

**MARINA PABLO LAW OFFICE**  
**15 Bella Str.**  
**18-0202 Castlewood**  
**Reinoland**

**Phone: (0) 699-15- 27**  
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**Court of Arbitration at the  
Polish Chamber of Commerce  
in Warsaw**  
4 Trębacka Str.  
00-074 Warsaw  
Poland

Castlewood, 21 December 2015

**Subject: Request for Arbitration**

Dear Sir or Madam,

On behalf of my clients, Shoe Dream – Lace and Insole Production, Sociedad Limitada (registered at 35 Bella Str., 08-0202 Castlewood, Reinoland) and FT Team, Limited Company (registered at 1A Plant Str., 50-205 Capital City, Antylland), I am filing this statement of claim in order to comply with § 24 and § 25 par. (1-3) of the Arbitration Rules of the Court of Arbitration at the PCC (Arbitration Rules in force 1 January 2015) as a request to commence arbitral proceedings.

On 19<sup>th</sup> December 2014, Shoe Dream – Lace and Insole Production, Sociedad Limitada concluded a Cross Currency Interest Rate Swap agreement no. 2987/14 with International Business Best Bank (registered at 15 Business Str., 50-202 Capital City, Antylland), regarding the exchanging interest payments and principal on loans denominated in two different currencies: Japanese yen and Euro. FT Team, Limited Company was the one who guarantee the Cross Currency Interest Rate Swap agreement.

General Terms in the amended version from May 2015, which constitute a part of the contract, contain an arbitration clause submitting potential disputes for resolution by the Court of Arbitration at the Polish Chamber of Commerce.

Attached to this letter, please find the following documents:

- Statement of claim (issued in five copies),
- Power of Attorney granted by Shoe Dream – Lace and Insole Production, Sociedad Limitada,
- Court register excerpt of Shoe Dream – Lace and Insole Production, Sociedad Limitada,
- Power of Attorney granted by FT Team, Limited Company,
- Court register excerpt of FT Team, Limited Company,
- Exhibit - C1 (guarantee statement),
- Exhibit - C2 (correspondence between Shoe Dream – Lace and Insole Production, Sociedad Limitada - Claimant and Respondent),
- Exhibit - C3 (correspondence reg. the new version of the General Terms)
- Exhibit – C4 (Extracted from the General Terms)

Yours faithfully,

**MARINA PABLO**

## STATEMENT OF CLAIM

### ***I. Claimant:***

#### ***1. Shoe Dream – Lace and Insole Production, Sociedad Limitada***

Registered at 35 Bella Str., 08-0202 Castlewood, Reinoland, European Union  
Phone: (0) 502 09 46  
Fax: (0) 466 30 98  
Mail: office@shoedream\_laceandinsoleproduction.re  
Person in charge: Aleandro Giro, President

#### ***2. FT Team, Limited Company***

*Registered at 1A Plant Str., 50-205 Capital City, Antylland*  
Phone: (0) 977 09 46  
Fax: (0) 455 30 98  
Mail: office@ftteam.an  
*Person in charge: Judith White, Office Manager*

### ***II. Respondent:***

#### ***International Business Best Bank***

Registered at 15 Business Str., 50-202 Capital City, Antylland, European Union  
Phone (0) 977 09 37  
Fax: (0) 455 78 98  
Mail: office@internationalbusinessbestbank.an  
Person in charge: David Black, General Manager

### ***III. Facts***

1. Claimant no. 1 Shoe Dream – Lace and Insole Production, Sociedad Limitada (hereafter "**Shoe Dream**") is a company founded in 1999 in Reinoland. During first years of existence on the Reinoland's market the company gained popularity thanks to high quality laces; and then it started also insoles production. Because of the exceptional grade of its products the company has developed extremely fast business not only in Reinoland but also in other countries, so that it now has its own production facilities in several European states. Nowadays logo of Shoe Dream is a well-known and recognized in branch. However, despite of international position the company is led directly by its founder who acts as company's President, Mr. Aleandro Giro. Mr. Giro

personally makes all decisions, knows its customers and other people who cooperates with on different grounds; in the company the family atmosphere is felt.

2. As nearly each company nowadays, Shoe Dream also cooperates with banks using various available financial tools. Usually the company stays in a financial relationship with bank that operates in a state where Shoe Dream runs one of its entities. Shoe Dream performs in a good financial condition and it always acts fair. Thus when the guarantee for the purposes of the CIRS agreement was necessary the company had no problem with obtaining a guarantor (more information below).
3. Claimant no. 2 FT Team, Limited Company (hereafter "**FT Team**") became a guarantor for Shoe Dream in regard to CIRS agreement. FT Team performs only in Antylland and its activity is based on distribution of products of different foreign companies on Antylland's market. Shoe Dream was the first client of FT Team when it started running its business in the year 2009.
4. The year 2009 was also the first one for Shoe Dream on Antylland's area. Shoe Dream started its trade history in Antylland from construction of its main seat in this state and appropriate, quite high loan was needed for the construction. Due to this need Shoe Dream turned to, inter alia, International Business Best Bank with seat in Antylland with a question whether they are interested in submitting an offer. International Business Best Bank expressed its interest proposing a competitive loan conditions. The mentioned loan started an intensive permanent cooperation between both companies; but its not a subject of this proceeding.
5. Shoe Dream treated International Business Best Bank as its main and in the same time the only one bank to cooperate with in all financial matters like: taking short loans, maintenance of bank accounts, leasing operations etc. During those 5 years of mutual business Mr. Robert Barn, Customer Service Officer was performing as a customer adviser and was representing International Business Best Bank in relation with Shoe Dream. Mr. Robert Barn always was acting professionally giving the best tips and solutions. With the years Mr. Robert Barn becomes in practice a personal adviser to Mr. Aleandro Giro, who have always guided his steps directly to Mr. Barn in all financial matters.
6. On 8<sup>th</sup> December 2014 Mr. Robert Barn wrote an e-mail to Mr. Aleandro Giro with a proposition of cooperation on a new ground – he proposed a conclusion of a cross currency interest rate swap agreement. The message contained an invitation for a meeting on which the presentation of proposed

financial tool was planned. The President of Shoe Dream accepted an invitation and a date of a meeting was fixed on 16<sup>th</sup> December 2014.

7. The meeting between Mr. Robert Barn and Mr. Aleandro Giro took place on 16<sup>th</sup> December 2014 as it was planned. Mr. Barn was the one who ran the whole meeting; it wasn't even a conversation – it was a monologue about advantages of swap contracts. Mr. Robert Barn told that according to his observation of financial operations on Shoe Dream's bank account the CIRS contract would be an excellent option. The power-point presentation made by Mr. Barn was quite extensive, it contained a description and definition of the product, its main features, a mechanism of action, examples of practical use, the benefits that come to the client, etc. The presentation did not contain a word about the fact that the customer may incur currency risk, not to mention the fact that it did not indicate the scale of the risk. It focused exclusively on the pros and benefits, while omitting customer awareness of possible losses. The presentation did not indicate that the loss of a customer can be so great, almost unlimited. Mr. Barn was a professional adviser, he acted as a business consultant for the customer. In the past the adviser always pointed out clearly all the risks and dangers, possible uncertainties. While making an offer for swap contract Mr. Barn failed about his duty of delivering an appropriate information (Exhibit – C2).
8. Due to such favorable presented offer Mr. Giro believing in the truthfulness of the obtained information, decided immediately on CIRS agreement. However effective conclusion of the agreement depended on the granting of a guarantee by a third subject. Directly after presentation on 16<sup>th</sup> December 2014 Mr. Giro called Ms. Judith White, Office Manager of FT Team with who he cooperated from a long time with a request of being a guarantor. On 19<sup>th</sup> December 2014 Shoe Dream entered into a 5-year contract with International Business Best Bank regarding the exchanging interest payments and principal on loans denominated in two different currencies: Japanese yen and Euro (CIRS contract no. 2987/14). On 19<sup>th</sup> December 2014 also FT Team appeared at headquarters of International Business Best Bank. Ms. Judith White signed the guarantee statement. Parties Shoe Dream and International Business Best Bank started another fruitful cooperation.
9. Originally the parties concluded the contract which did not contain an arbitration clause. However on 6<sup>th</sup> May 2015 International Business Best Bank send an e-mail to Shoe Dream with a request to accept a new version of the General Terms, which constitutes a part of the contract signed on 19<sup>th</sup> December 2014. According to new added Clause 94 of the General Terms, all disputes arising out of the contract shall be finally settled by the Court of Arbitration at the Polish Chamber of Commerce in Warsaw pursuant to the Rules of the Court of Arbitration at the Polish Chamber of Commerce. On 18<sup>th</sup>

May 2015 during the phone talk between Mr. Giro and Mr. Barn, Shoe Dream accepted the new version of the General Terms from May 2015 (Exhibit – C3, C4).

