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DOCUMENTS IN SAFE

Case No. 626Date of filing: 18/11/1993

** AWARD - Type of Award AAT
- Date of Award 18 Jan 1993
5 pages in English 5 pages in Farsi

** DECISION - Date of Decision _____
_____ pages in English _____ pages in Farsi

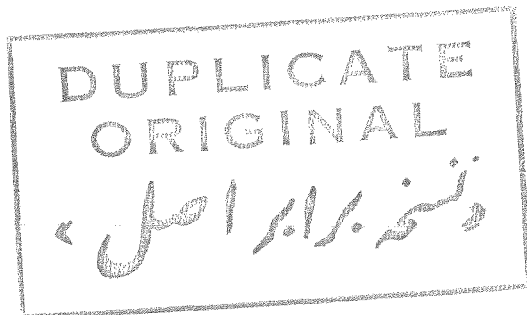
** CONCURRING OPINION of _____
- Date _____
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** SEPARATE OPINION of _____
- Date _____
_____ pages in English _____ pages in Farsi

** DISSENTING OPINION of _____
- Date _____
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** OTHER; Nature of document: _____

- Date _____
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CASE NO. 626

CHAMBER THREE

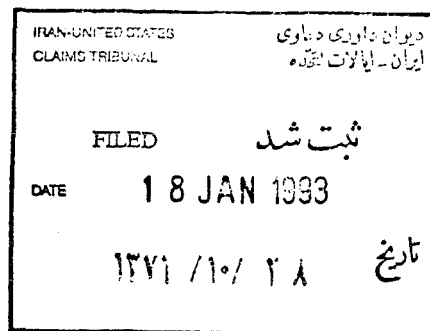
AWARD NO. 542-626-3

KEM INTERNATIONAL COMPANY,
Claimant,

and

THE GOVERNMENT OF THE ISLAMIC
REPUBLIC OF IRAN,
BANK SEPAH,
BANK MELLI IRAN and
BANK TEHRAN,

Respondents.



AWARD ON AGREED TERMS

1. KEM INTERNATIONAL COMPANY (the "Claimant") submitted its Statement of Claim on 18 January 1982 against THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, BANK SEPAH, BANK MELLI IRAN and BANK MELLAT (successor to Bank of Tehran) (the "Respondents"). On 15 and 16 February 1983 the Respondents submitted their Statement of Defence.

2. On 16 December 1992 the Claimant and the Respondents (the "Parties") submitted a Joint Request for an Arbitral Award on Agreed Terms (the "Joint Request"). Attached thereto the Parties submitted a settlement agreement dated 2 November 1992, signed by the Agent of the GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN and by representatives of BANK SEPAH, BANK MELLI IRAN, BANK MELLAT, and KEM INTERNATIONAL COMPANY (the "Settlement Agreement"). The signatories state their "desire to resolve and to make full, complete, and final settlement of all their claims and disputes existing or capable of arising between them related to Case No. 626 and the claims and counterclaims filed therein."

3. The Joint Request states that

in consideration of the full and final settlement of all disputes, differences, claims, counterclaims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts and events related to the subject-matter of Case No. 626, the sum of two hundred twenty-five thousand United States dollars (U.S.\$225,000.00) shall be paid to the Claimant.

Furthermore, in the Joint Request the Tribunal is requested to "issue an Arbitral Award on Agreed Terms that will record and give effect to the attached Settlement Agreement reached by the Parties." Copies of the Joint Request and Settlement Agreement are attached hereto and incorporated herein by reference.

4. The Settlement Agreement provides in paragraph 1 that

[t]he scope and subject matter of this Settlement Agreement is to settle and dismiss, for ever, all disputes, differences, claims, counterclaims, and

matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts and events in any manner related to the subject matter of the Statements of Claim, Defence, and other submissions by the Parties in Case No. 626.

