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OPINION OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT (AUGUST 12, 2021)

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

WALEED KHALID ABU AL-WALEED AL HOOD AL-QARQANI; AHMED KHALID ABU AL-WALEED AL HOOD AL-QARQANI; SHAHA KHALID ABU AL-WALEED AL HOOD AL-QARQANI; NAOUM AL-DOHA KHALID ABU AL-WALEED AL HOOD AL-QARQANI; NISREEN MUSTAFA JAWAD ZIKRI,

Petitioners-Appellants,

v.

CHEVRON CORPORATION; CHEVRON USA INC.,

Respondents-Appellees.

No. 19-17074

D.C. No. 4:18-cv-03297-JSW

Appeal from the United States District Court
for the Northern District of California
Jeffrey S. White, District Judge, Presiding

Before: Sidney R. THOMAS, Chief Judge, and Paul J. KELLY, JR.* and Eric D. MILLER, Circuit Judges.

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* The Honorable Paul J. Kelly, Jr., United States Circuit Judge for the U.S. Court of Appeals for the Tenth Circuit, sitting by designation.

MILLER, Circuit Judge:

In 1949, the government of Saudi Arabia transferred certain land in that country to an official named Khalid Abu Al-Waleed Al-Hood Al-Qarqani, who leased it to an affiliate of what later became Chevron Corporation. Five of Al-Qarqani's heirs now claim that Chevron owes them billions of dollars in rent. The heirs contend that an arbitration clause contained in a separate 1933 agreement between Saudi Arabia and Chevron's predecessor, Standard Oil Company of California (SOCAL), applies to their dispute. An Egyptian arbitral panel agreed and awarded them $18 billion. The heirs petitioned for enforcement of that award, but the district court found that the parties had never agreed to arbitrate and therefore held that it lacked jurisdiction over the petition. We agree with the district court that the parties did not enter into a binding agreement to arbitrate. Although the absence of an agreement is a reason to deny enforcement on the merits rather than to dismiss the petition for lack of subject-matter jurisdiction, the practical effect in this case is the same. We therefore affirm.

In 1933, SOCAL and the government of Saudi Arabia entered a land concession agreement for oil exploration and extraction. Article 25 of the agreement authorized SOCAL "to obtain from the owner of the land the surface rights of the lands which the Company deems necessary for use in its works." In return, SOCAL would pay Saudi Arabia an annual rent and a portion of its proceeds and "pay to the occupant of the lands an allowance."

The 1933 concession agreement contained an arbitration clause. Specifically, article 31 required Saudi Arabia and SOCAL to arbitrate "any doubt, difficulty or difference . . . in interpreting th[e] Agreement, the execution thereof or the interpretation or execution of any of it or with regard to any matter that is related to it or the rights of either of the two parties or the consequences thereof." The clause provided that any arbitration would take place in the Hague, unless the parties agreed on a different location, and it prescribed certain procedures for the appointment of arbitrators.

Later that year, SOCAL assigned its rights under the concession agreement to a wholly owned subsidiary, California Arabian Standard Oil Company, which later became Arabian American Oil Company (Aramco). A few years later, SOCAL surrendered its majority ownership interest in that subsidiary; by 1948, SOCAL was a minority shareholder owning only 30 percent of Aramco.

The next year, Saudi Arabia transferred the ownership of certain plots of land to Al-Qarqani and others. The 1949 deed transferring the land also contained a lease agreement between Al-Qarqani, the other land recipients, and Aramco that "transfer[red] . . . to [Aramco]," for "good and valuable consideration," "the right to use and occupy" the land "for the purposes of the Saudi Arabian Concession." It further provided "that the rights of [Aramco], as to using and occupying the said Plots of Land, are based on the requirements of Article (25) of the said Concession." The 1949 deed did not mention the arbitration clause of the 1933 concession agreement.

In the 1970s and 1980s, Saudi Arabia nationalized Aramco, and in 1990, Aramco was dissolved. In the

meantime, SOCAL changed its name to Chevron Corporation.

In 2014, several of Al-Qarqani's heirs initiated arbitration proceedings against Chevron before the International Arbitration Center (IAC) in Cairo, claiming rents due under the 1949 deed. Chevron objected that it was not a party to the relevant contracts, that there was no valid agreement to arbitrate, and that the 1933 concession agreement upon which the heirs relied did not authorize IAC arbitration in Cairo. Despite those objections, the arbitration proceeded. Soon thereafter, Chevron stopped participating in the arbitration, citing a series of irregularities in the composition of the arbitral panel. The proceedings continued in Chevron's absence, but the irregularities persisted. For example, the IAC cycled through five arbitrators and two umpires over the course of one year. And after the initial arbitral panel dismissed the dispute, the panel was reformulated and the dismissal withdrawn. A new arbitral panel then issued an award ordering Chevron to pay the heirs $18 billion.

The heirs petitioned to enforce the award in the Northern District of California, naming as respondents both Chevron Corporation and Chevron U.S.A. Inc. They invoked the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, June 10, 1958, 21 U.S.T. 2517, commonly known as the New York Convention. The Convention aims "to encourage the recognition and enforcement of commercial arbitration agreements in international contracts and to unify the standards by which agreements to arbitrate are observed and arbitral awards are enforced in the signatory countries." *Scherk v. Alberto-Culver Co.*, 417 U.S. 506, 520 n.15 (1974). Soon

after the United States joined the Convention, Congress provided that the Convention "shall be enforced in United States courts." 9 U.S.C. § 201. When an arbitrator enters an award that is subject to the Convention, any party may apply to a federal district court "for an order confirming the award as against any other party to the arbitration." *Id.* § 207.

The district court dismissed the petition for lack of subject-matter jurisdiction. The court reasoned that one of "the Convention's jurisdictional requirements" is that "there is an 'arbitration agreement under the terms of the Convention.'" (quoting *Bothell v. Hitachi Zosen Corp.*, 97 F. Supp. 2d 1048, 1053 (W.D. Wash. 2000)). Emphasizing that "[t]he original agreement to arbitrate occurred between third parties, not the current parties before this Court," the court stated that "[p]etitioners make no persuasive or legally coherent argument that the parties . . . are legally obligated by the third party signatories to the original agreement." In addition, the court dismissed the petition as to Chevron U.S.A. because that entity "was not a named . . . party in the arbitration proceedings."

The district court went on to explain "that numerous procedural infirmities would independently preclude confirmation of the arbitral award." For example, the court noted that the heirs had "failed to produce a duly certified copy of the arbitration award." The court further determined that the arbitral proceedings did not comply with article 31 of the 1933 agreement because, among other things, the heirs "unilaterally brought their arbitration before the IAC and seated the tribunal in Cairo instead of Holland," in violation of "the explicit contractual terms of the arbitration provision." And the court found that "the

constitution of the arbitral panel was highly irregular and appears to have been engineered to produce a result" in the heirs' favor.

The heirs now appeal. Or do they? The petition to enforce the arbitral award listed several dozen individuals as petitioners, but the notice of appeal names only five of them, along with the "Heirs of Khalid Abu al-Waleed al-Hood al-Qarqani," a group whose members the notice of appeal does not identify. Federal Rule of Appellate Procedure 3(c)(1)(A) requires that a notice of appeal "specify the party or parties taking the appeal." The omission of a party from the notice of appeal "constitutes a failure of that party to appeal" and means that the court of appeals lacks jurisdiction over that party. *Torres v. Oakland Scavenger Co.*, 487 U.S. 312, 314 (1988); *see Gonzalez v. Thaler*, 565 U.S. 134, 147–48 (2012). To be sure, Rule 3 "does not require that the individual names of the appealing parties be listed in instances in which a generic term, such as plaintiffs or defendants, adequately identifies them." *National Ctr. for Immigrants' Rts., Inc. v. INS*, 892 F.2d 814, 816 (9th Cir. 1989) (per curiam). But the term "heirs" is not sufficiently definite to "give[ ] fair notice of the specific individual or entity seeking to appeal." *Torres*, 487 U.S. at 318. We conclude that only the five named individuals have appealed the district court's order. (For simplicity, we will continue to refer to them as "the heirs."). Those individuals are identified in the caption of this opinion, and the clerk is directed to revise the docket to reflect that they are the only appellants.

For those appellants who are properly before us, we begin by considering the district court's conclusion that it lacked subject-matter jurisdiction. The

district court was correct that the existence of a binding agreement to arbitrate is a prerequisite to enforcing an arbitration award under the New York Convention. The Convention's implementing legislation provides that a court presented with a petition to confirm an arbitral award "shall confirm the award unless it finds one of the grounds for refusal or deferral of recognition or enforcement of the award specified in the . . . Convention." 9 U.S.C. § 207. If there is no binding agreement to arbitrate, then at least two such grounds will apply.

First, article II of the Convention provides that signatory states will "recognize an agreement in writing under which the parties undertake to submit [claims] to arbitration." N.Y. Convention art. II(1). The term "agreement" includes "an arbitral clause in a contract or an arbitration agreement, signed by the parties or contained in an exchange of letters or telegrams." *Id.* art. II(2). And article IV provides that a party seeking to enforce an arbitral award must produce "[t]he original agreement referred to in article II or a duly certified copy thereof." *Id.* art. IV(1)(b); *see China Minmetals Materials Imp. & Exp. Co. v. Chi Mei Corp.*, 334 F.3d 274, 292 (3d Cir. 2003) (Alito, J., concurring). Accordingly, without an agreement to arbitrate, the Convention does not provide for enforcement.

Second, article V of the Convention bars enforcement of an award if the underlying arbitration agreement is invalid or the dispute is not arbitrable under the law of the country in which enforcement is sought. N.Y. Convention art. V(1)(a), (2)(a). In the United States, "[a]rbitration is strictly 'a matter of consent'" and requires an agreement to arbitrate. *Granite Rock Co. v. International Brotherhood of Teamsters*,

561 U.S. 287, 299 (2010) (quoting *Volt Info. Scis., Inc. v. Board of Trs. of Leland Stanford Junior Univ.*, 489 U.S. 468, 479 (1989)). Thus, in the absence of an arbitration agreement that binds the parties, the dispute "is not capable of settlement by arbitration under" United States law, and the award is unenforceable. *See VRG Linhas Aereas S.A. v. MatlinPatterson Glob. Opportunities Partners II L.P.*, 717 F.3d 322, 325 (2d Cir. 2013) (quoting N.Y. Convention art. V (2)(a)).

Because of the Convention's "mandatory language," the Eleventh Circuit has held "that the party seeking confirmation of an award falling under the Convention must" establish the existence of a written agreement to arbitrate "to establish the district court's subject matter jurisdiction." *Czarina, LLC v. W.F. Poe Syndicate*, 358 F.3d 1286, 1292 (11th Cir. 2004); *see also Sphere Drake Ins. PLC v. Marine Towing, Inc.*, 16 F.3d 666, 669 (5th Cir. 1994). The Second Circuit has rejected that view, reasoning that the existence of a written agreement to arbitrate is a merits question that does not affect subject-matter jurisdiction. *Sarhank Grp. v. Oracle Corp.*, 404 F.3d 657, 660 & n.2 (2d Cir. 2005).

We agree with the Second Circuit. It does not follow that simply because a statute uses mandatory language, it limits the subject-matter jurisdiction of a district court. The Supreme Court has "rejected the notion that all mandatory prescriptions, however emphatic, are properly typed jurisdictional." *V.L. v. E.L.*, 577 U.S. 404, 409 (2016) (per curiam) (quoting *Gonzalez*, 565 U.S. at 146). Instead, the Court has cautioned that only when Congress "clearly states that a threshold limitation on a statute's scope shall count

as jurisdictional" should it be treated as such. *Arbaugh v. Y & H Corp.*, 546 U.S. 500, 515 (2006). Conversely, "when Congress does not rank a statutory limitation . . . as jurisdictional, courts should treat the restriction as nonjurisdictional in character." *Id.* at 516; *see also Garcia v. Salvation Army*, 918 F.3d 997, 1006 (9th Cir. 2019).

The requirement that a binding arbitration agreement exist is not jurisdictional because it is not contained in or incorporated by any statute "clearly labeled jurisdictional" or "located in a jurisdiction-granting provision." *Garcia*, 918 F.3d at 1006 (quoting *Leeson v. Transamerica Disability Income Plan*, 671 F.3d 969, 976–77 (9th Cir. 2012)). The operative jurisdictional provision is 9 U.S.C. § 203, which covers any "action or proceeding falling under the Convention." Under 9 U.S.C. § 202, an arbitration award "falls under the Convention" if it is one "arising out of a legal relationship, whether contractual or not, which is considered as commercial, including a transaction, contract, or [arbitration] agreement." *See Ministry of Def. of the Islamic Republic of Iran v. Gould Inc.*, 887 F.2d 1357, 1362 (9th Cir. 1989).

In the abstract, sections 202 and 203 could be read to mean that a dispute does not "aris[e] out of a legal relationship"—and therefore is not one "falling under the Convention"—if the parties have not entered into a binding agreement to arbitrate. But the phrase "arising out of" parallels the more familiar grant of federal-question jurisdiction in 28 U.S.C. § 1331, and we think that the two provisions should be read similarly. Section 1331 extends to civil actions "arising under" federal law, and it has long been understood that a claim can arise under federal law even if a court

ultimately concludes that federal law does not provide a cause of action. *Bell v. Hood*, 327 U.S. 678, 682–83 (1946). Thus, "the failure to state a proper cause of action calls for a judgment on the merits and not for a dismissal for want of jurisdiction," at least so long as the asserted federal claim is neither "immaterial and made solely for the purpose of obtaining jurisdiction" nor "wholly insubstantial and frivolous." *Id.*; *accord Leeson*, 671 F.3d at 975; *Trustees of Screen Actors Guild–Producers Pension & Health Plans v. NYCA, Inc.*, 572 F.3d 771, 775 (9th Cir. 2009).

The same principle applies here. Neither section 202 nor section 203 requires a court to assess an award against the Convention's requirements before exercising jurisdiction. Instead, so long as a party makes a non-frivolous claim that an arbitral award is covered by the Convention, the court "must assume subject matter jurisdiction and hear the merits of the case." *Sarhank*, 404 F.3d at 660. If the court concludes that the award is not covered, the appropriate disposition is to deny enforcement, not to dismiss the petition for lack of subject-matter jurisdiction.

Although the requirement of a non-frivolous claim is a low bar, the heirs have managed to clear it only in part. In particular, as to Chevron U.S.A., the heirs have advanced no non-frivolous theory of enforcement. Chevron U.S.A. is not named in the arbitral award the heirs seek to enforce. *See* 9 U.S.C. § 207 (authorizing petitions to confirm awards "as against any other party to the arbitration"). Although the heirs make a vague reference to an "alter ego," they have not attempted to demonstrate that Chevron U.S.A. is Chevron Corporation's alter ego or that there is any other basis for enforcing the award against Chevron

U.S.A. Accordingly, we affirm the district court's dismissal for lack of subject-matter jurisdiction as to Chevron U.S.A. *See Bell*, 327 U.S. at 682–83; *cf. Al-Qarqani v. Arabian Am. Oil Co.*, No. H-18-1807, 2019 WL 3536640, at *4 (S.D. Tex. Aug. 2, 2019) (dismissing petition as to Aramco Services in parallel litigation for lack of subject-matter jurisdiction because "there is no arbitral finding that [Aramco Services] is liable").

By contrast, the heirs' claim that the award arose out of a legal relationship or arbitration agreement with Chevron Corporation is not frivolous. But as we will explain, it is also not meritorious. We review de novo the district court's decision to deny enforcement of the arbitral award, *Polimaster Ltd. v. RAE Sys., Inc.*, 623 F.3d 832, 836 (9th Cir. 2010), and we review its factual findings for clear error, *Stover v. Experian Holdings, Inc.*, 978 F.3d 1082, 1085 (9th Cir. 2020). We agree with the district court that there was no binding agreement to arbitrate between the parties. We therefore need not consider the alternative grounds identified by the district court for denying enforcement, including the serious irregularities in the arbitral proceedings.

The heirs have advanced two theories of why they may invoke the arbitration clause contained in the 1933 concession agreement between Saudi Arabia and SOCAL. First, the heirs contend that they can enforce the 1933 concession agreement against Chevron directly. This theory fails because the agreement was signed by Saudi Arabia, not the heirs, and the heirs have not demonstrated that they may assert Saudi Arabia's interest in it. *See Britton v. Co-Op Banking Grp.*, 4 F.3d 742, 744 (9th Cir. 1993) ("An entity that is neither a party to nor agent for nor beneficiary of

the contract lacks standing to compel arbitration."). To be sure, the lands at issue were the subject of the 1933 concession agreement, and Al-Qarqani received a partial ownership interest in some of those lands. But there is no evidence that the partial transfer of ownership rights carried with it the right to enforce the arbitration clause of the 1933 concession agreement. Nor is there evidence that Saudi Arabia assigned its rights under the 1933 concession agreement to Al-Qarqani or the heirs. *See id.* at 746.

Even if the heirs could establish a right to enforce the arbitration clause, the district court did not clearly err in finding that Chevron's rights and obligations under the 1933 concession agreement were extinguished long ago. Chevron's predecessor, SOCAL, was a signatory to the 1933 agreement. But by the time Al-Qarqani obtained any interest in the lands, SOCAL had assigned its rights and obligations to California Arabian Standard Oil Company (which later became Aramco) and relinquished control of Aramco. SOCAL therefore was no longer bound by the 1933 agreement, so the heirs cannot enforce the agreement's arbitration clause against Chevron.

The heirs object that Chevron has not produced a formal document memorializing the assignment to Aramco. "[G]eneral contract principles dictate that to prove an effective assignment, the assignee must come forth with evidence that the assignor meant to assign rights and obligations under the contract[ ]." *Britton*, 4 F.3d at 746. But while "[a] contract provision specifying [an assignment] is evidence of such an intent," *id.*, it is not the only evidence capable of demonstrating an assignment. Here, the district court's finding of an assignment is supported by contemporaneous company

records, as well as the sworn declaration of one of the petitioners below.

Second, the heirs contend that the 1949 deed, which contained the lease agreement between Al-Qarqani and Aramco, incorporated the 1933 concession agreement's arbitration clause by reference. The parties dispute what law governs our analysis of that issue: Chevron invokes federal common law, while the heirs say that Saudi law applies. We need not decide the choice-of-law question because the heirs' theory fails whichever law applies. *See Andersen v. Bureau of Indian Affs.*, 764 F.2d 1344, 1349 n.4 (9th Cir. 1985). Chevron is not bound by the 1949 deed because it was not a party to the deed and it did not control Aramco when the deed was executed. And in any event, as the district court noted, the 1949 deed's only reference to the 1933 concession agreement "is a notation that the transfer of rights under the 1949 Deed '[is] based on the requirements of Article (25) of the . . . Concession Agreement[,]' which authorized Aramco to acquire the 'surface rights of the lands which the Company deems necessary for use.'" Accordingly, the 1949 deed does not incorporate by reference the arbitration clause contained in the 1933 agreement. *See Cariaga v. Local No. 1184 Laborers Int'l Union*, 154 F.3d 1072, 1075 (9th Cir. 1998); Royal Decree No. M/34 (Law of Arbitration), 16 Apr. 2012, art. 9, § 3 (Kingdom of Saudi Arabia); 11 Williston on Contracts § 30:25 (4th ed. 2021).

Finally, we reject the heirs' contention that Chevron is precluded from resisting enforcement of the award because it did not first appeal to the arbitral tribunal or move to vacate the award. The heirs rely on rules applicable to certain domestic arbitrations

under the Federal Arbitration Act. *See* 9 U.S.C. § 12; *Brotherhood of Teamsters & Auto Truck Drivers Local No. 70 v. Celotex Corp.*, 708 F.2d 488, 490 (9th Cir. 1983). But neither the New York Convention nor its implementing statute contains such a rule.

We conclude that the district court reached the correct result but, with respect to Chevron Corporation, incorrectly attached a jurisdictional label to what should have been a decision on the merits. The Supreme Court has held that we may affirm a district court's judgment if the court mistakenly dismisses a claim for lack of subject-matter jurisdiction rather than for failure to state a claim—remand in those circumstances is "unnecessary" because it "would only require a new Rule 12(b)(6) label for the same Rule 12(b)(1) conclusion." *Morrison v. National Austl. Bank Ltd.*, 561 U.S. 247, 254 (2010); *accord Seismic Reservoir 2020, Inc. v. Paulsson*, 785 F.3d 330, 332 (9th Cir. 2015). Here, the proper disposition is not a dismissal under Rule 12(b)(6) but a denial of the enforcement petition on the merits. *See TermoRio S.A. E.S.P. v. Electranta S.P.*, 487 F.3d 928, 940 (D.C. Cir. 2007). Because there is no reason to remand to the district court simply to direct it to affix a new label to its order, we affirm the judgment.

All pending motions are denied as moot.

AFFIRMED.

ORDER OF THE NINTH CIRCUIT JUSTICE MILLER DENYING MOTION TO RECUSE (OCTOBER 15, 2020)

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

HEIRS OF KHALID ABU AL-WALEED AL-HOOD AL-QARQANI; ET AL.,

Petitioners-Appellants,

v.

CHEVRON CORPORATION; CHEVRON USA INC.,

Respondents-Appellees.

No. 19-17074

D.C. No. 4:18-cv-03297-JSW
Northern District of California, Oakland

Before: Eric D. MILLER, Circuit Judge.

Appellants have lodged a letter with the Clerk of Court suggesting that I recuse myself, which the Clerk has referred to me. The letter rests on three grounds, but none presents a basis on which my "impartiality might reasonably be questioned," 28 U.S.C. § 455(a), and none presents any other basis for recusal under section 455 or Canon 3 of the Code of Conduct for United States Judges.

First, while I was a partner at Perkins Coie LLP—a firm I left in March 2019—other attorneys at the firm represented appellee Chevron U.S.A. Inc. in matters unrelated to this one. Section 455(b)(2) calls for recusal when "a lawyer with whom [a judge] previously practiced law served during such association as a lawyer concerning the matter" in controversy, not when lawyers at a judge's former firm represented a party in different matters. 28 U.S.C. § 455(b)(2) (emphasis added); *see Preston v. United States*, 923 F.2d 731, 734–35 (9th Cir. 1991). Nor might the impartiality of a judge reasonably be questioned because the judge once worked at the same firm as attorneys who represented a party in unrelated matters. *See* 28 U.S.C. § 455(a); *Chitimacha Tribe of La. v. Harry L. Laws Co., Inc.*, 690 F.2d 1157, 1166 (5th Cir. 1982).

Second, while at Perkins Coie, I acted as co-counsel with attorneys at Gibson, Dunn & Crutcher LLP in a single case, unrelated to this one, on behalf of a client other than Chevron, with attorneys other than those who now represent Chevron. That relationship does not fall within section 455(b)(2) because the phrase "a lawyer with whom [a judge] previously practiced law" describes a lawyer at the same firm as the judge, not a lawyer with whom the judge acted as co-counsel in a single case. 28 U.S.C. § 455(b)(2); *cf. Baker & Hostetler LLP v. U.S. Dep't of Com.*, 471 F.3d 1355, 1357–58 (D.C. Cir. 2006) (Kavanaugh, J.) (noting that section 455(b)(2)'s recusal rule is "based on prior law firm employment"). Even on appellants' reading of that phrase, the lawyers with whom I "previously practiced law" would be the individual attorneys at Gibson, Dunn & Crutcher with whom I was co-counsel, none of whom has appeared in this case.

