

ORIGINAL DOCUMENTS IN SAFE

Case No. 96

Date of filing: 16-Dec-83

** AWARD - Type of Award Agreed Terms
 - Date of Award 16-Dec-83
4 pages in English 4 pages in Farsi

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

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

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

** DISSENTING OPINION of _____
 - Date _____
 _____ pages in English _____ pages in Farsi

** OTHER; Nature of document: Attach is ^{copy of} Settlement agreement

- Date _____
 _____ pages in English _____ pages in Farsi

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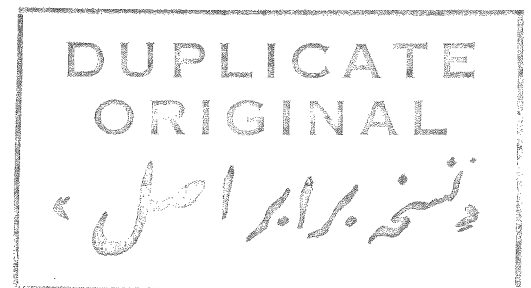
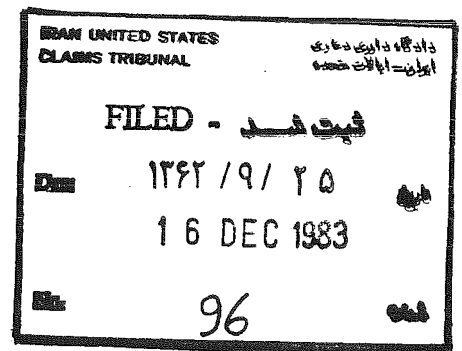
CASE NO. 96

CHAMBER ONE

AWARD NO. 90-96-1

CABOT INTERNATIONAL CAPITAL
CORPORATION and OVERSEAS
PRIVATE INVESTMENT CORPORATION,
Claimants,
and
THE GOVERNMENT OF THE ISLAMIC
REPUBLIC OF IRAN,
THE MINISTRY OF PETROLEUM,
THE NATIONAL IRANIAN OIL
COMPANY, THE NATIONAL PETROCHEMICAL
COMPANY OF IRAN,

Respondents.



AWARD ON AGREED TERMS

On 10 November 1983 a Joint Request for an Arbitral Award on agreed terms was filed with the Tribunal, signed by representatives of CABOT INTERNATIONAL CAPITAL CORPORATION ("CABOT"), OVERSEAS PRIVATE INVESTMENT CORPORATION ("OPIC"), THE NATIONAL PETROCHEMICAL COMPANY OF IRAN ("NPC") and the Agent of THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN, requesting the Tribunal to record as an Arbitral Award on agreed terms pursuant to Article 34 of the Tribunal Rules the Settlement Agreement attached thereto dated 9 November 1983 between CABOT and NPC. Copies of the Joint Request and Settlement Agreement are annexed hereto.

The Settlement Agreement provides for certain reciprocal obligations by the Parties, and is stated to be "in complete and final settlement of all claims and counterclaims now existing or capable of arising in connection with this Case." In a letter filed with the Tribunal on 12 December 1983 the Agent of the Government of the Islamic Republic of Iran confirmed that THE NATIONAL IRANIAN OIL COMPANY ("NIOC"), the remaining Respondent in the Case, approved the content of the Settlement Agreement.

In the Joint Request the Claimant OPIC requests that the claims made by it in Case No. 96 be withdrawn. The Tribunal agrees to this request.

In accordance with the provisions of the Settlement Agreement, CABOT requests that Small Claims Nos. 10765, 10766 and 10767 be withdrawn. Withdrawals of these Small Claims were filed on 17 November 1983 by the Agent of THE GOVERNMENT OF THE UNITED STATES OF AMERICA.

Article Five (ii) of the Settlement Agreement provides that the Tribunal shall implement the settlement only after the deposit by the Claimant with the Tribunal of certain endorsed share certificates, which are to be released to NPC upon payment of the Settlement Amount. At the request of

the President of the Tribunal, the Agent of the GOVERNMENT OF THE ISLAMIC REPUBLIC OF IRAN confirmed in a letter filed on 8 December 1983 that the share certificates deposited by the Claimant on 22 November 1983 correspond with the requirements of Article Five (ii).

