

ORIGINAL

453-88
E82-11Case No. 453Date of Filing: 17 June 85** AWARD- Type of Award Agreed terms- Date of Award 17 June 853 pages in English+ exhibits3 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 _____

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** DISSENTING OPINION of _____

- Date _____

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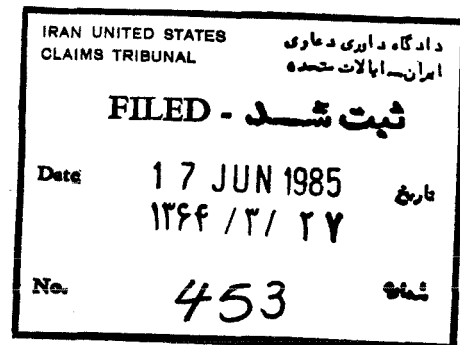
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- Date _____

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Case No. 453
Chamber Three
Award No. 179-453-3

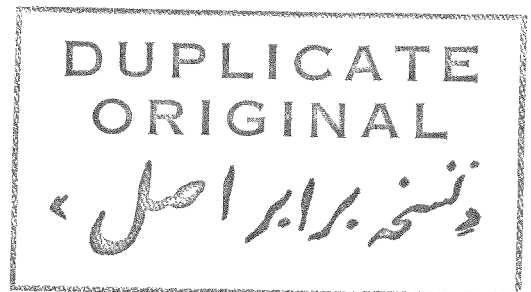


AFIA,
Claimant,

and

ISLAMIC REPUBLIC OF IRAN,
ALBORZ INSURANCE COMPANY,
BIMEH IRAN (IRAN INSURANCE COMPANY),
BIMEH MARKAZI (THE CENTRAL INSURANCE
COMPANY OF IRAN),
BIMEH MELLI (NATIONAL INSURANCE
COMPANY, LTD.),
BIMEH HAFEZ (HAFEZ INSURANCE COMPANY),
and SHARGH SOCIETE ANONYME,

Respondents.



AWARD ON AGREED TERMS

On 20 May 1985 Claimant and Respondents in this case filed a Joint Request for Arbitral Award on Agreed Terms, together with a Settlement Agreement and one Appendix thereto. The Settlement Agreement and its Appendix are attached hereto.

The Joint Request and Settlement Agreement were signed by the representative of the Claimant on the one hand, and by the Agent of the Government of the Islamic Republic of Iran, the representative of Bimeh Iran, as well as by the representative of Bimeh Markazi on behalf of itself and the remaining Respondents and "all other Iranian Nationalized Insurance Companies", on the other hand.

In the Settlement Agreement it was stated that the Parties agreed "to settle the Claims and Counterclaims in exchange for considerations and under the terms and conditions set forth" in the Agreement.

According to Article I of the Agreement AFIA shall be paid the amount of one hundred and seventy five thousand United States Dollars (US \$175,000) (the "Settlement Amount").

In Article II the Parties, including their affiliates and other related entities as defined in the provision, "[u]pon the full and final payment of the Settlement Amount to AFIA", mutually agree to release and discharge each other "from any and all claims, demands and liabilities" that they have or may have had in relation to the "contracts which are the subjects of Claim No. 453 or that are capable or arising out of those contracts."

The Settlement Agreement further provides that "[t]he releases set forth in this Agreement are self-executing upon the full and final payment of the Settlement Amount to AFIA."

The Tribunal has satisfied itself that it has jurisdiction over the claim and that an Award on Agreed Terms can be rendered pursuant to Article 34(1) of the Tribunal Rules.

For the foregoing reasons

THE TRIBUNAL AWARDS AS FOLLOWS:

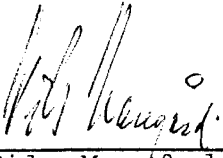
The Settlement Agreement is hereby recorded as an Award on Agreed terms, binding on the Parties, in full settlement of the entire case.

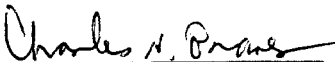
Consequently, the Respondents ISLAMIC REPUBLIC OF IRAN, ALBORZ INSURANCE COMPANY, BIMEH IRAN (IRAN INSURANCE COMPANY), BIMEH MARKAZI (THE CENTRAL INSURANCE COMPANY OF IRAN) BIMEH MELLI (NATIONAL INSURANCE COMPANY, LTD.), BIMEH HAFEZ (HAFEZ INSURANCE COMPANY), SHARGH SOCIETE ANONYME, as well as all other Iranian Nationalized Insurance Companies shall jointly pay the Claimant AFIA One Hundred Seventy-Five Thousand United States Dollars (U.S. \$175,000).

