

Convention concluded between the Imperial Government of Persia and the Anglo-Persian Oil Company, Limited, at Tehran on 29th April, 1933

(Translation)

PREAMBLE

For the purpose of establishing a new Concession to replace that which was granted in 1901 to William Knox D'Arcy, the present Concession is granted by the Persian Government and accepted by the Anglo-Persian Oil Company Limited.

This Concession shall regulate in the future the relations between the two parties above-mentioned.

DEFINITIONS

The following definitions of certain terms used in the present Agreement are applicable for the purposes hereof without regard to any different meaning which may or might be attributed to those terms for other purposes.

"The Government"

means the Imperial Government of Persia.

"The Company"

means the Anglo-Persian Oil Company Limited and all its *subordinate companies*.

"The Anglo-Persian Oil Company Limited"

means the Anglo-Persian Oil Company Limited or any other body corporate to which, with the consent of *the Government* (Article 26), this Concession might be transferred.

"Subordinate Company"

means any company for which *the Company* has the right to nominate directly or indirectly more than one-half of the directors, or in which *the Company* holds, directly or indirectly, a number of shares sufficient to assure it more than 50% of all voting rights at the General Meetings of such a company.

"Petroleum"

means crude oil, natural gases, asphalt, ozokerite, as well as all products obtained either from these substances or by mixing these substances with other substances.

"Operations of the Company in Persia"

means all industrial, commercial and technical operations carried on by *the Company* exclusively for the purposes of this Concession.

ARTICLE I

The Government grants to *the Company*, on the terms of this Concession, the exclusive right, within the territory of the Concession, to search for and extract *petroleum* as well as to refine or treat in any other manner and render suitable for commerce the *petroleum* obtained by it.

The Government also grants to *the Company*, throughout Persia, the non-exclusive right to transport *petroleum*, to refine or treat it in any other manner and to render it suitable for commerce, as well as to sell it in Persia and to export it.

ARTICLE 2

(A) The territory of the Concession, until 31st December, 1938, shall be the territory to the south of the violet line drawn on the map* signed by both parties and annexed to the present Agreement.

(B) *The Company* is bound, at latest by 31st December, 1938, to select on the territory above-mentioned one or several areas of such shape and such size and so situated as *the Company* may deem suitable. The total area of the area or areas selected must not exceed one hundred thousand English square miles (100,000 square miles), each linear mile being equivalent to 1,609 metres.

The Company shall notify to *the Government* in writing on 31st December, 1938, or before that date, the area or areas which it shall have selected as above provided. The maps and data necessary to identify and define the area or areas which *the Company* shall have selected shall be attached to each notification.

(C) After 31st December, 1938, *the Company* shall no longer have the right to search for and extract *petroleum* except on the area or areas selected by it under paragraph (B) above and the territory of the Concession, after that date, shall mean only the area or areas so selected and the selection of which shall have been notified to *the Government* as above provided.

ARTICLE 3

The Company shall have the non-exclusive right to construct and to own pipe-lines. *The Company* may determine the position of its pipe-lines and operate them.

ARTICLE 4

(A) Any utilised lands belonging to *the Government*, which *the Company* shall deem necessary for its operations in *Persia* and which *the Government* shall not require for purposes of public utility, shall be handed over gratuitously to *the Company*.

The manner of acquiring such lands shall be the following: whenever any land becomes necessary to *the Company*, it is bound to send to the Ministry of Finance a map or maps on which the land which *the Company* needs shall be shown in colour. *The Government* undertakes, if it has no objection to make, to give its approval within a period of three months after receipt of *the Company's* request.

(B) Lands belonging to *the Government*, of which use is being made, and which *the Company* shall need, shall be requested of *the Government* in the manner prescribed in the preceding paragraph, and *the Government*, in case it should not itself need these lands and should have no objection to make, shall give, within a period of three months, its approval to the sale asked for by *the Company*.