Based on the foregoing,

The Settlement Agreement is hereby recorded as an Award on agreed terms binding on the Parties. Consequently the Respondent THE NATIONAL PETROCHEMICAL COMPANY OF IRAN is obligated to pay the Claimant CABOT INTERNATIONAL CAPITAL CORPORATION the amount of Three Million Thirty Five Thousand United States Dollars (\$3,035,000.00) which obligation shall be satisfied by payment 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.

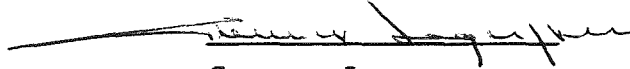
On receipt of the Settlement Amount Cabot shall immediately so notify the Tribunal, whereupon the Tribunal will deliver to NPC the share certificates deposited with it.

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

By Orders of Chamber One of the Tribunal dated 16 December 1983 the proceedings in Small Claims Nos. 10765, 10766 and

10767 are terminated pursuant to the Joint Request.

Dated, The Hague,
16 December 1983



Gunnar Lagergren

Chairman

Chamber One

I agree with the Chairman in accepting and recording of the Settlement Agreement as an Award on agreed terms but I dissent as to the remaining part of this Award not only because that part unilaterally condemns one of the parties to the performance of its obligations and ignores the reciprocal obligations of the other party but also because it provides for an enforcement procedure, which a judge is barred from after deciding the dispute or accepting and recording the settlement, according to Article 34 of the UNCITRAL Rules.


Howard M. Holtzmann

Mahmoud M. Kashani

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

Claim No. 96

Chamber No. 1

CABOT INTERNATIONAL CAPITAL CORPORATION
AND OVERSEAS PRIVATE INVESTMENT CORPORATION

Claimants

THE GOVERNMENT OF THE ISLAMIC REPUBLIC
OF IRAN, THE MINISTRY OF PETROLEUM, THE
NATIONAL IRANIAN OIL COMPANY, AND THE
NATIONAL PETROCHEMICAL COMPANY OF IRAN

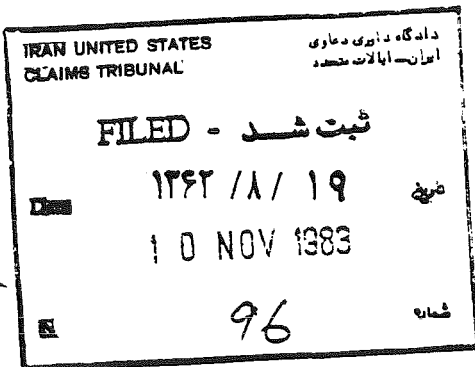
Respondents

JOINT REQUEST FOR ARBITRAL
AWARD ON AGREED TERMS

Pursuant to Article 34 of the Tribunal's Rules of Procedure, Cabot International Capital Corporation ("Cabot") and Overseas Private Investment Corporation ("O.P.I.C.") and National Petrochemical Company of Iran ("NPC") jointly request that the Tribunal issue an arbitral Award on Agreed Terms that will record and give effect to the Settlement Agreement reached by the parties to the Settlement Agreement.

On Nov. 09, 1983 Cabot and NPC entered into a Settlement Agreement, a copy of which is attached hereto, providing that Cabot shall be paid the amount of Three million Thirty Five thousand United States Dollars and no Cents (US \$ 3,035,000) in complete and final settlement of all

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claims and counterclaims now existing or capable of arising in connection with this Case.

The undersigned request the Tribunal to record the Settlement Agreement as an arbitral Award on Agreed Terms, with full payment to Cabot to be made out of the Security Account.

O.P.I.C. further requests, jointly with Cabot and NPC, that O.P.I.C.'s claims in Claim No.96 be withdrawn from the Tribunal upon entry of the award sought in the present request. Moreover, O.P.I.C. shall not thereafter pursue the claims in Case No. 96 against any of the Respondents in Case No. 96 in any other court or forum, and shall cause any such claims pending in any court or forum to be terminated.

Cabot International Capital Corporation requests pursuant to the Settlement Agreement that Small Claims Nos.10767, 10766 and 10765 not yet assigned to a chamber be withdrawn upon approval of the Settlement Agreement.

