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ORIGINAL DOCUMENTS IN SAFE

Case No. 389

Date of filing: 10 MAY 85

- ** AWARD - Type of Award Partial on Agreed Terms
 - Date of Award 10 MAY 85
8 pages in English 8 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 _____
 _____ pages in English _____ pages in Farsi
- ** OTHER; Nature of document: _____

 - Date _____
 _____ pages in English _____ pages in Farsi

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داوری دعاوی ایران - ایالات متحدہ
ثبت شد - FILED	
Date	10 MAY 1985
	تاریخ
	۱۳۶۴ / ۲ / ۲۹
No.	389
	شماره

CASE NO. 389

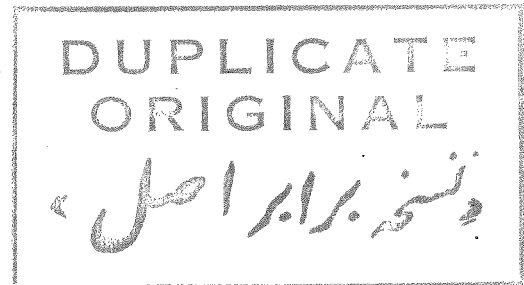
CHAMBER TWO

AWARD NO. 177-389-2

WESTINGHOUSE ELECTRIC CORPORATION,
Claimant,
and

THE ISLAMIC REPUBLIC OF IRAN;
MILITARY INDUSTRIAL ORGANISATION;
IRAN ELECTRONICS INDUSTRIES;
BANK MELLI;
THE ISLAMIC REPUBLIC OF IRAN AIR FORCE;
ARJ CORPORATION;
ELECTRO PARS COMPANY;
IRAN AIR;
IRAN HELICOPTER SUPPORT & RENEWAL COMPANY;
MINISTRY OF WATER & POWER;
KHUZESTAN WATER & POWER AUTHORITY;
TAVANIR COMPANY;
POLYACRYL IRAN CORPORATION OF IRAN;
SHAHPUR CHEMICAL COMPANY LIMITED, also
known as RAZI CHEMICAL COMPANY;
THE IRANIAN NAVY;
IRANIANS' BANK;

Respondents.



PARTIAL AWARD ON
AGREED TERMS

PART I

The Claimant, WESTINGHOUSE ELECTRIC CORPORATION on its own behalf (hereinafter referred to as "Claimant") and the Respondents IRAN ELECTRONICS INDUSTRIES, THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, THE NATIONAL DEFENCE INDUSTRIAL ORGANISATION (hereinafter referred to as "Respondents") have entered into a Settlement Agreement dated 5 December 1984 and filed on 22 April 1985, resolving the matters in dispute between them, whereby it is agreed, inter alia, that the Respondent IRAN ELECTRONIC INDUSTRIES shall pay the Claimant the amount of US \$ 4,300,000.00 and that the Claimant and the Respondents shall thereupon withdraw and terminate all claims and counterclaims in connection with that portion of Case No. 389, in which these Parties are involved.

Pursuant to the Settlement Agreement, the Parties have filed together with the Settlement Agreement and on the same date, a Joint Request for a Partial Arbitral Award on Agreed Terms, signed by representatives of on the one hand Westinghouse Electric Corporation, and on the other hand, of Iran Electronics Industries, National Defence Industrial Organisation and the Agent of the Islamic Republic of Iran, whereby the Tribunal is requested to render an Award recording and giving effect to the said Settlement Agreement pursuant to Article 34(1) of the Tribunal Rules. Copies of the Settlement Agreement and the Joint Request are annexed hereto.

Article Eight of the Settlement Agreement provides as follows:

"The validity of this Settlement Agreement Document is dependent upon its ratification by the Related Authorities of the Islamic Republic of Iran. After such ratification this Agreement will be binding on the

Parties. This Settlement Agreement Document will be deemed void and without further force and effect if it is not so ratified and filed with the Tribunal within ninety (90) days of the signing hereof; provided, however, that if it is not so ratified and submitted to the Tribunal on or before December 30, 1984, Westinghouse may at its option terminate this Settlement Agreement Document upon written notice to I.E.I., and upon the giving of such notice, this Settlement Agreement Document shall be void and without further force and effect."

The Joint Request was signed and submitted to the Tribunal by the Agent of the Government of the Islamic Republic of Iran. With respect to the requisite of ratification, the Tribunal relies upon the authority of the Agent of the Islamic Republic of Iran to bind his Government in this matter. See Claims Settlement Declaration, Article VI, paragraph 2. With respect to the deadline for filing the Settlement Agreement with the Tribunal, the Tribunal observes that on 2 April 1985, the attorney for the Claimant filed a letter noting his agreement to extend this filing deadline. The Tribunal further observes that the Settlement Agreement was filed by the relevant Respondents after the initial deadline established in the Settlement Agreement. The Tribunal concludes from these actions that the parties have agreed to modify such deadline.