Third, in 2007 and 2008, Mr. Thomas Hungar, who now represents Chevron, was one of my supervisors in the Office of the Solicitor General at the United States Department of Justice. A "friendly relationship" with counsel "is not sufficient reason" for recusal. Advisory Opinion No. 11, Committee on Codes of Conduct for United States Judges (2009). A professional relationship 12 years ago is also insufficient.

Construing appellants' letter as a motion for disqualification, the motion is DENIED.

JUDGMENT OF THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA (SEPTEMBER 24, 2019)

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

WALEED AL-QARQANI, ET AL.,

Plaintiffs,

v.

CHEVRON CORPORATION, ET AL.,

Defendants.

No. C 18-03297 JSW

Before: Jeffrey S. WHITE,
United States District Judge.

Pursuant to the Court's Order granting Respondents Chevron Corporation and Chevron U.S.A., Inc.'s motion to dismiss the Petition to Confirm a Foreign Arbitral Award, it is HEREBY ORDERED AND ADJUDGED that judgment is entered in favor of Defendants and against Plaintiffs.

IT IS SO ORDERED.

/s/ Jeffrey S. White
United States District Judge

Dated: September 24, 2019

ORDER GRANTING CHEVRON'S MOTION TO DISMISS THE PETITION TO CONFIRM ARBITRATION AWARD (SEPTEMBER 24, 2019)

IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF CALIFORNIA

WALEED AL-QARQANI, ET AL.,

Plaintiffs,

v.

CHEVRON CORPORATION, ET AL.,

Defendants.

No. C 18-03297 JSW

Before: Jeffrey S. WHITE,
United States District Judge.

Now before the Court is the motion to dismiss the Petition to Confirm a Foreign Arbitral Award (the "Petition") filed by Respondents Chevron Corporation and Chevron U.S.A., Inc. ("Chevron" or "Respondents"). Having carefully reviewed the parties' papers and considered their arguments and the relevant legal authority, and good cause appearing, the Court GRANTS Chevron's motion to dismiss the Petition.

BACKGROUND

On June 1, 2018, Petitioners, a number of heirs of the late Sheikh Abdullah Al-Solaiman Al-Hamdan and Sheikh Khalid Abu Al-Waleed Al-Oarqani, purported beneficiaries and titleholders of land in Saudi Arabia ("Petitioners"), filed their Petition for an order to confirm a foreign arbitration award and for entry of judgment in conformity with the arbitral award.

Petitioners request that this Court confirm a purported arbitral award that was issued on June 3, 2015 in favor of more than 60 individual heirs to the two deceased Saudi nationals against several Chevron entities (Chevron Company of U.S.A., Chevron Saudi Arabia, and Aramco) for approximately $18 billion (the "Award"). The Award was issued under the auspices of an institution called the International Arbitration Center (the "IAC") located in Cairo, Egypt. Petitioner seek to have this Court "confirm and recognize the final arbitral Award dated June 3, 2015, involving the arbitration proceedings between Petitioners and Respondents, including all predecessors and related entities," enter judgment in Petitioners' favor in the amount of the Award, plus attorneys' fees and costs, and award such other and further relief as the Court just and proper. (Dkt. No. 1, Petition ("Pet.") ¶ 1.)

Petitioners contend the Award was entered between the parties and is binding within the meaning of the New York Convention on the Recognition of Foreign Arbitral Awards and its implementing legislation (the "Convention"). (*Id.* at ¶ 19.) Petitioners argue that because the Award was issued in Egypt, the United States is a "secondary jurisdiction" and can only refuse to confirm and enforce the Award on the

limited grounds permitted under Article V(1) and (2) of the New York Convention.

On August 5, 2018, Respondents filed a motion to dismiss and an opposition to the Petition to confirm, alleging that the Award was the product of sham proceedings engineered to produce an award in Petitioners' favor, that there was never an agreement to arbitrate between the Petitioners and Respondents, that the arbitral proceedings violated the plain terms of the arbitration agreement the tribunal purported to rely upon, that the claims fell outside the arbitral agreement, and that the arbitral process was riddled with gross irregularities and criminal misconduct. Among other irregularities, they allege the selection of the arbitrators appears to have been engineered, there were resignations in protest, the presiding arbitrator issued an opinion that the forum was without jurisdiction to hear the dispute, and the newly-constituted tribunal issued the Award just sixteen days later, which was then apparently authenticated with stamps that inaccurately indicated the Award was reviewed by the United States Department of State and the Egyptian Ministry of Foreign Affairs. (*See* Dkt. No. 114-2, Brief of Amicus Curiae at 4-5.)

Petitioners unilaterally initiated arbitration proceedings pursuant to a Concession Agreement dated 1933 between the Kingdom of Saudi Arabia and Standard Oil Company of California. This 1933 Concession Agreement contained a limited arbitration clause permitting arbitration between the Government of Saudi Arabia and the oil company. (Pet., Ex. A, Art. 31, at 16.) Petitioners also rely upon a separate lease contract dated 1949 ("1949 Deed") in which they contend they were owed the rental value of another

company, Aramco's, use of the land between 2005 and 2015 and compensation for the full value of the property. (*See* Pet., Ex. B at 25, 31; *see also* Pet. ¶ 17.) Petitioners contend that the limited agreement to arbitration in the 1933 Concession Agreement was incorporated by reference in the later 1949 Deed.

The record is extensive and the Court has thoroughly reviewed the parties' submissions. The Court shall additional address facts from the record as necessary in the remainder of this order.

ANALYSIS

A. The Court Lacks Jurisdiction to Conform the Arbitration Award.

In order to confirm an award pursuant to the New York Convention, the Court must have subject matter jurisdiction over the dispute. *See* 9 U.S.C. § 207. In 1970, the United States ratified the Convention which "applies to an arbitration agreement arising out of a legal relationship, whether contractual or not, which is considered as commercial." *Balen v. Holland Am. Line Inc.,* 583 F.3d 647, 654 (9th Cir. 2009). "Courts generally address four factors to determine whether to enforce an arbitration agreement under the Convention." *Id.* These four factors require that: "(1) there is an agreement in writing within the meaning of the Convention; (2) the agreement provides for arbitration in the territory of a signatory of the Convention; (3) the agreement arises out of a legal relationship, whether contractual or not, which is considered commercial; and (4) a party to the agreement is not an American citizen, or that the commercial

relationship has some reasonable relation with one or more foreign states." *Id.* at 654-55.

"An arbitration provision in an international commercial agreement . . . is governed by Chapter Two of the Federal Arbitration Act ("FAA"), 9 U.S.C. §§ 201-208, which implemented the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards." *Bothell v. Hitachi Zosen Corp.*, 97 F. Supp. 2d 1048, 1051 (W.D. Wash. 2000). "A court in the United States faced with a request to refer a dispute governed by Chapter Two to arbitration performs a 'very limited inquiry' into whether an arbitration agreement exists and falls within the Convention's coverage." *Id.* (citing *DiMercurio v. Sphere Drake Ins. Inc.*, 202 F.3d 71, 74 (1st Cir. 2000) (citations and footnotes omitted). Accordingly, the "framework of the Convention will guide the Court's analysis and determine if an arbitration agreement exists between the parties." *Id.*

Petitioners must carry the burden to demonstrate that they have met the Convention's jurisdictional requirements, including that there is an "arbitration agreement under the terms of the Convention." *Id.* at 1053. Pursuant to Article Two of the Convention, "the term 'agreement in writing' shall include an arbitral clause in a contract or an arbitration agreement, signed by the parties or contained in an exchange of letters or telegrams." 9 U.S.C. § 201. "The modifying phrase, 'signed by the parties or contained in a series of letters or telegrams' applies to both 'an arbitral clause in a contract' and 'an arbitration agreement.'" *Bothell*, 97 F. Supp. 2d at 1051 (citing *Kahn Lucas Lancaster Inc. v. Lark Int'l Ltd.*, 186 F.3d 210, 217 (2d Cir. 1999)). Accordingly, pursuant to the terms of

the Convention, "both an arbitration clause in a contract or an arbitration agreement must be (a) signed by the parties or alternatively, (b) contained in a series of letters or documents to be enforceable." *Id.* at 1051-52 (citing *Lancaster*, 186 F.3d at 217-18).

"Article II [of the Convention] makes clear that arbitration is permissible only where there is 'an agreement in writing under which the parties undertake to submit to arbitration all or any differences which have arisen or which may arise between them'—not disputes between a party and a non-party." *Yang v. Majestic Blue Fisheries, LLC*, 876 F.3d 996, 1001 (9th Cir. 2017) (quoting N.Y. Conv., Art. II(1)) (emphasis added by *Yang* court). Accordingly, before a party can obtain relief under the Convention, it must "prove the existence and validity of 'an agreement in writing within the meaning of the Convention,'" which the Convention defines to mean "'an arbitral clause in a contract . . . signed by the parties or contained in an exchange of letters or telegrams.'" *Id.* at 999 (quoting N.Y. Conv., Art. II(2)) (emphasis added by *Yang* court).

In the record before this Court, there is only an agreement to arbitrate contained in the 1933 Concession Agreement. Article 31 of the 1933 Agreement provides that

> [s]hould any doubt difficulty or difference arise between the Government and the Company in interpreting this Agreement, the execution thereof or the interpretation or execution of any of it or with regard to any matter that is related to it of the rights of either of the two parties or the consequences thereof, and the two parties fail to agree on the settlement of the same in another way,

> then the issue shall be referred to two arbitrators with each party appointing one of the two arbitrators and with the two arbitrators appointing an umpire prior to proceeding to arbitration. . . . The award passed by the two arbitrators in the case shall be final. As regards the place of arbitration, the two parties shall agree on it and if they fail to agree to that then it shall be in the Hague (Holland).

(Dkt. No. 1-2, 1933 Concession Agreement, Art. 31, at 13-14.)

Here, there is no dispute that the arbitration clause in the original agreement applies to the parties to that agreement: the Company, defined as Standard Oil of California Company and the Government, defined as the Government of Saudi Arabia. (*Id.* at 2.) The original agreement to arbitrate occurred between third parties, not the current parties before this Court. Petitioners here are numerous alleged heirs of two Saudi Arabian sheiks and Respondents are Saudi Arabian Chevron and Chevron Corporation.[1] Petition-

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[1] Chevron USA, Inc., sued in the action, was not a named as a party in the arbitration proceedings. It is therefore dismissed on this basis alone. *See* 9 U.S.C. § 207 ("any party to the arbitration may apply to any court having jurisdiction under this chapter for an order confirming the award as against any other party to the arbitration."); *see also Orion Shipping & Trading Corp. v. Eastern States Petroleum Corp. of Panama, S.A.*, 312 F.2d 299, 301 (2d Cir. 1963). Petitioners also filed a separate petition to confirm an award against another unnamed party, Aramco Services Company, which was dismissed by the District Court in Texas because, *inter alia*, the party was not named in the arbitration proceedings. (*See* Dkt. No. 161-1, *Al-Qaraqani v. Arabian Am. Oil Co.*, No. 18-cv-01807 (S.D. Tex.

ers make no persuasive or legally coherent argument that the parties before the Court are legally obligated by the third party signatories to the original agreement.[2]

In order to address the fact that the original agreement containing an arbitration clause is not signed by the parties before the arbitration proceeding, Petitioners contend that a 1949 Deed reflecting the transfer of property rights incorporated the provision to arbitrate contained in the 1933 Concession Agreement. This 1949 Deed in which their Petitioners' ancestors unilaterally granted land rights to Aramco does not specifically incorporate the arbitration provision of the 1933 Concession Agreement. The only reference to the 1933 agreement is a notation that the transfer of rights under the 1949 Deed "are based on the requirements of Article (25) of the [ ] Concession Agreement" which authorized Aramco to acquire the "surface rights of the lands which the Company deems necessary for use." (Pet., Ex. C at 6, Ex. A, Art. 25.)

Aug. 2, 2019).)

[2] Standard Oil Company of California was originally a party to the 1933 Concession Agreement. However, the record is clear that in December 1933, Standard Oil Company of California assigned away its rights and obligations under the Agreement to an entity called California Arabian Standard Oil Company. This company which ultimately became Aramco, and which then in 1988 became Saudi Aramco, was wholly owned by the Kingdom of Saudi Arabia. By 1990, as a fully-nationalized company, any rights held by Aramco or Chevron were fully extinguished. (*See* Dkt. No. 62, Declaration of Frank G. Soler at ¶¶ 6-16, Exs. 2, 3, 5, 6; *see also* Dkt. No. 108, Declaration of Amr Mohammed Al-Faisal bin Abdulaziz al Saud at ¶ 6; Dkt. No. 122, Supplemental Declaration of Christian Leathley at ¶ 2, Ex. 49.)

Under clear precedent, incorporation of an arbitration agreement by reference must be "clear and unequivocal." *Socoloff v. LRN Corp.*, 646 Fed. App'x 538, 539 (9th Cir. 2016) (citing *Mitri v. Arnel Mgmt. Co.*, 157 Cal. App. 4th 1164, 1172 (2007)). In order for the arbitral terms of another document to be incorporated into the parties' contract, "the reference must be clear and unequivocal, the reference must be called to the attention of the other party and he must consent thereto, and the terms of the incorporated document must be known or easily available to the contracting parties." *Shaw v. Regents of University of California* 58 Cal. App. 4th 44, 54, (1997) (quoting *Williams Constr. Co. v. Standard-Pacific Corp.* 254 Cal. App. 2d 442, 454 (1967)). The reference in the 1949 Deed to another provision in the earlier 1933 Agreement does not constitute a "clear and unequivocal" incorporation of a completely different provision of the original agreement which does not specifically contain the arbitration clause. *See, e.g.*, *Cariaga v. Local No. 1184 Laborers Int'l Union of N. Am.*, 154 F.3d 1072, 1075 (9th Cir. 1998) (vacating arbitration award where provision of contract agreeing to comply with terms of a different contract did not "clearly and unequivocally incorporate by reference" the arbitration procedures in the latter agreement). Furthermore, the Court is persuaded that the arbitration provision in the 1933 Agreement, by its express terms, does not "bind a non-party, notwithstanding words of incorporation or reference in a separate contract by which that non-party is bound." *Progressive Casualty Ins. Co. v. C.A. Reaseguradora Nacional de Venezuela*, 991 F.2d 42, 47 (2d Cir. 1993).

The Court finds that Petitioners have failed to meet their burden to demonstrate that there is an operative agreement to arbitrate between themselves and Respondents. The only agreement to arbitrate in the record is in Article 31 of the 1933 Concession Agreement between the Government of Saudi Arabia and the Standard Oil of California Company. Petitioners are unquestionably not parties to that agreement and are not entitled to invoke arbitration of their dispute under it. *See Yang*, 876 F.3d at 1001 (holding that where a party claiming the right to arbitration "failed to satisfy . . . [the] basic requirement that a litigant must be a 'party' to the agreement" under which it seeks relief). The mere reference to Article 25 of the 1933 Concession Agreement in the 1949 Deed does not permit Petitioners here to invoke the separate arbitration clause in Article 31 of the 1933 Agreement. *See Cariaga*, 154 F.3d at 1075. Therefore, Petitioners have not carried their burden to demonstrate that they have met the Convention's jurisdictional requirements, including that the parties to this proceeding were parties to a contract containing or unequivocally incorporating an agreement to arbitrate.[3] Accordingly,

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[3] In addition, the Court finds persuasive the holding of the United States District Court of Texas dated August 2, 2019 in *Al-Qaraqani v. Arabian Am. Oil Co.*, No. 18-cv-01807 (S.D. Tex. Aug. 2, 2019), in which the court dismissed a similar petition to confirm the same arbitration award as against Aramco Service Company. The Texas district court dismissed for lack of subject matter jurisdiction and failure to state a claim upon which relief could be granted on the basis that there was no agreement to arbitrate. The court found that Aramco Service Company was not bound by the arbitration agreement and none of the theories to bind a nonsignatory apply. *See id.* at 7. This Court agrees as to the parties before it.

the Court finds there is no agreement to arbitrate and the petition to confirm the arbitral award must be dismissed.

B. Procedural Infirmities Preclude Confirmation.

In addition to the record demonstrating that there was no agreement between the parties to arbitrate, the Court finds that numerous procedural infirmities would independently preclude confirmation of the arbitral award. Petitioners did not file an authenticated or certified copy of the critical documents underlying their request for confirmation. The original 1933 Agreement was executed in both Arabic and English and specifies that the "English version shall prevail" in the event of any disagreement on the interpretation of the terms. (Pet., Ex. A, Art. 35.) However, the Court has not been provided with the original English version of the agreement, and instead Petitioners have only filed their certified translation of the Arabic version of the agreement. In addition, Petitioners have failed to produce a duly certified copy of the arbitration award and there are multiple versions of the award in the record, appearing with and without suspect authentication stamps. (*Compare* Pet., Ex. B; Dkt. No. 50, Declaration of Nader Mostafa Hesham ("Hesham Decl.") at ¶ 24, Ex. 1 at 8; Dkt. No. 79-6, Declaration of Christian Leathley ("Leathley Decl."), Ex. 46.)

Under Article IV(1) of the New York Convention, the petitioner must file with the petition an authenticated or certified copy of all critical documents underlying the request for confirmation, including the "original" agreement to arbitrate or a "duly certified copy" and a "duly authenticated original [arbitration]

award or a duly certified copy." N.Y. Conv., Art. IV(1). Article IV(2) of the Convention, the party seeking to confirm an arbitration award "shall produce a translation" of the agreement only "[if] the said . . . agreement is not made in an official language of the country in which the award is relied upon." N.Y. Conv., Art. IV(2).[4] The failure of a party to satisfy the requirements of Article IV constitutes "one of the 'grounds for refusal or deferral . . . specified in the said Convention,' because the Convention uses mandatory language in establishing the prerequisites: '[t]o obtain the recognition and enforcement mentioned in the preceding article, the party applying for recognition and enforcement shall, at the time of the application, supply' a copy of the award and arbitration agreement." *Czarina, LLC v. W.F. Poe Syndicate*, 358 F.3d 1286, 1292 (11th Cir. 2004) (quoting N.Y. Conv., Art. IV(1)) (emphasis added by *Czarina* court).

The Court finds that Petitioners have failed to carry their burden to produce an authenticated or certified copy of the original English iteration of the underlying 1933 Concession Agreement or a duly certified copy of the arbitration award. Accordingly, pursuant to the mandatory language of the Convention, the Court is without the power to confirm the award. *See id.*

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[4] Respondents also contend that the English translation of the 1933 Concession Agreement is materially inaccurate. The Court does not reach the issue of whether the translation contains falsities rendering it part of an overall scam intended to defraud Respondents of their legal rights and attain the disputed arbitral award. Regardless of the accuracy of the translation, there is a dispute of interpretation and Petitioners' failure to provide the Court with the original English version of the 1933 Agreement is dispositive.

C. Confirmation Would Be Denied Under Article V of the Convention.

Even if the Court were to find that the 1933 Concession Agreement between third parties required that the parties present here were to submit to arbitration of their claims and even if Petitioners had complied with the mandatory procedures in instituting their petition to confirm the award, in order to confirm, the Court would still need to find that the underlying arbitral proceedings complied with Article 31 of the original 1933 Agreement to arbitrate. It does not.[5]

The Convention authorizes courts to refuse to recognize an arbitral award when "[t]he composition of the arbitral authority or the arbitral procedure was not in accordance with the agreement of the parties." N.Y. Conv., Art. V(1)(d). Courts have uniformly recognized the importance of the parties' choice of forum in arbitration agreements in the context of international commerce. *See, e.g.*, *Polimaster Ltd. v. RAE Systems, Inc.*, 623 F.2d 832, 841 (9th Cir. 2010). Here, Article 31 of the 1933 Agreement set forth clearly defined procedures for arbitral appointments and venue. The Agreement only permits *ad hoc* arbitration, that is arbitration without the designation of a specific

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[5] Petitioners' contention that Chevron consented to the arbitration in Egypt and waived its substantive arguments is unpersuasive. To the extent Chevron participated by initially nominating an arbitrator, it was clearly under protest and without giving consent to arbitrate before the IAC. (*See* Dkt. No. 63, Declaration of Ashraf Elibrachy at ¶¶ 6, 10, Exs. 1-4.) In addition, a tribunal's findings cannot "control the Court's ruling on the merits of [a] defense . . . under Article V." *Changzhou AEMC Eastern Tools & Equip. Co. v. Eastern Tools & Equip., Inc.*, 2012 WL 3106620, at *5 (C.D. Cal. July 30, 2012).

institution to administer the arbitration. Further, the provision on arbitration explicitly designates the Hague in Holland as the default seat for any arbitration. In this case, Petitioners unilaterally brought their arbitration before the IAC and seated the tribunal in Cairo instead of Holland. Clearly, both of these designations contravene the explicit contractual terms of the arbitration provision and are therefore not in accordance with the only agreement Petitioners rely upon to have compelled arbitration. Because the IAC as an institution lacked contractual authority to administer the arbitration and because there was no authority to conduct an arbitration venued in Cairo, any award the tribunal issued cannot be affirmed by this Court. *See, e.g.*, *id.* at 843.

In addition, the constitution of the arbitral panel was highly irregular and appears to have been engineered to produce a result in favor of Petitioners. By its express terms, Article 31 provides a process for appointment of arbitrators. First, each party had thirty days from written receipt of a request from the other party to appoint their respective arbitrator. (*See* Pet., Ex. B at 17.) Second, the two chosen to be arbitrators were to appoint an umpire prior to proceeding to arbitration. (*See id.* at 16-17.) Should the two arbitrators have failed to appoint an umpire, then the parties were to jointly appoint the umpire. (*See id.* at 17) Fourth, should the two arbitrators and the parties have disagreed and this mechanism were to fail, "then they should apply to the President of the Permanent International Court of Justice to appoint an umpire." (*See id.*)

None of these procedures were followed as required. There were multiple resignations of appointed

arbitrators, some in protest of the proceedings, and a rotating cast of arbitrators filled the positions vacated by others. (*See, e.g.*, Leathley Decl., Ex. 48.) There was no neutral umpire secured by the chosen arbitrators, the parties, or the International Court of Justice. The various arbitral appointments were not in conformity with the plain terms of the arbitration agreement, thereby rendering any award invalid and unenforceable. *See, e.g.*, *Encyclopaedia Universalis S.A. v. Encyclopaedia Britannica, Inc.*, 403 F.3d 85, 91 (2d Cir. 2005) (holding that district court properly refused confirmation of award where appointment of the arbitrator was not in conformity with parties' agreed-upon terms); *see also Cargill Rice, Inc. v. Empresa Nicaraguense Dealimentos Basicos*, 25 F.3d 223, 224-25 (4th Cir. 1994) (reversing district court's confirmation of an arbitration award where the arbitration procedure failed to follow the parties' contract for selection of arbitrators).

Notwithstanding the substantial irregularities in the institutional choice, the venue for the arbitration, and the arbitrator selection process, on May 18, 2015, the presiding arbitrator issued an opinion that the tribunal was without jurisdiction to arbitrate the parties' dispute. (*See* Leathley Decl., Ex. 39.) This opinion concluded that the tribunal had no jurisdiction over the dispute because the claimants' purported claims were "outside the scope of the [1933 Agreement's] arbitration clause . . . in terms of its parties and its content." (*Id.* at 13.)