5. The Settlement Agreement provides in paragraph 2 that

[i]n consideration of the full and final settlement of all disputes, differences, claims, counterclaims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts and events in any manner related to the subject matter of the Statements of Claim, Defence, and other submissions by the Parties in Case No. 626 and in consideration of the covenants and promises set forth herein, Claimant shall be paid the amount of two hundred twenty five thousand United States Dollars (U.S.\$225,000), (the "Settlement Amount"). The Settlement Amount shall be paid out of the Security Account established pursuant to paragraph 7 of the Declaration of the Democratic and Popular Republic of Algeria of January 19, 1981.

6. In addition, the Settlement Agreement states in paragraph 3 that

Claimant for itself and for its subsidiaries, affiliates, parents, predecessors, successors, and assigns hereby release, quitclaim, and forever discharge [sic] Respondents and their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, and assigns, from and against any and all claims, demands, losses, damages, suits, actions and causes of action of any nature, whether in rem or in personam or otherwise, which they have ever had, now have or may have in future arising out of or in connection with Case No. 626.

7. Similarly, paragraph 4 of the Settlement Agreement provides that

Respondents for themselves and for their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, and assigns hereby release, quitclaim, and forever discharge Claimant, and its subsidiaries, affiliates, parents, predecessors, successors, and assigns from and against any and all claims, demands losses, damages, suits, actions and causes of action of

any nature, whether in rem or in personam or otherwise, which they have ever had, now have or may have in the future arising out of or in connection with Case No. 626.

8. Finally, the Tribunal notes that the Parties have submitted four originals of the Joint Request (two in English and two in Persian) but that the signature of Bank Sepah is lacking on one of the English originals.¹ By letter received 17 December 1992, however, Bank Sepah agreed to the filing of the Joint Request "in its present form."

9. Finding the provisions of the Settlement Agreement and the Joint Request in compliance with the conditions 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.

10. Based on the foregoing,

THE TRIBUNAL AWARDS AS FOLLOWS:

- (a) The Settlement Agreement is hereby recorded as an Award on Agreed Terms binding upon KEM INTERNATIONAL COMPANY, THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, BANK SEPAH, BANK MELLI IRAN and BANK MELLAT (successor to Bank of Tehran), each of which is bound to fulfill the conditions set forth in the Settlement Agreement.
- (b) The payment obligation specified in the Settlement Agreement in the amount of two hundred twenty-five thousand United States Dollars (U.S.\$225,000.00) shall be satisfied by payment to KEM INTERNATIONAL COMPANY out of the Security Account established pursuant to paragraph 7 of the Declaration of the Government of the

¹The signature of Bank Sepah does appear on the Settlement Agreement attached to that English original.

Democratic and Popular Republic of Algeria dated 19
January 1981.

(c) This Award is hereby submitted to the President for
notification to the Escrow Agent.

Dated, The Hague,

18 January 1993

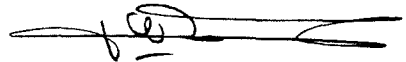


Gaetano Arangio-Ruiz
Chairman
Chamber Three

In the Name of God



Richard C. Allison



Mohsen Aghahosseini

IRAN-UNITED STATES CLAIMS TRIBUNAL	دیوان داورى دعاوى ایران - ایالات متحده
FILED	ثبت شد
16 DEC 1992	
1371/9/25	تاریخ

IN THE NAME OF GOD
Iran-United States Claims Tribunal

Kem International Co., Inc.
Claimant,

v.

Case No. 626
Chamber Three

Islamic Republic of Iran, Bank
Sepah, Bank Mellat, and Bank
Melli,

Respondents.

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 2nd day of November 1992, between Kem International Co., Inc. (Claimant"), a corporation organized and existing under the laws of the State of New York, on one part, and Bank Sepah, Bank Mellat, Bank Melli and the Government of the Islamic Republic of Iran hereinafter collectively called "Respondents", on the other part. Claimant and Respondents are hereinafter collectively referred to as the "Parties".