10. Very intensive and effective cooperation for both Parties was conducted between December 2014 and July 2015 when a company accountant noticed inconsiderable financial loss arising on the CIRS contract background. The accountant did not pay bigger attention to this fact. However the next one financial rating report delivered on 10<sup>th</sup> September 2015 by International Business Best Bank pointed an unexpected significant financial loss, and this was a factor which alarmed him. The financial report was submitted to Mr. Giro who immediately contacted International Business Best Bank where he was informed that:
  - the unexpected loss was caused by the fact that yen exchange rate went up sharply and it is still going up, extremely up and
  - because of such result of financial rating report International Business Best Bank asked Shoe Dream for additional surety to CIRS contract no. 2987/14 in the amount of EUR 5,000,000.00.
11. According to the CIRS contract the loan granted by International Business Best Bank to Shoe Dream was in the Japanese YEN currency and the loan granted by Shoe Dream to International Business Best Bank was in Euro currency. Thus an extreme increase in the price of YEN in relation to Euro results in losses of Shoe Dream. International Business Best Bank has an appropriate protection "safety clauses" in the General Terms in case YEN fell below a certain level. Neither the General Terms nor the CIRS contract do not provide an analogue protection for Shoe Dream in case YEN go up. The potential losses of Shoe Dream are unlimited. Shoe Dream was not informed about such possibility before signing the CIRS contract. Thus the CIRS contract is invalid because of a violation of disclosure obligation. Having reliable and true information Shoe Dream would not have concluded the CIRS contract or would have done so only on fundamentally different terms. The error as to the scale of risk occurred undoubtedly.
12. On 13<sup>th</sup> September 2015 International Business Best Bank received from Shoe Dream an official statement declaring that Shoe Dream felt cheated, and what is more Shoe Dream considers CIRS contract to be invalid. Shoe Dream does not want to continue any cooperation with International Business Best Bank on any grounds.
13. Due to the fact that Shoe Dream has a bank account for its business performed in Rainoland in International Business Best Bank, the General Terms contained provisions according to which Shoe Dream agreed on financial settlements by recouping from its account maintained by the bank.

International Business Best Bank benefited from those provisions even though Shoe Dream declared the invalidity of the CIRS contract. On 15<sup>th</sup> October 2015 International Business Best Bank collected EUR 2,320,000.00 from Shoe Dream's account as an alleged additional surety to CIRS contract no. 2987/14. This procedure put Shoe Dream in an economically serve situation.

14. The amount of EUR 2,320,000.00 was the whole money located on Shoe Dream's bank account. International Business Best Bank claimed for next EUR 2,680,00.00 as a missing part of additional surety to the CIRS contract no. 2987/14. Between September and October 2015 exchange of positions between both parties took place. It did not restrain International Business Best Bank from collecting money as an alleged additional surety. On 15<sup>th</sup> November 2015 International Business Best Bank collected EUR 2,680,000.00 from FT Team account (also held at International Business Best Bank) as Shoe Dream's due surety. International Business Best Bank acted without giving a prior notice to the Guarantor what was inconsistent with the guaranty statement made by FT Team, and accepted by Bank (Exhibit- C1). International Business Best Bank should deliver a written call to FT Team for giving a surety by money deposit.

#### ***IV. Amount of the dispute: PLN 21.408.000,00***

EUR 5,000,000.00 calculated using the NBP (National Bank of Poland) exchange rate No. 246/A/NBP/2015 from 18 December 2015, in order to determine the arbitration and registration fee, as PLN 21.408.000,00.

#### ***V. Applicable Law***<sup>1</sup>

1. According to Clause 94 of the General Terms (amended version from May 2015), which constitutes a part of the CIRS contract, all disputes arising out of the contract shall be finally settled by the Court of Arbitration at the Polish Chamber of Commerce in Warsaw pursuant to the Rules of the Court of Arbitration at the Polish Chamber of Commerce.

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<sup>1</sup> For the purpose of this Moot, the Draft Common Frame of Reference (DCFR) is deemed to have entered into force and to be the legal basis validly chosen by the parties.

2. According to Clause 87 of the General Terms (amended version from May 2015), which constitutes a part of the CIRS contract, the Draft Common Frame of Reference shall be the legal basis for the material issues.
3. The UNCITRAL Model Law on International Commercial Arbitration in its amended version of 2006 was implemented by Reinoland, Antylland and Poland – the states where both parties are registered, have all their assets and where the arbitration proceeding takes place.

## ***VI. Arbitral Claims***

According to the above mentioned arguments, Shoe Dream and TF Team respectfully request the Arbitral Tribunal to find that: The CIRS contract no. 2987/14 is invalid from the very beginning thus its not binding; International Business Best Bank is obliged to make an immediate return payment on the amount of EUR 5,000,000.00 adequately: EUR 2,320,000.00 for Shoe Dream and EUR 2,680,000.00 for FT Team.

-----Extracted from the Guarantee Statement-----

**GUARANTEE STATEMENT**

made in Capital City, Antylland on 19 December 2015

(...)

**FT Team, Limited Company** seated in Capital City, Antylland  
(National Court Register no. 0000447389) represented by Ms. Judith White,  
Office Manager  
hereinafter referred to as the **Guarantor**,

(...)

6. The Guarantor declares that within 7 days from *International Business Best Bank's* written call for payment, he will cover *Shoe Dream's – Lace and Insole Production, Sociedad Limitada* liabilities to *International Business Best Bank* resulting from the CIRS contract no. 2987/14 to the amount of Euro 3,500,000.00 in case *Shoe Dream – Lace and Insole Production, Sociedad Limitada* failed to fulfil its obligations.

(..)

**Exhibit – C2**

From: "Robert Barn" <robertbarn@ internationalbusinessbestbank.an>  
To: „Aleandro Giro" <aleandrogiro@ shoedream\_laceandinsoleproduction.re>  
Cc: "David Black" <office@ internationalbusinessbestbank.an>,  
<office@ shoedream\_laceandinsoleproduction.re>  
Sent: Tuesday, December 8, 2014 10:50 AM  
Subject: new financial tool CIRS

Dear Mr. Giro,

As your long-term personal adviser I would like to pay your attention to a new financial tool available at International Business Best Bank. According to my last few weeks observation of financial operations on Shoe Dream's bank account, I assume that CIRS contract would be an excellent option for you. Thus please accept an invitation for a meeting on which the presentation of proposed financial tool will be projected.

I consider that cooperation on a new ground and conclusion of CIRS contract would be the best solution for your company.

Yours sincerely,  
Robert Barn, Customer Service Officer

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*International Business Best Bank  
Registered at 15 Business Str.  
50-202 Capital City  
Antylland  
Phone (0) 977 09 37  
Fax: (0) 455 78 98  
Mail: office@internationalbusinessbestbank.an*

\*\*\*\*\*

From: „Aleandro Giro“ <aleandrogiro@ shoedream\_laceandinsoleproduction.re>  
To: "Robert Barn" <robertbarn@ internationalbusinessbestbank.an>  
Cc: "David Black" <office@ internationalbusinessbestbank.an>, <office@ shoedream\_laceandinsoleproduction.re>  
Sent: Tuesday, December 8, 2014 5:50 PM  
Subject: RE: new financial tool CIRS

Dear Mr. Barn,

thank you for your email. I am glad that you care about my business and its financial aspects. Frankly speaking I also thought about your Bank recently because I would need a small financial support. But I will introduce more info during our meeting. I can agree on a meeting at your headquarters on 16 December 2014, 9:00 am, does it suit you?