Regardless of the finding by the tribunal that it in fact lacked jurisdiction to arbitrate the matter, on the same day this jurisdictional opinion was rendered, a new arbitrator appeared for the first time, again in

violation of the explicit terms of the arbitration provision in the 1933 Agreement for the selection of arbitrators. (*See id.*, Ex. 36 at 5.) A newly-constituted tribunal with two new arbitrators issued the disputed Award a mere sixteen days later. (*See* Pet., Ex. B.) The earlier finding by the tribunal that it lacked jurisdiction to issue an award renders the authority of the tribunal exhausted and the later-issued award beyond the scope of the submission to arbitration and without authority. *See, e.g.*, *McClatchy Newspapers v. Central Valley Typographical Union No. 46*, 686 F.2d 731, 734 (9th Cir. 1982) (holding that entry of arbitral judgment divests tribunal of jurisdiction).

The Court also finds that the Award itself attempts to resolve claims that are outside the scope of the purported arbitration agreement. The scope of the 1933 Concession Agreement was limited to the grant of rights in the extraction of hydrocarbons on public and private lands as granted by the Kingdom of Saudi Arabia. The arbitration provision in that original agreement does not purport to cover a dispute concerning money allegedly owed under a deed transferring private rights and the title of land to another party. The subject-matter of the dispute does not fall under the scope of the original arbitration provision. Accordingly, this Court denies the petition to confirm the award on this independent basis.

Lastly, certain unverified copies of the Award before the Court indicate that, after its issuance, some copy of Award was apparently authenticated with stamps that inaccurately indicate it had been reviewed by the United States Department of State and the Egyptian Ministry of Foreign Affairs. (*See* Hesham Decl. ¶¶ 26-29; Dkt. No. 64-3, Ex. 15 at 2.) These

multiple procedural irregularities similarly caution against confirmation of the Award.

Accordingly, and on all of these separate bases, had the Court found it had jurisdiction, the Court would deny the Petition on the merits of Chevron's defenses under Article V of the Convention.

CONCLUSION

For the foregoing reasons, the Court GRANTS Chevron's motion to dismiss the Petition. The Court shall issue a judgment and the Clerk is directed to close the file.

IT IS SO ORDERED.

/s/ Jeffrey S. White
United States District Judge

Dated: September 24, 2019

ORDER OF THE UNITED STATES COURT OF APPEALS FOR THE NINTH CIRCUIT DENYING PETITION FOR REHEARING (NOVEMBER 16, 2021)

UNITED STATES COURT OF APPEALS
FOR THE NINTH CIRCUIT

WALEED KHALID ABU AL-WALEED
AL-HOOD AL-QARQANI; ET AL.,

Petitioners-Appellants,

v.

CHEVRON CORPORATION; CHEVRON USA INC.,

Respondents-Appellees.

No. 19-17074

D.C. No. 4:18-cv-03297-JSW
Northern District of California, Oakland

Before: THOMAS, Chief Judge, and
KELLY* and MILLER, Circuit Judges.

The panel has unanimously voted to deny appellants' petition for rehearing. Chief Judge Thomas and Judge Miller have voted to deny the petition for rehearing en banc, and Judge Kelly so recommends.

* The Honorable Paul J. Kelly, Jr., United States Circuit Judge for the U.S. Court of Appeals for the Tenth Circuit, sitting by designation.

The full court has been advised of the petition for rehearing en banc, and no judge has requested a vote on whether to rehear the matter en banc. Fed. R. App. P. 35.

The petitions for rehearing and rehearing en banc are DENIED.

FIRST PETROLEUM AGREEMENT ("THE CONCESSION AGREEMENT"), CERTIFIED TRANSCRIPT (MAY 30, 1933)

Law Office of Hassan Mahassni
Translation Department (License No. 23)
PO Box 2256, Jeddah 21451
Telephone: (966-2) 665-4353
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(Ch. Of Commerce No. 63471)
Kingdom of Saudi Arabia

Certificate

The Translation Department of the Law Office of Hassan Mahassni hereby certifies that it is licensed to perform translation from and into English and Arabic and that the translation of the attached document is a full and correct translation.

Jeddah on 23 Jun 2015

/s/ Hassan Mahassni

PHOTOCOPY OF THE FIRST PETROLEUM AGREEMENT

SIGNED IN 1933

SERIAL NUMBER: 22

Stamps appears with the following words:

Ministry of Finance of the Kingdom of Saudi Arabia
Sheikh Sulaiman Al Hamdan
5 Safar, 1352 H. (30th May, 1993)

KINGDOM OF SAUDI ARABIA
MINISTRY OF FINANCE
PRIVATE BUREAU

This Agreement has been concluded between His excellency Abdullah Al-Sulaiman Al-Hamdan, Minister of finance of the Kingdom of Saudi Arabia on behalf of the Government of Saudi Arabia, herein-after referred to as the (Government) First Party– and L.N. Hamilton of behalf of Standard Oil of California Company, herein after referred to as the (Company) Second Party. Agreement has been reached between the Government and the Company in the following manner.

Article 1:

Under this Agreement and subject to the terms and conditions to be subsequently detailed which pertains to the area bounded below, the Government

confers upon the Company the absolute right for a period of sixty years starting as of the date of the coming into effect of the Agreement to investing, explore, drill, produce, process, manufactures, transport, handle, take and export petroleum, asphalt naphtha, natural lubricants, . . . wax, other carbon liquids and the extracts of all these products. However, it is understood that this right shall not include the granting of the absolute right for the sale of crude or refined products within the area detailed below or inside the Kingdom of Saudi Arabia.

Article 2:

The area covered by the absolute right mentioned under Article 1 of this Agreement shall be entire eastern parts of the kingdom of Saudi Arabia from its eastern boundaries (including the marine islands and coastal waters) to the end of the western edge of Al-Dahna'a, and from the northern borders to the end of the southern borders of the Kingdom of Saudi Arabia, provided that from the northern end of the western edge of Al-Dahna'a, this western boundary of the area referred to shall continue in a straight line in the direction of the north with a deviation of thirty degree westwards until the point of convergence of the northern borders of the Kingdom of Saudi Arabia, and that from the southern end of western edge of Al-Dahna'a, this western boundary of the area referred to shall continue in a straight line southwards with a thirty degrees deviation eastwards until the point of convergence of the southern borders of Kingdom of Saudi Arabia. For the sake of simplicity (easy reference), this area shall be called the (Covered Zone).

Article 3:

In addition to the granting of the (Covered Zone) specified in Article 2 of this Agreement, the Government hereby also grants to the Company the priority right to obtain an (Oil Concession) that shall include the rest of the eastern parts of the Kingdom of Saudi Arabia extending to the west from the western borders of the (Covered Zone) to the point where the sedimentary lands meet with the *igneous layers*. This right of priority includes such rights as the Government now has and what it will have after now in what is called the neutral zone bordering the Persian Gulf and lying to the South of Kuwait the description of this right of priority shall be agreed upon later on. The expression of (Oil Concession) contained in this article is intended to mean an overall concession of all the products mentioned in this Agreement. In addition to this, the company geologist shall have the right to inspect the area covered by the aforementioned priority right (with the exception of the above mentioned neutral zone; if such inspection is necessary of useful to explore the geological nature of the (Covered Zone).

Article 4:

Within the period agreed upon in Article Eighteen of this Agreement the Company shall extend to the Government a preliminary loan of Thirty Thousand English Gold Guineas or the equivalent thereof.

Article 5:

The Company shall annually pay to the Government the amount of five thousand English Gold Guineas or the equivalent thereof. For the sake of simplicity (easy reference), this payment shall be

expressed as an (annual rent) and this rent shall be paid in advance. The rent for the first year shall be paid within the period agreed upon in Article Eighteen of this Agreement. Thereafter, and while this contract shall not be invalidated, the annual rent shall continue to be paid at the beginning of every year as of the date of the coming into effect of this Agreement and it must be paid within 30 Days of the date of the start of every year, provided that upon the discovery of oil in commercial quantities no other annual rents shall be claimed nor shall they be payable.

Article 6:

If this Agreement is not ended within a period of eighteen months starting from the date of its validity, the company shall extend to the Government a second loan amounting to Twenty Thousand English Gold Guineas or the equivalent thereof. The Maturity date of this loan shall be after the lapse of eighteen months from the data of the validity of this Agreement, but the company shall have a period of grace of fifteen days from the date of hereby in order to extend this loan within that period.

Article 7:

During the validity of this Agreement, the Government shall not be required to repay the preliminary loan amounting to thirty thousand English Gold Guineas or the equivalent thereof nor the second loan amounting to twenty thousand English Gold Guineas or the equivalent thereof. However, the Company shall have the right to recover the amounts of these two loans by deduction from half of the

proceeds due to the Government. If the Company had not recovered the amounts of these two loans in full or any part thereof in this way before the expiry of this Agreement, the Government shall pay back the amounts which were not recovered in four annual installments. The first installment shall be paid within one year as of the date of expiry of this Agreement. In addition to this, the priority right referred to in Article Three of this Agreement shall remain valid with the company until the Government shall have paid all of the amounts that were not recovered.

Article 8:

Upon the coming into effect of this Agreement the company shall start planning work and preparation for the geological work; and the works shall be so arranged as to take advantage of the cool climate in order to carry out effective field works, whereas the hot climate shall be utilized for office work such as information collection and reports. In any case, the start of the real field work shall not be beyond the end of the month of September 1933, and this work shall continue diligently and vigorously until the drilling operation start and until the Agreement comes to an end.

Article 9:

Within ninety days of the date of commencement of the drilling operations, the Company shall abandon to the Government plots (of land) from the Covered Zone in respect of which it had decided at the time not to pursue the same or not to use in another way related to this project. The Company shall also abandon to the Government from time to time during the sub-

sistence of the Agreement other plots in the Covered Zone which the Company might have decided at the time not to proceed with the discovery, exploration or the use thereof in what is related to this project. All of the Plots which the Company had abandoned shall be released from terms and conditions of this Agreement; however, the Company shall have he permanent right to use these abandoned lands in facilitating transport and communications throughout the validity of this Agreement, provided that such use shall have little to do with the other way in which these sections abandoned by the Company, might be used.

Article 10

The Company shall commence the operations relating to drilling as soon as the site appropriate for it has been found. In any case, if the Company failed to commence the drilling operations within three years as of the end of the September 1933 (subject to the provisions of Article twenty-seven of this Agreement), it shall be permissible for Government to terminate this contract. When the Company Starts the drilling works, it must maintain active perseverance until such time as it has discovered oil in commercial quantities or until such time as this Agreement has been terminated. If the Company defaulted to announce on time the discovery of oil in commercial quantities, then the date which will be marked as the date when oil was discovered in commercial quantities would be the date when the Cmopany had completed the drilling of one or more wells, tested them and found them capable of producing not less than two thousand tons of crude

oil per day for 30 consecutive days pursuant to the applicable usages in first class oil territories.

Operation relating to drilling shall include the requisition of tools and equipment and the shipping thereof to the Saudi Arabian Territories and shall comprise building of roads, camping, structures installations, communications, and the fitting and operation of machinery, equipment and means for the drilling of wells . . . etc.

Article 11:

Upon the discovery of oil in commercial quantities, the Company shall loan the Government the amount of Fifty Thousand English Gold Guineas or the equivalent thereof, and one year thereafter it will loan the Government another amount of Fifty Thousand English Gold Guineas or the equivalent thereof. The date of extending the first loan shall be the date of the discovery of oil in commercial quantities as provided for under Article (10) of this Agreement. The date of extending the second loan shall be one year after the lapse of that date, and in both cases the Company shall be given a period of grace of sixty days following the maturity date so that within that period the loan shall be extended. Both of these two loans shall be on account of the proceeds which will be due to the Government, and accordingly the Company shall have the right to recover them in the form of deductions from one half of the proceeds due to the Government.

Article 12:

As it has been agreed that the annual rent of Five Thousand English Gold Guineas or the equivalent

thereof shall be paid until the date of the discovery of oil in commercial quantities, and as it has been agreed also that the payment of this annual rent shall be made in advance, then it shall be permissible for the last annual rent paid before the date of the discovery of oil in large quantities shall include a period exceeding this date of discovery and therefore if such period was equal one 1/5 of the year or more then the corresponding percentage to be attained from the amount of the Five Thousand English Gold Guineas or the equivalent thereof …

Article 13:

Until such time as it becomes practicable that is to say the Company is given reasonable time for requisitioning and shipping additional tools and equipment to the Territory of Saudi Arabia (as well as the commencement of additional work) after the date of the discovery of oil in commercial quantities the Company shall continue the drilling operations using at least two of the equipment and such operations shall continue with the vigor and perseverance until such time as the prescribed area has been drilled pursuant to what takes place in the first class oil lands or until the agreement ends.

Article 14:

The Company shall pay to the Government in income in respect of all of the crude oil produced and reserved that is flowing from the field storage has in after extracting from it:

1. Water and extraneous material;

2. Oils that are necessary for the ordinary works in the installation of the company in the Kingdom of Saudi Arabia

3. Oils that are necessary to manufacture quantities of gasoline and kerosene to be given free of charge to the Government each year in accordance with Article Nineteen of this Agreement. The value of the proceeds for every net ton of crude oil shall either be;

    a. Four Gold Shillings or the equivalent thereof, or

    b. As per the Company's discretion at the time of payment of each installment of the proceeds. It shall be one dollar of the currency of the united states of America on each net ton of crude oil to which dollar there shall be added the difference that might exist in the exchange rate between the quantity which is equivalent to Four Gold Shillings pursuant to the average rate of exchange during the three months that immediately precede the date of payment of the installment and one dollar and ten cents of the Unites States currency.

[. . .]

Article 15:

If the Company was extracting preserving and selling any type of natural gasses then it shall pay the Government and income which equivalent to one eight (1/8) of the proceeds of the sale of such natural gasses. However, it is understood that the company

shall not be required to produce, preserve, sell or dispose of any natural gas and it is also understood that it shall not be required to pay any income on the gasses that it might use in the normal works at its installation of Kingdom of Saudi Arabia.

Article 16:

The Government shall have the right, through its duly authorized representatives to inspect and scrutinize the works carried out by the company according to the provisions of this Agreement during the normal working hours, and to review and verify the quantities of production carried out by the Company in gauging the quantities of oil extracted which are preserved and flowing from the field storage reservoir pursuant to the common practices in the first class oil fields, and keep them as true and correct accounts. The same shall also apply to the natural gases which might be extracted, reserved and sold by it. The duly authorized representatives of the government shall have the right at all appropriate times to inspect such accounts. The Company shall deliver to the Government within three months after completion of every half year starting from the date of discovery of oil in commercial quantities, a summary of the accounts of half of that year and a statement of the amount if the proceeds due to the Government in respect of half of that year. The Government shall, treat these accounts and statements confidentially with the exception of the figures which the government feels are needed to be published for financial purpose. The Proceeds due to the Government shall be paid at the end of every half year starting from the date of the discovery of oil in commercial quantities within three months as of the end of that half year. In case

of any difference relating to the amount of the proceeds due for that half year, the Company shall deliver to the Government that part of the proceeds account in respect of which there was no differences during within the period indicated above, and thereafter the question of the existing differences shall be settled with the agreement of the two parties. If no agreement was reached in this form the difference shall be settled by arbitration as provided for in this contract. Any amount that is payable to the Government as a result of such settlement, shall be paid within the sixty days of the date of such determination.

Article 17:

… XXXXXXXXXXX

Article 18:

All payment provided for in this Agreement which ought to be paid to the Government shall be paid to it either directly or by depositing in in its name in one of the banks designed in writing by the Government. The Government shall have the right to change this bank from time to time provided that it shall inform the Company of such change in writing so that the company shall have ample time to make future payment to the new bank.

It has been agreed that the Government shall designate that bank either in the territory of Saudi Arabia, the United States of America, England or Holland, provided that no bank shall be so designated in the territory of the Saudi Arabia unless it had offices in the United States of America, England,

Holland, through which money can be transferred to the territory of Saudi Arabia. In Case the Company made due payment to the Government or deposited the amount belonging to it in one of the banks or if it that had paid that amount to the offices of a bank for the purpose of transferring it to the Territory of Saudi Arabia, the company shall be free of liability in regard to that payment. It has been agreed that the first payment amounting to Thirty Five English Gold Guineas or the equivalent thereof (which is the preliminary loan and rent of the first year), shall be paid within fifteen days of the coming into effect of this Agreement to the offices of the Dutch Commercial Company in Jeddah (Territory of Saudi Arabia) which are in New York or London for the transfer thereof at the Company's expense without delay to the said commercial Company to be delivered to the Government against obtaining from the Government a proper receipt for this payment. If this first payment is not paid in gold . . .

Article 19:

Following the discovery of oil in commercial quantities and within a reasonable time, the company shall select an area inside the Territory of Saudi Arabia to set up a factory for the manufacturing of a sufficient quantity of gasoline and gas to meet the ordinary requirements of the Government provided that the nature of crude oil available shall be conductive to the manufacturing of these product on commercial basis through the use of customary refining methods, and provided that the invested quantities of oil are sufficient for the purpose.

It is understood that the ordinary requirements of the Government shall not include the sale. On its part, inside the country not outside and that the company shall expedite the construction of this factory after completion of the necessary preliminary arrangements and as soon as it has obtained the approval of the Government for the site proposed by it. Every year following the date of completion of this factory the company shall provide the Government free of charge with a quantity if gasoline amounting to *two hundred thousand* unpacked American gallons and a quantity of gas amounting to *one hundred thousand* unpacked American gallons. It is understood that the means that are to be used by the Government for receiving these quantities shall not impede or expose the works of the Company to danger.

Article 20:

The Company Shall employ at its own expense the necessary number of guards and watchmen for the purpose of looking after its representatives, camps and installations. However, the Government promises to extend all the help to the Company in providing the best of solders and men at its disposal and charge them with the responsibility of undertaking this work and shall extend to the Company all reasonable care at wages that are not in excess of the usual wages paid by the Government or by any other persons for similar services. It is understood that the expenses for such services shall be paid by the Company to the Government.

Article 21:

In consideration of the obligations undertaken by the Company under this Agreement, and in lieu if the payments required from the Company pursuant to this Agreement the Company and the project shall be exempted from all direct or indirect taxes, excise, dues, wages, and fees (including customs dues in respect of exports and imports). It is understood that this advantage shall not include the sale of the products inside the Territory or the private needs of the staff of the Company. It shall not be permissible for the Company to sell inside the Territory any of the items imported for it in respect of which no customs dues were collected without first paying the customs dues that are payable for the same.

Article 22:

Naturally, it is understood that the Company shall have the right to use all means and facilities which it considers necessary or recommended in order to help it to enjoy the rights that are granted to it under this Agreement and to enable it to carry out the objects of this project–which include inter alia the construction and use of roads, camps buildings, fixtures, all means of transportation and to set up and operate machines equipment and means that are related to the drilling of wells, transportation, storage, processing, manufacturing, handling or to the exportation of petroleum and its products or which relate to the camps, buildings, and accommodation of the staff of the company. The Company shall have the right to build and use basins, reservoirs, tanks and utensils, It shall have the right to build harbors, quays and lines for marine loading and operate the

same as well as all other port facilities and to use all type of means for the transport of the staff equipment, petroleum and the extracts thereof.

It is understood however, that the use of aircraft inside the Territory shall be subject to a separate agreement, and the Company alone shall also have the right to invest take and use water. It shall also have the rights to take and use any water that belongs to the Government for the purpose of Managing the work relating to the project provided that its work shall not cause damage to irrigation not deprive the lands, house or resources used to provide sufficient water to cattle from time to time. The Company may also take and use for its activities provided for in this project other natural products belonging to the Government such as surface dust, timber, stones, limes, gypsum, and the like.

The employees and agents of the Government (while carrying out official duties) shall have the right to use means of transportation and transport set up by the Company, provided that such use shall not impede or obstruct the works of the company mentioned in this Agreement nor cause the Company to incur any material expenses. The use by the Government if the means of the Transportations and transport belonging to the company during national emergencies would make it possible for the company to obtain fair compensation for any loss sustained by it as a result of that use in respect of damage afflicting the Company's means or equipment or installations or for impeding or obstructing its works.

Article 23:

The project mentioned in this Agreement shall be managed and controlled by Americans who shall employ as far as possible and practicable citizens of the Kingdom of Saudi Arabia. Should the Company be able to find suitable employees from the citizens of the Government of Saudi Arabia, then it shall not employ the nationals of any other government. However, the treatment of the workers by the Company shall be subject to the laws prevailing in the Territory (which are usually applied to the employees of any other industrial project)

Article 24:

The Company shall reserve for itself the right to investigate other materials and products other than those provided for in this Agreement and to procure the same within the Covered Zone of this Agreement except such lands that are occupied by the wells and installations of the Company. It is always stipulated that this right which is reserved for the Government, Shall be applied in such a manner as not to violate the rights of the Company that are granted to it nor expose its operations to danger and for that (purpose) it is stipulated also that the government pay to the Company fair compensation for each and every damage sustained by the Company as a result of these rights which are reserved for it. Upon granting these rights which are reserved by the Government for itself the holder of the Concession shall be bound by the provisions of this Article.

Article 25:

The Government authorizes to company to obtain from the owner of the land the surface rights of the lands which the company deems necessary for use in its works pertaining to this project provided that the company shall pay to the occupant of the lands an allowance in consideration for abandoning the use of such lands. However, the amount to be paid to it (occupant) must be fair and based on the benefit which the occupant of the land obtains from it. The Government shall extend to the Company all reasonable assistance in case of difficulties arising out of obtaining the rights from the occupant of the surface of the land. Naturally, the Company shall have no right to obtain the holy sites nor occupy them.

Article 26:

The Company shall present to the Government copies of all the typographical maps and geological reports in their final form ratified by the Company which relate to frequenting and utilizing the area covered by this Agreement, and the Company shall also submit to the Government within four months from the end of every year (starting as of the date of discovering oil in commercial quantities) a report on its works that are provided for in this Agreement in that year provided that the Government shall treat these maps and reports confidentially.

Article 27:

Any default or omission perpetrated by the Company in implementing any of the conditions of this Agreement or the execution of its provisions shall not confer upon the Government the right to

request compensation from the Company or even to treat that as a violation of this Agreement when such default or omission arose out of force majeure. Should the performance of any condition or provision of this Agreement be delayed because of force majeure then the period of delay must be added to the period which might be necessary to rectify any damage occasioned during such delay, to the period and conditions outlined in this Agreement.

Article 28:

The Company may terminate this Agreement at anytime it chooses by giving the Government prior to doing so, a written notice of thirty days in a letter or cable, provided that the telegraphic notices shall be confirmed in writing. When terminating this Agreement by serving the said notice or by any other means each of the Government and the Company shall thereafter not be bound by any other obligations under this Agreement with the exception of the following:

1. The immovable properties of the Company such as roads, water wells, or oil wells with the pipeline thereof as well as the fixed buildings and installation etc. shall become the ownership of the Government free of charge.
2. The Company shall give time to the Government to buy the moveable belonging of the projects in the Territory of Saudi Arabia at a fair value equal to the value of the replacement of such properties at that time with a depreciation of the value against use. Any difference arising in connection with

determining the fair value shall be settled by arbitration in the same manner as provided for in Article (31) of the Agreement. If the Government refused or failed to buy those moveable properties within two months of the date of terminating this contract or if the Government failed to provide the value within thirty days after the termination thereof either by agreeing to it or by arbitration, the Company shall have the right to transport its properties within a period of six months.