The Tribunal notes that the Joint Request contains a request by both parties that the Tribunal treat the Settlement Agreement as confidential. However, pursuant to Article 32 (5) of the Tribunal Rules, it is within the discretion of the Tribunal to decide whether it will grant such request and delete portions of the Award from which the identity of the parties, other identifying facts and trade or military secrets appear. In the present case, the parties have not indicated any portions of the Settlement Agreement as containing sensitive information justifying confidentiality, and the Tribunal does not find any such sensitive

information. Therefore, copies of the Joint Request and the Settlement Agreement are annexed hereto.

The Tribunal has satisfied itself that it has jurisdiction in this matter within the terms of 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 Islamic Republic of Iran of 19 January 1981.

PART II

The Claimant, WESTINGHOUSE ELECTRIC CORPORATION on its own behalf and on behalf of its subsidiaries IRAN-WESTINGHOUSE PROGRAMS SERVICES COMPANY, WESTINGHOUSE ELECTRIC INTERNATIONAL S.A. AND WESTINGHOUSE S.A. (Spain) (hereinafter referred to as "Claimant") and the Respondents BANK MELLI, BANK TEJARAT, BANK MARKAZI, (hereinafter referred to as "Respondents") have entered into a Settlement Agreement dated 27 February 1985 and filed on 22 April 1985, resolving the matters in dispute between them, whereby it is agreed inter alia, that the Claimant shall be paid the amount of US \$ 497,456.00, out of the Security Account and additionally, that the amount of Rials 1,291,126 plus the balance of account No. 60557-3 held in Bank Tejarat shall be available to it in Iran, in full and final settlement of all claims, counterclaims and disputes asserted in or related to that portion of Case No. 389 concerning the parties to the Settlement Agreement. It is further agreed that the Claimant withdraws its claims against IRAN HELICOPTER SUPPORT AND RENEWAL COMPANY, ELECTRO PARS LIMITED COMPANY, TAVANIR COMPANY and the IRANIAN NAVY and that the Claimant and these Respondents release and forever discharge each other from any and all claims and counterclaims relating to or arising out of Case No. 389.

On 22 April 1985, a Request from the Parties was filed, signed by representatives of on the one hand Westinghouse Electric Corporation, and on the other hand, Bank Markazi, Bank Melli, Bank Tejarat, Iran Helicopter Support and Renewal Company, Iranian Navy, Tavanir Company, and the Agent of the Islamic Republic of Iran, for an Arbitral Award on Agreed Terms to be rendered, recording and giving effect to the Settlement Agreement pursuant to Article 34(1) of the Tribunal Rules. The Settlement Agreement together with the Joint Request are attached hereto.

By letter dated 3 May 1985, the Agent of the Islamic Republic of Iran on behalf of Electro Pars Company, confirmed the Settlement Agreement as filed with the Tribunal.

Article Four of the Settlement Agreement provides as follows:

"The validity of this Settlement Agreement is dependent upon its ratification by the Related Authorities of the Islamic Republic of Iran. This Settlement Agreement will automatically and immediately be deemed null and void, and without further force and effect if it is not so ratified and filed with the tribunal by April 15th 1985."

The Joint Request was signed and submitted to the Tribunal by the Agent of the Government of the Islamic Republic of Iran. With respect to the requisite of ratification, the Tribunal relies upon the authority of the Agent of the Islamic Republic of Iran to bind his Government in this matter. See Claims Settlement Declaration, Article VI, paragraph 2. With respect to the deadline for filing the Settlement Agreement with the Tribunal, the Tribunal observes that on 17 April 1985, the attorney for the Claimant filed a telex noting his agreement to extend this filing deadline. The Tribunal further observes that the Settlement

Agreement was filed by the relevant Respondents after the initial deadline established in the Settlement Agreement. The Tribunal concludes from these actions that the parties have agreed to modify such deadline.

The Tribunal has satisfied itself that it has jurisdiction in this matter within the terms of 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 Islamic Republic of Iran of 19 January 1981.

PART III

The Claimant, WESTINGHOUSE ELECTRIC CORPORATION on its own behalf (hereinafter referred to as "Claimant") and the Respondents POLYACRYL IRAN CORPORATION, the GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN and ARJ CORPORATION (hereinafter referred to as "Respondents") have entered into a Settlement Agreement dated 27 February 1985 and filed on 26 April 1985, resolving the matters in dispute between them, whereby it is agreed, inter alia, that the Respondent POLYACRYL IRAN CORPORATION shall pay the Claimant the amount of US \$ 70,000.00 in full and final settlement of all outstanding claims, counterclaims and disputes concerning that portion of Case No. 389 in which these Parties are involved. It is further agreed that upon payment of the above mentioned amount, the Claimant withdraws its claim against ARJ CORPORATION and that the Claimant and this Respondent release and forever discharge each other from any and all claims and counterclaims relating to or arising out of Case No. 389.

On 26 April 1985, a Request from the parties was filed, signed by representatives of on the one hand Westinghouse Electric Corporation, and on the other hand, the Agent of

the Islamic Republic of Iran, Polyacryl Iran Corporation and ARJ Corporation, for an Arbitral Award on Agreed Terms to be rendered, recording and giving effect to the Settlement Agreement pursuant to Article 34(1) of the Tribunal Rules. The Settlement Agreement together with the Join Request are attached hereto.

