

**ALSA INTERNATIONAL MOOT COURT COMPETITION
2015**

Steel Mill Industry Case

Adamantium Steel LLC.
(Claimant)

VS

Dastan Logam Ltd.
(Respondent)

PNASUTION PARDEDE LUBIS

Nasution Pardede Lubis
Ironborn Building 19/10, 29794 , Northern Dorne, Republic of Valiant.

T +78 1 425 3310 F +68 1 425 3310 6

International Centre for Settlement of Investment Disputes

1818 H Street, N.W.

Washington, D.C. 20433,
United States of America

Fax: + 202-522-2615/2027

cc: Dastan Logam, Federal Republic of Validatu

2 November 2014

REQUEST FOR ARBITRATION

Claimant

Admantium Steel, Ltd

Peachberry 1100

2401 Villa la Costa

Republic of Valiant

T +38 1 396 4800 F +38 1 396 4809 E direction@admantiumsteel.vint

Legal Representative of Claimant

Dr Naomi Pardede

NasutionPardedeL

ubis LLP

Ironborn Building 19/10, 29794 , Northern Dome, Republic of Valiant

T +78 1 425 3310 F +68 1 425 3310 6 Enaomi.pardede@npl.vint

A power of attorney is attached [intentionally not reproduced here].

Respondent

Abraham Nusantara,

Executive Director

Dastan Logam, Ltd

1010 Nerfitiri

Validatu

T +29 1 8675309 F +29 1 8675300 E

Terms of the Arbitration Agreement

By submitting this Request for Arbitration, Claimant Admantium Steel Ltd("AS") accepts the standing offer made by the Dastan Logam("DL") to arbitrate investment disputes with investors from Validatu, which is expressed in Article 8 of the Valiant-Validatu Bilateral Investment Treaty dated 31 December 1998 (the "BIT"), as set forth below:

Article 8

Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party

1. *Any dispute which may arise between an investor of one Contracting Party and the other Contracting Party in connection with an investment in the territory of that other Contracting Party shall be settled, if possible, by negotiations between the parties to the dispute.*
2. *If any dispute between an investor of one Contracting Party and the other Contracting Party cannot be thus settled within a period of six months from the written notification of a claim, the investor shall be entitled to submit the case, at his choice, for settlement to:*
 - (a) *a court [...] , or*
 - (b) *the International Centre for Settlement of Investment Disputes Or*
 - (c) *an arbitrator or international ad hoc arbitral tribunal [...] or*
 - (d) *the Singapore International Arbitration Centre*
3. *The arbitral awards shall be ,final and binding on both parties to the dispute and shall be enforceable in accordance with the domestic legislation.*

Admantium Steel Ltd is an "investor" in Validatu within the meaning of Article 1.1 of the BIT. The BIT may be accessed on the Validatu Ministry of Foreign Affairs, Online Treaty Archive at <http://www.mofa.gov.bc/treaties/archive/19981231ct-ia.pdf> [dummy link; BIT actually to be found in Annex 1 of the Statement of Uncontested Facts].

On 20 April 2014, Admantium Steel notified Validatu's Ministry of Foreign Affairs (with copies to its Ministry of Economics and to the Validatu Energy Authority) of its dispute with Validatu and of Admantium Steel's intention to pursue legal remedies under the BIT if this dispute was not resolved to Admantium Steel's satisfaction. Validatu has declined negotiations.

Summary of the Dispute

Circumstances

Claimant Admantium Steel, an LTD incorporated under the laws of Valiant in 2002, has been engaged in the development, construction and operation of steel mill facilities in Valiant and elsewhere in the region, since 2002.

Claimant's operations have included investments in a joint venture company in Validatu commencing from 2009 and operating under Validatu's 2010 Law Industrial Project ("LIP"). For funding two phase of the project.

Under the joint venture agreement between AS-DL, the claimant agreed upon an investment worth \$931.000.000 (nine hundred thirty one million US dollars) for the first phase. During this phase both parties have agreed upon a creation of a non-compete agreement.

The focus of the joint venture company is upon the integrated steel mill to reproduce the resource of steel from Validatu.

Based on the joint venture agreement made between both parties the claimant has the ownership of 70% of the Joint Venture company or further called as the Dastan-Admantium steel.

On 25 August 2011, during the first phase of the project, Validatu has a more ambitious project towards its steel exploitation. Where they further focus on completing the demand for the automotive sector.

On the 27 September 2011, The president of Validatu issued the President's Regulation upon the development of the country as to focus on the automotive for the industry sector

On 3 January 2012, Dastan Logam enter a new joint venture project agreement with Ruberia Metal Corporation in order to fulfill the demand of the automotive sector in Validatu. The joint venture agreement between Dastan Logam and Ruberia Metal Corporation focus on the production of steel for the automotive with the establishment of a new integrated steel mill.

Dastan Logam did not made any written notification to ask the consent of Adamantium Steel in order to respect the non compete agreement.

