title: General Managing Director

Date: _____

Combustion Engineering, Inc.

By:  _____

Name: H. C. Duessel

Title: Manager - International
Treasury Services

Date: _____

IN THE NAME OF GOD
SETTLEMENT AGREEMENT

This is a Settlement Agreement between Iran Power Generation and Transmission Company having its legal domicile at Valie Asre Avenue, Vanak Square, Tehran, Iran, hereinafter "Tavanir", and Combustion Engineering, Incorporated, a corporation having a principal place of business at 1000 Prospect Hill Road, Windsor, Connecticut, hereinafter "C.E."

Pursuant to arrangements made by the Government of the Islamic Republic of Iran and in connection with the Declaration of the Government of the Democratic and Popular Republic of Algeria concerning the settlement of claims by the Government of the United States of America and the Government of the Islamic Republic of Iran, the parties have concluded negotiations to settle disputes and resolve obligations hereinafter described.

Article 1. Disputes and disagreements have arisen between Tavanir and C.E. concerning the following purchase orders, issued by Tavanir to C.E. with respect to the supply of boiler parts and technical services to Tavanir by C.E.:

<u>TAVANIR ORDER NO.</u>	<u>C.E. NUMBER</u>	<u>VALUE U.S. DOLLARS</u>
36-238	141584	710,220.60
36-66	137547	21,493.35
37-76	148312	19,837.00
35-169	122691	1,894.48
36-37	131224	1,890.06

<u>TAVANIR ORDER NO.</u>	<u>C.E. NUMBER</u>	<u>VALUE U.S. DOLLARS</u>
36-48	138497	643.80
31-136	136139	430.10
35-244	128466	498.02
60278	75586	816.40
36/6	60277	13,719.34
36/6	60277	707.15
36/269	60278	7,876.39
36/269	60278	1,376.00
TOTAL		781,393.69

Article II. The parties have agreed to settle such disputes and disagreement as follows:

A.1. Tavanir agrees to pay C.E. U.S. Dollars 615,414.26 in settlement of the amounts due to C.E. from Tavanir with respect to the above-mentioned orders. Tavanir and C.E. will take necessary steps for the payment of the said amount in the manner described hereafter in Article A.2 hereof. If C.E. receives any payments in respect to the above orders from any Iranian entity, including the Iranian banking system, such payments will be deducted from the foregoing amount.

A.2. Tavanir hereby agrees and undertakes that it will join with C.E. in requesting the Iran-United States Claims Tribunal by a letter signed by Tavanir and C.E. to record the settlement herein in the form of an arbitral

award on agreed terms in favor of C.E. for U.S. Dollars 615,414.26 and to order, authorize and do all things necessary to ensure that payment of the said award shall be made from the security fund established with the N.V. Settlement Bank of the Netherlands pursuant to paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated 19th January 1981 to the Federal Reserve Bank of New York as provided for in the "Technical Agreement" dated 17th August 1981.

A.3 Tavanir agrees to provide C.E. tax receipts for the amounts withheld from Tavanir Orders 36/6 and 36/269 of U.S. Dollars 1,461.71 and U.S. Dollars 1,800.20, respectively.

B. Upon receipt of payment and tax receipts in accordance with A. above, C.E. will fabricate and/or ship to Tavanir, FOB Vessel, Gulf or Atlantic Port, freight prepaid to Iran, at no charge, the following items under Tavanir Orders 36-37 and 35-169:

a. Tavanir order no. 36-37

Item 14

Item 28

b. Tavanir order no. 35-169

Item 1

Item 61

Item 122

Article III. In consideration of the execution of this agreement, in consideration of the mutual relinquishment of their respective legal rights with

reference to the above-mentioned disputes and disagreements and upon the performance of all the obligations of the parties set forth in this agreement;

A. C.E. expressly releases Tavanir and all other agencies of the Government of the Islamic Republic of Iran from any and all claims, demands and liabilities, including any claims that have been or may be filed with the Iran-United States Claims Tribunal at the Hague or any other court or tribunal by C.E., arising out of the purchase orders referred to in Article 1, above.

B. Tavanir expressly releases C.E. from any and all claims, demands, and liabilities, including any counterclaims against C.E. that have been or may be filed with the Iran-United States Claims Tribunal at the Hague or any other court or tribunal by Tavanir, arising out of the purchase orders referred to in Article 1, above.

Article IV. This agreement shall become legally effective upon ratification by the Government of the Islamic Republic of Iran. Tavanir shall provide C.E. in writing, including telex, a copy of such ratification.

Article V. In the event that this agreement fails to become legally effective, this agreement cannot be referred to or quoted before any court, tribunal or other legal authority, whether in Iran, the U.S.A. or any other country, or before any international court or tribunal.

Article VI. This agreement shall be prepared and executed in both English and Farsi. The Farsi and English texts shall be equally valid.

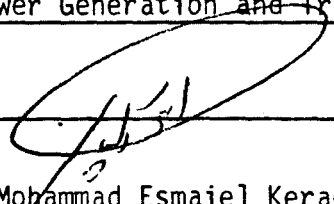
Article VII. C.E. may terminate this agreement by notice in writing, including notice by telex, if it has not received notice of ratification from Tavanir by December 1, 1982 in accordance with IV. above.

In witness whereof, the parties have executed this agreement on the date set forth below:

Attest:

Kocant Martin

Iran Power Generation and Transmission Company

By: 

Name: Mohammad Esmail Kerachian

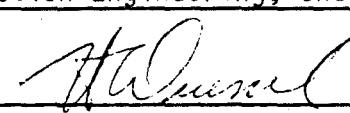
Title: General Managing Director

Date: _____

Attest:

Edward M. Lennig

Combustion Engineering, Inc.

By: 

Name: H. C. Duessel

Manager - International
Title: Treasury Services

Date: _____