The Tribunal has satisfied itself that it has jurisdiction in this matter within the terms of 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 Islamic Republic of Iran of 19 January 1981.

For the foregoing reasons,

THE TRIBUNAL AWARDS AS FOLLOWS:

The Settlement Agreements filed with the Joint Requests are hereby accepted and recorded as a Partial Award on Agreed Terms, binding on all the Parties to the Settlement Agreements. Consequently, the Claimant WESTINGHOUSE ELECTRIC CORPORATION shall be paid the amount of Four Million Three Hundred Thousand United States Dollars (US \$ 4,300,000.00), by the Respondent IRAN ELECTRONIC INDUSTRIES; the amount of Four Hundred and Ninety Seven Thousand, Four Hundred and Fifty Six United States Dollars (US \$ 497,456.00) jointly by the Respondents BANK MARKAZI, BANK MELLI and BANK TEJARAT and the amount of Seventy Thousand United States Dollars (US \$ 70,000.00) by Respondent POLYACRYL IRAN CORPORATION, which obligations 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.

In addition, the balances of the following accounts shall be made available to the Claimant in Iran:

(i) Rial Account No. 1199, in the name of Iran Westinghouse Programs Service Company, having present balance of One Million Two Hundred and Ninety One Thousand, One Hundred and Twenty Six Rials (Rials 1,291,126) held by Bank Melli.

(ii) Rial Account No. 60557-3 (new No. 160-41-408) in the name of Westinghouse S.A. (Spain).

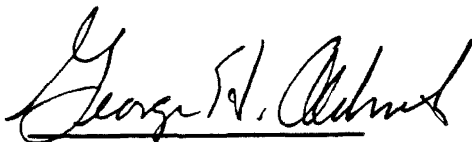
This Award is hereby submitted to the President of the Tribunal for the purpose of notification to the Escrow Agent.

Dated, The Hague

10 May 1985



Karl-Heinz Böckstiegel
Acting Chairman



George H. Aldrich

In the name of God,



Hamid Bahrami-Ahmadi

IN THE NAME OF GOD

IN THE

IRAN-UNITED STATES CLAIMS TRIBUNAL

THE HAGUE, THE NETHERLANDS

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری و داری ایران - ایالات متحده
FILED - ثبت شد	
Date 22 APR 1985 1364 / 2 / 2	تاریخ
No. 389	شماره

Westinghouse Electric Corporation
Claimant

V.

The State Of Iran, Military Industrial
Organization and
Iran Electronics Industries (IEI)
Respondents

Claim No. 389

Chamber No. 2

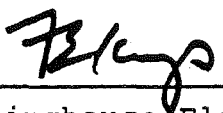
JOINT REQUEST FOR PARTIAL ARBITRAL
AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal's Rules of Procedure, Westinghouse Electric Corporation (Westinghouse) Iran Electronics Industries (I.E.I.), the National Defense Industrial Organization (N.D.I.O.) and the Islamic Republic of Iran jointly request that the Tribunal issue a partial arbitral award on agreed terms that will record and give effect to the Settlement Agreement reached by the parties to the Settlement, a copy of which is attached hereto.

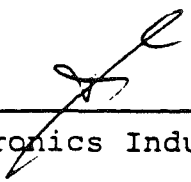
The undersigned are in full agreement with the Settlement Agreement and request the Tribunal to record the Settlement Agreement and the arbitral award on agreed terms with full payment to Westinghouse to be made out of the Security Account established by paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria of January 19, 1981 in accordance with the Settlement Agreement.

The undersigned hereby jointly request the Tribunal to keep the contents of this Settlement Agreement Document confidential in accordance with Paragraph V, Article 32 of the modified Tribunal Rules because the contents thereof contain sensitive commercial information which should not be disclosed.

Respectfully submitted,



 Westinghouse Electric
 Corporation



 Iran Electronics Industries

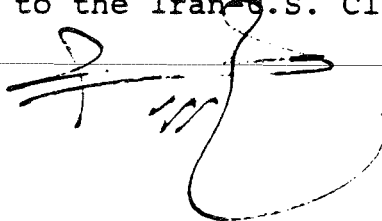
 National Defence Industrial
 Organization

Managing Director



in the name of God
 Islamic Republic of Iran

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



IN THE NAME OF GOD

SETTLEMENT AGREEMENT DOCUMENT

IRAN UNITED STATES CLAIMS TRIBUNAL	ادگاه داری دعاوی ایران ایالات متحده
ثبت شد - FILED	
Date	22 APR 1985 ۱۳۶۴ / ۲ / ۲۱
No.	389

This agreement is made this 5th day of December, 1984, by and among Westinghouse Electric Corporation ("Westinghouse"), on the first part and Iran Electronics Industries ("I.E.I.") Of Iranian nationality, Passdaran Aghdassieh, Tehran, Iran and the Government of the Islamic Republic of Iran (the "Government") and the National Defense Industrial Organization ("N.D.I.O.") on the second part (the "Respondents").