Claims

Dastan Logam has unilaterally made another agreement without the consent of Adamantium steel as the part of the agreement and has perform an act of default towards the agreement between Dastan Logam and Adamantium steel.

Prayers for Relief

Claimant Admantium Steel requests the Tribunal:

1. Declare that Respondent is liable for the violations of the joint venture agreement that has been made between both parties.
2. Order Respondent to terminate the agreement made between Dastan Logam and Ruberia Metal Corporation.
3. To find that Claimant is entitled to restitution by Respondent of all costs related to these proceedings.
4. To declare that Validatu is responsible for the action of Dastan Logam.

Procedural Matters for the Arbitration

Pursuant to the joint venture agreement made between the claimant and the respondent point twenty one, both parties have agreed upon pointing each one arbitrator from each party.

In light of the complexity of this dispute, Claimant asks the International Centre for the Settlement of Investment Disputes to appoint a president of the arbitrators. Claimant requests that the proceedings be conducted in English: the English version of the BIT prevails and official versions of the relevant legislation are also available in English.

With this letter we enclosed a receipt of a bank transfer for \$25,000 USD as lodging fee for the request of the arbitration.

Confirmation of Delivery of Request to Respondent

Copies of this Request for Arbitration have been dispatched by courier to the Republic of Validatu:

Ministry of Foreign Affairs Caledonia 6-10 1010 Gamla-Uppsala Validatu	Ministry of Economics Caledonia 12-14 1010 Gamla-Uppsala Validatu	Validatu Energy Authority Durandon 125 1010 Gamla-Uppsala Validatu
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Courier receipts are attached [intentionally not reproduced here].

For and on behalf of Admantium Steel LTD

Dr. Naomi Pardede
S.H.,L.L.M.
NasutionPardedeLubis
LLP

CONFIDENTIAL

By Courier and by email

Dr Naomi Pardede
NasutionPardede
Lubis LLP
Ironborn Building 19/10, 29794,
Northern Dorne,
Republic of Valiant

Abraham Nusantara
Executive Director,
Dastan Logam Ltd.
1010 Nerfitiri
Federal Republic Validatu

5 November 2014

Dear Sirs

Arbitration No: 00/2014
Admantium Steel Ltdv Republic of Validatu

1. I acknowledge receipt, by fax on 2 November 2014, of a Request for Arbitration dated 2 November 2014, from NasutionPardedeLubis LLP, for the Claimant (***theRequest***), a copy of which NasutionPardedeLubis LLP advise has been served on theRespondent by courier to the three addresses detailed at page 4 of the Request. I should be grateful if, as soon as possible, the Claimant would provide documentary proof of actual delivery (as required by Article 1.1(vii) of the Rules).
2. I also acknowledge receipt today of a bank transfer for \$25,000 USD in respect of the ICSIDLodging fee, for which a receipted invoice is enclosed with the Claimant's copy of this letter.
3. For the avoidance of doubt, I confirm that, in accordance with Articles 37 Point 1 of the Rules, the arbitration is therefore treated as having regstered and commenced today.
4. I should be grateful if the Respondent would provide full contact details for its legal representative, if any, including postal address, email address, telephone number and fax number. Unless we are instructed otherwise, correspondence will be with the parties' legal representatives, where notified, without copy to the parties themselves

5. In filing the Request, the Claimant invokes the provisions of Article 8 of the Validatu-Valiant Bilateral Investment Treaty dated 31 December 1998 (***the Arbitration Clause***), which provides, in relevant part, as follows:

“Article 8

Settlement of Investment Disputes between a Contracting Party and an Investor of the other Contracting Party

1. *Any dispute which may arise between an investor of one Contracting Party and the other Contracting Party in connection with an investment in the territory of that other Contracting Party shall be settled, if possible, by negotiations between the parties to the dispute.*
 2. *If any dispute between an investor of one Contracting Party and the other Contracting Party cannot be thus settled within a period of six months from the written notification of a claim, the investor shall be entitled to submit the case, at his choice, for settlement to:*
 - (a) *a court [...], or*
 - (b) *the International Centre for Settlement of Investment Disputes [...], or*
 - (c) *an arbitrator or international ad hoc arbitral tribunal [...] or*
 - (d) *the Singapore International Arbitration Centre*
 3. *The arbitral awards shall be final and binding on both parties to the dispute and shall be enforceable in accordance with the domestic legislation.”*
-
7. The Arbitration Clause provides that any dispute that arises between an investor of one Contracting Party (namely, Validatu or Valiant), on the one hand, and the other Contracting Party, on the other, shall be settled if possible by negotiations and, failing settlement within a period of six months from the written notification of a claim, may, at the option of the investor, be submitted “...***for settlement to...the International Centre for the Investment Settlement dispute***”.
 8. At page 2 of the Request, the Claimant states it notified the Respondent of the dispute on 20 April 2014 and that the Respondent has declined negotiations.
 9. The ICSID rules in force at the date of the commencement of the arbitration are the ICSID Arbitration Rules (***the Rules***), a copy of which is enclosed [intentionally not reproduced here]. The parties’ attention is drawn to the Schedule of Arbitration Costs and they are asked to note that the ICSID’s administrative charges are incurred at hourly rates as from the filing of the Request.