Regarding your email and proposition, I have no idea about CIRS. I heard that my colleagues use this tool in their business but I didn't pay bigger attention to this. However I believe in your support. Your financial tips always give us good and profitable results.

Kind Regards,  
Aleandro Giro, President

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*Shoe Dream – Lace and Insole Production, Sociedad Limitada*  
*Registered at 35 Bella Str., 08-0202 Castlewood, Reinoland, European Union*  
*Phone: (0) 502 09 46*  
*Fax: (0) 466 30 98*  
*Mail: office@shoedream\_laceandinsoleproduction.re*

\*\*\*\*\*

From: "Robert Barn" <robertbarn@ internationalbusinessbestbank.an>  
To: „Aleandro Giro" <aleandrogiro@ shoedream\_laceandinsoleproduction.re>  
Cc: "David Black" <office@ internationalbusinessbestbank.an>,  
<office@ shoedream\_laceandinsoleproduction.re>  
Sent: Wednesday, December 9, 2014 9:50 AM  
Subject: new financial tool CIRS

Dear Mr. Giro,

Thank you for accepting the invitation. I am sure that you will be glad of our offer. Do not worry yourself because a lack of knowing of swaps transactions. I will try to present you in a very extensive way a cross currency interest rate swap. I will focus mainly on a description and definition of the product, its main features, a mechanism of action, examples of practical use, the benefits that can come to your company, etc. I attached the first page of the presentation. You have always been satisfied with our cooperation and proposed by us solutions. So I believe that this time will be the same. You will meet the advantages of swap contracts.

Yours sincerely,  
Robert Barn, Customer Service Officer

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*International Business Best Bank*  
*Registered at 15 Business Str.*  
*50-202 Capital City*  
*Antylland*  
*Phone (0) 977 09 37*  
*Fax: (0) 455 78 98*  
*Mail: office@internationalbusinessbestbank.an*

## **COST MINIMALIZATIONS / SWAPS**

**Presentation for: *Shoe Dream – Lace and Insole Production, Sociedad Limitada***

**Prepared by: *Mr. Robert Barn, Customer Service Officer***

***International Business Best Bank***

***Antylland, 16 December 2015***

### **Table of Topics:**

- 1. Areas of cost minimalization**
- 2. Definition and types of swaps**
- 3. Size of the swap market**
- 4. Interest rate swap, examples**
- 5. Currency swaps, examples**
- 6. CIRS – financial liabilities change from EURO into YEN**
- 7. Structure and mechanics of cross currency interest rate swap**
- 8. Summary and conclusions**

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From: „Aleandro Giro“ <aleandrogiro@ shoedream\_laceandinsoleproduction.re>  
To: "Robert Barn" <robertbarn@ internationalbusinessbestbank.an>  
Cc: "David Black" <office@ internationalbusinessbestbank.an>, <office@ shoedream\_laceandinsoleproduction.re>  
Sent: Thursday, December 17, 2014 8:50 PM  
Subject: RE: new financial tool CIRS

Dear Mr. Barn,

thank you for our meeting and the presentation. I am impressed by a new financial possibilities. This offer seems to be an excellent proposition for my company. You presented me so many advantages and benefit of this product that I have no doubts. I can only sign a CIRS contract. I can even say that it is too good to be true. But you are saying that this is real and you are the specialist in this field, so see you on 19th December for a contract conclusion.

FT Team, Limited Company will be my guarantor. Below detailed information. In case of any question, please contact Ms.Judith White, Office Manager.

Details:

FT Team, Limited Company  
National Court Register 0000447389  
Registered at 1A Plant Str., 50-205 Capital City, Antylland  
Phone: (0) 977 09 46  
Fax: (0) 455 30 98  
Mail: office@ftteam.an

Kind Regards,  
Aleandro Giro, President

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*Shoe Dream – Lace and Insole Production, Sociedad Limitada*  
*Registered at 35 Bella Str., 08-0202 Castlewood, Reinoland, European Union*  
*Phone: (0) 502 09 46*  
*Fax: (0) 466 30 98*  
*Mail: office@shoedream\_laceandinsoleproduction.re*

\*\*\*\*\*

From: "Robert Barn" <robertbarn@ internationalbusinessbestbank.an>  
To: „Aleandro Giro" <aleandrogiro@ shoedream\_laceandinsoleproduction.re>  
Cc: "David Black" <office@ internationalbusinessbestbank.an>, <office@ shoedream\_laceandinsoleproduction.re>  
Sent: Wednesday, May 6, 2015 9:00 AM  
Subject: General Terms – as amended

Dear Mr. Giro,

The new modified and supplemented version of the General Terms, which constitutes an integral part of the CIRS contract no. 2987/14 were adopted by resolution of the International Business Best Bank on 4 May 2015.

Pursuant to the § 90 Sec. (9) of binding version of the General Terms (the new version contains the same provision under the same article numer), I am sending the new version of the General Terms in electronic form via an email address given by you in the CIRS contract no. 2987/14. The new version will apply for Shoe Dream – Lace and Insole Production, Sociedad Limitada only after your explicit acceptance and from the day of this acceptance. Thus I kindly ask you to analyse modifications.

Waiting for your statement regarding acceptance.

Yours sincerely,  
Robert Barn, Customer Service Officer

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*International Business Best Bank  
Registered at 15 Business Str.  
50-202 Capital City  
Antylland  
Phone (0) 977 09 37  
Fax: (0) 455 78 98  
Mail: office@internationalbusinessbestbank.an*

\*\*\*\*\*

-----Extracted from the General Terms-----  
(amended version from May 2015)

**§ 87 Applicable Material Law**

*The Draft Common Frame of Reference shall govern this contract.*

**§ 90 Final provisions**

*(...)*

*(9) These terms may be modified and/or supplemented at any time by International Business Best Bank. In this case, the new version of the terms will be send in electronic form to Bank's client via an email address given by the client in the contract. The new version will apply for the client only after his explicit acceptance and from the day of this acceptance.*

*(...)*

**§ 94 Arbitration**

*(1) All disputes arising out of this contract shall be finally settled by the Court of Arbitration at the Polish Chamber of Commerce (PCC) in Warsaw.*

*(2) The proceedings shall be conducted pursuant to the Rules of the Court mentioned in section (1) of this provision.*

*(3) The version binding on the date of filing the statement of claim of the aforementioned rules shall be applied.*

*(4) The arbitral proceedings shall be conducted by three arbitrators selected in accordance with the Rules of the Court of Arbitration at the Polish Chamber of Commerce (PCC).*

*(5) The arbitration procedures, both written and oral, shall be conducted in English.*

*(...)*

Warsaw, 2015-12-28

**Case No SA 381/2015**

Arbitral Legal Representative:  
Marina Pablo  
Marina Pablo Law Office  
15 Bella Str.  
18-0202 Castlewood  
Reinoland

I hereby inform you that the Statement of Claim of ***Shoe Dream – Lace and Insole Production, Sociedad Limitada , Reinoland and FT Team, Limited Company, Antylland***

against: ***International Business Best Bank, Antylland***

for the payment of **EUR 5,000,000.00** calculated using the NBP (National Bank of Poland) exchange rate No. 246/A/NBP/2015 from 18 December 2015, in order to determine the arbitration and registration fee, as PLN 21.408.000,00 was filed to the Court of Arbitration at the Polish Chamber of Commerce in Warsaw on 21 December 2015.

With reference to the above I call upon you to:

1. pay, within three weeks, the arbitration fee **of PLN 260.327,04** as well as the registration fee **of PLN 2.000** to the bank account of the Court of Arbitration at the Polish Chamber of Commerce in Warsaw, account No 23124010531111000004408800 at BANK PEKAO S.A. IV Oddział w Warszawie, or § 26 Sec. 3 of the Arbitration Rules of the Court of Arbitration at PCC will apply;
2. jointly appoint one arbitrator within three weeks, in other case the arbitrator will be nominated by the Arbitration Council (§ 26 Sec. 4, § 19 Sec.1 and 5 of the Arbitration Rules of the Court of Arbitration at PCC).