The price of these lands shall be paid by *the Company*; such price must be reasonable and not exceed the current price of lands of the same kind and utilised in the same manner in the district.

(C) In the absence of a reply from *the Government* to requests under paragraphs (A) and (B) above, after the expiry of two months from the date of receipt of the said requests, a reminder shall be sent by *the Company* to *the Government*; should *the Government* fail to reply to such reminder within a period of one month, its silence shall be regarded as approval.

(D) Lands which do not belong to *the Government* and which are necessary to *the Company* shall be acquired by *the Company*, by agreement with the parties interested, and through the medium of *the Government*.

* Not printed.

In case agreement should not be reached as to the prices, *the Government* shall not allow the owners of such lands to demand a price higher than the prices commonly current for neighbouring lands of the same nature. In valuing such lands, no regard shall be paid to the use to which *the Company* may wish to put them.

(E) Holy places and historical monuments, as well as all places and sites of historical interest are excluded from the foregoing provisions, as well as their immediate surroundings for a distance of at least 200 metres.

(F) *The Company* has the non-exclusive right to take within the territory of the Concession, but not elsewhere, on any unutilised land belonging to the State, and to utilise gratuitously for all the operations of *the Company*, any kinds of soil, sand, lime, gypsum, stone and other building materials. It is understood that if the utilisation of the said materials were prejudicial to any rights whatever of third parties, *the Company* should indemnify those whose rights were infringed.

ARTICLE 5

The operations of *the Company in Persia* shall be restricted in the following manner:

- (1) the construction of any new railway line and of any new port shall be subject to a previous agreement between *the Government* and *the Company*.
- (2) if *the Company* wishes to increase its existing service of telephones, telegraphs, wireless and aviation in Persia, it shall only be able so to do with the previous consent of *the Government*.

If *the Government* requires to utilise the means of transport and communication of *the Company* for national defence or in other critical circumstances, it undertakes to impede as little as possible the operations of *the Company*, and to pay it fair compensation for all damages caused by the utilisation above-mentioned.

ARTICLE 6

(A) *The Company* is authorised to effect, without special licence, all imports necessary for the exclusive needs of its employees on payment of the Custom duties and other duties and taxes in force at the time of importation.

The Company shall take the necessary measures to prevent the sale or the handing over of products imported to persons not employed by *the Company*.

(B) *The Company* shall have the right to import, without special licence, the equipment, material, medical and surgical instruments and pharmaceutical products necessary for its dispensaries and hospitals in Persia, and shall be exempt in respect thereof from any Custom duties and other duties and taxes in force at the time of importation, or payments of any nature whatever to the Persian State or to local authorities.

(C) *The Company* shall have the right to import, without any licence and exempt from any Custom duties and from any taxes or payments of any nature whatever to the Persian State or to local authorities, anything necessary exclusively for the operations of *the Company in Persia*.

(D) The exports of *petroleum* shall enjoy Customs immunity and shall be exempt from any taxes or payments of any nature whatever to the Persian State or to local authorities.

ARTICLE 7

(A) *The Company* and its employees shall enjoy the legal protection of the Government.

(B) *The Government* shall give, within the limits of the laws and regulations of the country, all possible facilities for the operations of the *Company* in Persia.

(C) If the Government grants concessions to third parties for the purpose of exploiting other mines within the territory of the concession, it must cause the necessary precautions to be taken in order that these exploitations do not cause any damage to the installations and works of the *Company*.

(D) *The Company* shall be responsible for the determination of dangerous zones for the construction of habitations, shops and other buildings, in order that the Government may prevent the inhabitants from settling there.

ARTICLE 8

The Company shall not be bound to convert into Persian currency any part whatsoever of its funds, in particular any proceeds of the sale of its exports from Persia.

ARTICLE 9

The Company shall immediately make its arrangements to proceed with its operations in the province of Kermanshah through a subsidiary company with a view to producing and refining petroleum there.

