

TO WHOM IT MAY CONCERN

I, PETER L McCAULEY, Solicitor and Officer of the Supreme Court BOKHARI
& CO. SOLICITORS of 244b Edgware Road, London W2 1 DS, England duly
admitted and sworn

DO HEREBY CERTIFY

THAT the document hereunto annexed is a true copy of the Decision, Case
Number: L003, dated [REDACTED] by London Arbitration and Cryptography
Chamber (ENG copy); Decision, Case Number: L003, [REDACTED] by
London Arbitration and Cryptography Chamber (RUS copy).

WHEREOF I have hereunto set my signature and affixed my Stamp of Office.

London, this [REDACTED] day of [REDACTED]

Peter L McCauley

PETER L McCAULEY

Solicitor

Peter Lawrence McCauley BA LLM
Solicitor empowered to administer oaths
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APOSTILLE

(Convention de La Haye du 5 octobre 1961)

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2. Has been signed by Peter McCauley
a été signé par
ha sido firmado por

3. Acting in the capacity of Solicitor.
agissant en qualité de
quien actúa en calidad de

4. Bears the seal/stamp of Not Applicable
est revêtu du sceau / timbre de
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Attesté / Certificado

5. at London
à / en

6. the [REDACTED]
le / el día

7. by Her Majesty's Principal Secretary of State for Foreign and
par / por Commonwealth Affairs

8. Number [REDACTED]
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10. Signature: J. Casey
Signature:
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London Arbitration and Cryptography Chamber
INTERNATIONAL HOUSE, 221 BOW ROAD, LONDON, GB, E3 2SJ

DECISION

Case No L003

London, United Kingdom of Great Britain and Ireland.

The complete text of the decision was prepared on [REDACTED]

The London Arbitration and Cryptography Chamber in the person of the arbitrator Denys Keshkenty, with the participation of the parties - the Claimant and the Respondent, having considered in court session
Case No L003:

[REDACTED] LTD, [REDACTED] London,
[REDACTED] UK, Company code: [REDACTED], [REDACTED].com
against
[REDACTED], Vilnius, Lithuania, code
[REDACTED]; [REDACTED].com

On recovery of a debt as established in a loan agreement of [REDACTED]

with the participation of the parties:

- From the claimant [REDACTED] - [REDACTED]
- From the respondent [REDACTED] - [REDACTED]

ADJUCATED:

On [REDACTED] the claimant applied to the London Chamber of Arbitration and Cryptography with a claim for recovery of a debt of 1,120,000.00 U.S. dollars, which is the sum owed under an agreement for a loan of 700,000.00 U.S. dollars and a penalty of 420,000 U.S. dollars for default.

On [REDACTED] the Claimant and Respondent entered into an arbitration agreement on the settlement of a dispute at the London Chamber of Arbitration and Cryptography in the city of London, United Kingdom of Great Britain and Ireland; also in the agreement are the conditions for the formation of the tribunal - composed of one arbitrator, Denys Keshkenty.

Thus, the arbitral tribunal has been set by agreement of the parties, under Article 7.9 of the Rules of the London Arbitration and Cryptography Chamber on [REDACTED]

The arbitration agreement between the parties to the dispute is in the Russian language, on the basis of the fact that this is in accordance with Article 14 of the Rules of the Chamber establishing Russian as the language of the arbitration proceedings, which does not prevent the parties from engaging a translator for the proceedings.

The arbitral tribunal has, in accordance with the Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958 at its disposal the essential and sufficient competence to review this case.

The basis for resorting to the statement of claim is the legal relationship between the two parties arising from the commercial relations under a written contract between the two companies in different jurisdictions.

By mutual agreement the two parties have agreed to adopt the contract rules of English law. The two parties have agreed that the dispute under the contract over the differences in the sum of 1,120,000.00 U.S. dollars be referred for consideration London Arbitration and Cryptography Chamber (LACC), where it will be resolved under the Rules of Arbitration of LACC, the decision is final and binding on the parties in the territory of the participating countries in the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958.

On [REDACTED] the Respondent was presented with a statement of claim for review, and did not raise objections to the jurisdiction of the arbitral tribunal. Thus, the parties have no objection whatsoever regarding the competence of the London Arbitration and Cryptography Chamber to address this case.

This case is being reviewed using video-audio conferencing and exchanges of

electronic documents.

