

ORIGINAL DOCUMENTS IN SAFECase No. 308Date of filing: 24 Sept '91

** AWARD - Type of Award AT
- Date of Award 24 Sept '91
4 pages in English 4 pages in Farsi
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** 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

IRAN-UNITED STATES CLAIMS TRIBUNAL

دیوان داورى دعاوى ایران - ایالات متحدہ



CASE NO. 308

CHAMBER TWO

AWARD NO. 521-308-2

COMBUSTION ENGINEERING, INC.,
VETCO INC.,

Claimants,

and

NATIONAL IRANIAN STEEL COMPANY,
Respondent.

IRAN-UNITED STATES CLAIMS TRIBUNAL	دیوان داورى دعاوى ایران - ایالات متحدہ
FILED	ثبت شد
DATE	24 SEP 1991
	تاریخ ۱۳۷۰ / ۷ / ۲

FINAL AWARD ON AGREED TERMS

1. On 15 January 1982, COMBUSTION ENGINEERING, INC. et al. filed a Statement of Claim against THE ISLAMIC REPUBLIC OF IRAN, et al. identifying thirteen different claims. On 5 October 1983, the Tribunal issued Partial Award on Agreed Terms (Award No. 81-308-2, 5 Oct. 1983, reprinted in 3 Iran-U.S. C.T.R. 366) which settled the part of the Claim identified as Claim 3.1. On 22 February 1990, the Tribunal issued Partial Award on Agreed Terms No. 472-308-2, (22 Feb. 1990) which settled Claims 4.1 and 4.2. On 18 February 1991, the Tribunal issued Partial Award No. 506-308-2 disposing of Claims 2.1, 2.3, 2.4, 2.5, 2.6, 2.7, 3.2, 3.3, 5.1, leaving Claim 2.2 as the only remaining Claim in the Case. Claim 2.2 was separated from the remainder of the Case when the then Chairman Robert Briner withdrew from the Claim due to his relation with a Swiss subsidiary of Arthur Andersen & Co., the outside accounting firm of the Claimants in the Case.

2. On 23 July 1991, a Joint Request for an Award on Agreed Terms was filed with the Tribunal, signed, on the one hand, by a representative of COMBUSTION ENGINEERING, INC. and its wholly-owned subsidiary VETCO INC., for themselves and on behalf of their parents, affiliates and subsidiaries (hereinafter collectively called "the Claimants") and on the other hand, by a representative of National Iranian Steel Company ("NISCO") (successor to National Iranian Steel Industries Co.), and by the AGENT OF THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, requesting the Tribunal to record a Settlement Agreement dated 28 June 1991 as an Arbitral Award on Agreed Terms pursuant to Article 34 of the Tribunal Rules. The Settlement Agreement was entered into by the Claimants and NISCO, and provides for certain reciprocal obligations of the Parties.

3. It is stated in the Joint Request that the Claimants and NISCO agreed in the Settlement Agreement, inter alia,

"that in complete, full and final settlement of all disputes, differences and claims now existing or capable of arising between them in connection with Case No. 308, Claim 2.2, the Parties agreed to withdraw unconditionally all of their claims and counterclaims in Case No. 308, Claim 2.2 before the Tribunal without paying or receiving any money."

4. In Article II of the Settlement Agreement the Parties agreed to submit the Settlement Agreement to the Tribunal on or before 21 July 1991. The Joint Request and the Settlement Agreement were filed on 23 July 1991. On 30 July 1991, the Claimants filed a letter in which they confirmed that they agreed to extend the filing date referred to in Article II of the Settlement Agreement to 23 July 1991. On 7 August 1991, the Respondent filed a letter agreeing to the extension of the filing date.

5. Copies of the Joint Request and the Settlement Agreement are attached hereto.

6. In view of the fact that the provisions of the Settlement Agreement fulfill the requirements for the issuance of an Award on Agreed Terms, the Tribunal accepts the Settlement Agreement in accordance with Article 34, paragraph 1, of the Tribunal Rules.

7. The Tribunal notes that with the issuance of this Final Award on Agreed Terms no further Claims or Counterclaims are pending in this Case No. 308.

8. For the foregoing reasons,

THE TRIBUNAL AWARDS AS FOLLOWS:

The Settlement Agreement filed with the Joint Request is hereby recorded as an Award on Agreed Terms binding on Combustion Engineering, Inc., Vetco Inc. and National

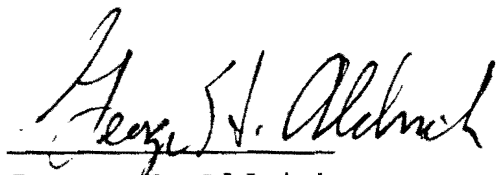
Iranian Steel Company in full and final settlement of Case
No. 308, Claim 2.2.