WHEREAS, Claimant has filed a Statement of Claim with the Iran-United States Claims Tribunal ("the Tribunal") raising certain claims against the Respondents which claim was docketed by the Tribunal as Case No. 626;

Whereas, Respondents have asserted defenses and filed in case No. 626;

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[Handwritten signature]

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WHEREAS, the Parties desire to resolve and to make full, complete, and final settlement of all their claims and disputes existing or capable of arising between them related to Case No. 626 and the claims and counterclaims filed therein;

NOW, THEREFORE, the Parties agree:

1. The scope and subject matter of this Settlement Agreement is to settle and dismiss, for ever, all disputes, differences, claims, counterclaims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts and events in any manner related to the subject matter of the Statements of Claim, Defence, and other submissions by the Parties in Case No. 626.

2. In consideration of the full and final settlement of all disputes, differences, claims, counterclaims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts and events in any manner related to the subject matter of the Statements of Claim, Defence, and other submissions by the Parties in Case No. 626 and in consideration of the covenants and promises set forth herein, Claimant shall be paid the amount of two hundred twenty five thousand United States Dollars (US.\$ 225,000), (the "Settlement Amount"). The Settlement Amount shall be paid out of the Security Account established pursuant to paragraph 7 of

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the Declaration of the Democratic and Popular Republic of Algeria of January 19, 1981.

3. Claimant for itself and for its subsidiaries, affiliates, parents, predecessors, successors, and assigns hereby release , quitclaim, and forever discharge Respondents and their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, and assigns, from and against any and all claims, demands, losses, damages, suits, actions and causes of action of any nature, whether in rem or in personam or otherwise, which they have ever had, now have or may have in future arising out of or in connection with Case No. 626.

4. Respondents for themselves and for their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, and assigns hereby release, quitclaim, and forever discharge Claimant, and its subsidiaries, affiliates, parents, predecessors, successors, and assigns from and against any and all claims, demands, losses, damages, suits, actions and causes of action of any nature, whether in rem or in personam or otherwise, which they have ever had, now have or may have in the future arising out of or in connection with Case No. 626

5. Claimant shall indemnify and hold harmless Respondents, their affiliates, subsidiaries, agencies and instrumentalities, predecessors, successors, and assigns against any claim, counterclaim, action or proceeding that any or all of the Claimant, its subsidiaries, affiliates, predecessors,

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successors, assigns and any third party may raise, assert, initiate or take against any or all of the Respondents, their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, and assigns relating to , or arising out of, or capable of arising out of, the contracts, transactions, relationships, rights, or occurrences, and any matters that are the subject of the claims raised in case No. 626.

6. Respondents shall indemnify and hold harmless Claimant, its subsidiaries, affiliates, parents, predecessors, successors and assigns against any claim, counterclaim, action or proceeding that any or all of the Respondents, their affiliates, subsidiaries, agencies, instrumentalities, predecessors, successors, assigns and any third party may raise, assert, initiate or take against any or all of the Claimant, its subsidiaries, affiliates, parents, predecessors, successors, and assigns relating to or arising out of, or capable of arising out of, the contracts, transactions, relationships, rights or occurrences and any matters that are the subject of the defences made in Case No. 626.

7. Upon the issuance of the Arbitral Award on Agreed Terms, the Parties shall not directly, indirectly, individually, or in conjunction with others at any time thereafter take or pursue any legal action or initiate or pursue arbitral or court proceedings or otherwise make any claim whatsoever against each other or any of their respective subsidiaries, affiliates,

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parents, predecessors, successors, assigns, agencies, or instrumentalities, with respect to the subject matter of the claims and counterclaims in Case No. 626.

8. Upon the issuance of the Arbitral Award on Agreed Terms, the Parties shall waive any and all claims for costs, including attorneys' fees, arising out of or related in any way to the arbitration, prosecution, or defense of any claim before any forum including the Iran-United States Claims Tribunal with respect to Case No. 626.

9. The releases, waivers, transfers, undertakings, obligations, and agreements herein are self-executing upon the issuance of the Arbitral Award on Agreed Terms, and need not be authorized, evidenced, or signified by any additional document, agreement, or other writing.