ARTICLE 10

(I) The sums to be paid to the Government by the *Company* in accordance with this Agreement (besides those provided in other articles) are fixed as follows:

- (a) an annual royalty, beginning on 1st January, 1933, of four shillings per ton of petroleum sold for consumption in Persia or exported from Persia;
- (b) Payment of a sum equal to twenty per cent. (20%) of the distribution to the ordinary stockholders of the *Anglo-Persian Oil Company Limited*, in excess of the sum of six hundred and seventy-one thousand two hundred and fifty pounds sterling (£671,250) whether that distribution be made as dividends for any one year or whether it relates to the reserves of that company, exceeding the reserves which, according to its books, existed on 31st December, 1932.
- (c) The total amount to be paid by the *Company* for each calendar (Christian) year under sub-clauses (a) and (b) shall never be less than seven hundred and fifty thousand pounds sterling (£750,000).

(II) Payments by the *Company* under this Article shall be made as follows:

- (a) On 31st March, 30th June, 30th September and 31st December of each year, on each occasion one hundred and eighty-seven thousand five hundred pounds sterling (£187,500). (The payment relating to 31st March, 1933, shall be made immediately after the ratification of the present Agreement.)
- (b) On 28th February, 1934, and thereafter on the same date in each year, the amount of the tonnage royalty for the previous year provided for in sub-clause (I) (a) less the sum of seven hundred and fifty thousand pounds sterling (£750,000), already paid under sub-clause (II) (a).
- (c) Any sums due to the Government under sub-clause (I) (b) of this Article shall be paid simultaneously with any distributions to the ordinary stockholders.

(III) On the expiration of this Concession, as well as in the case of surrender by *the Company* under Article 25 *the Company* shall pay to *the Government* a sum equal to twenty per cent. (20%) of:

- (a) the surplus difference between the amount of the reserves (General Reserve) of *the Anglo-Persian Oil Company Limited*, at the date of the expiration of the Concession or of its surrender, and the amount of the same reserves at 31st December, 1932;
- (b) the surplus difference between the balance carried forward by *the Anglo-Persian Oil Company Limited* at the date of the expiration of the Concession or of its surrender and the balance carried forward by that Company at 31st December, 1932. Any payment due to *the Government* under this clause shall be made within a period of one month from the date of the General Meeting of the Company following the expiration or the surrender of the Concession.

(IV) *The Government* shall have the right to check the returns relating to sub-clause (I) (a) which shall be made to it at latest on 28th February for the preceding year.

(V) To secure *the Government* against any loss which might result from fluctuations in the value of English currency, the parties have agreed as follows:

- (a) if, at any time, the price of gold in London exceeds six pounds sterling per ounce (ounce troy) the payments to be made by *the Company* in accordance with the present Agreement (with the exception of sums due to *the Government* under sub-clause (I) (b) and clause (III) (a) and (b) of this Article and sub-clause (I) (a) of Article 23) shall be increased by one thousand four hundred and fortieth part ($\frac{1}{140}$) for each penny of increase of the price of gold above six pounds sterling (£6) per ounce (ounce troy) on the due date of the payments.
- (b) if, at any time, *the Government* considers that gold has ceased to be the general basis of values and that the payments above mentioned no longer give it the security which is intended by the parties, the parties shall come to an agreement as to a modification of the nature of the security above mentioned or, in default of such an arrangement, shall submit the question to the Arbitration Court (Article 22) which shall decide whether the security provided in sub-clause (a) above ought to be altered and if so, shall settle the provisions to be substituted therefor and shall fix the period to which such provisions shall apply.

(VI) In case of a delay, beyond the dates fixed in the present Agreement, which might be made by *the Company* in the payment of sums due by it to *the Government*, interest at five per cent. (5%) per annum shall be paid for the period of delay.