10. The Arbitration Clause does not specify the number of arbitrators. At page 4 of the Request, the Claimant asked the ICSID Court, in light of the complexity of this dispute, to appoint a tribunal of one president tribunal, as to which the other two member of the two tribunals would be selected from both parties, Respondent's comments are invited.
11. The Claimant further requests, at page 4 of the Request, that the proceedings be conducted in English, noting that the English version of the BIT prevails and official versions of the relevant legislation are also available in English, as to which the Respondent's comments are also invited. In the meantime, in the absence of agreement otherwise, the initial language of the arbitration (until the formation of the Arbitral Tribunal) shall be English, in accordance with Article 34 of the ICSID regulation.
12. The parties are also invited to inform the ICSID of any agreement between them as to the seat of the arbitration. In the absence of any agreement, the seat of the arbitration shall be Singapore unless and until the Arbitral Tribunal orders, once appointed, that another arbitral seat is more appropriate.
13. In accordance with Article 41 of the ICSID Rules, the Respondent may submit a Response of objection of the jurisdiction of the court within the time of the counter memorial, such objection will include, the objection of jurisdiction, merits and the objection of both parties.
14. Article 37.2 of the Rules provides that, where the parties are of different nationalities, sole arbitrators or chairmen are not to be appointed if they have the same nationality as any party (the nationality of the parties being understood to include that of controlling shareholders or interests (Article 37.2)), unless the party who is not of the same nationality as the sole arbitrator or chairman has agreed in writing otherwise.
15. For the purposes of Article 37.2, I understand the Claimant to be a company incorporated in Valiant and the Respondent to be the Republic of Validatu. Would the parties please advise, at their earliest opportunity, whether we should be considering any other nationalities in light of the provisions referred to above, concerning controlling shareholders or interests, and, if so, briefly state the reason we should do so.
16. I look forward to hearing from the parties in response to the matters raised above.

Yours faithfully

Jeanette Mariana
Registrar

Enclosed [intentionally not reproduced here]



Sasongko Tubagus & Partners

King's Landing 007, 17111. Oldtown, Federal Republic of Validatu,
T +44 (0) 7843 78886

International Centre for Settlement of Investment Disputes

1818 H Street, N.W.

Washington, D.C. 20433,
United States of America

Fax: + 202-522-2615/2027

21 November 2014

RESPONSE TO REQUEST FOR ARBITRATION

Name and contact details of the Respondent

Dastan Logam

Executive Director

Abraham

Nusantara 1010

Nerfitiri Validatu

T +29 1 8675309 F +29 1

8675300 E anusantara@dl.com

Legal representative of Dastan Logam

And Republic Of Validatu

Dr. VidiSasongko LLM

SasongkoTubagus& Partners

King's Landing 007, 17111

Oldtown, Federal Republic of Validatu

T +6815 747 92 F +68 892 87 E Evidisasongoko@st.com

Denial of all Claims

The Dastan Logam ("DL" or the "Respondent") denies all claims advanced by the Claimant, Admantium Steel LLC, in its Request for Arbitration dated 2 November 2014.

Circumstances of the Dispute

Circumstances

Validatu observes that the arguments and circumstances as set forth in the Claimant's Request for Arbitration are not accepted. While some of the circumstances set forth in the Request might not be factually false in all cases, they are incomplete and coloured by the Claimant's objectives in these proceedings. A closer examination of all of the facts in context will reveal that Claimant's legal arguments and conclusions are unsupported.

Objections

Dastan Logam respectfully submits that this Tribunal lacks jurisdiction and the Claimant's claims are inadmissible because they are based on the Validatu—Valiant Bilateral Investment Treaty dated 31 December 2009 (the "BIT'S"), which a) has become obsolete due to the provision made in the joint venture agreement in the dispute settlement clause; the BIT is therefore materially inconsistent with the principle of the joint venture agreement and has been terminated according to the BIT Article 13.

This claim brought by the claimant is a case regarding a non-compete clause set in the joint venture agreement between the claimant and the respondent as a claim of a breach of contract, which is not pursuant to the matter of investment, thus ICSID has no right over the case.

The Respondent has not violated the substantive issues of the Joint Venture agreement. Respondent has regulated its new project on the joint venture agreement in a manner of a different project to pursue the automotive demand of the market which is not interfering the business set by the joint venture agreement sets by the claimant and the respondent.

Finally, the Claimant's requested remedy of specific performance is wholly inconsistent with Respondent's sovereignty and beyond the powers of any arbitration tribunal.

