

Witness Statement of Johanna Ritter

1. I was born on 9 June 1966 and have been the Head of Contracting of Equatoriana RenPower since 2016.
2. In that function, I had been in the lead for the tender process and the negotiations with the remaining bidders until the final decision was made. I was subsequently supervising the implementation of the Agreement.
3. From the beginning of the process, we had made clear to all bidders that for us the development of local capacity had been an important issue.
4. Following the selection of the final two bidders and an initial meeting of the two CEOs, I had a meeting with Claimant's main negotiator Mr. Deiman in which we discussed the further process. During that meeting, I specifically reemphasized the importance of the local content and Mr. Deiman told me that they were doing their best to increase the share of locally produced goods and services, beyond those provided by Volta Transformer. In one of the later meetings, Mr. Deiman informed me about their discussion with a second supplier from Equatoriana for the option of adding a module for the production of eAmmonia. That supplier was P2G. According to the internal calculation he had shown me, as correctly stated by Mr. Cavendish in his witness statement, the idea was that up to 80% of the works and deliveries for the eAmmonia Option would be provided by P2G. Claimant would only do the planning and engineering part, which would be around 20%. According to my recollection, the highlighted parts in the internal calculation contained in Mr. Cavendish's witness statement were the parts relevant for fulfilling the local content requirement as to the delivery of materials.
5. Mr. Deiman came back to me several days later with further details as to the ongoing discussions. I had the impression that there was a great likelihood that the contract with that supplier would materialize.
6. Later, I learned from a friend involved in the subsequent criminal investigation against Mr. Deiman that already in July 2023 Claimant considered it very unlikely to conclude the contract with P2G. Apparently, Claimant had received a better offer from a supplier in Danubia and had used its exaggerated quality concerns as a pretext to terminate the negotiations with P2G.
7. We had decided to use as the starting point for our negotiations with all bidders the "Model Contract for the Purchase of Goods and Services by Equatorianian State Entities", which we included in the documents attached to our Request for Quotation. We were aware that the Model might not fit entirely, as the project could probably not be realized on the basis of a sales transaction. Nevertheless, we selected the Model for political purposes. The Model Contract had been revised in 2022 by the Ministry of Justice. The revision occurred in the context of a larger campaign by the ministry led by a minister from the Equatorianian National Party (ENP) "to strengthen the role of Equatorianian Law and Equatoriana as a place of dispute resolution". Given that there had been considerable opposition to green hydrogen projects from within the ENP, we tried to avoid any potential discussion about the issue of the templates used. We were, however, aware that changes would be requested by the counterparties, and we were open to discussion.

8. That is what happened in relation to the dispute resolution clause of the Model Contract. Claimant was not willing to accept the foreseen arbitration clause in favor of arbitration in Equatoriana under the rules of the Equatorianian Arbitration Institution. Instead, it insisted on arbitration under the rules of an institution in a third country where also the place of arbitration should be. In the end, we agreed upon Claimant's suggestion on mediation and arbitration under the Rules of the Finish Arbitration Institute (FAI) and included their Model Clause in our Agreement.
9. In Equatoriana, there is consistent case law that in case of a multi-tier clause providing first for mediation and then for arbitration under the rule of an institution, the conduct of mediation is a condition precedent for the jurisdiction of the arbitral tribunal. I think I also told Mr. Deiman about that jurisprudence. I am, however, not entirely certain about that. Irrespective of that, I definitively told him that we had a strong interest in an amicable settlement of disputes and arbitration should only be the last resort to resolve disputes. That is the background to Mr. Deiman's explicit reference to the subsidiarity of arbitration in his email of 12 July 2023 (**Responent Exhibit R 2**)
10. Furthermore, given the political climate and the existing opposition to the new energy strategy, we wanted to keep any potential dispute within the project out of the press. At the same time, we did not want to press for a separate full-fledged confidentiality agreement for the resolution of disputes, which, if leaked, could be misinterpreted as an effort by us to hide relevant information from the public. Mr. Deiman reassured us that in case of disputes, the relevant rules already provided for the necessary confidentiality. For me, it was clear that Article 15 of the Mediation Rules should also extend to all negotiations preceding mediation.
11. The issue of applicable law had been one of the issues on the list which Mr. Cavendish sent Ms. Faraday for their initial meeting after Claimant had been selected as one of the two bidders for further negotiation. The issue was, however, not really addressed at that meeting or later. At the initial meeting, Mr. Cavendish merely mentioned to Ms. Faraday that in a previous transaction covering the sale of stacks, his head of the legal department had told him that for international sales transactions, the CISG is the gold standard. As neither Mr. Cavendish nor Ms. Faraday are lawyers, it was agreed that the issue should be left to the lawyers for discussion. There was no further discussion on the issue. Instead, Claimant accepted the choice of law provision, which had been taken directly from the 2022 version of the Model Contract. It had replaced an earlier version of the Model Contract, which had explicitly provided for the application of the CISG for all international sales transactions. During the negotiations, Mr. Deiman told me that they had already used the then Model Contract in a previous transaction with another government entity in 2020. As their experiences had been positive, he had no objections to using the Model Contract as a starting point for the negotiations. Thus, I assume that Claimant was aware of the change to the choice of law clause in the 2022 version.

Oceanside, 13 August 2024

J. Ritter

Johanna Ritter