In the proceedings of the dispute the Claimant reaffirmed the particulars of the claim filed: To collect from the Respondent, [REDACTED]

[REDACTED] for the Claimant, [REDACTED] LTD ([REDACTED]), 1,120,000.00 U.S. dollars (including the sum owed under contract in the amount of 700,000.00 U.S. dollars, and the penalty for failure to fulfill obligations in the amount of 420,000.00 U.S. dollars).

Over the course of the proceedings, the Claimant has provided substance to its claims that on [REDACTED] between the Claimant [REDACTED] LTD and Respondent [REDACTED] a loan agreement No [REDACTED] was concluded in the amount of 1,400,000.00 U.S. dollars (paragraph 1.1. of the agreement). In accordance with the contract (§ 1.3) the Respondent committed to provide the Claimant with the first installment of the loan in the amount of 700,000.00 U.S. dollars no later than [REDACTED], with the remaining portion of the loan of 700,000.00 U.S. dollars transferred to the Claimant no later than [REDACTED]. The Claimant, in turn, took upon the obligation of taking out a loan with which to pay the Respondent for use of monetary funds at 8% per annum and repayment of the loan in full, in the amount of U.S. \$ 1,400,000.00 U.S. dollars with interest before the deadline of [REDACTED].

On [REDACTED] in connection with the approach of the critical date specified in the contract for payment of the first installment of the loan, the Claimant on [REDACTED] sent a letter to the Respondent reminding the latter of its commitment and providing the bank details required for the transfer of funds. The Respondent did not respond to this letter.

Moreover, as of [REDACTED] the Respondent failed to comply with its obligations and has not transferred to the bank account provided by the Claimant the amount of 700,000.00 U.S. dollars, and therefore on [REDACTED] the Claimant sent to the Respondent a letter referring to the violation of the agreements and reminding of the need to transfer the loan amount.

On [REDACTED] the Claimant received a response, in which the Respondent fully confirmed the obligations assumed, but said that, due to unforeseen difficulties with its banking institution, it had become impossible to deposit funds in the Claimant's account, in which connection the Respondent clearly stated its intentions to expressly meet its assumed obligations over a period of time.

On [REDACTED] the Claimant again sent the Respondent a letter referring to the violation of the terms of the agreement and with demands to fulfill the undertaken obligations.

Under item 4.2 of the loan agreement of [REDACTED], in the event of the Respondent failing to transfer to the Claimant's bank account the first installment in the amount of 700,000.00 U.S. dollars by the deadline of [REDACTED], the Respondent is then obligated to pay to the Claimant a fine in the amount of 30% of the total sum of the loan, which is 420,000.00 U.S. dollars.

In the response, the Respondent notes:

[REDACTED], while having at its disposal the necessary funds, due to unforeseen circumstances beyond the control of the company, was unable to fulfill its obligations under the loan in the time period established in the agreement. The reason given for this was that on [REDACTED] Bank [REDACTED] (the banking institution used by [REDACTED]) halted all cash settlement transactions on accounts, did not carry out any transfers, did not provide information on the status of bank accounts, and closed all of its offices and branches.

[REDACTED] twice addressed [REDACTED] Bank [REDACTED] with corresponding requests (a letter dated [REDACTED] and another on [REDACTED]) and demands that its accounts be unlocked and funds released, but did not receive any response, and access to the accounts and funds were not restored.

It was due to these circumstances that [REDACTED] was unable to meet its obligations under the loan agreement with [REDACTED] LTD, as was reported by the borrower under contract in a letter dated [REDACTED].

The parties provided additional documentary evidence of the circumstances to which they refer.

After settling on the issue of need for gathering additional evidence in the case and the possibility of turning to an examination of the dispute on the basis of its merits, the participants confirmed the feasibility of adjudication on the basis of available evidence and explanations.

In announcing the action, having reviewed the documents and listened to the explanations of the parties, as well as having examined written evidence, the arbitral tribunal believes that the claim is partially justified on the

following basis.

On [REDACTED] the loan agreement was concluded between the parties with the first obligation impending on [REDACTED].

On [REDACTED] the Bank of Lithuania announced the temporary partial restriction of activity of [REDACTED] Bank (the banking institution of [REDACTED]) and appointed a temporary administrator. In connection with this, the bank of the Respondent temporarily suspended some of its financial and other services, and temporarily suspended operations in its branches and offices. Notice of temporary restriction of the bank was made known to the Respondent on the next day - [REDACTED] as evidenced by the date of the notification provided by the Respondent.