Procedural matters

Dastan Logam as the appointed matter of Validatu agrees that the ICSID should appoint the president of the tribunal *Prayers for Relief*

Validatu requests that the Tribunal:

1. Find that it has no jurisdiction and/or that the claims asserted by the Claimant are not admissible.
2. In the event that the Tribunal does not grant Dastan Logam first prayer for relief, find that Validatu has not violated the protections of the BIT.
3. In the event that the Tribunal does not grant Dastan Logam first or second

prayer for relief, deny Claimant's request for specific performance.

4. Find that Validatu is entitled to restitution by Claimant of all costs related to these proceedings.
5. In any event the tribunal won't dismiss the case the respondent appoints Prof. LumenLubes as the arbitrator following the agreement made from both parties.

For and on behalf of Dastan logam

DrVidiSasongko LLM.

SasongkoTubagus& Partners

From: casework@icsid.org
Sent: 24 November 2014 10:17
To: naomi.pardede@npl.vlnt
Cc: vidisasongoko@st.com
Subject: ICSID Arbitration No: 00/2014 –
Admantium Steel Ltdv Dastan Logam Ltd, Republic of Validatu

Dear Sirs

I acknowledge receipt, by fax on Friday evening, of the Respondent's Response.

I am grateful to the Respondent for confirming its email address and note, in particular, the Respondent's agreement to the appointment of a three-member tribunal in this arbitration.

I shall now invite the ICSID procedural Court to proceed with the selection and appointment the president of tribunal.

Yours faithfully

Jeanette Mariana
Registrar

International Centre for Settlement of Investment Disputes
1818 H Street, N.W.
Washington, D.C. 20433,
United States of America
Fax: + [202-522-2615](tel:202-522-2615)/2027

CONFIDENTIAL

By courier & by email

Dr Naomi Pardede
NasutionPardede
Lubis LLP
Ironborn Building 19/10, 29794,
Northern Dorne,
Republic of Valiant

Abraham Nusantara
Executive Director,
Dastan Logam Ltd.
1010 Nerfitiri
Federal Republic Validatu

28 December 2014

Dear Sirs

Arbitration No: 00/2014
Admantium Steel Ltdv Dastan Logam, Republic of Validatu

The parties are hereby notified that, pursuant to Article 37 point 2 of the ICSID arbitration Rules, both parties have agreed upon to appoint the member of the tribunals and the president of the tribunal appointed by ICSID Court :

PROFESSOR EISHEN SIMATUPANG (Claimant)
[address intentionally omitted]

PROFESSOR LUKMAN LUBIS (Respondent)
[address intentionally omitted]

PROFESSOR SAKTI NASUTION (President)
[address intentionally omitted]

to be the Tribunal in this arbitration.

I enclose a copy of the form of appointment, the arbitrators' curricula vitae, and their statements of independence and availability [intentionally not reproduced here].

Each arbitrator will charge for his or her time at \$450 per hour, which rate is permitted by the ICSIDe Schedule of Costs.

That the chamber of arbitration will take place in the Singapore chamber of Singapore International Arbitration Centre.

In

Yours faithfully

Jeanette Mariana
Registrar

encs.

cc: Professor EishenSimatupang, by email
only
dd: Professor LukmanLubis, by email only
Professor SaktiNasution, by email only

International Centre For Settlement Of Investment Dispute

Admantium Steel Ltd.

v.

Dastan Logam Ltd.,
Republic of Validatu

ICSID Arbitration No 00/2014

Procedural Order No 1

Adopted on 20 February 2015

Members of the Tribunal:

Chairperson: Professor SaktiNasution
Prof EishenSimatupang
Prof LukmanLubis

For the Claimant

Counsel for Admantium Steel LLC

For the Respondent

Counsel for the Dastan Logam Ltd &
Republic Of Validatu

The Claimant is Admantium Steel Ltd and the Respondent is the Dastan Logam (together, the "Parties"). After consultation with the Parties *inter alia* by conference call held on 15 January 2015, in accordance with general procedural provisions, the Tribunal adopts the following Order governing the Proceedings:

1. In view of the circumstances of this arbitration, and having given the parties a reasonable opportunity to make written comments, the Tribunal has determined, pursuant to Article 21 of the ICSID Rules, that the seat of the Arbitration shall be Singapore.
2. The proceedings shall be governed by the ICSID rules 2014 and the Official Rules of the ALSA International Moot Court Competition 2015, as agreed between the Parties. In case there is an inconsistency between the two, the latter shall prevail to the extent of the inconsistency.

3. The language of the Proceedings shall be English.
4. The Tribunal and the Parties have agreed that although the issues that Claimant and Respondent have raised might typically be addressed in two or more stages (jurisdiction/admissibility, merits, remedies, costs) of these proceedings, they shall be addressed in a “main stage” followed by a “costs stage”. The main stage will address:
 - Whether the tribunal has jurisdiction over the dispute concerning Claimant’s under the Valiant-Validatu BIT, has direct connection to the claim and the claims asserted by Claimant are admissible;
 - Whether Respondent’s has unilaterally create a new joint venture agreement with Ruberia Metal Cooperation
 - Whether Respondent’s actions are exempted on as a breach of the non-compete agreement.
 - Whether Respondent can be ordered to terminate the joint venture agreement made between Dastan Logam and Ruberia Metal Cooperation
 - Whether Claimant’s basis for claiming and quantifying compensation is appropriate.