The deadlines run from the date of receiving this letter.

Please refer to the case number in your further correspondence and when making any payments.

*Secretary General  
Court of Arbitration at the PCC*

Enclosures:

1. Rules of the Court of Arbitration of 1 January 2015
2. Tariff of fees,
3. List of Arbitrators recommended by the Court (Further information on the qualifications of arbitrators is available on the website of the Court [www.sakig.pl](http://www.sakig.pl) in the section: List of Arbitrators).

Court of Arbitration at the Polish Chamber of Commerce  
4 Trębacka Str., 00-074 Warsaw, Poland  
tel. +48 (22) 827 47 54  
[info@sakig.pl](mailto:info@sakig.pl)  
fax +48 (22) 827 94 01  
[www.sakig.pl](http://www.sakig.pl)

**MARINA PABLO LAW OFFICE**  
**15 Bella Str.**  
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**REINOLAND**

**Phone: (0) 699-15- 27**  
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**E-MAIL: M.PABLO@PABLO.RE**

**Court of Arbitration at the  
Polish Chamber of Commerce  
in Warsaw**

ul. Trębacka 4  
00-074 Warsaw  
Poland

Castlewood, 25 January 2016

**Case No. SA 381/2015**

**STATEMENT  
on the appointment of an arbitrator**

In execution of the Court's demand to appoint an arbitrator, which was delivered to the Claimants' legal representative on 6 January 2016, on behalf of Shoe Dream – Lace and Insole Production, Sociedad Limitada and FT Team, Limited Company, I hereby appoint as arbitrator, attorney Mr. Arbitrator 1.

I would also like to inform you that the arbitration fee and registration fee were paid on 13 January 2016. Please see the attached confirmation of the bank transfer.

Yours faithfully,

**MARINA PABLO**  
*Legal Representative*

Warsaw, 2016-01-29

***International Business Best Bank***

15 Business Str.  
50-202 Capital City  
Antylland

**Case No SA 381/2016**

Re: the claim brought against you by  
***Shoe Dream – Lace and Insole Production, Sociedad Limitada,  
Reinoland*** and  
***FT Team, Limited Company, Antylland***

For the sum of **EUR 5,000,000.00** calculated using the NBP (National Bank of Poland) exchange rate No. 246/A/NBP/2015 from 18 December 2015, in order to determine the arbitration and registration fee, as PLN 21.408.000,00.

Please find enclosed a copy of the Statement of Claim, with attachments, dated 21.12.2015.

The reply to the Statement of Claim should be filed to the Court of Arbitration in five copies, within 30 days from receiving this letter.

With reference to the above, I would like to ask you to appoint an arbitrator within three weeks from the date of receiving this letter, or the arbitrator will be nominated by the Arbitration Council (§27 Sec. 2 and § 19 Sec. 1 of the Arbitration Rules of the Court of Arbitration at PCC).

Please refer to the case number in your further correspondence.

*Secretary General  
Court of Arbitration at the PCC*

Enclosures:

1. Copy of the Statement of Claim with attachments
2. Rules of the Court of Arbitration of 1 January 2015
2. Tariff of fees,
3. List of Arbitrators recommended by the Court (Further information on the qualifications of arbitrators is available on the website of the Court [www.sakig.pl](http://www.sakig.pl) in the section: List of Arbitrators).

Court of Arbitration at the Polish Chamber of Commerce  
4 Trębacka Str., 00-074 Warsaw, Poland  
tel. +48 (22) 827 47 54  
[info@sakig.pl](mailto:info@sakig.pl)  
fax +48 (22) 827 94 01  
[www.sakig.pl](http://www.sakig.pl)

**Teodora Bloom, advocate  
Bloom & Dinello Law Firm  
12 Eleph Str., 50-202 Capital City  
Antylland  
Mail bloom@lawoffice.an**

Capital City, 22 February 2016

**Court of Arbitration at the  
Polish Chamber of Commerce  
in Warsaw  
ul. Trębacka 4  
00-074 Warsaw  
Poland**

**Claimant: *1. Shoe Dream – Lace and Insole Production, Sociedad Limitada***

address: 35 Bella Str., 08-0202 Castlewood, Reinoland

***2. FT Team, Limited Company***

address: 1A Plant Str., 50-205 Capital City, Antylland

represented by Marina Pablo, attorney

address for service of notices:

Marina Pablo Law Office

15 Bella Str., 18-0202 Castlewood, Reinoland

Mail m.pablo@pablo.re

**Respondent: *International Business Best Bank***

address: 15 Business Str., 50-202 Capital City, Antylland

represented by Teodora Bloom, advocate

address for service of notices:

Bloom & Dinello Law Firm

12 Eleph Str., 50-202 Capital City, Antylland

Mail bloom@lawoffice.an

amount of the dispute: PLN 21.408.000,00

## Statement of Defense

- (1) Acting on behalf of the Respondent International Business Best Bank (in the following cited also as "**Best Bank**") in the basis of the power of attorney that I enclose to this document, with reference to the letter of the Secretary General of the Court of Arbitration at the Polish Chamber of Commerce dated 29 January 2016, in a dispute with Shoe Dream – Lace and Insole Production, Sociedad Limitada (in the following cited as "**Shoe Dream**") and FT Team, Limited Company (in the following cited as "**FT Team**"), I hereby submit this Statement of Defense.
- (2) The Respondent contends that this Statement of Defense has been filed within 30- day time limit set out in the Arbitration Court's letter dated 29 January 2016. As the Respondent was served with the Statement of Claim on 3 February 2016, the Statement of Defense should be filed on 4 March 2016 at the latest (in accordance with § 27 Sec. 1 of the Arbitration Rules of the Court of Arbitration at the PCC).
- (3) International Business Best Bank respectfully asks the Arbitral Court not to start arbitral proceedings since there is no valid basis for arbitration in the case at hand. Best Bank has never concluded an arbitration clause regarding the issues raised by Claimants. The alleged arbitration clause Claimants referred to was contained in the new version of the General Terms from May 2015. However, the previous version of the General Terms from December 2014 is binding for Parties. Best Bank proposed to his client the amended version from May 2015 that contains added Clause 94 with an arbitration clause. The new version was not accepted by Claimant no. 1 thus its not binding for Parties (Exhibit – R1). The Claimant's acceptance was an obligatory condition according to the § 90 Sec. (9) of binding version of the General Terms from December 2014 (Exhibit – R1, Exhibit – C4; the new version from May 2015 contains the same provision under the same article number). Above argument refers to both Claimants. What is more, Best Bank has never concluded with Claimant no.2 any agreement that would contain an arbitration clause. Therefore the claim should be rejected.
- (4) International Business Best Bank is the bank company founded in 1875 in Capital City. Because of a long period of time and perfect services (private and commercial) Best Bank has a millions clients all of the world. Best Bank gives a lot of different kinds financial instruments like a private and commercial loans, credits, deposits, lease etc. Best Bank cooperates not only with private and commercial sector but also has a lot of clients and contracts for public sector (like public procurement law) and huge investments projects. From the very beginning Best Bank was founded as