3. Should the Company have due amounts remaining and unrecovered pursuant to Article (7) of this Agreement then the reservation of the said Article (7) shall remain valid until the obligations providedto ex for therein shall have been executed.

Article 29:

Should the Company break its undertaking to extend the second loan amounting to Twenty English Gold Guineas or the equivalent thereof as stipulated in Article Six of this Agreement or its undertaking to start works relating to the drilling as stipulated in Article Ten of this Agreement or its undertaking to extend the two loans each one of which amounting to Fifty Thousand English Gold Guineas or the equivalent thereof as provided for in Article Eleven of this agreement, or its undertaking pursuant to Article Thirty of this Agreement in connection with the payment of any compensation that may be imposed on the Company, then the Government handling of this revocation shall be its right to notify the Company

of that revocation immediately and if the Company failed to take expeditious measures to honor the revoked undertakings, the Government shall have the right to terminate this Agreement.

Article 30:

The penalty to be imposed on the Company for violating any of its undertakings provided for in this Agreement (with the exception of the conditions specified in Article Twenty Nine) shall be a fine to be paid by the Company to the Government under the following conditions;

The Government shall immediately inform the Company of Any revocation attributed to it, and the Government shall explain to the Company the nature of that revocation. Any difference that might arise as to whether the Company had committed the revocation attributed to it or not, shall be settled in the manner specified in this Agreement so that if it was proven that the company had committed the revocation then its default in carrying out the expeditious measures to deal with the same shall make it liable to pay compensation for that damage to the Government. If no agreement is reached on amount of these compensation then they shall be determined by arbitration in the manner specified in this Agreement, and the Company shall pay to the government the prescribed amounts of compensation in the manner stated within sixty days of the date of that decision.

Article 31:

Should any doubt, difficulty or difference arise between the Government and the Company in interpreting this Agreement, the execution thereof or

the interpretation or execution of any of it or with regard to any matter that is related to it or the rights of either of the two parties or the consequences thereof, and the two parties fail to agree on the settlement of the same in another way, then the issue shall be referred to two arbitrators with each party appointing one of the two arbitrators and with the two arbitrators appointing an umpire prior to proceeding to arbitration. Each party shall appoint its arbitrator within thirty days of the date of the application made to it in writing by the other party should the two arbitrators fail to appoint the umpire, then the Government and the Company shall at that point appoint ab umpire by consent and should both of them fail to agree, then they should apply to the president if the permanent International Court of Justice to appoint an umpire. The award passed by the two arbitrators in the case shall be final. However, if they failed to agree then the award of the arbitrators in the case shall be final. As regards the place of arbitration the two parties shall agree on it and if they failed to agree to that then it shall be in the Hague (Holland).

Article 32:

The Company shall have no right to assign its rights or obligations specified in this Agreement to whosever without the consent of the Government except that it is understood the Company shall have the right to transfer its rights and obligations provided for in this agreement to a company to be set up by it for this project after notifying the Government of the same. The Company shall have the right also to form other companies or establishments such as this whenever it is useful or necessary for it to do so as to carry out the objects of this project. Such

companies or establishments shall upon assuming some of the rights and obligations provided for in this Agreement or all of them and after notifying the Government of the same shall become subject to the terms and conditions of this Agreement. However, if the Company or the establishment that is newly formed issue shares for sale to the public then the inhabitants of the Kingdom of Saudi Arabia shall be given reasonable time to subscribe (under the same conditions that are offered to others) for at least 20% of the shares issued and offered for sale to the public.

Article 33:

It is understood that the periods referred to in this Agreement shall be computed on the basis of the solar calendar.

Article 34:

The date on which this Agreement shall be considered to come into effect shall be date on which it shall be published in the Kingdom of Saudi Arabia following the conclusion of this Agreement by the Company.

Article 35

This Agreement has been executed both in Arabic and English each of them has the same value. However, as most of the obligations that are provided for in it fall on the company, and as the interpretation of the English version especially the technical obligations and requirements referring to the oil industry are expressions that are based on solid rules after long practice and tests in agreements that are similar to this Agreement then it is agreed that

the two versions shall have the same value In Case of Difference in the Interpretation relating to the Company's obligation provided for in it then the English version shall prevail.

Article 36:

For the avoidance of any confusion it is abundantly clear that neither the Company nor any company affiliated or related to it shall have the right to interfere in the administrative, political or religious affairs in the Kingdom of Saudi Arabia.

Article 37:

It is understood that this Agreement, following the signing thereof in the country of Saudi Arabia shall be offered for the conclusion of it by the Company at its head office in San Francisco in the State of California before becoming valid. Following the signing of Two versions of this Agreement in two counterparts in the Kingdom of Saudi Arabia, the signed counterparts shall be sent by the company by registered mail to the headquarters of the Company in San Francisco, California within fifteen days of the receipt thereof the Company has to send its consent otherwise by cable to the Government to conclude this Agreement. If the Company did not conclude the Agreement within fifteen days of that date, this Agreement shall be null and void and shall have no effect or other consequence.

Similarly, if the preliminary loan and the rent for the first year had not been paid to the Government within the time agreed upon in Article Eighteen of this Agreement the Government shall have the right to declare this Agreement null and void and to consider it thereafter invalid upon the conclusion of

it by the company so that the Company shall return to the Government one copy of the two signed versions with the necessary proof showing the conclusion of the Agreement by the Company. Upon conclusion by the company of this Agreement it will be published in Saudi Arabia in the usual way.

This agreement has been executed this fourth day of the month of Safar in the year one Thousand Three Hundred Fifty-Two After Hijrah, corresponding to the twenty ninth of May in the year one Thousand Nine Hundred Thirty-Three Anno Domini.

For the Government of the Kingdom of Saudi Arabia
Minister of Finance
(Signed)

For Standard Oil of California
L.N. Hamilton
(Signed)

ARBITRATION AWARD ISSUED BY THE INTERNATIONAL ARBITRATION CENTER, CERTIFIED TRANSLATION (JUNE 3, 2015)

16 MAY 2018

ARBITRATION AWARD ISSUED BY THE INTERNATIONAL ARBITRATION CENTER LOCATED AT 14 ISMAIL AL-MAZNI STREET, EL-NOZHA, CAIRO, EGYPT

Cairo on June 3rd 2015G., corresponding to Sha'aban 16th, 1436H.,

By the Arbitration Panel composed of:

1. Mr. Mohammad Al-Shahaat Al-Sayed Hasanain, attorney at the Courts of Cassation, of Egyptian nationality, with his office located at 257, Al-Hejaz Street, El-Nozha, Heliopolis, Cairo.

   (Chairman of the Arbitration Panel)

2. Mr. Mohammad Arsheed Abdullah Aldeiri, Lawyer, of Jordanian nationality, with his office located at Villa No. 32, Abdullah Ghosha Street, Amman, Jordan.

   (Arbitrator nominated by the Claimants)

3. Dr. Abul-Ela Ali Abul-Ela Al-Nimr. Professor and Head of Private International Law at the Faculty of Law. Ain Shams University, Attorney at the Courts of Cassation, an Arbitrator approved under a Resolution by the Minister of Justice, of Egyptian nationality, with his office located at the 8th Floor, 10, Al-Oboor Buildings, Salah Salem Road, Cairo.

   (Arbitrator nominated by the Defendant)

The Arbitration Case Is Filed by:

First: Mr. Waleed Bin Khalid Abu Al-Waleed Al-Qarqani, in his personal capacity, and as Agent of the heirs of late/ Khalid Abu Al-Waleed Al-Qarqani, who are the heirs of late Khalid Abu Al-Waleed Al Hood Al-Qarqani, as evidenced by Bab Bin Ghesheer Court of First Instance, Commitments and Shari'ah Wills Department at the General People Committee for Justice in the Great Socialist People's Libyan Arab Jamahiriya dated 13.09.2010 G as per Order No. 360-2010, evidencing the death of late/ Khalid Abu Al-Waleed Al Hood Al-Qarqani on 15.09.1971G.

His inheritance is limited to:

1. Mr. Al-Waleed Khalid Abu Al-Waleed Al Hood Al-Qarqani,
2. Mr. Ahmed Khalid Abu Al-Waleed Al Hood Al-Qarqani,
3. Mrs. Shaha Khalid Abu Al-Waleed Al Hood Al-Qarqani,
4. Mrs. Naoum Al-Doha Khalid Abu Al-Waleed Al Hood Al-Qarqani,

5. Heirs of late/ Badriah So'ad Khalid Abu Al-Waleed Al Hood Al-Qarqani, (His daughter), and her inheritance is limited to her above mentioned brothers.

6. Heirs of late/ Badi'ah Khalid Abu Al-Waleed Al Hood Al-Qarqani (His daughter), and her inheritance is limited to her above mentioned brothers.

7. Heirs of late/ Nadeemah Khalid Abu Al-Waleed Al Hood Al-Qarqani (His daughter) and her inheritance is limited to her above mentioned brothers

8. Heirs of late/ Jameelah Abdullah Mohammad (his wife),

   They are the same heirs of late/ Khalid Abu Al-Waleed Al Hood Al-Qarqani as above mentioned

9. Heirs of late/ Laila Naeema Khalid Abu Al-Waleed Al Hood Al-Qarqani,

   Her death was evidenced on 25.06.1995G, and her inheritance is limited to her son Mustafa Jawad Zikri,

10. Mr./Mustafa Jawad Zikri

    All the above named are of Saudi Nationality

11. Heirs of late/ Mariam Mai Khalid Abu Al-Waleed Al Hood Al-Qarqani

    Her death was evidenced on 08.03.2007G, and her inheritance is limited to her sons, namely:

12. Heirs of late/ Omar Abdul-Rahman Azzam:

13. Mr./Khalid Omar Abdul-Rahman Azzam,

14. Mrs. Fatima Omar Abdul-Rahman Azzam,

15. Mr. Omar Abdul-Rahman Omar Abdul-Rahman Azzam,
16. Mrs. Najlaa Omar Abdul-Rahman Azzam,
17. Mrs. Laila Omar Abdul-Fattah Azzam (his wife)

    All the above named are of Egyptian Nationality

18. Heirs of Her Royal Highness Late/ Mona Bint Abdul-Rahman Bin Hasan Azzam,

    Statement of the Heirs No. 1, as per Deed No. 101/1, dated 11.05.1435H. Her death was evidenced on 19.04.1435H. Her heirs are as follows:

19. HRH Prince Mohammad, Bin King Faisal Bin Abdulaziz Al Saud,
20. HRH Prince Amr Bin Mohammed Bin King Faisal Bin Abdulaziz Al Saud,
21. HRH Princess Maha Bint Mohammad Bin King Faisal Bin Abdulaziz Al Saud,
22. HRH Princess Reem Bint Mohammad Bin King Faisal Bin Abdulaziz Al Saud

    All the above named are of Saudi Nationality

23. Heirs of late/ Essam Abdul-Rahman Azzam (of Egyptian nationality) who has no children. His inheritance is limited to the above mentioned heirs.

Their elected domicile is the Law Office of Dr. Abdul-Haleem Mandoor, Attorney at the Courts of Cassation, located at 36, Rushdi Street, Abdeen District, Cairo, Arab Republic of Egypt.

Second: Heirs of late Sheikh/ Adbullah Al-Solaiman Al-Hamdan, namely:

1. Mr. Ahmed Abdullah Bin Al-Solaiman Al-Hamdan, in his personal capacity, delegated Mr. Ahmed Abdul-Hayy Ghanem, the attorney, as per the Special Power of Attorney, issued at Rodh El-Faraj Notarization Office, dated 13.12 .2014G, and in his capacity as the Agent of:

2. Heirs of late/ Khadijah Saleh Al-Fadhl (his wife)

   Her inheritance is evidenced as per Deed of Inheritance, issued at Jeddah Court under No. 56/10, on 07.06.1427H, namely:

3. Mr. Abdulaziz Abdullah Al-Solaiman Al-Hamdan,

4. Heirs of late/ Dala' Adil Abdul-Qader Qabbani

   Her inheritance is evidenced as per Deed of Inheritance No. 776, issued at Jeddah Court on 29.07.1385H, and she was inherited by her brother as per the Deed of Inheritance No. 22/16, issued on 11.05.1431 H, Volume No. 1/16, issued at the General Court of Taif Governorate, and he is:

5. Mr. Mazen Bin Adil Bin Abdul-Qader Qabbani,

6. Heirs of late/ Fahad Abdullah Al-Solaiman Al-Hamdan,

   His inheritance is evidenced as per Shari'ah Deed No. 31/326/1, issued at Jeddah Court on 21.08.1420 H. The heirs are:

7. Mrs. Shafia' Saif Ahmed Abu Halail (his wife),

8. Mr. Abdullah Fahad Abdullah Al-Solaiman Al-Hamdan,

9. Mr. Zaid Fahad Abdullah Al-Solaiman Al-Hamdan,
10. Mrs. Sumayyah Fahad Abdullah Al-Solaiman Al-Hamdan,
11. Heirs of late/ Mohammad Abdullah Al-Solaiman Al-Hamdan

    His inheritance is evidenced as per Shari'ah Deed No. 35/13, issued at Jeddah Court on 25.02.1424 H, Volume No. 4/13. The heirs are:

12. Mrs. Hayat Yahya Abdullah Noori (his wife),
13. Mr. Salah Mohammad Abdullah Al-Solaiman,
14. Mrs. Khadijah Mohammad Abdullah Al-Solaiman,
15. Mrs. Laila Mohammad Abdullah Al-Solaiman,

    Whose inheritance is evidenced as per Shari'ah Deed No. 776, issued on 21.07.1385 H, and as per the Deed of Will No. 154/1/5, dated 25/08/1408 H. The heirs are:

16. Mr. Faisal Majed Mohammad Al-Solaiman,
17. Mrs. Sarah Majed Mohammad Al-Solaiman,
18. Heirs of late/ Khalid Abdullah Al-Solaiman Al-Hamdan

    Whose inheritance is evidenced as per Shari'ah Deed No. 51/12, issued at Jeddah Court, Volume No. 1/12, on 17/08/1427 H. The heirs are:

19. Mrs. Laila Ibrahim Abu Samrah (his wife),
20. Mr. Yazeed Khalid Abdullah Al-Solaiman Al-Hamdan

21. Mr. Waleed Khalid Abdullah Al-Solaiman Al-Hamdan,
22. Mr. Tariq Khalid Abdullah Al-Solaiman Al-Hamdan,
23. Heirs of late/ Loulwa Abdullah Al-Solaiman Al-Hamdan

    Her inheritance was evidenced as per Deed No. 88/136/15, issued at Jeddah Court on 12.07.1411 H. The heir are:

24. Mrs. Ruqayyah Abdul-Rahman Al-Rasheed,
25. Heirs of late/ Mohammad Abdul-Rahman Al-Rasheed

    His inheritance was evidenced as per Deed of Inheritance No. 237414071175310427, issued at Jeddah General Court on 25.10.1431 H. The heirs are:

26. Mrs. Asma' Bint Abdullah Mohammad Al-Rasheed (his wife),
27. Mr. Bandar Bin Mohammad Bin Abdul-Rahman Al-Rasheed,
28. Mr. Sultan Mohammad Abdul-Rahman Al-Rasheed,
29. Mr. Majed Bin Mohammad Abdul-Rahman Al-Rasheed,
30. Mrs. Nada Bint Mohammad Abdul-Rahman Al-Rasheed,
31. Mrs. Basmah Bint Mohammad Abdul-Rahman Al-Rasheed,

32. Heirs of late/ Madhawi Bint Abdullah Al-Solaiman Al-Hamdan

    Whose inheritance after her father, late/Abdullah Al-Solaiman Al-Hamdan, is evidenced as per Shari'ah Deed No. 776, issued on 29.07.1385 H, and her inheritance is evidenced as per Deed No. 3470745, issued on 09.08.1434 H. The heirs are:

33. Mrs. Munawwar Ateeq Mohammad Al-Solaiman Al-Hamdan,

34. Mrs. Fattoum Ateeq Mohammad Al-Solaiman Al-Hamdan,

35. Heirs of late/ Asma' Abdullah Al-Solaiman Al-Hamdan

    Whose inheritance after her father, late/ Abdullah Al-Solaiman Al-Hamdan, is evidenced as per Shari'ah Deed No. 776, issued on 29.07.1385 H, and her inheritance is evidenced as per Deed No. 8/262/1, issued at Jeddah Court on 29.01.1416 H. The heirs are:

36. Mr. Hamad Bin Saad Bin Hamad Al-Solaiman,

37. Mrs. Basmah Hashim Saeed Hashim,

38. Mrs. Fatimah Abdullah Al-Solaiman Al-Hamdan,

    Whose inheritance after her father, is evidenced as per Deed No. 776, issued on 29.07.1385H.

39. Mrs. Hind Bint Abdullah Al-Solaiman Al-Hamdan,

    Whose inheritance after her father, is evidenced as per Deed No. 776, issued on 29.07.1385H.

    All of them are of Saudi Nationality

They are all residing in the Building of Sheikh/ Abdullah Al-Sulaimn Al-Hamdan, Al-Ikhlass Street, Al-Hamra District, Jeddah, Kingdom of Saudi Arabia.

Their elected domicile is the Office of Dr. Abdul-Haleem Mandoor, Attorney at Courts of Cassation, located at 36, Rushdi Street, Abdeen, Cairo, Arab Republic Egypt.

(First Party – Claimants)

AGAINST

Second:

Chevron Entities (Chevron Company oF USA, Chevron Saudi Arabia and Aramco), having their main offices at 6001. Bolinga Road, Canyon San Romano, CA, 94583-2324, United State of America. represented by Mr. Carry H. Andreas, in his capacity as Assistant Secretary and legally authorized, having their elected domicile at the Law Office of Al-Ebrashi and Co., located at the 4th Floor. 4, Al-Sadd Al-Aali Street, Dokki District, Cairo–12311, Arab Republic of Egypt, and the Office of Zulfaqqar & Co. for Legal Consultancy and Advocacy, located at the 8th Floor, the Southern Tower, Nile City Towers, 2005 (A), Nile Cornice, Ramlat Bolaq, Cairo, Egypt.

(Second Party – Respondents)

First: Facts

l. On 20.09.1368H, the heirs of the Claimants, namely: Late Sheikh/Abdullah Al-Solaiman Al-Hamdan. Late Sheikh/Hammad Bin El Solaiman Al Hamdan and late Sheikh/ Khalid Abu

Al-Waleed Al-Qarqani, owned as per the order issued by His Highness Prince/ Saud Bin Jalawi. No. 1687/5022 dated 20.09.1368H, an area of land with the boundaries and landmarks shown in the Title Deed No, 124, Volume 2 for the Year 1368H, and on the map enclosed to the reverend said Order, provided that late Sheikh/ Abdullah Solaiman Al-Hamdan and late Sheikh/ Hamad Al-Soiaiman Al-Hamdan own three-quarters (3/4) of such area of land, and late/ Khalid Abu Al-Waleed Al-Qarqani owns the remaining quarter of such area.

Subject Title Deed No. 124, Volume 2 of 1368H, stipulates:

> The land, the subject matter of this sale has become a pure ownership and right for each of Their Excellencies/ Abdullah and Hamad Bin Al-Solaiman Al-Hamdan and Khalid Abu Al-Waleed Al-Qarqani, provided that three-quarters (3/4) of such land shall be owned by each of Their Excellencies Sheikh/ Abdullah and Sheikh/ Hamad Al-Solaiman Al-Hamdan, and the fourth quarter shall be for Khalid Abu Al-Waleed. They shall have the right to act on their respective land as owners of the same without anyone objecting or disputing them in that regard . . . ."

2. On 29th July 1933G, the Saudi Government, represented by His Excellency/Abdullah Al-Solaiman Al-Hamdan, in his capacity as Minister of Finance, concluded, with the Arab American Oil Company (Standard Oil of California), the first Petroleum Agreement (the "Concession Agreement"). As per Article 1 of such Agreement:

> "The Government hereby grants the Company the absolute right, for a period of sixty (60) years, as of the effective date hereof, to investigate, explore, drill, extract, process, manufacture, transport, handle, take and export oil, asphalt, natural greases, wax and other carbonic fluids and extracts of all such products, in connection with the area specified in the Annex of this Agreement".

Such Agreement was called "Concession Agreement for Oil Extraction".

3. On the First of Jumada Al-Thani 1368H that corresponds to 20.03.1949G, the representative of the Arab American Oil Company (Standard Oil of California), the predecessors of the Respondents, sent a letter to the owners of the land—subject of Title Deed No. 124, Volume 2 of 1368H—setting the areas the Company needed from the land that belong to them, in order to carry out its obligations as set forth in the Concession Agreement concluded with the Saudi Government on 29th July 1933G.

4. The above mentioned Title Deed No. 124, Volume 2 of 1368H, included under the title "Transfer to the Arab American Oil Company", what states:

> "Against the good compensation that would be paid to us, we, the undersigned, as per our ownership right under Deed No. 154/8, of the plots of land stated thereof, we hereby grant and transfer, each for himself and for his heirs, guardians and lawful representatives, to the Arab American Oil Company, referred to in subject Deed, or its successors and who-

ever it appoints, the right to use and occupy said plots of land for the purposes of the Saudi Arabian Concession, dated 4th Safar 1352H that corresponds to, 29th July 1933G, and any additional agreements to be annexed thereto. We, hereby, declare and prove that the rights of the said Company to use and occupy subject land arise in accordance with Article 25 of the said Concession, and we hereby also agree to safeguard the said Company, its successors and whoever it appoints against all claims, whether in the past, present or in future, against anyone claiming title or interest in any or the said plots of land".

(This was signed by each of Khalid Abu Al-Waleed, Hamad Al-Solaiman and Abdullah Al-Solaiman).

5. On 08.07.1375H, pursuant to the aforementioned Deed of Sale No. 128, His Excellency Sheikh Hamad Al-Solaiman Al-Hamdan assigned his share in the land subject to the above mentioned Deed to his brother, Sheikh/ Abdullah Al-Solaiman as per the Deed issued from Makkah Al-Mukarramah Notary Public No. 765 on 08.07.1375H.

   Consequently, the owners of the land, the subject matter of Deed of Sale No. 124, have become Sheikh/ Abdullah Al-Solaiman at three-quarters (3/4) and Khalid Abu Al-Waleed at one-quarter (1/4).

6. Article 25 of the Concession Agreement concluded on 26th July 1933G stipulates:

   "The Saudi Government authorizes the Arab American Oil Company (Standard Oil of Cali-

fornia) to obtain from the owner of the land, the surface rights of the land that the Company believe in the need of using them in the project related works provided that the Company shall pay to the occupant of the land an amount for assigning the use of such lands. As for the amount to be paid to such occupant, it shall be fair and based on the benefit the occupant obtains from such land. The Government shall extend to the Company all possible assistance in case of any difficulties arising from obtaining the rights of the occupant of the land surface . . . ."

7. There are many letters and correspondence submitted and kept in the file of this Case, issued by the claimants to all concerned authorities in the Kingdom of Saudi Arabia claiming to obtain their rights represented in the price of the land, subject matter of arbitration, its rental value and compensating them for not benefitting by the land for so many years.

However, the Claimants received no response from any concerned authority in that regard, a matter that made them resort to this arbitration in execution of Article 31 of the Concession Agreement, concluded on 29th July 1933G.