During the main stage the Tribunal will hold a hearing on the issues of Jurisdiction, Liability, and Remedies, and subsequently render an Award.

The subsequent costs stage will address the costs of the proceedings and their allocation among the parties. On its conclusion the Tribunal will then issue a Separate Award on Costs.

5. As agreed between the Parties and the Tribunal, the evidence that may be relied on in this arbitration will be limited to (i) facts and assertions contained in the Request for Arbitration and the Response to it, the “Case study” appended to this Order and its annexes (with no admission being made by either of the Parties as to correctness of the inferences from facts asserted by the other Party in its respective submission); (ii) publicly available information; and (iii) responses to the questions presented by the Parties’ counsel in accordance with the procedure described below:
 - By 1st July 2015 factual questions that require clarification shall be posted in accordance with the procedure described at <http://alsaimcc.com/competition>
 - The Parties shall then confer and seek to agree as soon as practicable on the responses to those questions. The Parties’ agreed responses shall be appended to the case file at <http://alsaimcc.com/problem.pdf>
 - By 15 July 2015 another set of factual questions may be posted in accordance with the same procedure referenced above. The responses to those questions shall be \
 - appended as described above.
6. The provisional timetable for the Proceedings shall be the following:

Main Stage of the Proceedings:

- Only one round of written submissions shall be made by the Parties (the Statement of Reply envisaged by ICSID Rules, Art 31 will be omitted). The Statement of Case is to be submitted to the Tribunal no later than 24 July 2015; the Statement of Defence is to be submitted to the Tribunal no later than 26 July 2015. The Tribunal may direct the Parties to submit Skeleton Briefs if it finds them necessary for the proper consideration of the issues in dispute.
- Considering that it is appropriate to hold hearings in the present case, both Parties are invited to attend the hearings scheduled for 15 August to 18 August 2015 at Royal Kuningan Hotel, Jakarta.

Costs Stage of the Proceedings: The Tribunal will schedule the costs stage of the proceedings and set the provisional timetable for its conduct in consultation with the Parties after the Tribunal issues the Award on Jurisdiction, Liability and Remedies.

20 February 2015

/s/

Prof Sakti Nasution
(Chairperson)

/s/

Prof Eishen
Simatupang

/s/

Prof Lukman
Lubis

CASE STUDY

1. The country of Validatu has been emerging on its steel industry, with the new source of steel that will provide the nation for the next 100 years, this source was founded in September 2009.
2. In order to support the exploitation of the resource the government of Validatu invite foreign industry to engage in the supporting the steel industry.
3. Valiant is a nation known for its well technology and resource in the activity and the process management of steel
4. Through several diplomation Validatu has succeeded in inviting the government of valiant to help support through an Investment in the steel industry of Validatu.
5. On 31 December 1997, Country of Validatu and country of Valiant have entered into bilateral investment treaty as to enhance investment between both countries.
6. Dastan Logam (“**DL**”) is a limited liability company duly established under the law of Validatu that engages in steel industry, Incorporated as the company that will be responsible in the steel industry of Validatu in 2002.
7. Adamantium Steel (“**AS**”) is a company duly established under the law of Valiant that also engages in steel industry, is the company that will be responsible in supporting the Validatu steel industry.
8. Thus, the further cooperation will be pursued through **Dastan logam** and **Adamantium Steel**.
9. On 4 August 2010, DL entered into Joint Venture Agreement with AS to establish a joint venture company (“**JVA DL-AS**”), namely Dastan Adamantium (“**DA**”) that its purpose is to develop, fund, construct, own, and operate an integrated steel mill as well as associated structure and facilities in Krimera.
10. The joint venture between “**AS**” and “**DL**” is to support the production of steel in the country of **Validatu Industry Project**. In the establishment of an integrated steel mill that will produce raw material of steel to be produced into a half raw material.
11. The project agreed upon **AS** and **DL** has been divided into two main phases with the production of a total 9 million tons.
12. In the 5 August 2011 the government of Validatu announce the further projection of the industry in its country. The president further announce that “As the part of Validatu’s commitment in captivating the market of Asia, Validatu will be the core country in the production of the Automotive Market, we will be the leading state to supply the demand for the automotive market in Asia. In order to achieve our goal, every industrial project are to be focused in pursuing the goals.