- trusted and well known financial institution. Best Bank has a lot of positive recommendations and it is known as a perfect partner. It always acts fair towards its customers.
- (5) Best Bank has started cooperation with Shoe Dream in 2009. Firstly, Shoe Dream opened a special business account in few currencies. A moment later Shoe Dream due to huge development of its business and a necessity of new headquarter construction asked Best Bank for a special building credit. Due to a perfect cooperation between Parties, Best Bank gave to Shoe Dream next special credit offer. This financial relation started permanent, strong and deep cooperation.
  - (6) From the very beginning of Parties' cooperation, Shoe Dream was supported in Best Bank by Mr. Robert Barn, Customer Service Officer. Shoe Dream has always contacted exactly this clerk. Only sometimes, when Mr Barn was absent at work, Shoe Dream turned to other Best Bank's clerks. This is a normal practise in Best Bank that each business customer has its clerk pointed directly. Thanks to such system the clerk is oriented in client's situation so he can perform more efficiently. However such person is only a clerk and not a personal adviser for a customer. Of course a clerk gives help to a customer but only by describing financial tools available and proposed by Best Bank. His obligation is to present Best Bank's offer to a client. Such clerk does not act as personal business adviser to a client. Thus Mr. Barn should be recognized and described by Shoe Dream as its bank assistant. Shoe Dream was aware of this difference. In the past Best Bank proposed to Shoe Dream a special individual bank business advisor service. Shoe Dream refused claiming that such service would be useless and unnecessary for them (Exhibit – R2).
  - (7) Collaboration between Respondent and Claimant was highly satisfactory. After a long and productive cooperation Mr. Robert Barn proposed to Mr. Aleandro Giro a power point presentation about new Best Bank's product - cross currency interest rate swap („CIRS“). It was really good financial instrument for clients. Claimant consented to the presentation for an aforementioned new financial instrument – CIRS, and Parties established convenient date of a meeting. On 16th December 2014 Mr. Barn made a detailed presentation. He presented positive and negative elements of CIRS. Shoe Dream asked a lot of detailed questions about CIRS. Mr. Giro demonstrated a serious interest in CIRS and decided for a contract conclusion.
  - (8) A few days after the presentation took place, on 19th December 2014 Best Bank and Shoe Dream signed a CIRS contract no. 2987/14 regarding

the exchanging interest payments and principal on loans denominated in two different currencies: Japanese YEN and EURO. Shoe Dream carefully read the contract and the General Terms and did not have any questions or doubts to those documents.

- (9) Shoe Dream has known all risks related to the CIRS mechanism. Claimant no.1 was aware of possible loss connected with exchange rate moves. Shoe Dream confirmed this awareness by accepting CIRS contract no. 2987/14 and the General Terms provisions. Both documents contained appropriate information. By signing on CIRS contract Claimant no. 1 made a statement that Shoe Dream is the one who assesses the economic risk of each transaction concluded in accordance to CIRS contract no. 2987/14. The contract contains also provision according to which Best Bank is not liable for damages that the customer may suffer as a result of the CIRS transactions with Best Bank. Shoe Dream also affirmed that it knows the nature and structure of CIRS transactions. Thus the mechanism and connected with it currency risk was known to Claimant no. 1. Therefore Claimant's allegations about being in mistake because of not receiving an appropriate information are groundless.
- (10) Cooperation between Parties was on high level. Unfortunately, from December 2014 till August 2015 Japanese YEN rate increased noticeably. The entities who works with Japanese YEN got a big financial loss. Shoe Dream had the same bad situation and lost a lot of money. After that Shoe Dream contacted with Best Bank and asked what had happened. Best Bank informed Shoe Dream that the financial loss aroused because of Japanese rate had increased. Increase was related to the huge World's financial crises. All companies all over the world had serious problems with payments for their obligations timely. The financial situation was noticeable also in a banking sector. That's why Best Bank had to take care and be careful of its position. According to CIRS contract no. 2987/14 provisions Best Bank had the right to an appropriate surety of its interest. In the moment of CIRS contract conclusion surety was given by a Guarantor FT Team, Limited Company. However a financial rating report from 10<sup>th</sup> September 2015 indicated prospective Shoe Dream's position at the end of a contract period at a very high level of loss. Such guaranty statement of FT Team was insufficient. Therefore Best Bank asked Shoe Dream about other surety on the amount of EUR 5,000,000.00 – this was Best Bank's right under the CIRS contract (Exhibit -R3).
- (11) On that moment, and every moment later till today, Shoe Dream claimed that it considered Best Bank as dishonest and unfair entity. Claimant no. 1 claimed that Best Bank kept in secret information about possible risk currency, what is not true. It is worthy also to underline that it seems that

Shoe Dream does not understand CIRS mechanism. Indeed, on 10<sup>th</sup> September 2015 the financial rating report shown huge loss for Shoe Dream after the whole 5 years of contract performance. This loss is even bigger today. However no one knows what will the financial rating report indicate at the end of the 5 year period. It is possible that the loss will disappear.

- (12) Shoe Dream did not reply on Best Bank's surety calls. Best Bank was forced to organize surety by recouping from Claimant's no. 1 bank account maintained at Best Bank. The amount of EUR 2,320,000.00 was available at Shoe Dream's account. But the amount of EUR 2,680,000.00 was additional needed. In that case Best Bank turned to the guarantor FT Team. Best Bank occupied money on Claimant's no. 2 bank account what was entirely consistent with provisions of the Guaranty Statement. (Exhibit - R4).

### ***Applicable Law***

International Business Best Bank confirms that, according to Clause 87 of the General Terms from December 2014 (the new version from May 2015 contains the same provision under the same article number), the Draft Common Frame of Reference shall be the legal basis for any potential material issues and disputes between the parties.

International Business Best Bank denies, however, that disputes arising between the parties shall be settled by arbitration. Binding version of the General Terms from December 2014 did not contain an arbitration clause. The General Terms in the amended version from May 2015 contains added Clause 94 with an arbitration clause however the new version was not accepted by Claimant thus its not binding for Parties. The mentioned argument refers to Claimant no.1. Additionally, as to the Claimant no.2, International Business Best Bank has never concluded with this entity any agreement that would contain an arbitration clause.

The Court of Arbitration at the PCC has therefore no jurisdiction.

### ***Arbitral Claims***

Considering the facts of the case, I respectfully request the Arbitral Tribunal to:

1. Discontinue these proceedings and that the Arbitral Tribunal decides on the lack of its competence to settle the dispute, and as a consequence reject the claim due to the lack of an arbitration clause.

Taking procedural precautions, in case the Arbitral Tribunal does not accept the motion re. 1 above, I hereby ask the Arbitral Tribunal to find that:

2. The CIRS contract no. 2987/14 is valid and binding for Parties. Thus the Shoe Dream was obliged to give an appropriate surety while Best Bank called for such.
3. Best Bank was entitled to collect money from Claimants' accounts as Shoe Dream violated its contractual duties.

## Exhibit – R1

-----Recording of phone call between Mr. Aleandro Giro and Mr. Robert Barn  
from 18 May 2015 -----

Mr. Aleandro Giro: Hello.

Mr. Robert Barn: Good morning. This is Robert Barn, the business adviser from International Business Best Bank speaking. Could I speak to Mr. Aleandro Giro, President of Shoe Dream?

Mr. Aleandro Giro: Ow, hello Mr. Barn. This is Giro speaking. Nice to hear you.

Mr. Robert Barn: Mr. Giro I am calling to you because on 6<sup>th</sup> May I send an email to you with the new modified and supplemented version of the General Terms that were adopted by Best Bank. In email I asked you to accept the new General Terms however so far I haven't received any reply. I decided to contact you because you were always replying without any delay...

Mr. Aleandro Giro: Oh, yes, because I am on a holiday with my family and they don't like me working during our spare time. And you know that I read all messages personally. So what has been changing? Could you refer it to me?

Mr. Robert Barn: Frankly speaking, not too much. We had to adapt all previous regulations, contracts, general terms etc. to the new Bank's policy about court proceeding in case of any conflict. After last unpleasant occurrence when one of our former clients made publish every detail of our conflict, the Board of Directors decided to settle any potential disputes in arbitration to make it confidential. This is the main modification.

Mr. Aleandro Giro: And how do you see... how do you consider this modification for the interest of my company?

Mr. Robert Barn: I think that this is a good change. You can be sure about all secrets of Dream Shoe. I advise you to agree.

Mr. Aleandro Giro: Ok, as I hear this is not a serious modification. I don't expect any conflicts with Best Bank, so I think that this change would not matter me at all. I accept the new version.

Mr. Robert Barn: I am glad of such cooperation. But I would be grateful if you could...