Such payment shall be made 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.

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

Dated, The Hague
17 June 1985


Nils Mangård
Chairman
Chamber Three


Charles N. Brower

In the name of God


Parviz Ansari Moin

87

IN THE IRAN-UNITED STATES CLAIMS TRIBUNAL

THE HAGUE, THE NETHERLANDS

Claim No. 453

Chamber No. 3

Joint Request for Arbitral Award
on Agreed Terms

IRAN-UNITED STATES CLAIMS TRIBUNAL		دائرة دعوای ایران - ایالات متحده
ثبت شد - FILED		
Date	20 MAY 1985 ۱۳۶۴ / ۴ / ۲۰	تاریخ
Award	4/53	شماره

Pursuant to Article 34 of the Provisional Rules of Procedure adopted by the Tribunal, AFIA of the one part and the Islamic Republic of Iran, Alborz Insurance Company, Bimeh Iran (Iran Insurance Company), Bimhe Markazi (The Central Insurance Company of Iran), Bimeh Melli (National Insurance Company, Ltd.), Bimhe Hafez (Hafez Insurance Company), Shargh Societe Anonyme and all other Iranian Nationalised Insurance Companies (hereinafter collectively referred to as "The Iranian entities") of the other part Jointly request that the Tribunal issue an arbitral award on agreed terms as follows:

On December 7th, 1984 (16/9/1363) AFIA of the one part and the Iranian entities of the other part entered into a Settlement Agreement, a copy of which is attached hereto, Which provides that AFIA shall be paid the amount of one hundred and seventy five thousand United States Dollars -- (US \$ 175,000) in complete and final settlement of all claims and counterclaims now existing or capable of arising between and among the undersigned in connection with this Claim, payable in accordance with the terms of the Settlement Agreement.

The undersigned hereby jointly request the Tribunal to record the Settlement Agreement in the form of an arbitral award on agreed terms and thereafter to order, authorise and do all things necessary to ensure that full payment of said award shall be made from the Security Account 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.

Respectfully submitted,

AFIA

The Government of the
Islamic Republic of Iran

in the name of God

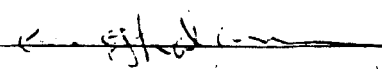
By: 
Name: LAWRENCE G. SALTER
Title: COLLECTIONS
MANAGER

Date: 16th May 1985

By: Mohammad K. Eshragh
Name: _____
Title: 7th May 1985

Date: 

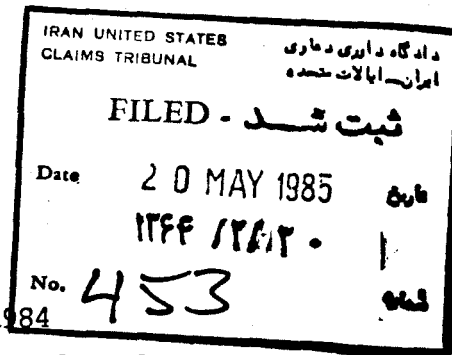
Bimeh Markazi (The Central
Insurance Company of Iran)
and all Iranian Nationalized
Insurance Companies (Alborz
Insurance Company, Bimhe
Melli, Bimeh Hafez, Shargh
Societe Anonyme and all
other Iranian Nationalized
Insurance Companies)

By: 
Name: Abolmehdi Ghalibaf
Title: Vice president of B. Markazi

Bimeh Iran (Iran Insurance
Company)

By: *[Signature]*
Name: ~~M. ZADDAVAT~~ ASKARIAN
Title: ~~Manager~~
Date: 7.12.84

SETTLEMENT AGREEMENT



This Agreement is made this 7th day of December 1984 (16.9.1363) by and between AFIA (hereinafter also referred to as the "Claimant") of the one part and the Islamic Republic of Iran, Alborz Insurance Company, Bimeh Iran (Iran Insurance Company), Bimeh Markazi (The Central Insurance Company of Iran), Bimeh Melli (National Insurance Company, Ltd.), Bimeh Hafez (Hafez Insurance Company), Shargh Societe Anonyme and all other Iranian Nationalised Insurance Companies (herein-after collectively referred to as "the Iranian entities") of the other part.