Second: Procedures

1. On 24.05.2014G, Mr. Ahmed Abdullah Al-Solaiman, in his personal capacity, and as the Agent of Mr. Waleed Bin Khalid Abu Al-Waleed Al-Qarqani and others, applied to the International Arbitration Center requesting approval for conducting arbitration procedures and resolving

the dispute arising between them and Chevron Saudi Arabia Company as well as their entities (Respondents), through the International Arbitration Center, in execution of Article 31 of the Concession Agreement, dated 31st July 1933G.

2. On 27.05.2014G, the International Arbitration Center sent a letter to Mr. Waleed Bin Khalid Al-Waleed Al-Qarqani and others (Claimants) informing them of its approval to conduct arbitration in the above mentioned dispute, and taking its necessary measures in accordance with its regulations. In this letter, the International Arbitration Center requested the Parties of Arbitration to select their Arbitrators.

3. On 28.05.2014G, the Claimants sent a letter to the International Arbitration Center requesting that the Center appoint, on their behalf, an Arbitrator from amongst the list of arbitrators accredited to the Center.

4. On 02.06.2014G, the International Arbitration Center sent a letter to the Claimants informing them of selecting Dr. Ahmed Sadiq Al-Qushairi as their Arbitrator, being one of the accredited arbitrators in the Center's List. The Center also informed them that Mr. Al-Qushairi has already been notified of such selection and that he has accepted over the phone such nomination.

5. On 05.06.2014G, the International Arbitration Center sent a letter to Chevron Saudi Arabia Company and its entities requesting them to appoint their Arbitrator in respect of the dispute arising between them and the Claimants within a period of no more than thirty (30) days as of

the date of receiving such letter, and that in case such period lapses without appointing their Arbitrator, then the Center shall nominate him in accordance with the Center's Regulations, and thereupon the arbitration procedures shall commence.

6. On 05.07.2014G, Ibrachy and Partner Legal Consultancy Firm, as the selected domicile for Chevron Saudi Arabia Company and its entities, sent a letter (to the International Arbitration Center) including his rejection for nominating it to consider the above mention arbitration in accordance with its regulations.

   In the same letter, Chevron Company and its entities, as a precautionary measure, nominate Dr. Mohammad Abdul-Wahab, of Egyptian Nationality, as an arbitrator on their behalf, and that his address is: 8th Floor, the Southern Tower, Nile City Towers, and Dr. Abdul Wahab.

7. On 19.08.2014G, the International Arbitration Center sent a notice to Dr. Mohammad Salah Abdul-Wahab informing him that as per the letter sent from Chevron Company to the International Arbitration Center dated 05.07.2014G, Chevron Company and its entities appointed him as Arbitrator on their behalf. Dr. Mohamed Salah Abdul-Wahab was informed in the same letter that the Claimants have selected Dr. Ahmed Sadiq Al-Qushairi as an arbitrator on their behalf.

8. On 21.08.2014 G., Dr. Mohammad Salah Abdul-Wahab sent a letter to the International Arbitration Center informing it of his approval of

being appointed as an arbitrator by Chevron Company and its entities.

9. On 26.08.2014G., the International Arbitration Center sent a letter to Dr. Mohammad Salah Abdul-Wahab, the Arbitrator appointed for Respondents that included the nomination of a number of arbitrators registered in the Center's List in order for him to select one of them to be the Umpire. Such letter also stated that such names were brought before Mr. Ahmed Sadiq Al-Qushairi to select one of them to be the Umpire.

10. On 31.08.2014G., the International Arbitration Center sent a letter to Dr. Mohammad Salah Abdul-Wahab informing him that Dr. Ahmed Sadiq Al-Qushairi nominated Dr. Mohammad Ahmed Ali Ghali, of Sudanese Nationality, Assistant to the Minister of Justice in the Sudan, to be the Umpire.

11. On 31.08.2014G, Dr. Mohammad Salah Abdul-Wahab sent a letter to the International Arbitration Center informing it that he was in the process of coordinating with Dr. Ahmed Sadiq Al-Qushairi with regards the appointment of the Umpire.

12. On 01.09.2014G, the International Arbitration Center sent a letter to Dr. Mohammad Salah Abdul-Wahab repeating that Dr. Ahmed Sadiq Al-Qushairi has selected Dr. Mohammad Ahmed Ali Al-Ghali to be the Umpire, and in this letter also the Center asked Dr. Mohammad Salah Abdul-Wahab to approve the selection of subject Umpire.

13. On 02.09.2014G, both Dr. Ahmed Sadiq Al-Qushairi and Dr. Mohammad Salah Abdul-Wahab sent a joint letter to the Center deciding their withdrawal from the above mentioned Arbitration Case.

14. On 04.09.2014G, Mr. Waleed Bin Khalid Abu Al-Waleed Al-Qarqani, in his personal capacity and as the Agent of the other Claimants, sent a letter to Mr. Mohammad Arsheed Abdullah Aldeiri, the attorney, of Jordanian Nationality, appointing him as Arbitrator for on their behalf instead of Dr. Ahmed Sadiq Al-Qushairi who decided to withdraw from the arbitration and notified the Claimants of such withdrawal. Such letter emphasized as well that Dr. Mohammad Salah Abdul-Wahab was still the Arbitrator of the Respondents as they did not send any letter confirming his withdrawal from the arbitration.

15. On 07.09.2014G, Mr. Mohammad Arsheed Aldeiri sent a letter to the Claimants informing them that he approved his appointment as Arbitrator on their behalf in subject Arbitration Case.

16. On 07.09.2014G, the Claimants sent a letter to the Saudi Arabian Oil Company, Chevron Company and its entities and Chevron Saudi Arabia informing them of the nomination of Mr. Mohammad Arsheed Aldeiri as their Arbitrator instead of Dr. Ahmed Sadiq Al-Qushairi who apologized for discontinuing in the Arbitration Case.

17. On 07.09.2014G, the International Arbitration Center sent a letter to Dr. Mohammad Salah Abdul-Wahab informing him that the Claimants selected Mr. Mohammad Arsheed Aldeiri as

their Arbitrator instead of Dr. Ahmed Sadiq Al-Qushairi who apologized for discontinuing as Arbitrator in this Arbitration Case.

18. On 15.09.2014G, Mr. Mohammad Arsheed Aldeiri sent a letter to the International Arbitration Center informing it that he agreed, over the phone, with Dr. Mohammad Salah Abdul-Wahab, the Arbitrator for the Claimants to meet him in Cairo on 14.09.2014G, in order to select the Umpire. However, only on 13.09.2014G, Dr. Abdul-Wahab apologized for meeting him. Consequently, Mr. Mohammad Arsheed Aldeiri demanded the International Arbitration Center to apply its regulations and select an Umpire from amongst the arbitrators registered in the Center's list as he could not agree with Dr. Mohammad Salah Abdul-Wahab on selecting the Umpire.

19. On 16.09.2014G, the International Arbitration Center sent a letter to Dr. Hamdy Abdul-Rahman Ahmed informing him that the Center nominated him as Umpire in the said Arbitration Case, as being one of the arbitrators registered in the Center's list as the other two Arbitrators failed to agree on selecting the Umpire.

20. On 17.09.2014G, Dr. Hamdy Abdul-Rahman Ahmed sent a letter to the International Arbitration Center advising his consent to be appointed as Umpire in the said Arbitration Case, and he declared that he is neutral and independent from the two Parties of this Case.

21. On 18.09.2014G, the International Arbitration Center sent a letter to Mr. Mohammad Arsheed Aldeiri, the Arbitrator nominated by the Claim-

ants informing him to attend the meeting of the Arbitration Panel, composed of Dr. Hamdy Abdul-Rahman Ahmed as Umpire, Dr. Mohammad Salah Abdul-Wahab, the Arbitrator nominated the Respondents and himself, which meeting was to be held in the premises of the Center on 20.09.2014G in order to set a time for the proceedings Hearing.

22. On 18.09.2014G, Dr. Hamdy Abdul-Rahman Ahmed, the Umpire, sent a letter to Dr. Mohammad Salah Abdul-Wahab and Mr. Mohammad Arsheed Aldeiri inviting them to a meeting in the premises of the Arbitration Center, in their capacity as Arbitrators, on 20.09.2014G, in order to set the time for the proceedings Hearing.

    On the same date, the International Arbitration Center sent a letter to Dr. Mohammad Salah Abdul-Wahab and Mr. Mohammad Arsheed Aldeiri with the same content of above mentioned letter that was sent to them by Dr. Hamdy Abdul-Rahman Ahmed, the Umpire.

23. On 20.09.2014G, the Arbitration Panel held a meeting in the premises of the International Arbitration Center, at 12:00 p.m. The meeting was attended by Dr. Hamdy Abdul-Rahman Ahmed, the Umpire, and Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed the Claimants, however, Dr. Mohammad Salah Abdul-Wahab, the Arbitrator appointed by the Respondent failed to attend that Hearing although he was duly and legally notified. The Arbitration Panel set a Hearing to be held on 23.09.2014G in order to consider the Arbitration Case, and notified Dr. Mohammad Salah Abdul-Wahab of the

Minutes of the Hearing held on 20/09/2014 G. and of the time set for the Hearing to be held on 23.09.2014G.

24. On 23.09.2014G, the Arbitration Panel held a Hearing which was attended by Dr. Hamdy Abdul-Rahman Ahmed, the Umpire, and Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed by the Claimant, however, Dr. Mohammad Salah Abdul-Wahab, the Arbitrator appointed Respondents failed to attend the Hearing although he was duly and legally notified. The Hearing for considering the Case was adjourned to 18.10.2014G. The two Parties and Dr. Mohammad Salah Abdul-Wahab were notified of the date of the upcoming Hearing.

25. On 24.09.2014G, the International Arbitration Center notified the Respondents of the Hearing to be held on 18.10.2014G.

26. On 30.09.2014G, the International Arbitration Center notified Dr. Mohammad Salah Abdul-Wahab, the Arbitrator appointed by the Respondents of the Hearing to be held on 18.10.2014G.

27. On 18.10.2014G, the Arbitration Panel held a Hearing which was attended by Dr. Hamdy Abdul-Rahman Ahmed, the Umpire, and Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed the Claimant, and again Dr. Mohammad Salah Abdul-Wahab, the Arbitrator appointed by the Respondents, failed to attend although he was duly and legally notified. The Hearing was also attended by the Agents of the Claimants who were delegated as per Powers of Attorney which were recorded and proved to

entitle them the right to attend before Arbitration Panels. The Panel reviewed the originals then returned them to the Agents after keeping a copy of them in the Case File. The Arbitration Panel stated in the minutes of that Hearing that Dr. Mohammad Salah Abdul-Wahab confirmed his apology for not participating in the exiting Arbitration Case. Thereupon, the Arbitration Panel decided to appoint the Legal Consultant, Mr. Abdul-Nasir Mohammad Abdul-Hameed Khattab, the Deputy Chairman of the Administrative Prosecution Board, as Arbitrator for the Respondent instead of Dr. Mohammad Salah Abdul-Wahab, and notified him of the following Hearing that would be held on 15.11.2014G.

28. On 28.10.2014G, the International Arbitration Center sent a letter to the Legal Consultant, the Chairman of the Administrative Prosecution Board, notifying him that the Center selected the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, the Deputy Chairman of the Administrative Prosecution Board, to be an Arbitrator for the Respondents, and requested the approval of the Legal Consultant, Chairman of the Administrative Prosecution Board, for the appointment of the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, as Arbitrator for the Respondents.

29. On 30.10.2014G, the International Arbitration Center sent a letter to the entities of Chevron, the Respondents, notifying them that the Center selected the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, to be their

Arbitrator instead of Dr. Mohammad Salah Abdul-Wahab.

30. On 30.10.2014G, the International Arbitration Center notified the Claimants and the Respondents of the Hearing to be held on 15.11 .2014G.

31. On 01.11.2014G, the Legal Consultant, the Minister of Justice, passed his Resolution No. 8866 for the Year 2014G, delegating, under Article 4 thereof, the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, Deputy Chairman of the Administrative Prosecution Board, to act as Arbitrator for the entities of Chevron, as Respondents, in the Arbitration Case filed by Mr. Khalid Abu Al-Waleed Al-Qarqani and others, in their capacity as Claimants.

32. On 15.11.2014G, the Arbitration Panel held a Hearing in the premises of the International Arbitration Center. The Hearing was attended by Dr. Hamdy Abdul-Rahman, as Umpire, Mr. Mohammad Arsheed Aldeiri, as Arbitrator appointed by the Claimants, and the Legal Consultant Abdul-Nasir Mohammad Abdul-Hameed Khattab. as Arbitrator appointed for the Respondents. The Hearing was also attended by the agents of the Claimants as per Powers of Attorney, which were requested by the Panel and recorded in the Minutes of the Hearing. No one attended for the Respondents although they were soundly notified of the time for the Hearing. The Arbitration Panel decided to adjourn the Hearing to 06.12.2014G for submission of copies of relevant documents, the originals of which

were reviewed by the Panel, and for providing a detailed statement of the Powers of Attorney and to match the them with the Minutes of the Hearing.

33. On 16.11.2014G, the Claimants and the Respondents were notified of the Hearing to be held at 1:00 pm on 06.12.2014G.

34. On 06.12.2014G, the Arbitration Panel held a Hearing in the premises of the International Arbitration Center. The Hearing was attended by Dr. Hamdy Abdul-Rahman, the Umpire, Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed by the Claimants and the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, the Arbitrator appointed for Respondents. The Hearing was also attended by the agents of the Claimants as per Powers of Attorneys that were reviewed by the Panel and the Panel made sure of the capacity of the attendants and the capacity of the heirs. No one attended for the Respondents although they were duly and legally notified of the time set for the Hearing. At this Hearing, the Arbitration Panel decided to adjourn the Hearing to 21.02.2015G for submission of relevant documents and memoranda and for the verbal argument. The Panel decided to notify the Respondents of such Hearing. The Panel indicated that there were two warnings addressed to the International Arbitration Center and to the members of Arbitration Panel from the Respondents and the attendants were notified of their content.

35. On 07.12.2014G, the International Arbitration Center notified the Respondents of the minutes

of the Hearing of 06.12.2014G and of the time set for the following Hearing which would to be held on 21.02.2015G.

36. On 21.02.2015G, the Arbitration Panel held a Hearing in the premises of the International Arbitration Center. The Hearing was attended by the Claimants and the Arbitration Panel while the Respondents failed to attend although they were duly notified of the time set for such Hearing. The Arbitration Panel decided to adjourn the Hearing to 28.03.2015G for argument, comments and briefs for whoever wishes, and decided to notify the Respondents of the adjournment decision and of the documents and briefs submitted in the Hearing of that day.

37. On 22.02.2015G, the International Arbitration Center notified the Respondents of the transcript of the Hearing of 21.02.2015G and of the time of the Hearing to be held on 28.03.2015G.

38. On 08.03.2015G, the International Arbitration Center notified the Respondents of reports prepared by experts in respect of a similar dispute over a plot of land, adjacent to the plot of land, subject matter of this dispute, owned by the Claimants, regarding the estimation of the rental value and the price due for the square meter in the land, subject matter of this dispute, and asked them to answer such reports, taking into account that such reports were prepared by valuer experts upon the request of the Claimants.

39. On 28.03.2015G, the Arbitration Panel held a Hearing. The Hearing was attended by Dr. Hamdy Abdul-Rahman, the Umpire, and the Legal Con-

sultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, the Arbitrator appointed for the Respondents while Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed by the Claimants, failed to attend due to some critical health conditions following which he was admitted to a hospital. The Agents of Claimants attended the Hearing while the Respondents failed to attend although they were duly notified of the time set for the Hearing. The Arbitration Panel decided, in this Hearing, to adjourn to a Hearing on 06.04.2015G due to the illness of Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed by the Claimants.

40. On 29.03.2015G, the International Arbitration Center notified the Respondents of the transcript of the Hearing of 28.03.2015G and the adjournment of the Hearing to 06.04.2015G.

41. On 06.04.2015G, the Arbitration Panel held a Hearing. The hearing was attended by its three (3) members and the Claimants while the Respondents failed to attend although they were duly notified of the transcript of the Hearing held on 28.03.2015G and of the adjournment decision to the Hearing of today, 06.04.2015G. At that Hearing, the Arbitration Panel decided to apply the Saudi Arbitration Law (as there was no agreement between the Parties of the dispute as to the applicable law to be adopted on the subject matter of the dispute, on basis that the Saudi Law is the most relevant law to the dispute) and would be complementary to the Rules of the International Arbitration Center applicable to the proceedings of the dispute, and

the Panel decided to retain the Case for an award at the Hearing of 11.05.2015G.

42. On 06.05.2015G, the Legal Consultant, Abdul-Nasir Abdul-Hameed Khattab, the Arbitrator appointed for the Respondents, sent a letter to the International Arbitration Center apologizing for being unable to continue in the Arbitration Case as he was engaged in finalizing the formalities of the family of late Legal Consultant, Enani Abdulaziz, Chairman of the Administrative Prosecution Board, in addition to the burdens of his position that make it impossible for him to perform his duties as Arbitrator in the existing Arbitration.

43. On 07.05.2015G, the Legal Consultant Abdul-Nasir Mohammad Abdul-Hameed Khattab, served a warning notice, through a summon server, to the International Arbitration Center, that was delivered on 12.05.2015G, notifying the Center of his withdrawal from carrying out his duties as Arbitrator for Chevron Company and its entities, and declaring that he did not conduct any deliberations nor make any agreement on the form of the award to be given in such dispute, particularly since Mr. Mohammad Arsheed Aldeiri lives outside Egypt because he is Jordanian Nationality.

44. On 11.05.2015G, the Arbitration Panel held a Hearing for giving the award, in the presence of Dr. Hamdy Abdul-Rahman Ahmed, the Umpire, and Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed by the Claimants while the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, the Arbitrator appointed for

the Respondents did not attend the Hearing. The Panel reviewed the letter of apology by Mr. Abdul-Nasir Mohammad Abdul-Hameed Khattab apologizing for being unable to continue as Arbitrator in the existing Arbitration, which letter was received by the International Arbitration Center on 06.05.2015G. The Hearing remained held until 1:30 p.m. waiting for the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, who did not appear although he was informed of the time of such Hearing. Thereupon, the Arbitration Panel decided to postpone the award to the Hearing of 18.05.2015G, at 1:00 p.m.

45. On 18.05.2015G, the International Arbitration Center notified Dr. Hamdy Abdul-Rahman Ahmed and Mr. Mohammad Arsheed Aldeiri of the notice received from the Third Arbitrator, the Legal Consultant, Abdul-Nasir Khattab, confirming his withdrawal from the existing arbitration and confirming that he did not deliberate on this arbitration and did not make any agreement as to the form of the award to be given, and the Center stated that it appointed, instead of him, a new arbitrator, namely: Dr. Abu Al-Ela Ali Abu Al-Ela Al-Nimr, for the Respondents. He is a Law Professor and Head of the Private International Law Section at the Faculty of Law, Ain Shams University, and an Attorney at the Courts of Cassation. Dr. Al-Nimr received the notice of his appointment as a replacement Arbitrator on 14.05.2015G. On 18.05.2015G, he notified the International Arbitration Center of his acceptance of the assignment and declared that he is neutral and independent.

46. On 18.05.2015G, Dr. Hamdy Abdul-Rahman Ahmed, the Umpire, Mr. Mohammad Arsheed Aldeiri, the Arbitrator representing the Claimants and Dr. Abu Al-Ela Ali Abu Al-Ela Al-Nimr, the Arbitrator for the Respondents, convened in the premises of the Arbitration Center. A meeting was held in the Hall of Deliberations at the premises of the International Arbitration Center. On that date, a Hearing transcript was drafted in which the attendance of Dr. Hamdy Abdul-Rahman, the Umpire, and Mohammad Arsheed Aldeiri, the Arbitrator appointed by the Claimants was recorded. The transcript of that Hearing was signed by each of them, in addition to Dr. Abu Al-Ela Ali Abu Al-Ela Al-Nimr, the Arbitrator appointed for the Respondents as he attended the Hearing with the approval of the Umpire, Dr. Hamdy Abdul-Rahman after submitting the letter of his appointment as Arbitrator for the Respondents and a declaration of his neutrality and independence. The Umpire agreed to have Dr. Abu Al-Ela Al-Nimr as Member of the Arbitration Panel, received from him the above mentioned documents. Such documents were recorded in the transcript of the Hearing. The hearing lasted for (l) hour and ten minutes.

    The Panel discussed the issue of joining Dr. Abu Al-Ela Ali Abu Al-Ela Al-Nimr in the Arbitration Panel in replacement of the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, who withdrew from considering the existing Arbitration. Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed by the Claimants, accepted the appointment of such replacement Arbitrator

whereas Dr. Hamdy Abdul-Rahman Ahmed, the Umpire (after a period of deliberations for more than one (1) hour and ten minutes) objected to this appointment. The Arbitrator appointed by the Claimants asked the Umpire not to issue the award because a new member had joined the Panel, and such member should hear the argument, and asked him to open the door for argument in a subsequent Hearing in order for the new member to hear the argument in the Case in accordance with the established litigation procedures whether before arbitration panels or judicial bodies, as it is legally established that the person who has heard the argument would issue the award. However, the Umpire refused such request and insisted that he would issue the award. In that regard, he relied, as established in the transcript of the Hearing of 18.05.2015G, on the notice submitted by the International Arbitration Center as being sent by the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, which notice was unclear and that he had the right to solely issue the award in accordance with the Arbitration Agreement provided for under Article 31 of the Agreement concluded in 1933G. He also held on the fact that he had already prepared the award and the reasoning thereof in four (4) pages only, to which the Arbitrator appointed by the Claimants reviewed. At the end of the meeting, the Umpire declared that he had fulfilled his assignment and left the premises of the International Arbitration Center without legally delivering the Award to the management of the International Arbitration

Center, as he did not draft a legal filing transcript for the delivery of the award.

47. On 18.05.2015G, a transcript had been drafted for the Hearing attended by Mr. Mohammad Arsheed Aldeiri, the Arbitrator appointed by the Claimants, and Dr. Abu Al-Ela Ali Abu Al-Ela Al-Nimr, the Arbitrator appointed for the Respondents in order to consider taking the necessary legal procedures so as to proceed with considering the existing Arbitration in the light of the withdrawal of the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab from considering this Arbitration and based on the refusal by Dr. Hamdy Abdul-Rahman Ahmed, the Umpire, to re-open the door for the argument due to the appointment of a new arbitrator, and also to consider selecting an Umpire instead of Dr. Hamdy Abdul-Rahman Ahmed. The two arbitrators attending at this meeting decided to select Mr. Mohammad Al-Shahaat Al-Sayed Hasanain, Attorney at the Courts of Cassation, as Umpire, and instructing the International Arbitration Center to notify him of such selection, and to set the time for a Hearing to be held on 19.05.2015G, at 2:00 p.m. as a Procedural Hearing in order to complete the formation of the Arbitration Panel.

48. On 18.05.2015G, Mr. Mohammad Al-Shahaat Al-Sayed Hasanain, Attorney at the Courts of Cassation, was notified of the decision of appointing him as Umpire in the existing Arbitration.

49. On 19.05.2015G, Mr. Mohammad Al-Shahaat Al-Sayed Hasanain accepted the selection decision

as Umpire, and declared that he is neutral and independent from the two sides of the dispute.