Dated, The Hague
24 September 1991

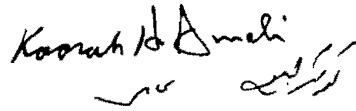


José María Ruda
Chairman
Chamber Two

In the Name of God



George H. Aldrich



Koorosh H. Ameli

IN THE NAME OF GOD

Before
Iran-U.S. Claims Tribunal
The Hague

Claim No. 308
Chamber Two

IRAN-UNITED STATES CLAIMS TRIBUNAL	دیوان دواوری دمای ایران - ایالات متحده
FILED	ثبت شد
DATE	23 JUL 1991
۱۳۷۰ / ۵ /	تاریخ

JOINT REQUEST FOR ARBITRAL AWARD ON AGREED TERMS

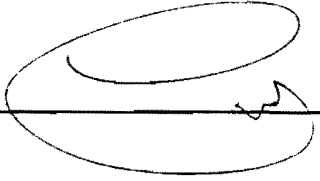
Pursuant to Article 34 of the Tribunal Rules of Procedure, COMBUSTION ENGINEERING INC., a Corporation organized and existing under the laws of the State of Delaware, U.S.A., and its wholly-owned subsidiary, VETCO Inc., for themselves and on behalf of their parents, affiliates and subsidiaries, whether or not named in Statement of Claim No. 308 (hereinafter collectively called "Claimants"), and the National Iranian Steel Company (Successor to National Iranian Steel Industries Co.) (NISCO), jointly request that the Iran-U.S. Claims Tribunal ("the Tribunal") issue an Arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement reached by the Parties.

On 28 June 1991, NISCO and Claimants entered into a Settlement Agreement, a copy of which is attached hereto, providing that in complete, full and final settlement of all disputes, differences and claims now existing or capable of arising between them in connection with Case No. 308, Claim 2.2, the Parties agreed to withdraw unconditionally all their claims and counterclaims in Case No. 308, Claim 2.2 before the Tribunal without paying or receiving any money.

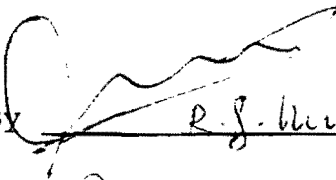
The undersigned request the Tribunal to record the Settlement Agreement as an Arbitral Award on Agreed Terms and consider and declare as terminated, dismissed and withdrawn Case No. 308, Claim 2.2.

Respectfully submitted,

Agent of the Government of
the Islamic Republic of
Iran to the Iran-United
States Claims Tribunal

By  _____
Date _____

Combustion Engineering Inc.,
and its wholly- owned sub-
sidiary Vetco Inc.

By  _____
Date JUNE 28, 1991.

National Iranian Steel Company

By M. Farouk Farouk
Date June 28, 1991.

IN THE NAME OF GOD

SETTLEMENT AGREEMENT

IRAN-UNITED STATES CLAIMS TRIBUNAL	ایران - ایالات متحده دوران داداری و دعاوی
FILED	ثبت شد
DATE	23 JUL 1991
	تاریخ ۱۳۷۰ / ۵ / ۱

This Settlement Agreement is entered into this 28th day of June 1991 by and between National Iranian Steel Company (Successor to National Iranian Steel Industries Co.), organized and existing under the laws of Iran (hereinafter called "NISCO") which for the purpose of this Settlement Agreement represent themselves, on the one part, and Combustion Engineering Inc. (a corporation organized and existing under the laws of the State of Delaware, U.S.A. and its wholly-owned subsidiary Vetco Inc. (hereinafter collectively called "the Claimants") on the other part, all of which for the purpose of this Settlement Agreement represent themselves and their subsidiaries, parents and affiliates, whether or not named in the Statement of Claim and other documents filed by the Claimants in Case No. 308, Claim 2.2, Chamber Two, and

WHEREAS, Claimants have raised certain claims as contemplated in the Statement of Claim and other submissions filed with the Iran-United States Claims Tribunal (hereinafter "the Statement of Claim") against NISCO;

WHEREAS, NISCO in responding to the Statement of Claim, has filed its Statement of Defence and Counterclaims, whereby raising certain counterclaims against Claimants;

WHEREAS, the Parties have agreed to settle all of these claims, counterclaims, disputes, and differences outstanding or capable or arising between them;

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

Article I

To settle, dismiss and terminate forever and with prejudice all disputes, differences, claims, counterclaims and matters directly or indirectly raised or capable of arising out of the relationships, contracts and occurrences, between the Parties related to Case No. 308, Claim 2.2.

Article II

The parties agree to submit this Settlement Agreement to the Tribunal on or before July 21, 1991 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, 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 the Settlement Agreement.