Respectfully submitted,

In the name of ~~National Petrochemical Company~~

Islamic Republic of Iran

M.K. Eshrafi

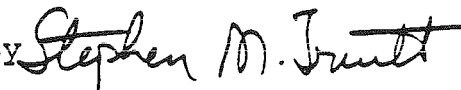
By


A. Ashrafi

National Petrochemical
Company of Iran

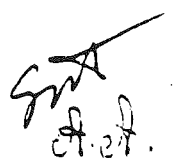
Date, Nov. 10, 1983

Cabot International Capital
Corporation and Overseas
Private Investment Corporation

By 

Stephen M. Truitt
Wald, Harkrader & Ross
Representative of Claimants

Date, Nov 10, 1983


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SETTLEMENT AGREEMENT

This Agreement (the "Settlement Agreement" or "Agreement") dated Nov. 09, 1983, between the National Petrochemical Company of Iran (hereinafter "NPC"), which for purpose of this Agreement represents itself, its affiliates and subsidiaries before the Iran-United States Claims Tribunal (the "Tribunal") in Claim No. 96 dated November 10, 1981, ("Claim 96") Respondent, and Cabot International Capital Corporation (hereinafter "Cabot"), representing itself, its parent company, and its parent's subsidiaries and affiliates, before the Tribunal in the above Claim 96. (Claimant)

WHEREAS, the Government of Iran (hereinafter "Iran") and the Government of the United States of America joined in the certain Declaration of the Government of the Democratic and Popular Republic of Algeria, initialed on January 19, 1981 (the "Algerian Declaration");

WHEREAS, Cabot has certain claims against Iran, more particularly mentioned in its Statement of Claims submitted to the Tribunal registered under Claim 96;

WHEREAS, Respondent has filed its Statement of Defence in respect of the above claims;

WHEREAS, Cabot acquired shares representing a fifty percent interest (the "Cabot Shares") in the Iran Carbon Company ("Iran Carbon") and other interests in Iran Carbon, a corporation organized under the laws of, and with offices and facilities in Iran;

WHEREAS, Cabot confirms its ability to make disposition of its interests, such as exist, in Iran Carbon, including the Cabot Shares, free and clear of legal restriction;

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WHEREAS, NPC wishes to acquire any interest that Cabot retains in Iran Carbon, including the Cabot Shares, and amicably to settle the above dispute now before the Tribunal;

WHEREAS, Cabot is willing to dispose of any interest in Iran Carbon that it retains and amicably to settle the above dispute now before the Tribunal;

WHEREAS, the parties have agreed that as of the date of this Agreement there are no other claims, disputes and/or counter-claims outstanding between the parties and/or their affiliates and/or their parents and/or their subsidiary companies (including Iran Carbon) other than those discussed and fully settled and satisfied.

and

WHEREAS, Article 34 of the UNCITRAL Arbitration Rules, pursuant to which the Tribunal is conducting its business, allows the parties to make out of court settlements and, if requested by both parties, the Tribunal may record the settlement in the form of an arbitral Award on Agreed Terms.

THEREFORE, the parties agree as follows :

Article one:

The parties agree to submit this Settlement Agreement to the Iran-United States Claims Tribunal to be recorded as an arbitral Award on Agreed Terms.

Article two:

- (i) In consideration of the settlement of all their differences as specified in the Statements of Claim and Statement of Defence submitted in Claims Nos.96,10765, 10766, 10767 to the Iran-United States Claims Tribunal, Claimant shall be paid the sum of Three Million Thirty Five Thousand United States Dollars (U.S. \$3,035,000) (the "Settlement Amount").

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- (ii) It is agreed that 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 January 19, 1981.

Article three:

Upon payment of the above-mentioned sum, the Claimant and the Respondent shall be barred from continuing with any proceedings before the Iran-United States Tribunal or any other forum, including but not limited to any court in the United States of America or the Islamic Republic of Iran, in relation to the claims or counterclaims in Claims Nos.96, 10765, 10766, 10767.