WHEREAS, there is presently pending in the Iran-United States Claims Tribunal (the "Tribunal") an arbitration proceeding brought by Westinghouse as Claimant, against the Islamic Republic of Iran and I.E.I. and N.D.I.O. (the "Claim") as part of Case No. 389, Chamber Two (the "Arbitration"); and

WHEREAS, Respondents have filed certain defenses and counterclaims pertaining to the said Case arising out of or in relation to the Claim; and

WHEREAS, Westinghouse and Respondents (herein after the "Parties") desire to settle all claims and counterclaims asserted between and among them in the Arbitration with respect to the Claim.

NOW THEREFORE, in consideration of the mutual promises and agreements herein set forth, the Parties agree as follows.

میکوشت شماره ۵۰۰ پرونده داری

1. The rights and obligations accepted by the Parties in this Settlement Agreement Document are only valid to Westinghouse, I.E.I., N.D.I.O. and the Islamic Republic of Iran as they relate to that portion of Case No. 389 in which the Islamic Republic of Iran and I.E.I. and N.D.I.O. are involved, and will have no other force and effect for Westinghouse and other respondents in Case No. 389.
2. In full and final settlement of all outstanding claims, counterclaims and disputes between and among Westinghouse, as Claimant, and the Islamic Republic of Iran and I.E.I. and N.D.I.O. as Respondents, relating to or arising out of the Claim:
 - (a) I.E.I. agrees to pay to Westinghouse the total sum of Four Million Three Hundred United States Dollars and no Cents (U.S.\$ 4,300,000.00) ("Agreed Sum") from the Security Account established by paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria of January 19, 1981.
 - (b) Upon payment of the Agreed Sum, Westinghouses' Claim against I.E.I. and the Islamic Republic of Iran and N.D.I.O. in Case No. 389 shall be considered terminated.
3. Effective as of the date of the receipt by Westinghouse of the Agreed Sum ("Effective Date"), the Parties hereby release and forever discharge each other from any and all claims, counterclaims, costs, fees and expenses in Case No. 389, relating to or arising out of the subject matter of the Claim and the Respondents counterclaims against Westinghouse including all costs and fees in connection with the prosecution or defense of the arbitration with respect to the Claim. The

releases contained in this paragraph will be self-executing as of the Effective Date and no further document needs to be executed in implementing such releases.

4. Upon receipt by Westinghouse of the Agreed Sum, all claims of Westinghouse against the Islamic Republic of Iran and I.E.I. and N.D.I.O., and counterclaims of I.E.I. and the Islamic Republic of Iran and N.D.I.O. against Westinghouse that were asserted between and among the Parties in this portion of Case No. 389 (The Claim) shall be deemed fully and finally settled.
5. The Parties agree to file this Settlement Agreement Document, after ratification by the related authorities of the Islamic Republic of Iran, to the Tribunal with a joint motion in the form attached hereto requesting the Tribunal (i) to record and give effect to the Settlement Agreement Document as a Partial Award on Agreed Terms and (ii) to issue an order for payment to Westinghouse of the Agreed Sum from the Security Account established under paragraph 7 on the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.
6. The Parties on behalf of all their agencies, instrumentalities, entities, officials and subsidiary companies agree that upon receipt by Westinghouse of the Agreed Sum, each shall be released and forever discharged from all manner and kind of obligations, liabilities, controversies, claims and demands of whatever nature, whether known or unknown, arising from, based upon or in relation to the claims and counterclaims pending or capable of arising before any court, judicial authorities, arbitration or forum between Westinghouse and Respondents in relation to this portion of Case No. 389 (the Claim) or

transactions which are the subject of such claims and counterclaims, including, but not limited to, all claims for taxes of any kind or social insurance premiums or penalties or interest with respect to such claims, and all other exactions or charges of any kind.

7. It is understood that this Settlement Agreement Document is made in a spirit of private settlement of disputes and that it shall not affect any position of Westinghouse or Respondents in any matter other than this portion of Case No. 389. Westinghouse and Respondents further agree that they shall not use or cause any third party to use this Settlement Agreement Document in the prosecution or defense of this or any other case before the Iran-United States Claims tribunal, or elsewhere.
8. The validity of this Settlement Agreement Document is dependent upon its ratification by the Related Authorities of the Islamic Republic of Iran. After such ratification this Agreement will be binding on the Parties. This Settlement Agreement Document will be deemed void and without further force and effect if it is not so ratified and filed with the Tribunal within ninety (90) days of the signing hereof; provided, however, that if it is not so ratified and submitted to the Tribunal on or before December 30, 1984, Westinghouse may at its option terminate this Settlement Agreement Document upon written notice to I.E.I., and upon the giving of such notice, this Settlement Agreement Document shall be void and without further force and effect.
9. The Parties warrant and represent that the persons executing this Settlement Agreement Document on each of their behalfs have been duly and fully authorized to do so and that their signatures will commit their

5 Dec 84
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respective principals to the fulfillment of their respective obligations hereunder.