13. Consequence to the focus industry of Validatu, the government also announce that any treaty made that is not pursuant to this goal would be terminated.
14. During the process of the first phase Dastan Logam pursue a further project that it will focus the development of the steel industry on an automotive market pursuant to the announcement from the president of Validatu.
15. Ruberia Metal Corporation ("**RMC**") is a company duly established under the law of Rodega.
16. At the beginning of 2012, Ruberia Metal Corporation ("**RMC**") entered into Memorandum of Understanding with DL to establish a joint venture company ("**MoU**") that engages in cold-rolled and galvanized steel for automotive market.
17. On 3 January 2012. DL and RMC entered into Joint Venture Agreement to establish a joint venture company ("**JVA DL-RMC**"), namely Dastan Ruberia Corporation ("**DRC**").
18. In entering into JVA DL-RMC, DL did not request for written approval from AS as DL assumed that it would not violate non-compete provision as stipulated under the JVA DL-AS. However, AS was in the view that DL has violated such provision.
19. Non-compete provision of JVA DL-AS stipulates:
"During the term of this Agreement, DL shall obtain the prior written consent of AS to make any investment, whether in the form of joint venture or otherwise in a Validatu carbon steel manufacturing company which is or will be in competition with the Company or (ii) make any investment into Valiant which is or will be in competition with AS or any of its affiliates".
20. AS invited DL to have a meeting as to discuss the aforementioned dispute between the parties. However, DL did not attend such meeting. Subsequently, AS sent summon letter to DL stating its intention to terminate the JVA DL-RMC.
21. After certain period, AS sent another summon letter to DL as DL had not responded the first summon letter.
22. AS filed a lawsuit as to settle the dispute into an arbitration matter.

ANNEX I

AGREEMENT BETWEEN THE REPUBLIC OF VALIANT AND THE FEDERAL REPUBLIC VALIDATU FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Republic of Valiant and the Federal Republic of Validatu (hereinafter referred to as the "**Contracting Parties**"),

Desiring to develop economic co-operation to the mutual benefit of both Contracting Parties,

Intending to create and maintain favorable conditions for investments of investors of one Contracting Party in the territory of the other Contracting Party, and

Conscious that the promotion and reciprocal protection of investments in terms of the present Agreements stimulates the business initiatives in this field,

Have agreed as follows:

Article 1 Definitions

For the purposes of this Agreement:

1. The term "**investment**" shall comprise every kind of asset invested in connection with economic activities by an investor of one Contracting Party in the territory of the other Contracting Party in accordance with the laws and regulations of the latter and shall include, in particular, though not exclusively:
 - (a) movable and immovable property as well as any other property rights, such as mortgages, liens or pledges;
 - (b) shares, stocks and debentures of companies or any other form of participation in a company;
 - (c) claims to money or to any performance under contract having a financial value associated with an investment;
 - (d) intellectual property rights, such as trademarks, patents, industrial designs, technical processes, know-how, trade secrets, trade names and goodwill associated with an investment;
 - (e) any right conferred by laws or under contract and any licenses and permits pursuant to laws, including the concessions to search for, extract, cultivate or exploit natural resources.

Any alteration of the form in which assets are invested shall not affect their character as investment.

2. The term "investor" shall mean any natural or legal person of one Contracting Party who invests in the territory of the other Contracting Party, and for the

purpose of this definition:

- (a) The term "natural person" shall mean any natural person having the nationality of either Contracting Party in accordance with its laws.
 - (b) The term "legal person" shall mean, with respect to either Contracting Party, any entity incorporated or constituted in accordance with, and recognized as legal person by its laws, having the permanent seat in the territory of that Contracting Party.
3. The term "returns" shall mean amounts yielded by an investment and in particular, though not exclusively, includes profits, interest related to loans, capital gains, shares, dividends, royalties or fees.
 4. The term "**territory**" shall mean:
 - (a) in respect of the Republic of Valiant, the territory of the Republic of Valiant over which it exercises sovereignty, sovereign rights and jurisdiction in accordance with international law.
 - (b) in respect of the Federal Republic of Validatu, the territory of the Federal Republic of Validatu over which it exercises sovereignty, sovereign rights and jurisdiction in accordance with international law.

Article 2

Promotion and Protection of Investments

1. Each Contracting Party shall encourage and create favourable conditions for investors of the other Contracting Party to make investments in its territory and shall admit such investments in accordance with its laws and regulations.
2. Investments of investors of either Contracting Party shall at all times be accorded fair equitable treatment and shall enjoy full protection and security in the territory of the other Contracting Party.
3. Each Contracting Party shall observe any other obligation it may have with regard to a specific investment of an investor of the other Contracting Party
4. Each contracting party shall promote and acted in respect of the agreement as to keep informing both parties the situation and the condition of the investment development.
5. Both parties agreed upon to upheld the maintainanceof the cooperation without depicting the national interest of both parties.

Article 3

National and Most-Favoured-Nation Treatment

1. Once a Contracting Party has admitted an investment in its territory, in accordance with its laws and regulations, it shall accord to investments and returns of investors of the other Contracting Party treatment which is fair and equitable and not less favourable than that which it accords to investments and returns of its own investors or to investments and returns of investors of any third State, whichever is more favourable.
2. Each Contracting Party shall in its territory accord to investors of the other

Contracting Party, as regards management, maintenance, use, enjoyment or disposal of their investment, treatment which is fair and equitable and not less favourable than that which it accords to its own investors or investors of any third State, whichever is more favourable.