ARTICLE 11

(I) *The Company* shall be completely exempt, for its operations in Persia, for the first thirty years, from any taxation present or future of the State and of local authorities; in consideration therefor the following payments shall be made to *the Government* :—

- (a) During the first fifteen years of this Concession, on 28th February of each year and for the first time on 28th February, 1934, nine pence for each of the first six million (6,000,000) tons of *petroleum*, on which the royalty provided for in Article 10 (I) (a) is payable for the preceding calendar (Christian) year, and six pence for each ton in excess of the figure of six million (6,000,000) tons above defined.

- (b) *The Company* guarantees that the amount paid under the preceding sub-clause shall never be less than two hundred and twenty-five thousand pounds sterling (£225,000).
- (c) During the fifteen years following, one shilling for each of the first six million (6,000,000) tons of *petroleum*, on which the royalty provided for in Article 10 (I) (a) is payable for the preceding calendar year, and nine pence for each ton in excess of the figure of 6,000,000 tons above defined.
- (d) *The Company* guarantees that the amount paid under the preceding sub-clause (c) shall never be less than three hundred thousand pounds sterling (£300,000).

(II) Before the year 1963 the parties shall come to an agreement as to the amounts of the annual payments to be made, in consideration of the complete exemption of *the Company* for its *operations in Persia* from any taxation of the State and of local authorities, during the second period of thirty years extending until 31st December, 1993.

ARTICLE 12

(A) *The Company*, for its *operations in Persia* in accordance with the present Agreement, shall employ all means customary and proper, to ensure economy in and good returns from its operations, to preserve the deposits of *petroleum* and to exploit its Concession by methods in accordance with the latest scientific progress.

(B) If, within the territory of the Concession, there exist other mineral substances than *petroleum* or woods and forests belonging to *the Government*, *the Company* may not exploit them in accordance with the present Concession, nor object to their exploitation by other persons (subject to the due compliance with the terms of clause (C) of Article 7); but *the Company* shall have the right to utilise the said substances or the woods and forests above-mentioned if they are necessary for the exploration or the extraction of *petroleum*.

(C) All boreholes which, not having resulted in the discovery of *petroleum*, produce water or precious substances, shall be reserved for *the Government* which shall immediately be informed of these discoveries by *the Company*, and *the Government* shall inform *the Company* as soon as possible if it wishes to take possession of them. If it wishes to take possession it shall watch that the operations of *the Company* be not impeded.

ARTICLE 13

The Company undertakes to send, at its own expense and within a reasonable time, to the Ministry of Finance, whenever the representative of *the Government* shall request it, accurate copies of all plans, maps, sections and any other data whether topographical, geological or of drilling, relating to the territory of the Concession, which are in its possession.

Furthermore, *the Company* shall communicate to *the Government* throughout the duration of the Concession all important scientific and technical data resulting from its work in Persia,

All these documents shall be considered by *the Government* as confidential.

ARTICLE 14

(A) *The Government* shall have the right to cause to be inspected at its wish, at any reasonable time, the technical activity of *the Company* in Persia, and to nominate for this purpose technical specialist experts.

(B) *The Company* shall place at the disposal of the specialist experts nominated to this end by *the Government*, the whole of its records relative to scientific and technical data, as well as all measuring apparatus and means of measurement, and these specialist experts shall, further, have the right to ask for any information in all the offices of *the Company* and on all the territories in Persia.

ARTICLE 15

The Government shall have the right to appoint a Representative who shall be designated "Delegate of the Imperial Government." This Representative shall have the right—

- (1) to obtain from *the Company* all the information to which the stockholders of *the Company* are entitled;
- (2) to be present at all the meetings of the Board of Directors, of its committees and at all the meetings of stockholders, which have been convened to consider any question arising out of the relations between *the Government* and *the Company*;
- (3) to preside *ex-officio*, with a casting vote, over the Committee to be set up by *the Company* for the purpose of distributing the grant for and supervising the professional education in Great Britain of Persian nationals referred to in Article 16;
- (4) to request that special meetings of the Board of Directors be convened at any time, to consider any proposal that *the Government* shall submit to it. These meetings shall be convened within 15 days from the date of the receipt by the Secretary of *the Company* of a request in writing to that end.