10. The Parties hereto release and forever discharge each other from any claim raised or brought by any third party in relation to or pertaining to the subject matter of this Settlement Agreement Document before any court, judicial authority, arbitration or forum. The Party on whose behalf the action is brought by any third party shall be solely responsible and cause the action to be withdrawn.
11. This Settlement Agreement Document may be amended only in writing duly and jointly executed by the Parties.
12. This Settlement Agreement Document has been prepared and executed in four (4) copies of which two each copies are in Farsi and English and each of the said four copies shall be considered as an original copy and shall have same and equal validity.
13. All notices relating to this Settlement Agreement shall be in writing or by wire and will be sufficient if delivered as follows:

If to Claimants, to:

Westinghouse Electric
Corporation
Defense Group
P.O. Box 1693
Baltimore, Maryland, 21203
U.S.A.
Teletype: WES1138
Attention: F.E. Kemp

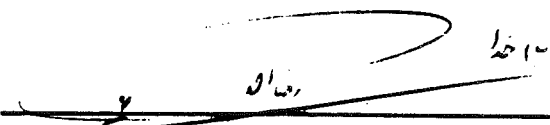
If to Respondents, to:

Iran Electronics Industries
Tehran, Iran
Telex: 212199 IEI-IR
Attention: R. Ahmadi Torshizi
and
National Defense Industrial
Organization - Legal Office.
Tehran, Iran
Telex: /

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be executed by their duly authorized representative this 5th day of December, 1984.



Westinghouse Electric
Corporation



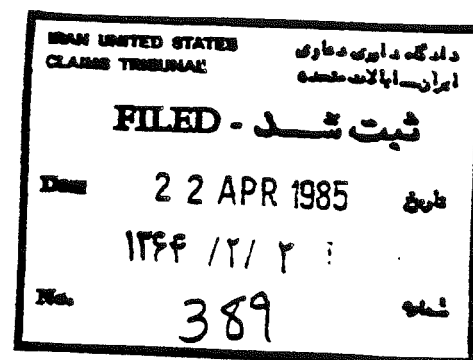
~~Iran Electronics Industries~~
12/9/84



National Defense Industrial
Organization

IN THE NAME OF GOD

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



WESTINGHOUSE ELECTRIC CORPORATION
Claimant,

Case No: 389

- and -

Chamber Two

BANK MELLI IRAN, BANK TEJARAT and
BANK MARKAZI OF THE ISLAMIC
REPUBLIC OF IRAN

Respondents.

JOINT REQUEST FOR AN
AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal Rules of Procedure, Westinghouse Electric Corporation (WEC) and Bank Melli Iran, Bank Tejarat and Bank Markazi of the Islamic Republic of Iran, "Respondents", jointly request that the Tribunal issue an Award on Agreed Terms that will record and give effect to the Settlement Agreement reached by the Parties.

On 27 February, 1985, Claimant and Respondents entered into a Settlement Agreement, "the Settlement Agreement", a copy of which is attached hereto, resolving all claims now existing or capable of arising between them.

- The Claimant confirming to have full authority from Iran-Westinghouse Program Service Company, Westinghouse Electric International S.A. and Westinghouse S.A. (Spain), the account holders of dollar and rial accounts as mentioned in the Case No. 389, entered into the Settlement Agreement. According to the Settlement Agreement the sum of US\$497,456.00 shall be paid to the Claimant out of the Security Account and, additionally, sum of Rials 1,291,126 plus the balance of account No.60557-3 held in Bank Tejarat shall be available to the Claimant in Iran.

Accordingly, the Parties request the tribunal to record and give effect to the Settlement Agreement as an arbitral Award on Agreed Terms and dismiss the case against the Respondents in Case No. 389.

It is further requested that the Tribunal give effect to the provision of the Settlement Agreement resolving the claims between Westinghouse, on the first part, and Iran Helicopter Support and Renewal Company, the Iranian Navy, Tavanir and Elektro Pars Limited on the second part, and dismiss the cases relating to these parties.

In the name of God

**Agent of the Islamic Republic
of Iran at the Iran-U.S. Claims
Tribunal**

Mohammad K. Eshragh

Westinghouse Electric
Corporation on its own
behalf and those of
Iran-Westinghouse
Program Service
Company, Westinghouse
International and
Westinghouse S.A. (Spain)

Bank Markazi, Islamic
Republic of Iran

In the name of God

By M. Ekhteraei

Title Representative

Bank Melli Iran

In the name of God

By M. Kalkand

Title Representative

Bank Tejarat

In the name of God

By M. Kakkar and

Title Representative.

By J. J. Lopez 2/27/85

Title Director Indian Claims

Iran Helicopter Support
and Renewal Company

By COL. GERAMI 20

Title _____

Iranian Navy

By COL. GERANI ۱۶

Title _____

Tavanir

By M. R. Namatzadeh

Title _____

Electro Pars Limited

By _____

Title _____

IN THE NAME OF GOD

SETTLEMENT AGREEMENT

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری و محاکمات ایران - ایالات متحده
ثبت شد - FILED	
Date	22 APR 1985 ۱۳۶۴ / ۲ / ۲
No.	389

This Agreement, made this 27th day of February, 1985, by and between Bank Melli Iran, Bank Tejarat and Bank Markazi of the Islamic Republic of Iran, all of Iranian nationalities (hereinafter called "Respondents") and Westinghouse Electric Corporation, a corporation of State of Delaware, U.S.A. (hereinafter called "WEC"), on its own behalf and that of its subsidiaries, Iran-Westinghouse Programs Services Company, Westinghouse Electric International S.A. and Westinghouse S.A. (Spain), collectively referred to as "Westinghouse".