Mr. Aleandro Giro: I'm sorry, I don't understand. Could you repeat that, please?

Mr. Robert Barn: I told that I would be grateful if you could...

Mr. Aleandro Giro: Mr. Barn I'm sorry, I can't hear you very well. Could you speak up a little, please?

Mr. Robert Barn: Please confirm this acceptance to me also in writing, just a short email...

Mr. Aleandro Giro: Mr. Barn, I... last sentence. Something is on the line. I am far away. If you would like to tell me something important please call me next week. I hope that you hear my voice...

Mr. Robert Barn: yes, I hear you and..

Mr. Aleandro Giro: Halo! Halo!!!!

**Exhibit – R2**

From: "David Black" <office@ internationalbusinessbestbank.an>  
To: „Aleandro Giro" <aleandrogiro@ shoedream\_laceandinsoleproduction.re>  
Cc: "Robert Barn" < robertbarn@ internationalbusinessbestbank.an>  
Sent: Tuesday, July 10, 2012 10:50 AM  
Subject: Business Adviser

Dear Mr. Giro,

I am pleased to see how our cooperation is growing year by year. Your company has been developing its business magnificently. As I can observe that you started new activities on the market, so you are making bigger and bigger financial transactions. The bigger money the higher risk. Therefore I turn to you with a proposition. In our Bank we have a separate department Small Business Advisor Department that can help you by determining your business challenges and goals, delivering relevant advice, with simple, straightforward solutions and strategies, providing financial tools and resources to help support decision making. Unique business planning tools will help you to analyze your cash flow, free up working capital, and improve your bottom line. We will prepare for you a good offer if you would be interested.

Yours sincerely,

David Black, General Manager

---

*International Business Best Bank  
Registered at 15 Business Str.  
50-202 Capital City  
Antylland  
Phone (0) 977 09 37  
Fax: (0) 455 78 98*

\*\*\*\*\*

From: „Aleandro Giro“ <aleandrogiro@shoedream\_laceandinsoleproduction.re>  
To: "David Black" <office@internationalbusinessbestbank.an>,  
Cc: "Robert Barn" <robertbarn@internationalbusinessbestbank.an>  
Sent: Wednesday, July 11, 2012 8:50 PM  
Subject: RE: Business Advisor

Dear Mr. Black,

Thank you for your proposition. Indeed, my business is in a good condition. My business is my life. I am personally engaged in all financial decisions in the company. I analyze all transactions by myself. In my opinion I am the best expert adviser for my business. Information and services provided by Mr. Robert Barn are sufficient for us. He is a professional who delivers ideal solutions and accurate financial tips. Once again thank you for your proposition but I am not interested in right now.

Kind Regards,  
Aleandro Giro, President

---

*Shoe Dream – Lace and Insole Production, Sociedad Limitada*  
*Registered at 35 Bella Str., 08-0202 Castlewood, Reinoland, European Union*  
*Phone: (0) 502 09 46*  
*Fax: (0) 466 30 98*  
*Mail: office@shoedream\_laceandinsoleproduction.re*

-----  
(Extracted from the CIRS contract no 2987/14 between Shoe Dream, S.L.  
and International Business Best Bank concluded on 19 December 2014)-----  
(...)

**§ 4 Definitions:**

(11) Minimal surety – minimum value of a surety required by the Bank in connection with concluded on the basis of CIRS contract with the customer derivative transactions that constitutes a part of a transaction package;

(...)

**§ 10 Economic Risk**

(1) Although the Bank - in accordance with its market knowledge and expertise - presents to the customer economic risk of concluded transactions, the customer alone assesses the economic risk of each concluded transaction. The customer by himself evaluates character of concluded transaction in all aspects and in meaning of: tax, accounting, legal, as well as the consequences that can result from the transaction.

(2) The customer makes final decisions on the conclusion of each transaction with the Bank individually and in a way that is independent of the Bank.

(3) The Bank shall not be liable to the customer for damages that the customer may suffer as a result of the transaction with the Bank, including in particular misunderstanding by the customer the nature or structure of the transaction.

(...)

**§ 24 Collateral / Security**

(1) In order to reduce credit risk incurred by the Bank in connection with the derivative transactions concluded on the basis of CIRS contract, the Bank at any time has the right to require from the customer a security establishment or replenishing the value of collateral already established.

(...)

(5a) Money collected on a bank account are the standard form of security establishment.

(...)

(7) In order to determine a level of credit risk, to which sec. 1 referred, the Bank prepares a current comparison of the value of collateral already

established by the customer to the value of collateral required in connection with concluded with the customer derivative transaction that constitutes a part of a transaction package. Detailed procedure in this regard is described in § 27 to 29.

(...)

(8) In case on the day of financial rating report the value of collateral already established by the customer is lower than the value of collateral required, to which sec. 1 referred, the customer is obliged to replenishing the value of collateral already established to the value of collateral required.

(...)

(11) In case the customer failed to perform its obligation under sec. 8 the Bank is entitled to charge customer's bank account.

-----Extracted from the Guarantee Statement-----

**GUARANTEE STATEMENT**

made in Capital City, Antylland on 19 December 2015

(...)

**FT Team, Limited Company** seated in Capital City, Antylland  
(National Court Register no. 0000447389) represented by Ms. Judith White,  
Office Manager

hereinafter referred to as the **Guarantor**,

(...)

2. **The Guarantor** declares that he has noted the contents of the CIRS contract no. 2987/14 concluded on 19 December 2014 between *Shoe Dream – Lace and Insole Production, Sociedad Limitada and International Business Best Bank* as specified in Point 1. The text of the same is clear to him and he does not raise any objections.

3. **The Guarantor** guarantees payment and performing of other contractual obligations of *Shoe Dream – Lace and Insole Production, Sociedad Limitada* in favour of *International Business Best Bank arising from* the CIRS contract no. 2987/14 along with the interest pursuant to the terms and conditions of the CIRS contract no. 2987/14 being enclosure No. 1 hereto.

(...)

Warsaw, 2016-03-01

**Case No SA 381/2015**

Arbitral Legal Representative:  
Teodora Bloom, advocate  
Bloom & Dinello Law Firm  
12 Eleph Str.  
50-202 Capital City  
Antylland

I hereby confirm that the Statement of Defence of International Business Best Bank dated 22 February 2016, was received by the Court of Arbitration at the Polish Chamber of Commerce in Warsaw on 25 February 2016.

The Statement of Defence did not contain the appointment of an arbitrator. In this matter the Court did not receive any appropriate document from Respondent or its legal representative. Thus, three weeks time for an appointment expired on 24 February 2016. Therefore, please be informed that the Arbitral Council has nominated Ms Arbitrator 2 as arbitrator in this case, pursuant to Article 19 sec. 1 of the Arbitration Rules of the Court of Arbitration at PCC of 1 January 2015.

*Secretary General  
Court of Arbitration at the PCC*

Court of Arbitration at the Polish Chamber of Commerce  
4 Trębacka Str., 00-074 Warsaw, Poland  
tel. +48 (22) 827 47 54  
info@sakig.pl  
fax +48 (22) 827 94 01  
www.sakig.pl

Warsaw, 2016-03-03

**Case No SA 381/2015**

**Mr Arbitrator 1**

Applies to the case filed by: 1. **Shoe Dream – Lace and Insole Production, Sociedad Limitada**, Registered at 35 Bella Str., 08-0202 Castlewood, Reinoland

and

2. **FT Team, Limited Company**

Registered at 1A Plant Str., 50-205 Capital City, Antylland

against: **International Business Best Bank**

Registered at 15 Business Str., 50-202 Capital City, Antylland

value of the claim: **EUR 5,000,000.00** calculated using the NBP (National Bank of Poland) exchange rate No. 246/A/NBP/2015 from 18 December 2015, in order to determine the arbitration and registration fee, as PLN 21.408.000,00.

Dear Mr. Arbitrator 1,

I would like to inform you that you have been nominated as Arbitrator 1 by Claimants.