The Company shall pay to *the Government* to cover the expenses to be borne by it in respect of the salary and expenses of the above-mentioned Delegate a yearly sum of two thousand pounds sterling (£2,000). *The Government* shall notify *the Company* in writing of the appointment of this Delegate and of any changes in such appointment.

ARTICLE 16

(I) Both parties recognise and accept as the principle governing the performance of this Agreement the supreme necessity, in their mutual interest, of maintaining the highest degree of efficiency and of economy in the administration and the *operations of the Company in Persia*.

(II) It is, however, understood that *the Company* shall recruit its artisans as well as its technical and commercial staff from among Persian nationals to the extent that it shall find in Persia persons who possess the requisite competence and experience. It is likewise understood that the unskilled staff shall be composed exclusively of Persian nationals.

(III) The parties declare themselves in agreement to study and prepare a general plan of yearly and progressive reduction of the non-Persian employees with a view to replacing them in the shortest possible time and progressively by Persian nationals.

(IV) *The Company* shall make a yearly grant of ten thousand pounds sterling in order to give in Great Britain, to Persian nationals, the professional education necessary for the oil industry.

The said grant shall be expended by a Committee which shall be constituted as provided in Article 15.

ARTICLE 17

The Company shall be responsible for organising and shall pay the cost of the provision, control and upkeep of, sanitary and public health services,

according to the requirements of the most modern hygiene practised in Persia, on all the lands of *the Company* and in all buildings and dwellings, destined by *the Company* for the use of its employees, including the workmen employed within the territory of the Concession.

ARTICLE 18

Whenever *the Company* shall make issues of shares to the public, the subscription lists shall be opened at Tehran at the same time as elsewhere.

ARTICLE 19

The Company shall sell for internal consumption in Persia, including the needs of *the Government*, motor spirit, kerosene and fuel oil, produced from Persian *petroleum*, on the following basis:—

- (a) On the first of June in each year *the Company* shall ascertain the average Roumanian f.o.b. prices for motor spirit, kerosene and fuel oil and the average Gulf of Mexico f.o.b. prices for each of these products during the preceding period of twelve months ending on 30th April. The lowest of these average prices shall be selected. Such prices shall be the "basic prices" for a period of one year beginning on 1st June. The "basic prices" shall be regarded as being the prices at the refinery.
- (b) *The Company* shall sell: (1) to *the Government* for its own needs, and not for resale, motor spirit, kerosene and fuel oil at the basic prices, provided in sub-clause (a) above, with a deduction of twenty-five per cent. (25%); (2) to other consumers at the basic prices with a deduction of ten per cent. (10%).
- (c) *The Company* shall be entitled to add to the basic prices mentioned in sub-clause (a), all actual costs of transport and of distribution and of sale, as well as any imposts and taxes on the said products.
- (d) *The Government* shall forbid the export of the *petroleum* products sold by *the Company* under the provisions of this article.

ARTICLE 20

(I)—(a) During the last ten years of the Concession or during the two years from the notice preceding the surrender of the Concession provided in Article 25, *the Company* shall not sell or otherwise alienate, except to *sub-ordinate companies*, any of its immovable properties in Persia. During the same period *the Company* shall not alienate or export any of its movable property whatever except such as has become unutilisable.

(b) During the whole of the period preceding the last ten years of the Concession, *the Company* shall not alienate any land obtained by it gratuitously from *the Government*; it shall not export from Persia any movable property except in the case when such property shall have become unutilisable or shall be no longer necessary for the *operations of the Company in Persia*.

(II) At the end of the Concession, whether by expiration of time or otherwise, all the property of *the Company* in Persia shall become the property of *the Government* in proper working order and free of any expenses and of any encumbrances.

(III) The expression "all the property" comprises all the lands, buildings and workshops, constructions, wells, jetties, roads, pipe-lines, bridges, drainage and water supply systems, engines, installations and equipments (including tools) of any sort, all means of transport and communication in

Persia (including for example automobiles, carriages, aeroplanes), any stocks and any other objects in Persia which *the Company* is utilising in any manner whatsoever for the objects of the Concession.