50. On 19.05.2015G, the Arbitration Panel held a Procedural Hearing attended by Mr. Mohammad Al-Shahaat Al-Sayed Hasanain, the Umpire, Mr. Mohammad Arsheed Aldeiri the Arbitrator appointed by the Claimants, and Dr. Abu Al-Ela Ali Abu Al-Ela Al-Nimr, the Arbitrator appointed for the Respondents. At such Hearing, the Arbitration Panel decided re-opening the door for argument at a Hearing to be held on 27.05.2015G, and instructing the International Arbitration Center to notify the two (2) Parties of the Arbitration in order to attend such Hearing and express their respective written and oral defenses.

51. On 19.05.2015G, the International Arbitration Center notified the Respondents of the decision to open the door for argument at a Hearing to be held on 27.05.2015G, and of the new formation of the Arbitration Panel.

Third: Arbitration Agreement

The Arbitration Agreement was set forth in Article 31 of the First Petroleum Agreement dated 29th July 1938G. This Article stipulated:

> "In case any doubt, controversy or difference arise between the Government and the Company, as to the execution of this Agreement or the interpretation or implementation of any provision thereof, or in relation thereto, or in connection with the rights or responsibilities of either Party, and the two Parties fail to agree on a settlement by another means, the Case shall

be referred to two (2) arbitrators, one to be selected by each Party, and one Umpire shall be selected jointly by the two arbitrators, before proceeding with the arbitration. Each Party shall appoint its Arbitrator within a period of thirty (30) days as of the date of being so requested in writing by the other Party. If the two (2) arbitrators fail to agree on appointing the Umpire, then the Government and the Company shall jointly appoint such umpire. If the Government and the Company fail to agree on the umpire, then they shall ask the President of the Permanent International Court of Justice to appoint the umpire. The award to be given by the two (2) Arbitrators in the Case shall be conclusive. However, in case they fail to agree on an award, then the award to be given by the Umpire in the Case shall be final. As for the venue of arbitration, the two (2) Parties shall agree on such place. If they fail to so agree, then Arbitration shall be conducted in La Hague (Netherlands)".

Fourth: Adverse Party's Briefs, Defense & Documents

The Arbitration Panel presents a statement of the briefs and Documents Submitted by the Claimants

Fourth/First: Briefs, Documents, Defenses and Claims of the Claimants:

1. Claimants' Briefs and Defenses

The Claimants submitted a Statement of their Arbitration citation and a closing brief of their

defense. In such documents, they stated the facts of the existing dispute and the phases it had passed through since the time of concluding the Concession Agreement between the Government of Saudi Arabia and Standard Oil of California Company and the possession of the heirs of the owners of the land subject matter of the dispute by virtue of a grant from His Majesty the King which title is evidenced by Deed No. 124, Volume 2 of 1368H. They referred as well to the Lease Contract included in subject Deed between the Principals of the Claimants and the Respondents. The area of the leased land amounted to (39,885,000) square meter (Thirty Nine Million Eight Hundred Eighty-Five Thousand Square Meters). The Principals of the Claimants stated that the Lease Contract expired in 2005G by the end of the above mentioned Concession Agreement, and that the Respondents have been refraining from handing over the land, the subject matter of this Arbitration, to the heirs of the owners of the land up till now. The Claimants initiated this Case—as stated in the in their Statement of the case and the closing argument brief—based on a number of legal and judicial grounds, represented in: 1–The Arbitration Panel is competent body to review the dispute under the Ownership Contract of Al-Solaiman & Co. The Lease Contract concluded between the Principals of the Claimants and the Respondents referred to the Concession Agreement concluded between the Saudi Government and the Arab American Oil Company on 29th July 1933G that provided in Article (31) thereof for an Arbitration Clause. Accordingly, such reference is to be deemed an arbitration agreement and the defense of the Claimants relied on the provisions of the Saudi Arbitration Law No. 34, dated 24.05.1433H, and in

particular Article (9) thereof, as well as the Egyptian Arbitration Law No. 27 of 1994G, in particular Article (10) thereof. They also relied, in this regard, on court judgments issued in Egypt and some other Arab countries as to arbitration by referral. Moreover, they relied on opinions of Arab and Western Jurisprudence in that regard. 2–Extending the Arbitration Clause from the Concession Agreement to the Lease Contract because they form one contractual set and the existence of an Arbitration Clause in one of them should extend to the other one. The Claimants relied in that regard on court judgments issued by the French judiciary and published in the Arbitration Magazine published in the French language, in particular what was published in such Magazine in 1984G, page 363, and in 1989G, page 691. 3–The Respondents have no right to refrain from attending the Arbitration Hearings on the justification that there is no Arbitration, and the Claimants based their defense, in this regard, on the rule which says "Competence by Competence", which grants the Arbitration Panel the competence or the defenses relating to whether or not there is an agreement on arbitration. They based their defense, in that respect, on the provision of Article (22) of the Egyptian Arbitration Law No. 27 of 1994G and the provision of Article 20 of the Saudi Arbitration Law No. 34, dated 24.05. 1433H. In that regard, they held on the Egyptian jurisprudence opinions and some other judgments issued by the Egyptian Court of Cassation. In their Statement of Claim and the Closing Defense Brief, the Claimants explained the characterization of the Contract concluded between the Claimants and the Respondents. They stated that the Contract is the support of the claim out of the set of contracts and

that the Deed (the Registered Contract) certified at the Public Notary Office (the notarization body of the Kingdom of Saudi Arabia) No. 124, included two Contracts, namely: the Title Contract of the Principals of the Claimants for the plot of land which area amounts to Four Thousand Four Hundred Ninety-Five and One-Half Hectare (Hec. 4,495), and the Lease Contract concluded between the Principals of the Claimants and the Respondents, in connection with the area of said land, as stipulated in the Deed No. 124, Volume 2 for the Year 1368H. The defense of the Claimants mentioned the provisions relating to such two Contracts in the said Deed, and referred to several pieces of evidence proving the existence of a lease relationship between the Principals of the Claimants and the Respondents. The Arbitration Panel shall provide the documents that contain such pieces of evidence when presenting the documents submitted by the Claimants. The defense of the Claimants insisted on the expiry of the Lease Contract concluded between their Principals and the Respondents due to the expiry of the Concession Agreement in at 2005G after the lapse of the sixty (60)-year period agreed upon under the Concession Agreement made on 29th July 1933G. They also presented the provisions included in the Deed (the Registered Contract) No. 124. Volume 2, of 1368H, in respect of the provisions of the above mentioned Lease Contract.

The defense of the Claimants claimed their right in compensation for the damages they incurred due to the non-handing over of the land, subject matter of this dispute, to them after the expiry of the term of the Lease Contract. In that respect, they relied to opinions of Egyptian jurisprudence scholars, provisions of the

Egyptian Civil Code and some judgments issued in that regard by the Board of Grievances in the Kingdom of Saudi Arabia.

2. Documents of the Claimants

The Claimants filed several documents supporting their Claim, which documents shall be addressed by the Arbitration Panel as a whole as their originals of such documents are kept in the Case File. These documents are as follows:

- The First Petroleum Agreement signed between the Saudi Government and Standard Oil of California Company dated 29th July 1933G.
- The Title Contract of the plot of land—subject matter of the dispute—that proves the ownership of the Principals of the Claimants. It is the Deed (Registered Contract) No. 124, Volume 2 of 1368H.
- A letter dated 04.05.1388H issued by the Arab American Oil Company in which it explicitly declare that the land, subject of the Deed No. 124, Volume 2 of 1368H, had been leased from their owners Khalid Abu Al-Waleed and late Hamad and Abdullah Al-Solaiman, throughout the term of the Concession Agreement.
- A letter dated 26.05.1388H issued by the Arab American Oil Company that includes an acknowledgement of leasing the land, subject of the Deed, (Contract) No. 124, the subject matter of the dispute.
- A letter dated 05.02.1389H issued by the Arab American Oil Company to the heirs of Al-Solaiman, that includes an acknowledgement of leasing the land, subject matter of the Deed No.124., that is the subject matter of the dispute.

- A letter dated 05.03.1389H issued by the Arab American Oil Company, that includes an acknowledgement of leasing the land, subject matter of the Deed No.124., that is the subject matter of the dispute.
- A letter dated 03.11.1390H issued by the Arab American Oil Company and addressed to the heirs of Al-Solaiman, the Claimants, declaring that it is leasing the land, the subject matter of dispute, which is owned by those heirs.
- A letter dated 23rd Ramadan 1407 H sent by the Company, the Respondents, to the Heirs of the Claimants, declaring that it is leasing the land owned by the Heirs, subject of the Deed No. 124, Volume 2 of 1368H, the land subject matter of the dispute.
- The transcript of the Trespasses Removal Committee that reports to the Eastern Province Administration in the Ministry of Interior, dated 15.05. 1414H in which such Committee stated that the land, the subject matter of dispute, is owned by the Heirs of Al-Solaiman, and is leased to Aramco Company. This transcript is signed by a representative of Al-Solaiman Heirs and a representative of Aramco Company.
- A letter dated 13.04.1417H issued by the Governor of the Eastern Province that is addressed from the Crown Prince, Deputy Premier, stating the ownership of the land, the subject matter of dispute, by the Al-Solaiman family and that such land is leased to Aramco Company.
- An undated letter, sent from Aramco Company to Sheikh/ Abdulaziz Abdullah Al-Solaiman, one of

the Heirs of Abdullah Al-Solaiman, the Principal of the Claimants, in which it declares that it is leasing the plot of land owned by the Heirs of Al-Solaiman. In this letter, Aramco Company stated the following: "Aramco Company showed no tolerance in defending its right as Lessee and your right as Lessors".

- An undated letter, addressed by Aramco Company to the Principal of the Claimants, stating its approval to lease the land, the subject matter of the dispute, from its Owners, the Heirs of the Claimants.
- An undated letter issued from Aramco Company to the Heirs of Abdullah Al-Solaiman, declaring that the land, the subject matter of dispute, is leased to the company by its Owners, Principals of the Claimants, namely: Late/ Abdullah Al-Solaiman, late/ Hamad Al-Solaiman and late/ Khalid Abu Al-Waleed.

Moreover, the Claimants submitted a number of documents showing that their Principals owned the land, subject matter of dispute, these are:

- On 05.07.1376H, a judgment was passed in the Case No. 497 dated 05.07.1376H, deciding that: "The land, subject matter of the Deed No. 124 dated 23.09.1368 is owned by Bin Solaiman & Partners and it is leased to Aramco Co.".
- A letter dated 24th Safar 1407H sent from Aramco Company to the Heirs of the Claimants, declaring thereby that the Claimants are the owners of the land, the subject matter of dispute, as per Deed No. 124, dated 20th Ramadan 1368H.

- The final Judgment No. 171/200/20, issued on 18.07.1407H establishing that the land, subject matter of dispute, is a pure ownership of Heirs of Abdullah Al-Solaiman, in the Estate Division Case, filed by the Heirs of Hamad Al-Solaiman.
- The order issued from His Royal Highness, late/ Prince Naif Bin Abdulaziz Al Saud, the Crown Prince, Minister of Interior, and Deputy Premier of the Kingdom of Saudi Arabia, as per Cable No. 32346, dated 22.03.1433H, circulated to three Governmental Departments, to instruct Aramco Company to pay the delayed rental payment since the expiry of the Concession Agreement, and to handover the land to the Heirs of the Claimants or to compensate them.
- The Claimants also submitted several documents supporting the value of compensation they claim for failure to hand them over the land they own, the subject matter of dispute. These documents are as follows:
  - A scientific study, prepared by Saudi banks, estimating the growth of the land value in the Kingdom of Saudi Arabia at a rate ranging between 7% and 9% annually in the last ten (10) years. The documents are prepared in the English language.
  - A letter for agricultural land expropriation representing a case similar to the Case of the land owned by the Claimants.
  - A letter dated 22.03.1433H sent from the Minister of Petroleum to His Majesty the King of the Kingdom of Saudi Arabia, admitting the ownership of the land, the subject matter of

dispute, by Al-Solaiman family and stating compensating them for the non recovery of the land would cost the State Billions of Riyals.

– A set of letters of various dates, sent from the Claimants to Aramco Company and to several concerned authorities in the Kingdom claiming the rental value of the land, subject matter of the existing dispute, and requesting compensation for non-recovery of the land, as Owners thereof, these are:

  - A letter to His Excellency the Minister of Petroleum, dated 07.02.1428H.
  - A letter to His Royal Highness Prince Naif Bin Abdulaziz, Minister of Interior, Deputy Premier and Second Deputy of the Custodian of the Two Holy Mosques of the Kingdom of Saudi Arabia dated 07.04.2011G.
  - A letter sent to His Royal Highness Prince Naif Bin Abdulaziz, Minister of Interior, Deputy Premier and Second Deputy of the Custodian of the Two Holy Mosques of the Kingdom of Saudi Arabia dated 08.01.2012G.
  - A letter sent to His Royal Highness Prince Naif Bin Abdulaziz, Minister of Interior, Deputy Premier and Second Deputy of the Custodian of the Two Holy Mosques of the Kingdom of Saudi Arabia, dated 26.04.2012G.

– Reports prepared by real estate experts in the Kingdom of Saudi Arabia, submitted by the Claimants to the International Arbitration Center on 07.03.2015G. True copies of such reports were delivered to the selected domicile of the Claimants in Cairo, and the Respondents were

notified of such reports on 11.03.2015G by express mail (DHL), in connection with the evaluation of the rental value (per square meter) of the land, subject matter of this dispute. Such reports were submitted in a file of documents to the Arbitration Panel in its Hearing held on 28.03.2015G.

- Reports prepared by real estate experts in the Kingdom of Saudi Arabia submitted by the Claimants to the International Arbitration Center on 07.05.2015G. Such reports were delivered to the selected domicile of the Respondents in Cairo, and they were notified thereof on 11.03.2015G by express mail company (DHL), with regard to the evaluation of the price per square meter of the land, subject matter of dispute. Such reports were submitted in a documents file to the Arbitration Panel at the Hearing of 28.03.2015G.
- A plan of the location showing the boundaries of the plots of land, subject matter of dispute.
- A "*Fatwa*" (*Shari'ah* opinion) issued by "*Dar Al-Ifta*" (House of Legal Opinions), in the Arab Republic of Egypt, addressing the Lease Relationship under Islamic *Shari'ah*, dated 02.06.1998G submitted to the International Arbitration Center on 19.03.2015G. Such document was delivered to the Respondents at their selected domicile in Cairo, and they were notified accordingly on 21.03.2015G, by express mail (DHL).
- Elements of the Lease Contract of the land, subject matter of dispute and a receipt of rental value payment covering the period during which the land was leased to Aramco Co. by the Principal of the Claimants.

- Details of the Seaport of Ras Tanourah which is located inside the land, subject matter of dispute.
- Volume of the Saudi oil out of the total volume of international oil.

3. Claims of the Claimants

The closing claims of the Claimants, as stated in their closing Defense Brief, are as follows:

First:

Binding the company, the Respondents, jointly with their successors to pay a sum of SR. 35,896,500,000 (Thirty-Five Billion Eight Hundred Ninety-Six Million Five Hundred Thousand Saudi Riyals) as compensation for the value of the land, the subject matter of dispute, which area amounts to 39,885,000 m^2 (Thirty-Nine Million Eight Hundred Eighty-Five Thousand Square Meters) for the impossibility of handing over the land to the Claimants.

Second:

Binding the Respondents jointly with their successors to pay a sum of SR. 3,589,650,000 (Three Billion Five Hundred Eighty-Nine Million and Six Hundred-Fifty Thousand Saudi Riyals) per annum as compensation against the rental value of the right of use (usufruct) since the 2005G, being the date of expiry of the Contract until the complete execution. Accordingly, the total value of ten (10) years would be SR. 35,896.500,000 (Thirty-Five Billion Eight Hundred Ninety-Six Million five Hundred Thousand Saudi Riyals)

Third:

Binding the Respondents jointly with their successors to pay a sum of SR. 3,589,650,000 (Three Billion Five Hundred Eighty-Nine Million Six Hundred-Fifty Thousand Saudi Riyals) per annum. According, the total value for ten (10) years would be SR. 35,896,500,000 (Thirty-Five Billion Eight Hundred Ninety-Six Million Five Hundred Thousand Saudi Riyals) as compensation against the usufruct or a part of the land totaling 3,200,000 m2 (Three Million Two Hundred Thousand Square Meters) representing the area of Ras Tanourah Seaport. This is the part which was for sure exploited of the land since the Year 1949G, the date of the Lease Contract until the complete execution since the Lease Contract did not provide for granting the Respondents the power to exploit the land.

Fourth

Binding the Respondents jointly with their successors to pay a sum of SR 1000,000,000 (One Billion Saudi Riyals) as compensation against the physical and moral damages incurred.

Fifth:

The invalidity of any action carried out based on the fact of the Company's existence on the land since the date of the Lease Contract until the complete execution.

Sixth

The enforcement of the award, with all its elements, against the successors of the Respondents.

Seventh:

Binding the Company—the Respondents—to pay all arbitration and legal fees.

Fourth/Second-Briefs, Documents, Defense and Claims of the Respondents

1. Briefs, Defense and Documents of the Respondents

The Respondents failed to appear in any of the Arbitration Hearings although they were notified of all the Hearings, the transcripts thereof and the defense briefs and documents submitted thereat. However, they submitted Defense Brief and failed to submit any other documents supporting their defense. Such briefs are as follows:

- On 05.07.2014G, Al-Ebrashi & Co. Law Firm submitted a defense brief for the Respondents. Under such brief, it objected to the admissibility of the claims and the competence of the Arbitration Panel that would be selected in accordance with the appointment notice issued on 05. 07.2014G. Said Office relied, in such defense, on the fact that the notices sent to the Respondents did not specify who are the Claimants in such Arbitration, and objected also to the fact that the Claimants used the letterhead of the International Arbitration Center in their correspondence. It requested the said Center to confirm that it is neutral, independent and is not favoring either Party of the dispute. The Respondents' defiance also confirmed in its brief that the notices it received did not specify the alleged contractual rights and failed to produce

any supporting evidence. The Respondents' defense added that no contact information was provided with regard to the Claimants or their legal advisors and also the Claimants did not send Chevron Entities any request for arbitration giving the causes therefore. The Respondents' defense further indicated that the Claimants did not provide, with the notices, neither the Concession Agreement of 03.05.1933G nor the alleged Lease Contract. The Respondents' defense objected as well to involving Chevron Entities in any arbitration agreement with those Claimants, and added that no agreement was reached as to the place or language of arbitration, or the rules to be applied. The Respondents' defense stated that Chevron Entities were never, at any time, a party in any disputes.

The defense of the Respondents added, in item No. 9 of the above mentioned brief, under the title "Appointment of an Arbitrator", that Chevron Entities, as a precautionary measure, nominates Prof. Mohammad Abdul-Wahab as Arbitrator, and stated his address, electronic mail and phone numbers.

Such brief was signed by a person called "Mohammad Madkoor".

- On 21.08.2014G, Zulfaqqar & Co. Legal Consultants and Advocates sent a letter to the International Arbitration Center, signed by Dr. Mohammad Salah El-Deen Abdul-Wahab, the Arbitrator appointed for the Respondents, "Chevron Entities", and agreed to be appointed as Arbitrator for the Respondents and asked

the International Arbitration Center to provide some clarifications. These are:

- Clarifying the procedural rules and the subjective law applicable to the dispute.
- Sending the Arbitration Notice and the attachments thereof, in addition to any answer submitted by the Respondents, stating the language and place of arbitration and clarifying whether Dr. Ahmad Sadiq Al-Qushairy agreed to be appointed as arbitrator for the Claimants.
- On 31st August 2014, Zulfaqqar & Co. Legal Consultants and Advocates sent a letter to the International Arbitration Center, signed by Dr. Mohammad Salah Eldeen Abdul-Wahab, the Arbitrator appointed for the Respondents, stating that he was in the process of reviewing the notice sent to him by the International Arbitration Center and that he would notify this Center of the appointment of the Umpire in due course, after coordination with Dr. Ahmad Sadiq Al-Qushairy, the Arbitrator appointed by the Claimants.

The defense of the Respondents did not provide any documents.

2. Claims by the Respondents

The briefs of the above mentioned Respondents contained a formal claim, namely: insisting that Chevron Entities are not a party in any arbitration agreement or in the contract brought before the Arbitration Panel, and that the International Arbitration Center has no competence to consider this dispute.

Fifth: The Arbitration Panel

After reviewing the briefs and documents contained in the Case File, Hearing the verbal arguments and legally conducted deliberations, the Arbitration Panel hereby gives the following Award:

With regard the form of the existing Arbitration Case, the Arbitration Panel shall address the scope of effectiveness of the Arbitration Clause, provided for under Article 31 of the Concession Agreement concluded between the Saudi Government and the Saudi Arabian Oil Company (Standard Oil of California), in term of the persons and the subject, and shall decide thereof.

The Arbitration Panel shall also address the Parties to the Arbitration Case brought before it in order to specify them.

The Arbitration Panel shall address the law applicable to the procedures and subject of this Arbitration Case, the language of arbitration and the place of convening the Arbitration Panel in order to decide on the same before deciding on the subject of the Case.

As for the enforcement of the above mentioned Arbitration Clause on Parties of Arbitration, the Arbitration Panel hereby paves the way for its judges to present the approach of judicial bodies in that regard.

It is established under judicial judgments and arbitration awards that the Arbitration Clause extends to each person participating in the execution of the contract providing for such Clause and has not physically signed it. The participation by a person in the execution of the Lease Contract is deemed full

acceptance by such person and consent by him/it to the Arbitration Clause provided for therein (Judgment by the Court of the International Chamber of Commerce, issued on 23rd September 1982G, published in the Arbitration Magazine, issued in the French language in the year 1984G–Page 137). (Judgment by the Court of Appeal, Paris, issued on 21st October 1983G published in the Arbitration Magazine, issued in the French language–1984, Page 98). (The Judgment issued in the Arbitration Case No. 109 of 1988, issued by Cairo Regional Office for International Commercial Arbitration, at the Hearing of 11.03.1999G. Arab Arbitration Magazine, 1999, Issue 2–Page 224) (Egyptian Court of Cassation—the two challenges No. 4729 of 72G and 4730 of 1972G, respectively, the Hearing of 22.06.2004G, Section 55, Page 638) (Legal Principles of the Court of Cassation in the Commercial Arbitration, Judges Club, Issue of the year 2014G, Page 58).

The Jurisprudence supports such judiciary as it states that sharing in the execution a contract containing an arbitration clause means that there is a real will of the Parties to such contract to accept the enforcement of said clause on whoever shares in the execution thereof, without physically signing it. At the same time this means that there is a real will of the person sharing in execution and his consent to be included in the arbitration clause and to accepts the same (Dr. Fathi Wali, Arbitration Between Theory and Application, Version of 2007G., Page 100, "Dar Al-Ma'arif", Alexandria).

By applying the principle of extending the Arbitration Clause, provided for under the Contract, to any person sharing in the execution, to the facts of

the existing dispute, it is evident, and established by the documents, that the Principals of the Claimants actually and really shared in the execution of the Concession Agreement, which contains the Arbitration Clause in its Article 31, as they assigned the use of the land, subject matter of the concession, to the Company that was granted the concession in order to enable the Company to execute its obligations under the Concession Agreement, as established under Item 25 of the Said Agreement, and under the Registered Contract (the Title Deed) No. 124, Volume 2 of 1368H, as without such assignment, the Company holding the Concession would have not been able to execute its obligations.