WHEREAS, there is presently pending in the Iran-United States Claims tribunal, ("the Tribunal"), an arbitration proceeding brought by Westinghouse against the "Respondents" with respect to the following accounts

- (1) Dollar Account No.104 held by Bank Melli.
- (2) Rial Account No.1199 held by Bank Melli.

Both of the accounts being in the name of Iran-Westinghouse Programs Service Company.

- (3) Dollar Account No.70035 held by Bank Tejarat in the name of Westinghouse Electric International S.A.
- (4) Rial Account No.60557-3 held by Bank Tejarat in the name of Westinghouse S.A. (Spain)

under Case No. 389.

WHEREAS, the Respondents have filed certain defenses and claims pertaining to the said case arising out of or in relation to the said claim and,

WHEREAS, the Claimant and Respondents, (hereinafter referred to as "the Parties") desire to settle all claims asserted between and among them in the arbitration,

NOW THEREFORE, in consideration of mutual promises and agreements herein set forth, the Parties agree as follows:

1. In full and final settlement of all outstanding claims and disputes between "the Parties" and relating to or arising out of the subject matter of Case No. 389.

(a) The Claimant, on its own behalf and that of its subsidiaries, and the Respondents, (the Parties), hereby release and forever discharge each other from any and all claims, counterclaims, costs, fees and expenses relating to or arising out of Claimant's claim against Respondents in Case No. 389, including all costs and fees in connection with the prosecution or defense of arbitration. The releases contained in this paragraph will be self executing as of the effective date and no further documents needs to be executed in implementing such releases.

(b) According to permission of Bank Markazi of the Islamic Republic of Iran, balances of the following accounts shall be paid to the Claimants out of the Security Account.

(i) Dollar Account No. 104 in the name of Iran-Westinghouse Programs Service Company held by Bank Melli, having a present balance

of U.S.\$388,416.00 (Three Hundred and Eighty Eight Thousand Four Hundred and Sixteen U.S. Dollars)

(ii) Dollar Account No.70035 in the name of Westinghouse International S.A., held by Bank Tejarat, having a present balance of U.S. \$109,040.00 (One Hundred and Nine Thousand and Forty U.S. Dollars)

(c) Balances of the following accounts shall be available for the use of the Claimants in Iran in Iranian Rial.

(i) Rial Account No.1199, in the name of Iran Westinghouse Programs Service Company, having present balance of 1,291,126 Rials (One Million Two Hundred and Ninety One Thousand, One Hundred and Twenty Six Rials) held by Bank Mellī. This balance can, upon the request of the Claimant, be transferred to the account referred to in (ii) below.

(ii) Rial Account No.60557-3 (new No.160-41-408) in the name of Westinghouse S.A. (Spain). This account has continuously been active and hence has a varying balance.

(d) Upon the fulfilment of b above, claims against Iran Helicopter Support and Renewal Company, Electro Pars Limited Co., Tavanir and the Iranian Navy as stated in the Case No. 389 in the Tribunal shall gratuitously be considered as terminated, and the Claimant and the Respondents mentioned in this paragraph (1.d) release one another in a similar manner as in 1.(a) above.

2. The Parties agree to submit this Settlement Agreement to the tribunal not later than 15th April 1985, with a joint motion requesting the Tribunal to record and give effect to the Settlement Agreement as an Award on Agreed Terms and to issue and order for payment to Westinghouse of the Agreed Sum from the Security Account established under Paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.

3. It is understood that this Settlement Agreement is made in a spirit of private settlement of disputes and that it shall not affect any position of the Claimant and the Respondents in any matter other than Case No. 389.

4. The validity of this Settlement Agreement is dependent upon its ratification by the Related Authorities of the Islamic Republic of Iran. This Settlement Agreement will automatically and immediately be deemed null and void, and without further force and effect if it is not so ratified and filed with the tribunal by April 15th 1985.

5. This Settlement Agreement may be amended only in writing duly and jointly executed by the Parties.

IN WITNESS WHEREOF, the parties have caused this Settlement Agreement to be executed by their duly authorized representatives this 27th day of February, 1985.

Bank Markazi Islamic
Republic of Iran

in the name of God
By M. Ekhteraei
Title Representative

Westinghouse Electric
Corporation on its own
behalf and those of Iran
Westinghouse Programs
Service Company, Westinghouse
International S.A.,
Westinghouse S.A. (Spain)

By J. J. Lugo - 2/27/85
Title Director, Iranian Claims

Bank Melli Iran

In the name of God
By M. Kakavand
Title Representative

Iran Helicopter Support
and Renewal Company

By COL GERAMI
Title

Bank Tejarat

In the name of God
By M. Kakavand
Title Representative

Iranian Navy

By COL GERAMI
Title

Tavanir

By M. R. Nematzadeh
Title

Electro Pars Limited

By
Title

EXHIBIT A

BEFORE THE
IRAN-UNITED STATES CLAIMS TRIBUNAL
THE HAGUE, THE NETHERLANDS

WESTINGHOUSE ELECTRIC CORPORATION,
Claimant,

- and -

THE STATE OF IRAN, and
POLYACRYL IRAN CORPORATION
Respondents.