3. The provisions of paragraphs 1 and 2 of this Article shall not be construed so as to oblige one Contracting Party to extend to the investors of the other Contracting Party and their investments the benefit of any treatment, preference or privilege which may be extended by the former Contracting Party by virtue of:
 - (a) any customs union or free trade area or a monetary union or similar international agreements leading to such unions or institutions or other forms of regional cooperation to which either of the Contracting Parties is or may become a party;
 - (b) any international agreement or arrangement relating wholly or mainly to taxation.
4. The treatment referred to in paragraphs 1 and 2 of this Article will be granted on the basis of reciprocity.

Article 4 Compensation for Losses

1. Where investments of investors of either Contracting Party suffer losses owing to war, armed conflict, a state of national emergency, revolt, insurrection, riot or other similar events attributable to authorities in the territory of the other Contracting Party, such investors shall be accorded by the latter Contracting Party treatment as regards restitution, indemnification, compensation or other settlement, not less favourable than that which the latter Contracting Party accords to its own investors or to investors of any third State.
2. Without prejudice to paragraph 1 of this Article investors of one Contracting Party who in any of the events referred to in that paragraph suffer losses in the territory of the other Contracting Party resulting from:
 - (a) requisitioning of their property by the forces or authorities of the latter Contracting Party,
 - (b) the state of necessity of the latter Contracting Party, or
 - (c) destruction of their property by the forces or authorities of the latter Contracting Party which was not caused in combat action or was not required by the necessity of the situation, shall be accorded restitution or just and adequate compensation for the losses sustained during the period of the requisitioning or as a result of the destruction of the property. Resulting payment shall be freely transferable in a freely convertible currency without delay.

Article 5 Expropriation

1. Investments of investors of either Contracting Party shall not be nationalized, expropriated or subjected to measures having effect equivalent to nationalization or expropriation (hereinafter referred to as "**expropriation**") in the territory of the other Contracting Party except for a public purpose. The expropriation shall be carried out under due process of law, on a non-discriminatory basis and shall be accompanied by provisions for the payment of prompt, adequate and effective compensation. Such compensation shall amount to the fair market value of the investment expropriated immediately before expropriation or impending expropriation became public knowledge, whichever is the earlier. The compensation shall carry interest (based on the 6-month LIBOR rate applicable on the date of expropriation) from the date of expropriation until the date of payment, be made without undue delay, be effectively realizable and be freely transferable in a freely convertible currency.
2. The investor affected shall have a right to prompt review by a judicial or other independent authority of that Contracting Party, of his or its case and of the valuation of his or its investment in accordance with the principles set out in this Article.

Article 6 Transfers

1. The Contracting Party shall guarantee the transfer of payments related to investments and returns. The transfers shall be made in a freely convertible currency, without any restriction and undue delay. Such transfers shall include in particular, though not exclusively:
 - (a) capital and additional amounts to maintain or increase the investment;
 - (b) profits, interest, dividends and other current income;
 - (c) funds in repayment of loans connected with an investment;
 - (d) royalties and other fees resulting from license rights and from commercial, administrative or technical assistance;
 - (e) proceeds from the partial or total sale or liquidation of the investments;
 - (f) compensation as provided in Articles 4 and 5 of this Agreement;
 - (g) wages and other kind of remuneration accruing to nationals of the other Contracting Party who were permitted to work in connection with an investment in the territory of the other Contracting Party.
2. For the purpose of this Agreement, exchange rate shall be the prevailing exchange rate for current transaction applicable at the date of transfer, unless otherwise agreed by the parties to the transaction.
3. Transfers shall be considered to have been made without any "**undue delay**" in the sense of paragraph (1) of this Article when they have been made within the period normally necessary for the completion of the transfer. Such period shall under no circumstances exceed three months.

Article 7
Subrogation

1. If a Contracting Party or its authorized agency makes a payment to its own investors under a guarantee it has accorded in respect of an investment in the territory of the other Contracting Party, the latter Contracting Party shall recognize the assignment, whether under the law or pursuant to a legal transaction in that country, of any right or claim by the investor to the former Contracting Party or its authorized agency, as well as, that the former Contracting Party or its authorized agency is entitled by virtue of subrogation to exercise the rights and enforce the claims of that investor and shall assume the obligations related to the investment.
2. The subrogated rights or claims shall not exceed the original rights or claims of the investor.