Ms Arbitrator 2 has been nominated by the Arbitral Council, pursuant to Article 19 sec. 1 of the Arbitration Rules of the Court of Arbitration of 1 January 2015, as the Respondent failed to appoint an arbitrator within the date set.

Please confirm your acceptance of the position of arbitrator in this case by completing and signing the attached "Arbitrator's Statement", and returning it within seven days. If you do not accept the position, please state and justify the reasons for your refusal also within seven days.

With reference to the above, I would like to invite you to appoint – together with Ms Arbitrator 2 – a chairman of the Arbitral Tribunal within 14 days from the date of receiving this notification. Otherwise the chairman of the Arbitral Tribunal will be nominated by the Arbitration Council (§ 19 Sec. 2 of the Arbitration Rules of the Court of Arbitration at PCC).

I enclose the "Arbitrator's Statement", Rules of the Court of Arbitration of 1 January 2015 and a List of Arbitrators recommended by the Court (Further information on the qualifications of arbitrators is available on the website of the Court [www.sakig.pl](http://www.sakig.pl) in the section: List of Arbitrators).

Pursuant to § 15 sec. 6, the case file will be provided after a written statement of independence and impartiality has been submitted.

*Secretary General*

*Court of Arbitration at the PCC*

Court of Arbitration at the Polish Chamber of Commerce

4 Trębacka Str., 00-074 Warsaw, Poland

tel. +48 (22) 827 47 54

info@sakig.pl

fax +48 (22) 827 94 01

[www.sakig.pl](http://www.sakig.pl)

.....  
Place

Date

**Name and surname: *Arbitrator 1***

**Case No: *SA 381/2015***

**A r b i t r a t o r ' s   S t a t e m e n t  
o f   i m p a r t i a l i t y   a n d   i n d e p e n d e n c e**

**As I have been appointed as an Arbitrator in the Case No: SA 381/2015  
filed by: *Shoe Dream – Lace and Insole Production, Sociedad Limitada, Reinoland  
and FT Team, Limited Company, Antylland***

**against: International Business Best Bank, Antylland  
in the Court of Arbitration at the Polish Chamber of Commerce in Warsaw, I hereby  
declare that:**

- I am independent and impartial in resolving the present case and, most notably, I do not have any direct links to, and professional contacts with, the parties or related entities as well as the legal representatives of the parties and their law offices or the companies in which they practice their profession. There are no future, present or foreseeable circumstances that may give rise to doubts as to my impartiality or independence for either party (nevertheless I hereby disclose the following circumstances:)

.....  
.....  
.....

- I shall perform accepted duties of an arbitrator according to the best of my knowledge and skills, remaining impartial and independent, in compliance with the "Code of Ethics for Arbitrators and Mediators of the Court of Arbitration at the Polish Chamber of Commerce in Warsaw",

- I shall comply with the Rules of the Court of Arbitration at the PCC that is applied to the case,

- The Court of Arbitration at the PCC shall pay my fee as an arbitrator according to its regulations, which I accept.

(signature)

**Case No SA 381/2015**  
**Ms Arbitrator 2**

Applies to the case filed by: 1. **Shoe Dream – Lace and Insole Production, Sociedad Limitada**, Registered at 35 Bella Str., 08-0202 Castlewood, Reinoland  
and  
2. **FT Team, Limited Company**  
Registered at 1A Plant Str., 50-205 Capital City, Antylland

against: **International Business Best Bank**  
Registered at 15 Business Str., 50-202 Capital City, Antylland  
value of the claim: **EUR 5,000,000.00** calculated using the NBP (National Bank of Poland) exchange rate No. 246/A/NBP/2015 from 18 December 2015, in order to determine the arbitration and registration fee, as PLN 21.408.000,00.

Dear Ms Arbitrator 2,  
I would like to inform you that you have been nominated as Arbitrator 2 by the Arbitral Council, pursuant to Article 19 sec. 1 of the Arbitration Rules of the Court of Arbitration at PCC of 1 January 2015, as the Respondent failed to appoint an arbitrator within the date set.  
Mr Arbitrator 1 has been nominated by the Claimant.  
Please confirm your acceptance of the position of arbitrator in this case by completing and signing the attached "Arbitrator's Statement" and returning it within seven days. If you do not accept the position, please state and justify the reasons for your refusal also within seven days.

With reference to the above, I would like to invite you to appoint – together with Mr Arbitrator 1 – a chairman of the Arbitral Tribunal within 14 days from the date of receiving this notification. Otherwise, the chairman of the Arbitral Tribunal will be nominated by the Arbitration Council (§ 19 Sec. 2 of the Arbitration Rules of the Court of Arbitration at PCC).  
I enclose the "Arbitrator's Statement", the Rules of the Court of Arbitration of 1 January 2015 and the List of Arbitrators recommended by the Court (Further information on the qualifications of arbitrators is available on the website of the Court [www.sakig.pl](http://www.sakig.pl) in the section: List of Arbitrators).  
Pursuant to § 15 sec. 6, the case file will be provided after a written statement of independence and impartiality has been submitted.

*Secretary General*  
*Court of Arbitration at the PCC*

Court of Arbitration at the Polish Chamber of Commerce  
4 Trębacka Str., 00-074 Warsaw, Poland  
tel. +48 (22) 827 47 54  
info@sakig.pl  
fax +48 (22) 827 94 01  
www.sakig.pl

.....  
Place

Date

**Name and surname: *Arbitrator 2***

**Case No: *SA 381/2015***

**A r b i t r a t o r ' s S t a t e m e n t  
o f i m p a r t i a l i t y a n d i n d e p e n d e n c e**

**As I have been appointed as an Arbitrator in the Case No: SA 381/2015  
filed by: *Shoe Dream – Lace and Insole Production, Sociedad Limitada, Reinoland  
and FT Team, Limited Company, Antylland***

**against: International Business Best Bank, Antylland  
in the Court of Arbitration at the Polish Chamber of Commerce in Warsaw, I hereby  
declare that:**

- I am independent and impartial in resolving the present case and, most notably, I do not have any direct links to, and professional contacts with, the parties or related entities as well as the legal representatives of the parties and their law offices or the companies in which they practice their profession. There are no future, present or foreseeable circumstances that may give rise to doubts as to my impartiality or independence for either party (nevertheless I hereby disclose the following circumstances:)

.....  
.....  
.....

- I shall perform accepted duties of an arbitrator according to the best of my knowledge and skills, remaining impartial and independent, in compliance with the "Code of Ethics for Arbitrators and Mediators of the Court of Arbitration at the Polish Chamber of Commerce in Warsaw",

- I shall comply with the Rules of the Court of Arbitration at the PCC that is applied to the case,

The Court of Arbitration at the PCC shall pay my fee as an arbitrator according to its regulations, which I accept.

(signature)

From: "Arbitrator 1" <arbitrator1@arbitrator1.de>  
To: "Secretary General" <info@sakig.pl>  
Cc: "Arbitrator 2" <arbitrator2@arbitrator2.de>  
Sent: Monday, March 16, 2016 11:16 AM  
Subject: Case No SA 381/2015; Chairman

Dear Secretary General,

In response to your letter which I received on 7 March 2016, I hereby inform that I accept the nomination to act as Arbitrator 1.

Please note that, during the conference call held on 11 March 2016, Ms. Arbitrator 2 and I jointly appointed Professor Chairman Arbitrator as the chairman of the Arbitral Tribunal in Case No. SA 381/2015.

My Arbitrator's Statement was sent three days ago directly to the Court.

*Yours sincerely,*

*Mr. Arbitrator 1*

---

From: "Arbitrator 2" <arbitrator2@arbitrator2.de>  
To: "Secretary General" <info@sakig.pl>  
Cc: "Arbitrator 1" <arbitrator1@arbitrator1.de>  
Sent: Monday, March 14, 2016 11:16 AM  
Subject: Case No SA 381/2015

Dear Secretary General,

I accept the nomination to act as Arbitrator 2.

I will send you the written statement of independence and impartiality by post.