Case No. 389
Chamber No. 2

JOINT REQUEST FOR ARBITRAL
AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal's Rules of Procedure, Polyacryl Iran Corporation and Westinghouse Electric Corporation ("Westinghouse") jointly request that the Tribunal issue a partial arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement reached by the Parties and ARJ Corporation.

The Parties have entered into a Settlement Agreement, a copy of which is attached hereto, providing that Westinghouse shall be paid Seventy Thousand U.S. Dollars and no Cents (U.S.\$70,000.00) to be paid out of the Security Account in complete and final settlement of all claims and

IRAN UNITED STATES CLAIMS TRIBUNAL	دادگاه داری بحاری ایران - ایالات متحده
ثبت شد - FILED	
Date	26 APR 1985 ۱۳۶۴ / ۲ / ۱۶
No.	389

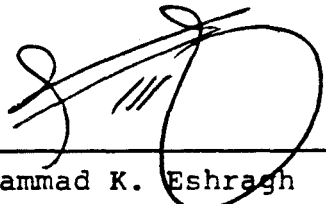
counterclaims and obligations now existing or capable of arising between Westinghouse, on the first part, and Polyacryl Iran Corporation, on the second part, in connection with Case No. 389.

The undersigned request the Tribunal to record the Settlement Agreement and the partial arbitral Award on Agreed Terms with full payment to Westinghouse to be made out of the Security Account as provided in the Settlement Agreement.

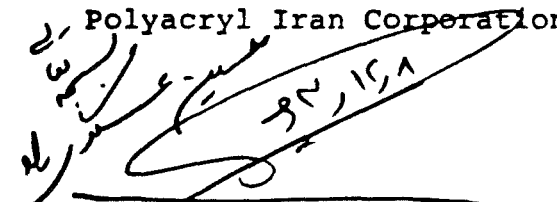
The Parties respectfully request that this settlement be kept confidential until the obligations of the Settlement Agreement have been completed.

Respectfully submitted,

In the name of God



 Mohammad K. Eshragh
 Agent for the Government of
 the Islamic Republic of Iran



 Polyacryl Iran Corporation


 ARJ Corporation

 2/27/85

 Westinghouse Electric
 Corporation

IN THE NAME OF GOD

SETTLEMENT AGREEMENT DOCUMENT

IRAN UNITED STATES CLAIMS TRIBUNAL		دادگاه داری دماوی ایران - ایالات متحده
ثبت شد - FILED		
Date	26 APR 1985 ۱۳۶۴ / ۲ / ۴	تاریخ
No.	389	شماره

This Settlement Agreement is made this 27 day of February, 1985, by and among Westinghouse Electric Corporation ("Westinghouse"), on the first part and Polyacryl Iran Corporation, an Iranian Corporation, ("Polyacryl") and the Government of the Islamic Republic of Iran (the "Government") on the second part (collectively, the "Respondents") and, for the purposes of Article 14 hereof only ARJ Corporation, an Iranian Corporation, ("ARJ").

WHEREAS, there is presently pending in the Iran-United States Claims Tribunal (the "Tribunal") an arbitration proceeding brought by Westinghouse as Claimant, against the Respondents (the "Claim") as part of Case No. 389, Chamber Two (the "Arbitration"); and

WHEREAS, Polyacryl have filed certain defenses and counterclaims pertaining to the said Case arising out of or in relation to the Claim; and

WHEREAS, Westinghouse and Respondents (the "Parties") desire to settle all claims and counterclaims asserted between and among them in the Arbitration with respect to the Claim.

NOW THEREFORE, in consideration of the mutual promises and agreements herein set forth, the Parties agree as follows.

1. The rights and obligations accepted by the Parties in this Settlement Agreement are only valid to Westinghouse, and the Respondents as they relate to that portion of Case No. 389 in which the Respondents are involved, and will have no other force and effect for Westinghouse and other respondents in Case No. 389.
2. In full and final settlement of all outstanding claims, counterclaims and disputes between and among Westinghouse, as Claimant, and the Islamic Republic of Iran and Polyacryl as Respondents, relating to or arising out of the Claim:
 - (a) Polyacryl agrees to pay to Westinghouse the total sum of Seventy Thousand United States Dollars and no Cents (U.S.\$70,000.00) ("Agreed Sum") from the Security Account established by paragraph 7 of the Declaration of the Government of the Democratic and Popular Republic of Algeria of January 19, 1981.
 - (b) Upon payment of the Agreed Sum to Westinghouse, Westinghouse's Claim against Respondents, and Respondents' counterclaims against Westinghouse in Case No. 389 shall be considered terminated.
3. The Parties agree to file this Settlement Agreement, after ratification by the related authorities of Polyacryl and ARJ, with the Tribunal along with a joint motion in the form attached hereto as Exhibit A requesting the Tribunal (i) to record and give effect to the Settlement Agreement as a Partial Award on Agreed Terms and (ii) to issue an order for payment to Westinghouse of the Agreed Sum from the Security Account established under paragraph 7 on the Declaration of the Government of the Democratic and Popular Republic of Algeria dated January 19, 1981.