Such actual and real participation by the Principals of the Claimants in the execution of the Concession Agreement, which contains the Arbitration Clause, leads to extending such Clause to that Principal, and from him to his heirs, a matter that enforces the said Clause on the Claimants, and the Arbitration Panel hereby so decides, without stating the same in the text of its Award.

As for the enforcement of the Clause, provided for in Article 31 of the Concession Agreement, concluded on 29th July 1933G, between the Saudi Government and the Saudi Arabian Oil Company (Standard Oil of California), as being the Respondents, it is established under the Registered Contract (the Title Deed) No. 124, Volume 2 of 1368H, that the rights were conveyed in favor of the Company holding the Concession, namely: The Arab American Oil Company, and the said Deed provides under the title "Transfer in favor of the Arab American Oil Company", what stipulates:

> "In consideration of the good compensation to be paid to us, we the undersigned, for our property under the Deed No. 154/8, for the plots of land set forth above, each of us, in his personal capacity and on behalf of his heirs, guardians and lawful representatives, hereby grant and transfers to the Arab American Oil Company, referred to in the Deed above, *its successors and whomever it appoints, the right to use and occupy the plots of land mentioned above*, for all the purposes of the Saudi Arabian Concession Agreement, dated 4th Safar 1352H that corresponds to 29th July 1933G, and any other agreements to be annexed thereto. We hereby further declare and state that the rights of the Company (the Arab American Company) to use and occupy the said plots of land arise pursuant to Article 25 of the said Concession Agreement . . . ."

Pursuant to such provision, Standard Oil of California Company is itself the Arab American Oil Company (Aramco), *i.e.*: the Concession Agreement concluded between the Saudi Government and the Saudi Arabian Oil Company, and accordingly the Arbitration Clause, provided for in Article 31 of such Agreement, applies thereto, and also applies to its successors.

Therefore, and whereas it is evidenced on the official website of Chevron Company:

> "Since the Arab American Oil Company has started its second century, it has become one of the leading companies in the United States of America, and it owns the Trademark "Chevron" which has become famous and reputable world-

wide, and Chevron Company, by the year 1993, has become the first major western oil company",

This means that Chevron Company was established and affiliated several entities, of which are the Arab American Oil Company (Aramco), the Saudi Arabian Chevron Company and Chevron Company, as it is evidenced under the Deed No. 124, Volume 2 of 1368H, that the owners of the land, the subject matter of that Deed, granted the Arab American Oil Company or whatever succeeds it the right to use the land, the subject matter of the said Deed, and therefore Chevron Entities, being part of the said entities, are deemed to be a party to the Arbitration Clause provided for under Article 31 of the above mentioned Concession Agreement.

It is established under jurisprudence and judicial principles that the Arbitration Clause provided for in a contract concluded with a company extends to the other companies affiliated with such company, and is deemed one of its entities, if all such entities shared in the execution of such contract. (Dr. Mohammad Noor Shehatah, "Concept of Third Parties in Arbitration", Version of 2001 G., Page 130, the Arab Dar Al-Nahdah).

(Judgment of the French Court of Cassation passed on 27th March 2007G and published in the Commercial Law Seasonal Magazine 2007G, Page 677).

Chevron Entities explicitly admitted that they are a genuine party to the existing arbitration and they produced a power of attorney on 15th October 2014G, for which a deposit transcript was made under No. 1408/A, on 2nd February 2015G, at Shubra Notarization Office, in favor of a group of attorneys

at Al-Ebrashi & Co. Law Firm. The text of said power of attorney provided for the following:

> "On Wednesday that corresponds to 15th October 2014G, we Chevron Corporation, a corporation established in accordance with the laws of the Stale of Delaware, United States of America (Principal), operating in the field of energy in the United States of America, with its head office located at 6001, Bolinga Canyon San Romano Road, CA, 94583-2324. United State of America, represented by Mr. Garry H. Andreas, in his capacity as Assistant Secretary, legally authorized to produce this power of attorney, hereby constitute and authorize Mr. Ashraf Hassan Zaki Al-Ebrashi, Mr. Mohammad Yasir Jadallah, Mr. Mohammad Ahmed Hani Madkoor, Mrs. Deemiah Ziyad Abdul-Fallah Haijer. Mrs. Deemah Tariq Mohammad Al-Janzouri and Mr. Hatim Hassan Tulbah Mohammed, with their office located at 4, Al-Sadd Al-A'ali Street, Al-Dokki, Guiza 12311, Egypt, Jointly or severally, to represent the Principal and to attend, on its behalf, in the Arbitration Case filed by Al-Qarqani and others against Armco, Chevron, Chevron Saudi Arabia and others . . . ."

The fact that Chevron Entities authorized lawyers to represent them and to attend on their behalf in the Arbitration Case filed by Al-Qarqani and others against Aramco, Chevron, Chevron Saudi Arabia and others, means two things:

The First: Chevron Entities explicitly admitted that they are a genuine party in the existing Arbitration because issuing the power of attorney in favor of attorneys to represent them and to attend on

their behalf in this Arbitration Case only means that such entities declare and admit that they are a genuine party to the said Arbitration Case, because according to the well-established principles in litigation in arbitration, it is impermissible to interfere with or include in arbitration, and attending in Arbitration Case is exclusively limited to the parties subject to the arbitration clause, and the term "Chevron Entities", as clarified previously by the Arbitration Panels, are Chevron of USA, Chevron Saudi Arabia and Aramco.

The Second: Such power of attorney assigns attorneys to attend in the said Arbitration Case and to plead for Chevron Entities, including Aramco, Chevron of USA, Chevron Saudi Arabia, as per the wording of the said power of attorney because such case is filed against them all.

This means that such entities have the genuine capacity as Respondents in this Arbitration Case.

Based on the above, Chevron Corporation, together with its entities ("Chevron Entities") have become a genuine party to the Arbitration Clause provided for under Article 31 of the Concession Agreement, signed on 29th July 1933G and such Clause applies to them and they should comply therewith. The Arbitration Panel hereby so decides, without stating that in the text of its award.

This judgment is considered an answer to the defense raised by Chevron Corporation, stated in its brief sent to the International Arbitration Center on 05.07.2014G, whereby it alleges that it is neither a party to any contract brought before the Arbitration Panel nor a party to the above mentioned Arbitration Clause.

The Arbitration Panel hereby rejects such defense, without the need to repeat this judgment in the text of its award.

As for determining the Claimants, it is established under the Title Deed No.124, Volume 2 of 1368H that His Excellency Sheikh/ Hamad Al-Solaiman Al-Hamdan assigned his share of the said land, stated under the said Deed, to his brother Sheikh/ Abdullah Al-Solaiman Al-Hamdan, as per the Deed issued at Makkah Public Notary Office under No. 865 KH, dated 08.07.1375H.

Accordingly, three-quarters (3/4) of the land, the subject matter of the Deed No 124, Volume 2 of 1368H has become the ownership of Sheikh/ Abdullah Al-Solaiman Al-Hamdan, and the remaining one-quarter (1/4) has become the ownership of Khalid Abu Al-Waleed Al-Qarqani (Principals of the Claimants), and thus the Claimants have become the heirs of late Khalid Abu Al-Waleed Al-Qarqani and the heirs of late Abdullah Al-Solaiman Al-Hamdan.

The Claimants submitted a detailed statement, as heirs of late Sheikh/ Abdullah Al-Solaiman and late Khalid, and also submitted *Shari'ah* Deeds of Inheritance proving their right in the estate. They attended, in person and in their capacity, and submitted powers of attorney for their representatives to attend in this Arbitration. All Parties to the Arbitration are mentioned by name at the beginning of this Award, and also all their particulars are attached.

As for the competence of the International Arbitration Center to consider the existing dispute, the two Parties to the dispute agreed that it is so competent. The Respondents have appointed, as

their Arbitrator, Dr. Mohammad Salah Abdul-Wahab who accepted such appointment. This fact is confirmed by the Respondents as his acceptance was received on the letterhead of the Law Office, namely: Zulfaqqar & Co. Consultants % Advocates, in its capacity as the attorney for the Respondents. This is not to be prejudiced by the objection expressed under the defense of the Respondents as per the brief sent to the International Arbitration Center on 05.07.2014G.

Furthermore, the appointment of Dr. Mohammad Salah Al-Deen Abdul-Wahab, as Arbitrator for the Respondents, his acceptance of such appointment and the request of documents from the International Arbitration Center, all that constitutes a waiver by such Parties of all such objections. All the above mentioned objections are related to alleging that the Respondents have never been a party to the Arbitration Clause or to any of the contracts brought before the Arbitration Panel. The Arbitration Panel previously refused all these defenses, and hereby refers to its previous views, without need to repeat that in the text of its award.

With regard to determining the law applicable to the procedures and to the subject of the dispute, it is established under all comparative laws that the issue depends on the agreement of the Parties. In case they fail to agree, the Arbitration Panel determines such applicable laws.

Paragraph 2 of Article 25 of the Saudi Arbitration Law, issued under the Royal Decree No. M/34, dated 24.05.1433H provides for the following: "If there is no agreement as to the arbitration procedures, then the Arbitration Panel shall select the arbitration procedures it deems appropriate".

Therefore, and as the two Parties failed to agree on such procedures, the Arbitration Panel selected the procedures provided for under the said Arbitration Law, supplemented by the regulations of the International Arbitration Center, as being the most appropriate procedures for passing an award on this dispute, taking into account that the Parties to the dispute are of the Saudi nationality and the land, the subject matter of the exiting dispute, is in the Kingdom of Saudi Arabia. Accordingly, the Arbitration Panel's decision in that regard came in compliance with the proper law as the Panel deemed such procedural rules appropriate for the case. Furthermore, Article 28 of the above mentioned Saudi Arbitration Law provides that in case the two parties fail to agree on the place of holding the arbitration, then the Arbitration Panel shall determine such place. The Arbitration Panel selected the city of Cairo, Arab Republic of Egypt, as the place for conducting the arbitration. In that regard also its decision came in compliance with the provision of law.

As for determining the language of Arbitration, Article 29 of the Saudi Arbitration Law provides that arbitration should be conducted in the Arabic language unless the Arbitration Panel decides, or the two relevant parties to the arbitration agree on, another language.

Therefore, the exiting arbitration was conducted in the Arabic language, and this is deemed in compliance with the general principle provided for under the above mentioned Article 29 which provides that the general principle is that the arbitration language is to be the Arabic language.

As for determining the law applicable to the subject matter of the exiting arbitration, the Arbitration Panel decided to apply the provisions of the Saudi laws because the two Parties failed to agree on such law, taking into account that such provisions are most relevant to the subject matter under dispute because the Claimants and the Respondents are of the Saudi nationality, and the place of dispute is in the Kingdom of Saudi Arabia, and it was so decided in application of Paragraph 3 of Article 38 of the Saudi Arbitration Law which provides for the following:

> "If the Iwo parties to the arbitration fail to agree on the supervisory rules applicable to the subject matter of dispute, then the Arbitration Panel shall apply the objective rules in the law which it deems most relevant to the subject matter of dispute . . . ."

As for the procedures of the exiting Arbitration Case, the Arbitration Panel hereby decides that such procedures were conducted pursuant to the valid law. It is decided under the law and well established judicial practice that in case of change of a member of the Arbitration Panel, and replacing him with another arbitrator, at the time of keeping the case for giving an award, the Arbitration Panel shall reopen the door for argument in application of the legal rule provided for in all comparative laws, which rule provides that the persons who give the award should have heard the arguments, and this is provided for under the Saudi *Shari'ah* Pleadings Law, issued under the Royal Decree No. M/1, dated 22.03.1435H under Article 160 thereof. Such Article provides for the following:

> "If there is more than one judge, then deliberations on passing the judgments should be confidential. Except for the provision of Article 62 of this Law, deliberations should be conducted only among the judges who heard the argument".

The concept of this provision is also stated in Article 167 of the Egyptian Procedural Law. Such Article provides for the following:

> "Only the judges who heard the argument have the right to participate in the deliberations, otherwise the judgment shall be invalid".

When applying this principle, decided under the law and established according to jurisprudence and judicial rules, on the facts of the exiting dispute, it is evident, according to the papers of the exiting case, and the contents of the transcript of the Hearing held on 18.05.2015G that the Legal Consultant, Abdul-Nasir Mohammad Abdul-Hameed Khattab, sent a notice to the International Arbitration Center, before giving the award in this Arbitration Case, notifying the Center that he withdrew from considering that Case, and stated that he did not conduct any deliberations with the members of the other Arbitration Panel and did not agree on any form or content of the Award to be given, particularly as one of the Panel's members is of Jordanian nationality and resides in Jordan outside the Arab Republic of Egypt, and therefore the Arbitration Panel had to reopen the door for argument and to suspend giving the award in order for the replacement Arbitrator to hear the argument, particularly as such replacement Arbitrator, namely Dr. Abu Al-Ela Ali Abu Al-Ela Al-

Nimr, was appointed, accepted the assignment and declared that he is neutral and independent before the convening of the Hearing of 18.05.2015G and the Arbitration Panel and the Umpire knew all that. However, the Umpire acted in violation of this rule provided for under all comparative procedural laws in that regard, and the Umpire of the Arbitration Panel issued the Award although he had access to such notice sent by the Legal Consultant, Abdul Nasir Mohammad Khattab, and although he was aware of the appointment of the replacement Arbitrator and his acceptance of the assignment before the Hearing of 18.05.2015G. All such events are established in the transcript of the Hearing of 18.05.2015G which are signed by all members of the Panel, including the Arbitrator appointed by the Respondents, namely Dr. Abu Al-Ela Al-Nimr. Therefore, the Award given by the Umpire of the Arbitration Panel unilaterally has become totally null and void, without any legal effect, and the issue thereof does not end the arbitration procedures. Moreover, such Award was not lodged with the International Arbitration Center pursuant to the applicable legal procedures for lodging awards of arbitration as provided for under the above mentioned Article 44 of the Saudi Arbitration Law.

The other two Arbitrators held a Hearing on 18.05.2015G at which they selected as new Umpire, Mr. Mohammad Al-Shahhat Al-Sayed, an attorney at the Courts of Cassation. The newly formed Arbitration Panel held a Hearing on 19.05.2015G at which it decided to re-open the door for argument at a Hearing to be held on 27.05.2015G. At such Hearing, the Arbitration Panel decided to close the door for

argument and to keep the Case for giving its Award at a Hearing to be held on 03.06.2015G.

Consequently, and based on all the foregoing, the Arbitration Panel hereby decides that the procedures for conducting the arbitration are valid and proper and that it is competent to consider the exiting Arbitration Case in execution or the principle of "Competence by Competence", according to which the Arbitration Panel is deemed competent to decide with regard to its competence, as will be stated in the text of the Award.

As for the non-appearance of the Respondents in the Arbitration Hearings, it is established under the documents submitted and kept in the file of the Case that they were properly and legally notified of all such Hearings and the documents submitted thereat but they failed to appear.

Since Article 34/2 of the Saudi Arbitration Law, applicable to the procedures of this Arbitration, provides for the following:

> "If the defendant fails to submit a written answer containing his defense, pursuant to paragraph 2 of Article 30 of the said Law, then the Arbitration Panel should continue in the arbitration procedures unless the two Parties to the arbitration agree otherwise. If either Party fails to attend a Hearing after notifying him, or fail to submit the documents required from him, then the Arbitration Panel may continue the procedures of arbitration and give an award in the dispute relying on the supporting elements available to the Panel".

In application of such provision, the Arbitration Panel, having ascertained that the Respondents were duly notified of all the Arbitration Hearings and all the documents submitted thereat, decided to continue the Arbitration procedures and to give an Award in respect thereof relying on the supporting elements available thereto. Accordingly, the Arbitration Panel hereby decides that it is rightful in continuing the procedures and that it is rightful in relying on such supporting elements available thereto, without need to state that in the text of the Award.

As for the possibility of subjecting the exiting dispute to arbitration, the claims expressed by the Claimants are represented in compensation for their non-recovery of the land, the subject matter of this Case, and the failure of the Respondents to pay the due and payable rental value for using such land, and these are financial claims that reconciliation may be made in respect thereof. Accordingly, arbitration can be applied in this regard in application of the provision of Article 2 of the Saudi Arbitration Law which provides for the following:

> "The provisions of this Law do not apply to disputes relating to family affairs and issues in respect of which reconciliation may not be made".

Based on the violation concept, issues in respect of which reconciliation may be made, they may also be subject to arbitration.

As for the fifth claim of the Claimants, namely: deciding the invalidity of any actions made based on the Company's existence on the land, since the date of the Lease Contract and until the complete execution,

this claim relates to real estate real rights in respect of which reconciliation may not be made, consequently, the Arbitration Panel provides the non-acceptance of this claim as will be clarified in the text of the award.

As for the subject of the Case and the claims filed in connection therewith, the issue brought before the Arbitration Panel, in respect of such subject and such claims, is the compensation for the breach by the Respondents of their obligations stated under two contracts, namely: The Contract of Ownership by the Claimants of the land, the subject matter of this Case, and the Lease Contract concluded between them and the Respondents.

The Arbitration Panel shall first decide on the existence of such two Contracts and how far they are valid before deciding on the claims submitted by the Claimants in relation to such two Contracts.

As for the said Lease Contract, it is one of the voluntarily-made contracts in respect of which the rulings of Islamic *Shari'ah* do not require drafting it in a certain form, and accordingly it may be established with all means of proof. It is confirmed under the documents included in this Case file that such contract exists, is valid and satisfies all required elements and conditions. This Contract was concluded between the Claimants and the Respondents in the form of the Title Deed of the leased land No. 124, Volume 2 of 1368H. Under the title "Transfer to the Arab American Oil Company", the following is stated in such Deed:

> "In consideration of the good compensation to be paid to us, we the undersigned, for our property under the Deed No. 154/8, for the

> plots of land set forth above, each of us, in his personal capacity and on behalf of his heirs, guardians and lawful representatives, hereby grant and transfers to the Arab American Oil Company, referred to in the Deed above, its successors and whomever it appoints, the right to use and occupy the plots of land mentioned above, for all the purposes of the Saudi Arabian Concession Agreement, dated 4th Safar 1352H that corresponds to 29th July 1933G, and any other agreements to be annexed thereto. We hereby further declare and state that the rights of the Company to use and occupy the said plots of land arise pursuant to Article 25 of the said Concession Agreement and we hereby also agree to safeguard the said Company, its successors and whomever it appoints against all claims, whether in the past, present time or in future, by anyone claiming interest in any of the said plots of land"

Such text included all elements and items of the Lease Contract concluded between the Claimants and the Respondents, in terms of the Parties to such Contract, its place, the due and payable rental value and the obligations to be borne by each of the two Parties thereto. It specifies the Parties, namely the Principals of the Claimants (Lessors) and the Arab American Oil Company (Lessee), and thus the said Lease Contract passed to the Respondents.

Based on the above, the two parties to such Contract are the Principals of the Claimants and the Respondents. The subject matter of such Contract is

the plots of land stated in the Title Deed No. 124, Volume 2 of 1368H, the rental value agreed upon is a good and valuable consideration, and it is subject to evaluation. It is decided under the rulings of Islamic *Shari'ah* that the rental value may be evaluated or can be evaluated. As for the valid term of such Contract, it commenced on 20.03.1949G as stated in the said Title Deed and ended in the year 2005, being the expiry date of the term of the Concession Agreement. Moreover, the above mentioned Lease Contract provided for a commitment on the part of the Principals of the Claimants to ensure the non-legal obstruction to the Lessee Company.

All the correspondence exchanged between the Claimants and the Respondents conclusively proves that the predecessor of the Respondents is the Arab American Oil Company, being the Lessee. The latter Company, in its capacity as Lessee, admitted that fact in several correspondence signed and issued by it. All such documents were listed when the Arbitration Panel addressed the documents submitted by the two Parties. Furthermore, all official authorities in the Kingdom of Saudi Arabia admitted the existence of such Lease Contract. The Arbitration Panel, in this regard, refers to the documents it listed above in this Award in order to avoid repetition.

Therefore, the Lease Contract made between the Principals of the Claimants and the Respondents satisfies all required elements proving its existence, and meets all *Shari'ah* and legal requirements in order to be deemed valid and proper.

Based on the above and since the said Lease Contract was properly concluded, in terms of all its elements, the Arbitration Panel hereby decides that

it is valid and effective, without stating that in the text of the Award, provided that this shall be complementary to the text of the award and forms an integral part thereof.

With Regard to the First Claim of the Claimants

In respect of the ownership of the Claimants to the plots of land, the subject matter of this Arbitration Case, it is established under the Registered Contract (the Title Deed) No. 124, Volume 2 of 1368H that they fully own such plots of land. According to correspondence, in relating to such ownership, kept in the Case file, it is established that the ownership of the Claimants of such plots of land are still existing up to the date hereof. There are several letters exchanged between the Claimants and several governmental authorities in the Kingdom of Saudi Arabia, claiming compensation for the non-recovery of such plots of land. Such authorities instructed the concerned parties to finish and resolve such issue. However, this never happened. There is a letter issued by the Saudi Minister of Petroleum, dated 04.02.2012G kept in the Case file, which does not deny the ownership of the Claimants to such plots of land nor their right in compensation as a result of their non-recovery thereof, but refused such compensation relying on one reason, explicitly stated in the said letter, namely: That the compensation for such plots of land would cost the State billions of Riyals.

The ownership of the Claimants to the plots of land, the subject matter of this Case, is established under documents, and no one can dispute their ownership of such land. However, since it is absolutely

impossible for the Claimants to recover such plots of land, due to the construction of buildings thereon and the huge petroleum projects executed on such land, the Claimants requested that they be compensated for the non-recovery of such land, and assessed such compensation, according to their final claims, at a sum of SR. 35,896,500,000 (Thirty-Five Billion Eight Hundred Ninety-Six Million Five Hundred Thousand Saudi Riyals) as a price for an area of 39,885,000 m^2 (Thirty-Nine Million Eight Hundred Eighty-Five Thousand Square Meters). Whereas no one has disputed the ownership of the Claimants to such area of land, therefore the Arbitration Panel shall decide on the price payable for such area as compensation for the Claimants for the non-recovery thereof.

Since the Respondents did not return the said land to the Claimants up to the date hereof, therefore they are deemed to have breached their obligation set forth under the Lease Contract concluded between the two sides on 21st March 1949G as by so acting the Respondents are deemed to be illegally maintaining such land and hence they are committed to pay the price thereof.

Since Articles 17 and 18 of the Basic Law of Governance in the Kingdom of Saudi Arabia provide that ownership should be safeguarded, therefore the claim by the Claimants of compensation for the non-recovery of the land they own came in conformity with the proper Islamic *Shari'ah* and the Saudi Basic Law of Governance.

The Claimants submitted three (3) reports, prepared by real estate experts in the Kingdom of Saudi Arabia, all of which are kept in the exiting Case file. One of such reports assessed the value per

square meter at a sum of SR. 1,000, the second at a sum of SR. 900 and the third at SR. 850.

The Arbitration Panel shall adopt the report assessing the value per square meter at SR. 850. by multiplying that price by the total area of the land amounting to 39,885,000 m^2 (Thirty-Nine Million Eight Hundred Eighty-Five Square Meters) then the total price being the compensation for the non-recovery of such area of land, becomes SR. 33,902,250,000 (Thirty-Three Billion Nine Hundred Two Million Two Hundred Fifty Thousand Saudi Riyals).