According to the account activity statement of the Respondent, [REDACTED] Group, in the period from [REDACTED] to [REDACTED], income totaled 2,180,070.00 U.S. dollars, while payments amounted to 1,679,120.33 U.S. dollar; the remaining balance of [REDACTED] was 500,959.10 U.S. dollars.

Pursuant to paragraph 8.2. of the contract concluded on [REDACTED], any notice or notification of the parties under the contract shall be made within five working days.

The Claimant specified its bank details on [REDACTED], i.e., 5 days before the date of the first event (the first installment on the date [REDACTED]) under the contract of [REDACTED].

The Respondent, having received notice of the temporary suspension of banking services on [REDACTED], failed to notify the Claimant in the 5-day period established in the agreement, and informed the Claimant about this only on the 16th day - on [REDACTED].

In support of the claim of circumstances beyond his control (force majeure) the Respondent failed to provide the reasonable conclusion of the Chamber of Commerce of the Republic of Latvia, on which basis the arbitration tribunal does not believe warranted the Respondent's elucidation of circumstances beyond its control.

In the correspondence between the Claimant and Respondent, the validity of the contract and its terms are confirmed by both parties to the agreement. Neither party to the agreement in the period of the onset of the dispute appealed to the other to make changes to the conditions established in the contract, nor did either side engage in any other agreement than that of [REDACTED].

The arbitral tribunal finds a violation by the Respondent of the first commitment, namely the obligation to transfer 700,000.00 U.S. dollars by [REDACTED], in accordance with paragraph 1.3.

The violation of paragraph 1.3. entails penalties under the contract as provided in paragraph 4.2. in the amount of 420,000.00 U.S. dollars. Circumstances precluding the penalties or justifying changes in the amount it entails have not been found.

As regards the fulfillment of its obligations under the agreement, then, on the basis of its validity and the written confirmation by the Respondent of its intentions to fully meet the agreed-upon conditions, the arbitral tribunal finds for a judgment obliging the Respondent to meet its obligations, which is to transfer 700,000.00 U.S. dollars to the bank account specified in the letter to the Respondent dated [REDACTED], thereby fulfilling its obligations under the agreement. The deadline for the enforcement of the contract, based on the principle of reasonableness, timeliness, and deadlines previously granted under the agreement concluded between the parties, is 10 days from the date of formulation of the text of the decision. In this decision, the arbitral tribunal notes that the sum of 700,000.00 U.S. dollars is not the sum of the penalty, rather it is the sum of the loan under the agreement, repayable and compensated. Acknowledgment of violation by the Respondent of paragraphs 1.3 and 8.2 of the agreement of [REDACTED].

Acknowledgment of the necessary and potential application of penalties stipulated in the contract of [REDACTED].

Acknowledgment of the necessary and potentially compulsory obligation to fulfill the terms of the agreement in implementing a monetary transfer in the amount of 700,000.00 U.S. dollars within the ten-day period.

- From the foregoing, and guided by the Arbitration Act of 1996 (UK), the Rules of the London Arbitration and Cryptography Chamber (2013), the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1958.

DESIDED:

1. To collect from [REDACTED] ([REDACTED], Vilnius, Lithuania, code [REDACTED]) for the company [REDACTED] LTD ([REDACTED])

[REDACTED], London, [REDACTED], UK, Company code: [REDACTED] a penalty for failure to fulfill obligations in the amount of 420,000.00 U.S. dollars.

2. To oblige [REDACTED] ([REDACTED] Vilnius, Lithuania, [REDACTED] code [REDACTED]) to implement within ten days the transfer of monetary funds in the amount of 700,000.00 U.S. dollars to the bank account of [REDACTED]

[REDACTED] ([REDACTED] London, [REDACTED], UK, Company code: [REDACTED]) as specified:

Account name: [REDACTED]

Account number: [REDACTED]

Bank: [REDACTED]

SWIFT: [REDACTED]

3. According to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards of 1952, this decision shall be recognized and enforced on the territories of states that are participants to the Convention, and is binding on the territories of states that are participants.

4. The decision is made public on March 30, 2013, the text of the decision is issued on [REDACTED] in the Russian and English languages, both texts being equally authentic.

5. The decision of the arbitral tribunal is final and binding to the parties, and is not subject to appeal.

Arbitrator

Denys Keshkenty /Signature/

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