ARTICLE 21

The contracting parties declare that they base the performance of the present Agreement on principles of mutual good will and good faith as well as on a reasonable interpretation of this Agreement.

The Company formally undertakes to have regard at all times and in all places to the rights, privileges and interests of *the Government* and shall abstain from any action or omission which might be prejudicial to them.

This Concession shall not be annulled by *the Government* and the terms therein contained shall not be altered either by general or special legislation in the future, or by administrative measures or any other acts whatever of the executive authorities.

ARTICLE 22

(A) Any differences between the parties of any nature whatever and in particular any differences arising out of the interpretation of this Agreement and of the rights and obligations therein contained as well as any differences of opinion which may arise relative to questions for the settlement of which, by the terms of this Agreement, the agreement of both parties is necessary, shall be settled by arbitration.

(B) The party which requests arbitration shall so notify the other party in writing. Each of the parties shall appoint an arbitrator, and the two arbitrators, before proceeding to arbitration, shall appoint an umpire. If the two arbitrators cannot, within two months, agree on the person of the umpire, the latter shall be nominated, at the request of either of the parties, by the President of the Permanent Court of International Justice. If the President of the Permanent Court of International Justice belongs to a nationality or a country which, in accordance with clause (C), is not qualified to furnish the umpire, the nomination shall be made by the Vice-President of the said Court.

(C) The umpire shall be of a nationality other than Persian or British; furthermore, he shall not be closely connected with Persia or with Great Britain as belonging to a dominion, a protectorate, a colony, a mandated country or other country administered or occupied by one of the two countries above mentioned or as being or having been in the service of one of these countries.

(D) If one of the parties does not appoint its arbitrator or does not advise the other party of its appointment, within sixty days of having received notification of the request for arbitration, the other party shall have the right to request the President of the Permanent Court of International Justice (or the Vice-President in the case provided at the end of clause (B)) to nominate a sole arbitrator, to be chosen from among persons qualified as above mentioned, and in this case the difference shall be settled by this sole arbitrator.

(E) The procedure of arbitration shall be that followed, at the time of arbitration, by the Permanent Court of International Justice. The place and time of arbitration shall be fixed by the umpire or by the sole arbitrator provided for in clause (D), as the case may be.

(F) The award shall be based on the juridical principles contained in Article 38 of the Statutes of the Permanent Court of International Justice.⁽¹⁾ There shall be no appeal against the award.

(G) The expenses of arbitration shall be borne in the manner determined by the award.

⁽¹⁾ Treaty Series No. 67 (1946) Cmd. 7015.

ARTICLE 23

(I) In full settlement of all the claims of *the Government* of any nature in respect of the past until the date of coming into force of this Agreement (except in regard to Persian taxation), *the Company*: (a) shall pay within a period of thirty days from the said date the sum of one million pounds sterling (£1,000,000) and besides (b) shall settle the payments due to *the Government* for the financial years 1931 and 1932 on the basis of Article 10 of this Agreement and not on that of the former D'Arcy Concession, after deduction of two hundred thousand pounds sterling (£200,000) paid in 1932 to *the Government* as an advance against the royalties and £113,403 3s. 10d. placed on deposit at the disposal of *the Government*.

(II) Within the same period, *the Company* shall pay to *the Government* in full settlement of all its claims in respect of taxation for the period from 21st March, 1930, to 31st December, 1932, a sum calculated on the basis of sub-clause (a) of clause I of Article 11, but without the guarantee provided in sub-clause (b) of the same clause.