Based on the foregoing, the Arbitration Panel hereby commits the Respondents to pay to the Claimants a sum of SR. 33,902,250,000 (Thirty-Three Billion Nine Hundred Two Million Two Hundred Fifty Thousand Saudi Riyals) as compensation for the non-recovery of the plots of land, the subject matter of this Case as set forth in the text of the Award.

With Regard to the
Second Claim of the Claimants

Based on the foregoing, the Arbitration Panel hereby decides that the Claimants are entitled to the rental value due and payable thereto by the Respondents (Lessee) for the period from the year 2005 until the full settlement, taking into consideration that it is not established, under the documents submitted in this Case, that the Respondents paid such rental value since the year 2005 and up to date, and further the Respondents failed to submit any reply as to this claim, and therefore the Arbitration Panel hereby decides to commit the Respondents to pay such rental value for the such period.

As for the rental value due and payable to the Claimants by the Respondents, for the period from 2005 until the complete execution, the Claimants submitted a report prepared by the Golden Towers Office for Real Estate Development in the Kingdom (real estate experts), which report stated that the rental value of the leased land is about SR 85 (Eighty-Five Saudi Riyals) per square meter per annum, another report was submitted by the Claimants in that regard, which report assessed the said rental value at SR 90 (Ninety Saudi Riyals) per square meter per annum, prepared by Al-Khuzaim for Real Estate Services, and they submitted a third report prepared by Ibn Ashlan Real Estate Office, which report estimated the rental value per square meter per annum at SR 100 (One Hundred Saudi Riyals).

The Respondents were notified of such three (3) reports but failed to respond, and did not raise any objection as to the assessment of the rental value.

According to the discretionary power of the Arbitration Panel in that regard, being the higher expert, the Arbitration Panel hereby adopts the report which estimated the rental value at SR 85 (Eighty-Five Saudi Riyals) per square meter per annum based on the reasons given therein.

Since the total area of the land leased to the Respondents totals 39,885,000 square meters (Thirty-Nine Million Eight Hundred Eighty-Five Square Meters), therefore the total rental value due and payable to the Claimants, by the Respondents, for a period of ten (10) years, commencing from 2005G until the year 2015G., at the rate of SR 85 (Eighty-Five Saudi Riyals) annually per square meter become only SR 33,390,225,000 (Thirty-Three Billion Three

Hundred Ninety Million Two Hundred Twenty-Five Thousand Saudi Riyals), as will be stated in the text of the Award.

With Regard to the Third Claim by the Claimants

As for the Claim by the Claimants that the Respondents be committed to pay to the Claimants a sum of SR. 3,589,650,000 (Three Billion Five Hundred Eighty-Nine Million Six Hundred Fifty Thousand Saudi Riyals) as compensation for exploiting a part of the land at an area of 3,200,000 m^2 (Three Million Two Hundred Thousand Square Meters) representing the area of Ras Tanoura Seaport, the Arbitration Panel hereby rejects such Claim because such plot of land constitute a part of the total area of the land owned by the Claimants, and the compensation for the exploitation thereof by the Respondents is included in the compensation referred to above, and deciding compensation for the exploitation of such part of the land separately is deemed duplication of compensation, which matter is hereby rejected by the Arbitration Panel as will be stated in the text of the Award.

With Regard to the Fourth Claim by the Claimants

As for the claim of the Claimants that the Respondents be committed to pay a sum of SR 1,000,000,000 (One Billion Saudi Riyals) as compensation for the physical and moral damages they incurred, the Arbitration Panel hereby rejects such claim based on that the amount decided as compensation for the non-recovery by the Claimants of the land is deemed to be covering all the physical and moral damages

sustained by the Claimants as a result of the non-recovery of the land they own, particularly as the value of such land was assessed at the rate of today, and therefore the Arbitration Panel hereby rejects such Claim as will be stated in the text of the Award.

With Regard to the
Fifth Claim by the Claimants

As for the Claim of the Claimants that any actions taken based on the occupation by the Company of the land, since the date of the Lease Contract until the complete execution, be rendered invalid, the Arbitration Panel hereby decides non-acceptance of that Claim because it is an issue of those in respect of which no arbitration may be conducted as it relates to real estate real rights in respect of which no settlement may be made, and consequently no arbitration may be conducted in respect thereof. Therefore, the Arbitration Panel hereby decides non-acceptance of this Claim as will be stated in the text of the Award.

With Regard to the
Sixth Claim by the Claimants

As for the Claim of the Claimants that this Award, together with all the elements thereof, be valid and effective against the successors of the Respondents, such Claim does not need giving an independent award because at the time being there is no successor of the Respondents, and when there is a successor, this Award Shall be valid and enforced as against it in application of the general rules of the transfer of rights and obligations, the subject matter of Arbitration, together with all the consequences, to the

successor of the Respondents, and accordingly this Claim should be rejected.

With Regard to the Seventh Claim by the Claimants

As for the Claim of the Claimants that the Respondents be committed to pay all the arbitration and attorney's fees, the Arbitration Panel hereby decides that the Respondents and the Claimants are committed to share the Arbitration fees (50/50). Such arbitration fees shall be assessed based on one-eighth percent (1/8%) of the total value of the Claims of the Claimants, as will be stated in the text of the Award. Regarding the attorney's fees, each Party shall pay the fees of his/its attorney's, as will be stated in the text of the Award.

For All the Foregoing Reasons

The Arbitration Panel hereby ruled the followings:

First: The Arbitration Panel has the competence to consider this Arbitration Case.

Second: The Respondents are hereby committed to pay to the Claimants a sum of SR 33,902,250,000 (Thirty-Three Billion Nine Hundred Two Million and Two Hundred Fifty Thousand Saudi Riyals) as compensation for the non-recovery of the plots of land totaling an area of 39,885,000 m^2 (Thirty-Nine Million Eight Hundred Eighty-Five Square Meters).

Third: The Respondents are hereby committed to pay to the Claimants a sum of SR 33,390,225,000 (Thirty-Three Billion Three Hundred Ninety Million Two Hundred Twenty-Five Thousand Saudi Riyals)

as rental value due and payable by the Respondents to the Claimants since the year 2005 G, until the date of giving this Award.

Fourth: Rejection of the Third Claim stated in the final defense brief of the Claimants.

Fifth: Rejection of the Fourth Claim stated in the final defense brief of the Claimants.

Sixth: Non-acceptance of the Fifth Claim stated in the final defense brief of the Claimants.

Seventh: Rejection of the Sixth Claim stated in the final defense brief of the Claimants.

Eighth: The Claimants and the Respondents are committed to equally share the arbitration fees, assessed at one-eighth percent (1/8%) of the total value of the Claims of the Claimant.

Ninth: Each of the Claimants and the Respondents is committed to bear their respective attorney's fees.

Tenth: Rejection of all other Claims.

ARBITRATION PANEL

Mr. Mohammad Al-Shahhat
Al-Sayed Hasanain
(signature)
The Umpire

(Chairman of the Arbitration Panel)

Dr. Abu Al-Ela Ali
Abu Al-Ela Al-Nimr
(signature)
Arbitrator for the Respondents

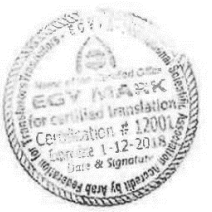
Mr. Mohammad Arsheed
Abdullah Aldeiri
(signature)
Arbitrator for the Claimants

Cairo on 3rd June 2015G that corresponds to 16th Sha'ban 1436H.

Remarks:

- The following stamp appears on each page of the document:

  "(Logo) Arab Republic of Egypt
  (Logo) The International Arbitration Center"



16 MAY 2018

- Each page is initialed by the Members of the Arbitration Panel.

CONTENT OF THE GIVEN AWARD

In the Arbitration Case filed by:

Heirs of late/Khalid Abu Al-Waleed Al-Qarqani and heirs of late Sheikh/Abdullah Solaiman Al-Hamdan,

("Claimants")

Against

Chevron Entities (Aramco, Chevron of USA and Chevron Saudi Arabia)

("Respondents")

KINGDOM OF SAUDI ARABIA,
MINISTRY OF JUSTICE
DEED NO. 124
ISSUED BY PUBLIC NOTARY OFFICE,
AL-AHSA,
CERTIFIED TRANSLATION OF THE TRUE CERTIFIED COPY OF THE ORIGINAL
(JULY 16, 1949)

Law Office of Hassan Mahassni
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Kingdom of Saudi Arabia

Certificate

The Translation Department of the Law Office of Hassan Mahassni hereby certifies that it is licensed to perform translation from and into English and Arabic and that the translation of the attached document is a full and correct translation.

Jeddah on 23 Jun 2015

/s/ Hassan Mahassni

In the Name of God, the Most Merciful,
the Most Compassionate

KINGDOM OF SAUDI ARABIA
MINISTRY OF JUSTICE

DEEDS ISSUED BY PUBLIC NOTARIES

Declaration

No.: 124

Upon the order received from His Highness Prince Saud Bin Jalawi the Great, under No. 1679/5022, dated 20/09/1368 H., accompanied by the whole file concerning the request by the Company to inform Their Excellencies Sheik/Abdullah and Sheikh/Hamad Al-Suleiman and Sheikh/Khaled Abul-Walid about the necessary area of the land required for its operations out of the plots of land located at Al-Qateef Province, being Rahima and Al-Sabkha, located between Al-Awamiya and Safwa, as per the plan attached to the Venerable Order under which such plots of land were granted to the aforesaid Their Excellencies Sheikh/Abdullah and Sheikh/Hamad Al-Suleiman, at the rate of three-quarters, and Sheikh Khaled Abul-Walid at the rate of one-quarter, as granted by His Majesty the Great King, while the rest of the plots of land shall remain the property of the Sunna Government, pursuant to the text of the Venerable Royal Order quoted below. In implementation of the Venerable Order numbered above, there appeared before me, Ahmed Bin Mohammed Al-Melhem, a Public Notary at Al-Ahsa, His Excellency Sheikh/Saleh Islam, Head of Al-Ahsa Treasury and the Areas Annexed Thereto, and he, willingly and voluntarily, declared, being in his full legal capacity, and his acts being accepted under Shari'ah, in the presence of the Al-

Ahsa Treasury Director, Sheikh/Tawfeeq Muqaddam, saying: A Venerable Royal Order under No. 2/138321 dated 01/06/1368 H., was issued by Abdul-Aziz Bin Abdul-Rahman Al Faisal to His Excellency Saud Bin Jalawi stating: *Quote* "May the peace, mercy and blessing of God be upon you. With regard to the land located at Al-Qateef Province, namely: Rahima and Al-Sabkha, located between Al-Awamiya and safwa, which we granted to our servants, Abdullah and Hamad Al-Suleiman, at the rate of three-quarters, and to Khaled Abul-Walid at the rate of one-quarter, they were asked by the company for the necessary area of land for its operation, as per the attached plan, under this Order of Ours, such area requested by the company shall be deemed a pure ownership of Abdullah and Hamad Al-Suleiman at the rate of three-quarters, and of Khaled Abdul-Walid at the rate of one-quarter, and the rest of the said land should remain the ownership of Government. Accordingly, in instruct whomever concerned at your end to have this recorded and established. Made in our Palace in Riyadh, on Wednesday 1st Jumad Al-Thani 1368 H." *Unquote* The above was served on us by His Highness Prince Saudi Bin Jalawi under No. 1353 on 09/06/1368 H. Whereas the area of Land requested by the Company from those granted the land, as stated in the Venerable Royal Will, was clarified by the Company, as per its Letter, dated 3 Ramadan 1368 H., corresponding to 28 June 1949 G., addressed to the Head of Al-Ahsa State Properties, Sheikh/Saleh Islam, stating as follows: *Quote* "Sheikh/Saleh Islam, General Treasurer, Al-Ahsa in Dammam, Kingdom of Saudi Arabia, greetings: Please find herewith enclosed a copy of our Plan No. DP-11352/1 of the plots of land, located at Al-Qateef Province, called "Rahima" at Ras Tanura

and "Al-Sabkha", located between Al-Awamiya and Safwa. Your Excellency told us such land was granted by His Majesty the King, under the Royal Order No. 2/21/1387, issued on the 1 Jumad Al-Thani 1368 H., corresponding to 20 March 1949 G., to Sheikh/Abdullah Al-Suleiman, Sheikh/Hamad Al-Suleiman and Sheikh/Kahled Abul-Walid. We clarified, in different colors on the Plan, the Plots needed by the Company of such land. We also clarified the Plots which we do not need. The colors indicate the following: Plot No. (1), colored in light green, is needed for the Company in order to maintain an easement in order to pass and carry materials through it only, Plot No. (2), colored in dark green, is not needed to be maintained by the Company, and the Company needs only an absolute right to control the water flow-out, to drill water wells therein and to use water therefrom, the Plots No. (3), (4), (5) and (6), colored in red, are all needed to be kept by the Company for its operations within the Area of its Concession, and for any future expansion and amendments, and the Company also needs to maintain the full right to use such Plots. As for the Plots No. (7) and (8), colored in blue, these are the Plots which are not needed by the Company for the time being, and accordingly the Company has no interest in maintaining any right in such land, at the time being. Finally, please accept our respect and regards. Truly Yours: W. Barley–Representative of the Company" *Unquote*. Based on the above, the Plots needed by the Company from the above mentioned persons are the Plots No. (3), (4) (5) and (6), colored in red on the attached Plan, identified as Plan No. DPB 11352/1. Whereas the Plot No. (3) at Rahima totals an area of (3,100) Three Thousand One Hundred Hectares, the Plot No. (4), between Safwa and Al-Awamiya, colored

in red, totals an area of (127.5) One Hundred Twenty Seven and One-Half Hectares, the Plot No. (5), between Safwa and Al-Awamiya, colored in red, totals an area of (870) Eight Hundred Seventy Hectares and the Plot No. (6), colored in red, totals an area of (395) Three Hundred Ninety-Five Hectares, they all total an area of (4,495.5) Four Thousand Four Hundred Ninety-Five and One-Half Hectares, and the Company needs to maintain a full absolute right to use such Plots of Land, throughout the Concession Period and any extension and amendment to be made therein, and whereas under the Venerable Will, numbered above, such Plots have become a pure property and right of each of His Excellency Abdullah and Hamad Al-Suleiman and Khaled Abul-Walid, at the rate of three-quarters to be property of each of His Excellency Abdullah and Sheikh/Hamad Al-Suleiman and the last quarter to be the property of Sheikh/Khaled Abul-Walid. enjoying the right, in that regard, to act as owners of such land, without anyone objecting or disputing their respective ownership. It should be known that the rest of the land, being four (4) Plots, are not reserved for the Company, as it does not need them, being two Plots in Rahima, and it is the Plot No. (1), colored in light green, with regard to which the Company reserves only an easement and the right to move materials through it, and the area of such land is (2,076) Two Thousand Seventy-Six Hectares, and the Plot No. (2), colored in dark green, which is not needed for the Company, and it only reserves the right of absolute control of the water therein and the right to use such water, and the area of such Plot is (756) Seven Hundred Fifty-Six Hectares. Such two Plots of Land are at Al-Sabkha, between Safwa and Al-Awamiya and both are colored in blue, as referred to

in the Letter of the Company. The Plots of Land No. (7) and (8) are not needed for the Company at the time being. The area of Plot No. (7) totals (433) Four Hundred Thirty-Three Hectares and the area of Plot No. (8) is (402) Four Hundred Two Hectares, and these four (4) Plots of Land, totaling (3,667) Three Thousand Six Hundred Sixty-Seven Hectares, were returned to the Sunna Government and became part of the Government properties. With regard to such land, the above mentioned persons have no right, as provided under the Venerable Royal Will. With regard to Plot No. (1), the Company shall reserve its right of easement in that Plot of Land, and with regard to Plot No. (2), the Company shall reserve its absolute right to use the water. This was also declared to us by Al-Ahsa Properties Director, Sheikh/Tawfiq Muqaddam, and he stated that these remaining four (4) Plots of the Land referred to above, the dimensions of which are known, were recorded in the Register of the State Properties. Thereupon, all the above was read to each of Sheikh/Saleh Islam and Sheikh/Tawfiq Muqaddam, in the presence of Mr. Rashid Al-Harshan and Sheikh/Hasan Bin Abdul-Rahman, as witnesses, and they were told the meaning of the above and the results thereof. The above was recorded and signed by each of them, willingly and voluntarily, together with the two witnesses, before us. Thereupon, this Deed was drawn and recorded to act in compliance therewith. Made on the Twenty-Third of Ramadan of the Year 1363 H. Al-Ahsa Public Notary

Stamp: "Ministry of Justice–Al-Ahsa Notary Public Office–True Copy of the Original"

Transfer to the Arab American Oil Company

For the good and valuable consideration to be paid to us, we the undersigned, for our property under the Deed No. 124, in connection with the Plots of Land stated in such Deed, we hereby give and transfer, each for himself and on behalf of his heirs, guardians and lawful representatives, to the Arab American Oil Company, being the Company referred to in the said Deed, its successor and whomever it appoints, the right to use and occupy the mentioned Plot of Land, for the purposes of the Saudi Arabian Concession, concluded on 4 Safar 1352 H., corresponding to 29 July 1933 G. and any additional agreements that may be annexed thereto. We hereby declare and affirm that the right of the said Company, as to using and occupying the said Plots of Land, are based on the requirements of Article (25) of the said concession, and we hereby further agree to safeguard the said company, its successors and whomever it may appoint, against all claims, in the past, at present and in future, by any person claiming ownership or interest in any one of the said Plots of Land.

(Signature)
Khaled Abul-Walid

(Signature)
Hamad Al-Suleiman

(Signature)
Abdullah Al-Suleiman

Witnesses:
Mohammed Suroor Al-Sabban

Stamp: "Ministry of Justice–Public Notary Office–Al-Ahsa Governorate True copy of the Original"

Based on the notation shown above by His Excellency Sheikh/Abdullah and Hamad Al-Suleiman, and Khalid Abul-Walid, in the presence of the two witnesses, namely: Mohammed Suroor Al-Sabban and Mohammed Bahareth, under their respective Signature, there appeared before me, Ahmed Bin Mohammed Al-Melhem, Public notary at Al-Ahsa, His Excellency Head of the State Properties al Al-Ahsa, Sheikh/Saleh Mustafa Islam. and stated the following, in his capacity as attorney for Their Excellencies Sheikh/Abdullah and Sheikh/Hamad Al-Suleiman and Khaled Abul-Walid, and there appeared with him for confirmation, a representative of the Arab American Oil company, Jordan T.O. Hanlen, in his capacity as attorney for the said Company, accompanied by a translator of the Translation Office at the Arab American Oil Co., Hasan Al-Khidr. After being identified under Shari'ah, by Abdullah Al-Nasir Al-Swaidan and Ali Bin Hussein Al-Taweel, to whom they are known, His Excellency Head of the tale Properties at Al-Ahsa, Sheikh/Saleh Mustafa Islam, being in his full legal capacity, stated saying: As attorney for my principals mentioned above, and in the light of their notification above, I handed over to this person, present with us in this Shari'ah session Jordan Hanlen, acting for the Company referred to above, all the Plots of Land owned by my principals as per this Deed, located at Al-Qateef Area, called "Rahima" at Tas Tanura, and Al-Sabkha, located between Al-Awamiya and Safwa, which are known to us under Shari'ah, in a way which denies any "Jahala" (Ignorance), as they are, and he took delivery of the same for the said Company, and such Plots of Land have become at the disposal of the said Company, or whomever it appoints. After that Jordan T.O. Hanlen confirmed that fact, in his capacity as attorney for

the said Company, and he approved all what the Head of the State Properties, Sheikh/Saleh Islam, declared, based on the delegation mentioned above. Then, this was read in public to the declarant and translator mentioned above, in the presence of the two witnesses, and they all were told the meaning and results of the above, and they confirmed the same. thereupon, it was recorded and signed by each of them willingly and voluntarily, together with the two witnesses. Drawn on the 17th Day of the Month of Zul-Qe'da of the Year 1368 H.

Signed and Stamped:

"Ministry of Justice
Public Notary Office
Al-Ahsa Governorate
True copy of the Original"

His Excellency Sheikh/Abdullah Al-Suleiman and his Partners Hamad Al-Suleiman and Khaled Abul-Walid assigned the above described two Plots of Land No. (1) and (2), in favor of the State as per the Shari'ah Deed of Assignment, issued at Dammam Court under No. 518/2, dated 07/08/1379 H., Volume 1 of its Register for the Year 1379 H. This is hereby notated and notarized.

Al-Ahsa Public Notary Stamp:

"Ministry of Justice
Public Notary Office
Al-Ahsa Governorate
True copy of the Original"

No. 609/28/7/1379 H.
Public Notary of Al-Ahsa

His Excellency Sheikh/Abdullah Al-Suleiman, who is entitled to three-quarters of the entire Land specified under this Deed, assigned the two Plot of Land No. (1) and (2), located at Rahima, having an area as follows: To the North at 5651.01 ft., to the East at 6,439.15 ft., from the North to the South, following the West, at 2,396.20 ft., then it deviates to the East at 4,140.43 ft., then it continues to the south at 2,805.54 ft., then it deviates to the East at 1,800 ft., then it continues to the south at 829.03 ft., and to the south at 5,567.22 ft., having a total area 253.88 Hectares, assigned such land in favor of the State under the Deed No. 424, dated 22/07/1379 H., this is hereby notated.

Public Notary Stamp:

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Praise be to God - It is hereby declared that the share of Sheikh/Hamad Al-Suleiman Al-Hamdan of the Land mentioned in this Deed was transferred to his brother, Sheikh/Abdullah Al-Suleiman Al-Hamdan, under the Deed issued by Makkah Public Notary under No. 865, dated 08/07/1375 H. Drawn on 14/02/ 1389 H. Stated by the person who dictated it–Chief Judge of Al-Ahsa Court.

Public Notary Stamp:

"Ministry of Justice
Public Notary Office
Al-Ahsa Governorate
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Praise be to God Alone - This copy was issued, in Lieu of a lost Deed, based on the application of the attorney of the heirs of Abdullah Al-Suleiman and the attorney of the heirs of Khaled Abul-Walid, and it is recorded at our end, under No. 4991/26 on 27/06/1426 H., and announced in "Al-Yom" Newspaper, in its Issue No. 11656, dated 06/03/1426 H., and Issue No. 11786, on 17/08/1426 H., and based on the notice by the Saudi Arabian Monetary Agency No. 31753/MAR/1402, dated 10/09/1426 H., issued under my and with my order and with my knowledge, I, Assistant President of the First Public Notary Office.at Al-Ahsa.

Signed and Stamped
Khaled Bin Abdul-Rahman Al-Mussalam

Stamp:

"Ministry of Justice
[LOGO]
First Public Notary Office
Al-Ahsa Governorate"

Matched and found valid and conforming to the Register thereof.

Made on 13/08/1431 H., and this can be relied upon for conveyance

Stamp:

"Ministry of Justice
First Public Notary Office, Al-Ahsa
True Copy of the Original"

The following appears on the backside of the Deed:

"Drawn under No. 124-1,2 and 3 of Vol. (2) Drafts-Declarations for the Year 1368 H. Registered under No. 124, pages 94, 95, 96 and 97 of Vol. (2) for the Year 1368 H.

Registrar
"Signed"

Checker
(Habib Abdullah Al Shaba)