WHEREAS, AFIA has filed a Statement of Claim against the Iranian entities which has been docketed with the Iran-United States Claims Tribunal as Claim No. 453 (hereinafter referred to as the "Claims") and Alborz Insurance Company, Bimeh Iran and Bimeh Markazi have filed Counterclaims against the Claimant (hereinafter referred to as "Counterclaims"); and

WHEREAS, the Claims and Counterclaims arise out of various reinsurance transactions between and among the parties to this Agreement; and

WHEREAS, the parties to this Agreement wish to settle amicably those Claims and Counterclaims filed with the Tribunal;

NOW THEREFORE, the parties to this Agreement agree to settle the Claims and Counterclaims in exchange for the considerations and under the terms and conditions set forth below.

ARTICLE I-- Payment

A. AFIA shall be paid the amount of one hundred and seventy five thousand United States Dollars (US \$ 175,000) (the "Settlement Amount") as per the Appendix hereto attached. The Claimant and the Iranian entities shall take the necessary steps for the payment of said amount in the manner described in Article I (B) hereof.

B. The parties to this Agreement agree and undertake to submit to the Tribunal a joint request, pursuant to Article 34 of the Tribunal 's Provisional Rules of Procedure, that the Tribunal record this Agreement as an arbitral award on agreed terms and order, authorize and do all things necessary to ensure that payment of the said award shall be made from the Security Account 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.

C. Should there be any social insurance charges, taxes or any other liabilities whatsoever imposed on the Settlement Amount by the Government of Iran, the Iranian entities shall be responsible therefor.

ARTICLE II -- Release and Termination of Proceedings

In consideration of the execution of this Agreement, in consideration of the mutual relinquishment of their respective legal rights with reference to the Claims and Counterclaims and upon the performance of all the obligations of the parties set forth in this Agreement:

A. Payment of the Settlement Amount to AFIA shall constitute a complete cut-off of any and all policy claims or counterclaims relating to or arising out of the contracts which are the subjects of the claim

No. 453 and shall terminate the proceedings in the Claims against the Iranian entities and the Government of the Islamic Republic of Iran and the Counterclaims against the Claimant and shall constitute complete and final settlement of these Claims and Counterclaims now existing or capable of arising in connection with the Claims and the Counterclaims in Case No. 453 between the named parties to this Settlement Agreement.

B. Upon full and final payment of the Settlement Amount to AFIA, AFIA shall for itself and all its member companies, subsidiaries or affiliates (and for the successors and assigns of itself and its member companies, subsidiaries or affiliates) by this Agreement expressly release and forever discharge the Iranian entities from any and all claims, demands and liabilities that it ever had, directly or indirectly now have or hereafter may have relating to or arising out of the contracts which are the subjects of the Claim No. 453 or that are capable of arising out of those contracts. Accordingly, AFIA agrees that it shall within thirty (30) days of the full and final payment of the Settlement Amount cause all other such claims, if any, filed by AFIA as well as any of its member companies, subsidiaries or affiliates against the Iranian entities in any Court or forum to be finally withdrawn and terminated.

C. Upon full and final payment of the Settlement Amount to AFIA, the Iranian entities shall for themselves and their member companies, subsidiaries and affiliates (and for the successors and assigns of themselves and their member companies, subsidiaries and affiliates) by this agreement expressly release and forever discharge the Claimant and its member companies, subsidiaries, affiliates,, directors, officers and employees (and the successors and assigns of the Claimant and its member companies, subsidiaries, affiliates, directors, officers and employees) from any and all claims. demands and liabilities

that they ever had directly or indirectly, now have or hereafter may have relating to or arising out of the contracts which are the subject of the Claim No. 453 or that are capable of arising out of those contracts. Accordingly, the Iranian entities agree that they shall within thirty (30) days of the full and final payment of the Settlement Amount cause all other such claims filed by them against the Claimant or any of its member companies, subsidiaries or affiliates in any court or forum to be finally withdrawn and terminated.

D. Upon the full and final payment of the Settlement Amount to AFIA, AFIA shall for itself and all its member companies, subsidiaries and affiliates (and for the successors and assigns of itself and its member companies, subsidiaries and affiliates) by this Agreement expressly release and forever discharge the Government of the Islamic Republic of Iran and its agencies and instrumentalities from any and all claims, demands and liabilities that they ever had, now have or hereafter may have that arise or are capable of arising out of contracts, transactions or occurrences that are the subject of Claim No. 453.