*Yours sincerely,*

*Ms. Arbitrator 2*

Warsaw, 2016-03-17

**Case No SA 381/2015**  
**CHAIRMAN OF THE ARBITRAL TRIBUNAL**

Applies to the case filed by: 1. ***Shoe Dream – Lace and Insole Production, Sociedad Limitada***, Registered at 35 Bella Str., 08-0202 Castlewood, Reinoland  
and  
2. ***FT Team, Limited Company***  
*Registered at 1A Plant Str., 50-205 Capital City, Antylland*

against: ***International Business Best Bank***  
Registered at 15 Business Str., 50-202 Capital City, Antylland  
**value of the claim: EUR 5,000,000.00 calculated using the NBP (National Bank of Poland) exchange rate No. 246/A/NBP/2015 from 18 December 2015, in order to determine the arbitration and registration fee, as PLN 21.408.000,00.**

Dear Chairman of the Arbitral Tribunal,  
I hereby inform you that you have been nominated as chairman of the Arbitral Tribunal by arbitrators: Mr Arbitrator 1 and Ms Arbitrator 2.  
Please confirm your acceptance of the position of chairman of the Arbitral Tribunal in this case by completing and signing the attached "Arbitrator's Statement", and returning it within seven days.  
I enclose the "Arbitrator's Statement" and the Arbitration Rules of the Court of Arbitration of 1 January 2015.  
If you do not accept the position, please state and justify the reasons for your refusal also within seven days.  
Pursuant to § 15 sec. 6, the case file will be provided after a written statement of independence and impartiality has been submitted.

*Secretary General*  
*Court of Arbitration at the PCC*

Court of Arbitration at the Polish Chamber of Commerce  
4 Trębacka Str., 00-074 Warsaw, Poland  
tel. +48 (22) 827 47 54  
info@sakig.pl  
fax +48 (22) 827 94 01  
www.sakig.pl

.....  
Place

Date

**Name and surname: *Chairman of the Arbitral Tribunal***  
**Case No: *SA 381/2015***

**A r b i t r a t o r ' s   S t a t e m e n t**  
**o f   i m p a r t i a l i t y   a n d   i n d e p e n d e n c e**

**As I have been appointed as an Arbitrator in the Case No: SA 381/2015**  
**filed by: *Shoe Dream – Lace and Insole Production, Sociedad Limitada, Reinoland***  
**and *FT Team, Limited Company, Antylland***

**against: *International Business Best Bank, Antylland***  
**in the Court of Arbitration at the Polish Chamber of Commerce in Warsaw, I hereby**  
**declare that:**

• I am independent and impartial in resolving the present case and, most notably, I do not have any direct links to, and professional contacts with, the parties or related entities as well as the legal representatives of the parties and their law offices or the companies in which they practice their profession. There are no future, present or foreseeable circumstances that may give rise to doubts as to my impartiality or independence for either party (nevertheless I hereby disclose the following circumstances:)

.....  
.....  
.....

• I shall perform accepted duties of an arbitrator according to the best of my knowledge and skills, remaining impartial and independent, in compliance with the "Code of Ethics for Arbitrators and Mediators of the Court of Arbitration at the Polish Chamber of Commerce in Warsaw",

• I shall comply with the Rules of the Court of Arbitration at the PCC that is applied to the case,

The Court of Arbitration at the PCC shall pay my fee as an arbitrator according to its regulations, which I accept.

(signature)

**Case No SA 381/2015**  
**Chairman of the Arbitral Tribunal**  
**Mr Arbitrator 1, Ms Arbitrator 2**

Applies to the case filed by: 1. **Shoe Dream – Lace and Insole Production, Sociedad Limitada**, Registered at 35 Bella Str., 08-0202 Castlewood, Reinoland  
and

2. **FT Team, Limited Company**  
Registered at 1A Plant Str., 50-205 Capital City, Antylland

against: **International Business Best Bank**

Registered at 15 Business Str., 50-202 Capital City, Antylland  
value of the claim: **EUR 5,000,000.00** calculated using the NBP (National Bank of Poland) exchange rate No. 246/A/NBP/2015 from 18 December 2015, in order to determine the arbitration and registration fee, as PLN 21.408.000,00.

Dear Arbitrators,

I hereby inform you that your acceptance and all three "Arbitrators' Statements" regarding your independence and impartiality have been received by the Court of Arbitration at the Polish Chamber of Commerce.

I transfer to you the files of the case and would like to ask you to:

- Issue any appropriate orders to be served on the parties
- Set, in consultation with the Secretary-General, a date for the hearing, immediately after recognizing that the case should be heard at a hearing.

*Secretary General*  
*Court of Arbitration at the PCC*

Court of Arbitration at the Polish Chamber of Commerce  
4 Trębacka Str., 00-074 Warsaw, Poland  
tel. +48 (22) 827 47 54  
info@sakig.pl  
fax +48 (22) 827 94 01  
www.sakig.pl

Warsaw, 2016-04-11

**To: Marina Pablo Law Office**

15 Bella Str.  
08-0202 Castlewood  
Reinoland  
Phone: (0) 699-15-27  
Fax: (0) 899-13-10  
E-mail: m.pablo@pablo.re

**To: Bloom & Dinello Law Firm**

To the attention of: Teodora Bloom  
12 Elph Str.  
50-202 Capital City  
Antylland  
Phone: (0) 424-60-12  
Fax: (0) 800-62-62  
E-mail: bloom@lawoffice.an

**Subject: Case No. SA 381/2015– Procedural Order No 1**

The purpose of this letter is to inform you that the Arbitral Tribunal in the arbitration case *Shoe Dream – Lace and Insole Production, Sociedad Limitada and FT Team, Limited Company* versus *International Business Best Bank*, under the above mentioned Case No. SA 381/2013, has been constituted.

After revising the submitted records and conferring with the parties and their legal representatives, the Arbitral Tribunal, presided by Mr. Chairman, has agreed on the following regulations concerning the future procedure of the arbitration:

I. Claimants are requested to submit a memorandum discussing the relevant legal issues and presenting its arguments by **27 May 2016** to the Court of Arbitration at the Polish Chamber of Commerce.

II. The Respondent is requested to submit a memorandum responding to the memorandum under I., pointing out its legal view on the issues and presenting its arguments by **1 July 2016** to the Court of Arbitration at the Polish Chamber of Commerce<sup>i</sup>.

The memoranda should particularly address the following questions and further elaborate the arguments already indicated<sup>ii</sup>:

- I. Is the new version of the General Terms from May 2015 validly accepted, so that the Arbitral Tribunal has jurisdiction over the present case?
- II. Is there a binding arbitration clause between Claimant no. 2 and Respondent (in case the new version of the General Terms from May 2015 was validly accepted), so that the Arbitral Tribunal has jurisdiction over the present case as to the Claimant no.2?
- III. Constitutes the lack of currency risk information a breach of Respondent's obligations, considering the role of Mr. Barn and adequate risk provisions incorporated in the CIRS contract?
- IV. Was the Respondent entitled to collect money from Claimants' accounts considering Claimant's no. 1 statement made on 13<sup>th</sup> September 2015?

Any questions or requests for clarification concerning the procedure or the facts of this case must be presented by **29 April 2016** via email to [moot@sakig.pl](mailto:moot@sakig.pl).

The oral hearing will be held from **7 to 9 December 2016** at the Court of Arbitration at the Polish Chamber of Commerce in Warsaw (ul. Trębacka 4, 00-074 Warsaw, Poland).

The parties are requested to submit a list of the representatives participating in the case by **20 May 2016**<sup>iii</sup>.

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i

The memoranda should be submitted to [moot@sakig.pl](mailto:moot@sakig.pl).

ii

The memoranda have to comply with the respective provisions of the Rules to the Moot available at [http://www.sakig.pl/uploads/upfiles/moot3/3rd\\_DCFR-rules.pdf](http://www.sakig.pl/uploads/upfiles/moot3/3rd_DCFR-rules.pdf)

iii

Please use the registration form available at <http://www.sakig.pl/pl/aktualnosci/3rd-draft-common-frame-of-reference-warsaw-international-arbitration-moot/rejestracja-druzyny>