ARTICLE 24

If, by reason of the annulment of the D'Arcy Concession, litigation should arise between *the Company* and private persons on the subject of the duration of leases made in Persia before 1st December, 1932, within the limits allowed by the D'Arcy Concession, the litigation shall be decided according to the rules of interpretation following:

- (a) If the lease is to determine, according to its terms, at the end of the D'Arcy Concession, it shall retain its validity until 28th May, 1961, notwithstanding the annulment of the said Concession.
- (b) If it has been provided in the lease that it shall be valid for the duration of the D'Arcy Concession and in the event of its renewal for the duration of the renewed Concession, the lease shall retain its validity until 31st December, 1993.

ARTICLE 25

The Company shall have the right to surrender this Concession at the end of any Christian calendar year, on giving to *the Government* notice in writing two years previously.

On the expiry of the period above provided, the whole of the property of *the Company* in Persia, defined in Article 20, (III)) shall become free of cost and without encumbrances the property of *the Government* in proper working order and *the Company* shall be released from any engagement for the future. In case there should be disputes between the parties concerning their engagements before the expiry of the period above provided the differences shall be settled by arbitration as provided in Article 22.

ARTICLE 26

This Concession is granted to *the Company* for the period beginning on the date of its coming into force and ending on 31st December, 1993.

Before the date of the 31st December, 1993, this Concession can only come to an end in the case that *the Company* should surrender the Concession (Article 25) or in the case that the Arbitration Court should declare the Concession annulled as a consequence of default of *the Company* in the performance of the present Agreement.

The following cases only shall be regarded as default in that sense:

- (a) If any sum awarded to Persia by the Arbitration Court has not been paid within one month of the date of the award.
- (b) If the voluntary or compulsory liquidation of *the Company* be decided upon.

In any other cases of breach of the present Agreement by one party or the other the Arbitration Court shall establish the responsibilities and determine their consequences.

Any transfer of the Concession shall be subject to confirmation by *the Government*.

ARTICLE 27

This Agreement shall come into force after ratification by the Majlis and promulgation by Decree of His Imperial Majesty the Shah. *The Government* undertakes to submit this Agreement, as soon as possible, for ratification by the Majlis.

Made at Tehran the twenty-ninth April one thousand nine hundred and thirty-three.

For the Imperial Government of Persia,

S. H. TAQIZADEH.

For and on behalf of the Anglo-Persian Oil Company, Limited,

JOHN CADMAN, *Chairman.*

W. FRASER, *Deputy Chairman.*

[No. 2]

Supplemental Agreement between the Imperial Iranian Government and the Anglo-Iranian Oil Company, Limited, made at Tehran on 17th July, 1949

Whereas on 29th April, 1933, an Agreement (herein called "the Principal Agreement") was entered into between the Imperial Government of Persia (now known as "the Imperial Iranian Government") of the one part and the Anglo-Persian Oil Company, Limited (now known as the "Anglo-Iranian Oil Company, Limited") of the other part which established a Concession for the regulation of the relations between the two parties above mentioned

And whereas the Government and the Company have after full and friendly discussion agreed that in view of the changes in economic conditions brought about by the World War of 1939-1945 the financial benefits accruing to the Government under the Principal Agreement should be increased to the extent and in the manner hereinafter appearing

And whereas for this purpose the parties have agreed to enter into a Supplemental Agreement:—

Now it is hereby agreed between the Imperial Iranian Government and the Anglo-Iranian Oil Company, Limited, as follows:—

1. This Agreement is supplemental to and shall be read with the Principal Agreement.

The following cases only shall be regarded as default in that sense:

- (a) If any sum awarded to Persia by the Arbitration Court has not been paid within one month of the date of the award.
- (b) If the voluntary or compulsory liquidation of *the Company* be decided upon.

In any other cases of breach of the present Agreement by one party or the other the Arbitration Court shall establish the responsibilities and determine their consequences.

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Made at Tehran the twenty-ninth April one thousand nine hundred and thirty-three.

For the Imperial Government of Persia,

S. H. TAQIZADEH.

For and on behalf of the Anglo-Persian Oil Company, Limited,

JOHN CADMAN, *Chairman.*

W. FRASER, *Deputy Chairman.*