E. As to any past dealings between the parties to this Settlement Agreement, should any claim be pending or be filed by a third party in any court or forum against any of the parties hereto based on any assignment or transfer of rights of any kind arising out of the contracts which are the subjects of the Claim No. 453 from one of the parties hereto or any of its member companies, subsidiaries or affiliates, the party who or whose member company, subsidiary or affiliate has caused or effected such assignment or transfer of rights shall be exclusively liable to such third party.

F. The releases set forth in this Agreement are self-executing upon the full and final payment of the Settlement Amount to AFIA.

G. Upon full and final payment of the Settlement Amount to AFIA, the parties to this Settlement Agreement shall waive any and all claims for costs, including attorney's fees, arising out of or related to the arbitration or prosecution of the claims or counterclaims asserted (or which might have been asserted) before the Tribunal or elsewhere with respect to these claims or counterclaims.

H. This Agreement, including the releases set forth in this Agreement, does not apply to the subject matter of any other proceedings pending in the Tribunal.

ARTICLE III -- Validity

A. This Agreement shall become legally effective upon its ratification by the Government of the Islamic Republic of Iran and its recording by the Tribunal as an award and only in its entirety. Submission of this Settlement Agreement by the Agent of the Islamic Republic of Iran shall mean that such ratification has been obtained.

B. None of the terms and provisions of this Agreement may be interpreted separately or changed, except by the written agreement of the parties.

C. This Agreement shall be prepared and executed in both English and Farsi. The English and Farsi texts shall be equally valid.

ARTICLE IV -- Confidentiality

A. Prior to the full and final payment of the Settlement Amount to AFIA, the parties to this Agreement shall not refer to, quote or otherwise divulge the contents of this Agreement (except for submission to the Tribunal or to the parties' member companies); or of documents generated solely for purposes of settlement negotiations; or of discussions in the course of the settlement negotiations, in any pending or future proceedings before the Tribunal

or before any other domestic or international court or other legal authority, whether in Iran, the United States or any other country.

B. The parties to this Agreement shall not use, or cause any third party to use, this Settlement Agreement in the prosecution or defence of any pending or future proceedings before the Tribunal or before any other domestic or international court or other legal authority, whether in Iran, the United States or any other country.

ARTICLE V -- Authority

The representatives of the parties hereto expressly declare that they are duly empowered to sign this Agreement and their signatures will commit their respective principals to fulfillment of their obligations under this Agreement without any limitations whatsoever, except as may be otherwise contained in this Settlement Agreement.

The signatory on behalf of AFIA hereby agrees to provide to the Islamic Republic of Iran Agent at the Hague reasonably satisfactory written evidence of his authority to sign this Agreement on behalf of the Member companies of AFIA, whereupon the Islamic Republic of Iran Agent shall execute and file this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement.

Respectfully submitted,

AFIA

BY :

Name:

Tit :

Date:


LAWRENCE G. SALTER
COLLECTIONS
MANAGER
16th. May 1985

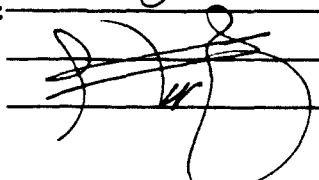
The Government of the
Islamic Republic of Iran
in the name of G.O.I

BY:

Name:

Title:

Date:

Mohammad K. Eshrayh
7th May 1985


Bimeh Markazi (The Central Insurance
Company of Iran) and all Iranian
Nationalised Insurance Companies (
(Alborz Insurance Company, Bimeh
Melli, Bimeh Hafez, Shargh Societe
Anonyme and all other Iranian
Nationalised Insurance Companies)

By: [Signature]
Name: [Signature]
Title: vice president of Bimeh Markazi
Date : _____

Bimeh Iran (Iran Insurance Company)

By: [Signature]
Name: M. SZADPANAH - ASKARIAN
Title : conductor
Date: 7-12-84

APPENDIS

to the Settlement Agreement dated 7th December 1984
(16/9/1363)

	<u>DUE TO AFIA</u>	<u>DUE BY AFIA</u>
<u>ALBORZ</u>	US \$ 134, 146	
	US \$ 40,730	
<u>HAFEZ</u>	US \$ 60,460	
<u>BIMEH IRAN</u>	US \$ 92,858	
<u>BIMEH MARKAZI</u>		US \$ 48,378
		US \$ 2,754
<u>BROKERS' BALANCE:</u>		
(A) Stewart Wrightson		
Willis Faber		
Clarkson		US \$ 98,679
(B) Sedgwick		US \$ 3,000