10. The Parties hereto consent to the submission of this Settlement Agreement to the authorities deemed appropriate by Respondents, prior to its filing with the Tribunal. The signing of this Settlement Agreement by the Iran's Agent to the Tribunal shall signify that all such authorities have given their approval, and thereafter the Parties shall, not later than 45 days from the date hereof, submit to the tribunal a Joint Request for an Award on Agreed Terms giving effect to this Agreement.

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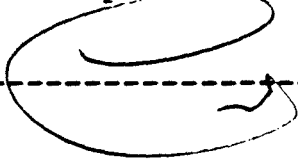
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11. For the purpose of construction and interpretation of this Settlement Agreement the entire agreement shall be read and construed as a whole without giving any specific effect to any article separately.

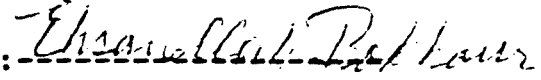
12. This Settlement Agreement (in six originals in each language) has been written and signed in English and Persian, and each text shall have equal validity.

IN WITNESS WHEREOF, the Parties have executed and delivered this Settlement Agreement this 2nd day of November 1992.

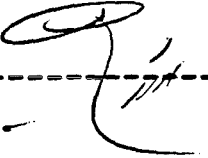
The Islamic Republic of Iran

By: -----

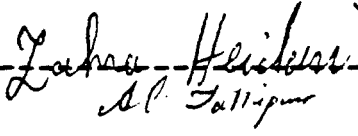
Kem International Co., Inc.

By: -----

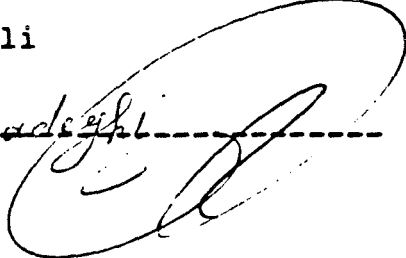
Bank Sepah

By: -----

Bank Mellat

By: -----
Al. Fallipour

Bank Melli

By: -----

In the Name of God

Iran-U.S. Claims Tribunal

Kem International Co., Inc.,

Claimant,

and

Islamic Republic of Iran,
Bank Sepah,
Bank Mellat, &
Bank Melli Iran,

Respondents.

IRAN-UNITED STATES CLAIMS TRIBUNAL	دیوان دادرسی دعوای ایران - ایالات متحده
FILED	ثبت شد
DATE	16 DEC 1992
	۱۳۷۱ / ۹ / ۲۵ تاریخ

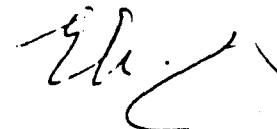
Case No. 626

Chamber 3

JOINT REQUEST FOR ARBITRAL AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal Rules of Procedures, Kem International Co., Inc., ("Claimant") and Bank Sepah, Bank Mellat, Bank Melli Iran and the Government of the Islamic Republic of Iran (hereinafter collectively called "Respondents"), jointly request that the Iran-U.S. Claims Tribunal issue an Arbitral Award on Agreed Terms that will record and give effect to the attached Settlement Agreement reached by the Parties.

The Settlement Agreement which was entered into on 2 November, 1992 (provides that in consideration of the full and final settlement of all disputes, differences, claims, counterclaims, and matters directly or indirectly raised or capable of arising out of the relationships, transactions, contracts and events related to the subject-matter

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of Case No. 626, the sum of two hundred twenty five thousand United States dollars (US\$225,000.00) shall be paid to the Claimant.

Respectfully submitted,

The Agent of the Islamic
Republic of Iran to the
Iran-U.S. Claims Tribunal

Kem International Co. Inc.

By

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Bank Sepah

By

Sh. Aslani

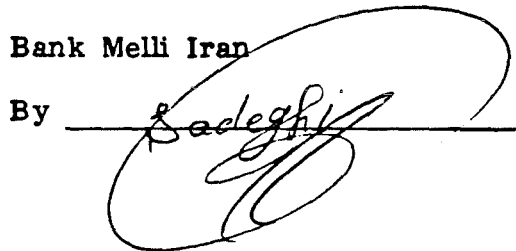
Bank Mellat

By

Zahra Haidari

Bank Melli Iran

By

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