Article four:

Upon payment of the above-mentioned sum, the Claimant or Respondent and their successors and assigns and transferees, should there be any, shall have no right to make claims in the future against each other and assigns or each other's directors, officers and employees based on any rights or obligations, past or present and/or in connection with the shares of Claimant in Iran Carbon Company and/or any other matter which has been raised or which could have been raised related to the subject matter of Claims Nos.96, 10765, 10766, 10767 and/or any other past dealings, including but not limited to the main Agreement, Technical Services Assistance Agreement, Patent License Agreement, Natural Gas Agreement and Clarified Oil Purchase Agreement.

Article five:

- (i) Upon payment of the above-mentioned sum, all title, rights and interests of the claimant to their shares in Iran Carbon Company including property rights, rights of

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ownership, dividends not received by the claimant (declared or undeclared) and any other rights and interests, acquired as a result of holding such shares whether such rights or interests have been acquired or granted by law, the Articles of Association of Iran Carbon Company or in any other way, shall be considered as transferred to the National Petrochemical Company (NPC). Therefore NPC is entitled to take all necessary steps to record such transfer.

- (ii) Claimant shall endorse all its certificates of shares of Iran Carbon in the name of NPC and shall deposit them with Chamber One of the Iran-United States Claims Tribunal within 20 days after the date of this Agreement. The Tribunal shall only implement this Agreement after such deposit is made. Upon payment of the Settlement Amount, the Tribunal shall release such certificates to NPC. If the Tribunal shall refuse to accept the share certificates as aforesaid, then :
- (iii) Immediately upon receipt of the Settlement Amount, Cabot shall endorse all of its certificates of shares in Iran Carbon and deliver them to NPC. In the event that Cabot fails to make promptly such endorsement and delivery, such share certificates shall be null and void and Iran Carbon shall be entitled to issue replacement share certificates to NPC.

Article six:

The releases contained in Articles three and four and the transfer of shares and dividends referred to in Article five are self-executing upon the payment to the Claimant of the sum set forth in Article two. No further documents need therefore to be executed in implementing those Articles.

Article seven:

Upon payment of the Settlement Amount, parties in Claims Nos. 96, 10765, 10766, 10767 agree to waive any and all claims for costs (including Attorney's fees) arising out of or related to the arbitration, prosecution

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or defence of the claims or counterclaims asserted (or which might have been asserted) before the Iran-United States Claims Tribunal, or elsewhere with respect to matters involved in this case.

Article eight:

Cabot shall indemnify and hold harmless NPC, its parent companies, its affiliates and subsidiaries and the Government of Iran, its subdivisions and instrumentalities, and NPC shall indemnify and hold harmless Cabot, its parent and its parent's affiliates and subsidiaries against any lawsuit filed or legal action taken by the other party or a third party under the same cause or causes of action as contained in the pleadings of Claims Nos. 96, 10765, 10766, 10767 and transfers pursuant to Article five hereof.

Article nine:

Neither Cabot nor NPC in any way represents that this Settlement Agreement reflects an acquiescence by either party in the claims, allegations or representations contained in the pleadings of the other in Claims Nos. 96, 10765, 10766, 10767.

Article ten:

It is understood that this Settlement Agreement is made in spirit of private settlement of disputes, that it shall be null and void if not approved by the Tribunal and that it shall not affect any position of parties in any matter other than claims Nos. 96, 10765, 10766, 10767. The parties further agree that they shall not use, or cause any party to use this Settlement Agreement in the prosecution or defence of any other case before the Iran-United States Tribunal or any other forum, except that the parties may use this Agreement for the purpose of establishing the releases referred to in Articles three and four above, and the indemnification of Article eight above.

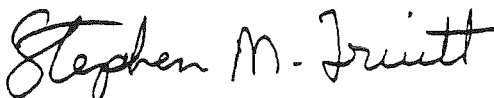
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The representatives of the parties hereto hereby expressly declare that they are duly empowered to sign this Agreement and their signatures will commit their respective companies for fulfilment of their obligations under this Agreement without any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

ARTICLE ELEVEN

This Agreement has been written and signed in both languages of Farsi and English and each text shall have the same equal validity.

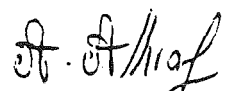
Cabot International Capital Corporation

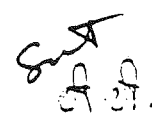
by 

Stephen M. Truitt
Wald Harkrader & Ross
Representative of Claimant

National Petrochemical Company of Iran

by


A. Ashrafi


A. Ashrafi