Article III

In full, complete and final settlement of all disputes, differences, claims and counterclaims arising out of the relationships, contracts, and occurrences related to this Settlement Agreement, and in consideration of the covenants, premises, transfers, waivers, withdrawals, and other agreements contained herein, the Parties agree to withdraw unconditionally all their claims and counterclaims in Case No. 308, Claim 2.2 before the Tribunal without paying or receiving any money.

Article IV

(i) Upon the issuance of the Award on Agreed Terms, Claimants shall cause without delay and with prejudice, all proceedings against NISCO, and/or against the Islamic Republic

of Iran (Iran) in connection with disputes, differences, claims and matters related to Case No. 308, Claim 2.2 in all courts, fora or any authorities or administrative bodies to be dismissed, withdrawn and terminated, and Claimants shall be barred from instituting and/or continuing with any such proceedings before the Iran-United States Claims Tribunal or any other fora, authorities, or administrative bodies, whatsoever, including but not limited to any courts in the United States of America or the Islamic Republic of Iran.

(ii) Upon the issuance of the Award on Agreed Terms, NISCO shall cause without delay and with prejudice, all proceedings against Claimants in connection with disputes, differences, claims and matters related to Case No. 308, Claim 2.2 in all courts, fora or any authorities or administrative bodies to be dismissed, withdrawn and terminated and NISCO shall be barred from instituting and/or continuing with any proceedings before the Iran-United States Claims Tribunal or any other fora, authorities or administrative bodies, whatsoever, including but not limited to any courts in the United States of America or the Islamic Republic of Iran.

Article V

In consideration of the covenants, premises, transfers, waivers and other agreements contained herein, and upon the issuance of the Award on Agreed Terms by the Tribunal, Claimants, NISCO and Iran shall be released and forever discharged from any claims, counterclaims, rights and interests past, present or future which have been raised or may in the future arise in connection with disputes, differences, claims and matters related to Case No. 308, Claim 2.2.

Article VI

(i) In this Settlement Agreement the counterclaim from NISCO for Iranian social security premiums which NISCO alleges to have paid on behalf of Vetco Iran in connection with Case No. 308, Claim 2.2 is withdrawn and settled.

To the extent any liability would still exist for Vetco Iran for payment of social security premiums for previous social security premium obligations not fulfilled by Vetco Iran with respect to the contract referred to in the Settlement Agreement, it is understood between the Parties that such liability is outside the scope of the Settlement Agreement and that therefore NISCO shall not be responsible with regard to such social security premium obligations, if any, in any amounts in excess of that paid by NISCO at any time with respect to such social security obligations.

(ii) It is also understood between the Parties that liability for Iranian taxes with respect to the contract referred to in the Settlement Agreement (Case No. 308, Claim 2.2) is outside the scope of the Settlement Agreement and that therefore NISCO shall not be responsible with regard to such tax obligation, if any.

Article VII

(i) Claimants shall indemnify and hold harmless NISCO and Iran against any claim which Claimants, their subsidiaries, parents, affiliates, assignees, transferees, successors, agents or third persons have raised or may raise against NISCO and/or Iran in connection with and under the same cause or causes of action contained in the Statement of Claim and/or subject matters of this Settlement Agreement.

(ii) NISCO shall indemnify and hold harmless Claimants against any claim which Iran may raise or take against Claimants relating to the claim or which is in the scope and subject matter of the Settlement Agreement

Article VIII

Upon the issuance of the Award on Agreed Terms, Claimants and NISCO 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-United States Claims Tribunal, United States courts or elsewhere with respect to matters related to Case No. 308, Claim 2.2.

Article IX

Upon the issuance of the Award on Agreed Terms, the obligations, declarations, releases, waivers, withdrawals and dismissals contained and referred to in this Settlement Agreement shall become self-executing. After the issuance of the Award on Agreed Terms by the Tribunal no further documents need to be executed in implementing the provisions of this Agreement.

Article X

This Settlement Agreement is for the sole purpose of settlement the dispute at issue in Case No. 308, Claim 2.2. Nothing in this Settlement Agreement shall be relied upon or construed as relevant to or to affect in any way any argument Iran, its agencies, instrumentalities, entities, and/or NISCO have raised, or may raise, concerning the jurisdiction or the merits of this case or other cases whether before the Tribunal or any other fora.

Article XI

The Parties agree that this Settlement Agreement shall be approved and ratified by Iranian authorities by July 21, 1991. 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 XII

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.

Article XIII

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

Article XIV

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

National Iranian Steel
Company

Combustion Engineering Inc.
and its wholly-owned
subsidiary Vetco Inc.

By M. Foroutan Foroutan

By R. S. Khatami

Date June 28, 1991

Date JUNE 28 1991