4. The validity of this Settlement Agreement is dependent upon its ratification by the Related Authorities of Polyacryl. This Settlement Agreement will automatically and immediately be deemed null and void, and without further force and effect if it is not so ratified and filed with the Tribunal within sixty (60) days after the date of this Settlement Agreement.
5. If the Tribunal has not issued a Partial Award on Agreed Terms in accordance with this Settlement Agreement by June 30, 1985, any party may revoke and terminate the Settlement Agreement upon written notice to the others, copy to the Tribunal; and upon the giving of such notice, this Settlement Agreement shall automatically and immediately be deemed null and void.
6. In the event that this Settlement Agreement becomes null and void as provided in Articles 4 and 5, above, it shall be of no force and effect with respect to the claims and counterclaims between the Parties, and the Tribunal shall proceed to determine such claims and counterclaims as if this Settlement Agreement had never existed.
7. The Parties on behalf of all their agencies, instrumentalities, entities, officials and subsidiary companies agree that upon receipt by Westinghouse of the Agreed Sum, each shall be released and forever discharged from all manner and kind of obligations, liabilities, controversies, claims and demands of whatever nature, whether know, or unknow, now pending or capable of arising in the Tribunal or elsewhere from, based upon or in relation to the subject matter of the Claims and the Respondents' counterclaims

pending or capable of arising before any court, judicial authorities, arbitration or forum between Westinghouse and Respondents in relation to this portion of Case No.389 (the Claim) or transactions which are the subject of such claims and counterclaims, including, but not limited to, all claims for taxes of any kind or social insurance premiums or penalties or interest with respect to such claims, and all other exactions or charges of any kind.

In addition, the Parties shall each bear their own costs and expenses in connection with the prosecution or defense of this arbitration proceeding, and each party shall be released from any claims by the other parties for such costs and expenses. The releases in this paragraph will be self-executing in accordance with their terms and no further document needs to be executed in implementing such releases.

8. The Parties hereto release and forever discharge each other from any claim raised or brought by any third party in relation to or pertaining to the subject matter of this Settlement Agreement before any court, judicial authority, arbitration or forum. The Party on whose behalf the action is brought by any third party shall be solely responsible and cause the action to be withdrawn.
9. It is understood that this Settlement Agreement is made in a spirit of private settlement of disputes and that it shall not affect any position of Westinghouse or Respondents in any matter other than this portion of Case No. 389. Westinghouse and Respondents further agree that they shall not use or cause any third party to use this Settlement Agreement in the prosecution or defense of this or any other case before the Iran-United States Claims tribunal, any court or elsewhere.

10. The Parties warrant and represent that the persons executing this Settlement Agreement on each of their behalfs have been duly and fully authorized to do so and that their signatures will commit their respective principals to the fulfillment of their respective obligations hereunder.
11. All notices relating to this Settlement Agreement shall be in writing or by wire and will be sufficient if delivered as follows:

If to Claimants, to:

Westinghouse Electric
Corporation
Defense Group
P.O. Box 1693
Baltimore, Maryland, 21203
U.S.A.
Teletype: WES1138
Attention: J.J. Suggs

If to Respondents, to:

No.3 First Street
Gandhi Ave.
Tehran, Iran
Attention: H. Askari-Rad
Teletype:

12. This Settlement Agreement has been prepared and executed in four (4) copies of which two each copies are in Farsi and English and each of the said four copies shall be considered as an original copy and shall have same and equal validity.
13. This Settlement Agreement, including Exhibit A attached hereto and made a part hereof, contain the entire understanding of the Parties with respect to the subject matter hereof and shall supersede all previous communications, representations or agreements, either oral or written, among the Parties hereto, and may be amended only in a written document duly and jointly executed by the Parties.

14. Upon payment of the Agreed Sum to Westinghouse by Polyacryl, Westinghouse agrees that its claim before the Tribunal against ARJ shall be considered withdrawn and ARTJ agrees that its counterclaim against Westinghouse shall be considered withdrawn. In addition, effective upon payment of the Agreed Sum to Westinghouse of the Agreed Sum to Westinghouse by Polyacryl, Westinghouse and ARJ release and forever discharge each other from any and all claims, counterclaims, costs, fees and expenses relating to or arising out of Westinghouse's claim against ARJ in Case No. 389, including all costs and fees in connection with the prosecution or defense of arbitration. The releases contained in this paragraph will be self executing as of the effective date and no further documents need to be executed in implementing such releases.

IN WITNESS WHEREOF, the Parties have caused this Settlement Agreement to be executed by their duly authorized representative this 27 day of February, 1985.

WESTINGHOUSE ELECTRIC CORPORATION

by

J. J. Suggs 2/27/85

Name and Title: J. J. Suggs, Director of Iranian Claims

POLYACRYL IRAN CORPORATION AND ARJ CORPORATION

by

H. Askari-Rad 2/27/85

Name and Title: H. Askari-Rad, Representative