Article 8

**Settlement of Investment Disputes between a Contracting Party and
an Investor of the other Contracting Party**

1. Any dispute which may arise between an investor of one Contracting Party and the other Contracting Party in connection with an investment in the territory of that other Contracting Party shall be settled, if possible, by negotiations between the parties to the dispute.
2. If any dispute between an investor of one Contracting Party and the other Contracting Party cannot be thus settled within a period of six months from the written notification of a claim, the investor shall be entitled to submit the case, at his choice, for settlement to:
 - (a) a court of competent jurisdiction or an administrative tribunal of the Contracting Party which is the party to the dispute, or
 - (b) the International Centre for Settlement of Investment Disputes (ICSID) having regard to the applicable provisions of the Convention on the Settlement of Investment Disputes between States and Nationals of other States opened for signature at Washington D.C. on 18 March 1965, or
 - (c) an arbitrator or international ad hoc arbitral tribunal established under the Arbitration Rules of the United Nations Commission on International Trade Law (UNCITRAL). The parties to the dispute may agree in writing to modify these Rules, or
 - (d) the Singapore International Arbitration Centre for arbitration under its Rules.
3. The arbitral awards shall be final and binding on both parties to the dispute and shall be enforceable in accordance with the domestic legislation.

Article 9
Settlement of Disputes between the Contracting Parties

1. Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall, if possible, be settled through consultations or negotiations.
2. If the dispute cannot be thus settled within six months, it shall upon the request of either Contracting Party be submitted to an Arbitral Tribunal in accordance with the provisions of this Article.
3. The Arbitral Tribunal shall be constituted for each individual case in the following way. Within two months of the receipt of the request for arbitration each Contracting Party shall appoint one member of the Tribunal. These two members shall then select a national of a third State who on approval of the two Contracting Parties shall be appointed Chairman of the Tribunal (hereinafter referred to as the "**Chairman**"). The Chairman shall be appointed within three months from the date of appointment of the other two members.
4. If within the periods specified in paragraph 3 of this Article the necessary appointments have not been made, a request may be made to the President of the International Court of Justice to make the appointments. If the President of the Court is a national of any Party to the dispute or of a State with which one of the Contracting Parties does not maintain diplomatic relations or if he is otherwise prevented from discharging the said function, the Vice-President shall be invited to make the appointments. If the Vice-President also happens to be a national of either Contracting Party or of a State with which one of the Contracting Parties does not maintain diplomatic relations or is prevented from discharging the said function, the member of the International Court of Justice next in seniority who is not a national of either Contracting Party or of a State with which one of the Contracting Parties does not maintain diplomatic relations shall be invited to make the appointments.
5. The Arbitral Tribunal shall reach its decision by a majority of votes. Such decision shall be binding. Each Contracting Party shall bear the cost of its own arbitrator and its representation in the arbitral proceedings; the cost of the Chairman and the remaining costs shall be borne in equal parts by both Contracting Parties. The Arbitral Tribunal shall determine its own procedure.

Article 10
Application of Other Rules and Special Commitments

1. When a matter is governed simultaneously both by this Agreement and by another international agreement to which both Contracting Parties are parties, nothing in this Agreement shall prevent either Contracting Party or any of its investors who own investments in the territory of the other Contracting Party from taking advantage of whichever rules are more favourable to his case.
2. If the treatment to be accorded by one Contracting Party to investors of the other Contracting Party in accordance with its laws and regulations or other

specific provisions of a contract is more favourable than that accorded by the Agreement, the latter shall be accorded.

Article 11
Essential Security Interests

Nothing in this Agreement shall be construed to prevent either Contracting Party from taking measures to fulfill its obligations with respect to the maintenance of international peace or security.

Article 12
Applicability of this Agreement

The provisions of this Agreement shall apply to future investments made by investors of one Contracting Party in the territory of the other Contracting Party, and also to the investments existing in accordance with the laws of the Contracting Parties on the date this Agreement came into force. However, the provisions of this Agreement shall not apply to claims arising out of events which occurred, or to claims which had been settled, prior to its entry into force.

Article 13
Entry into Force, Duration and Termination

1. This Agreement shall enter into force on the date of the last written notification through diplomatic channels of the fulfilment by the Contracting Parties of all the necessary internal procedures for bringing this Agreement into force.
2. This Agreement shall remain in force for a period of five. Thereafter, it shall remain in force until the expiration of a twelve month period from the date either Contracting Party notifies the other in writing of its intention to terminate the Agreement.
3. In respect of investments made prior to the termination of this Agreement, the provisions of this Agreement shall continue to be effective for a period of five years from the date of its termination.

IN WITNESS THEREOF, the undersigned duly authorised have signed this Agreement.

DONE in duplicate at Valiant this day of December 31, 1998, in Valiants, Validatus and English languages, all texts being equally authentic. In case of any divergence of interpretation the English text shall prevail.

For the Republic of Valiants

For the Federal Republic of Validatu

[intentionally omitted]

[intentionally omitted]

Minister of Finance Minister of Finance

ANNEX II

JOINT VENTURE AGREEMENT

BY AND BETWEEN

DASTAN LOGAM

AND

ADAMANTIUM STEEL

1. DASTAN LOGAM, a limited liability company established and existing under the Laws of Validatu, having its principal office at ZI Street, Krimera, Koyto 42435, Validatu (“**DL**”); and
2. ADAMANTIUM STEEL, a limited liability company established and existing under the Laws of Valiant, having its principal office at 1 Koedong-dong, Pohang-si, Kyungsangbuk-do, Valian (“**AS**”).
3. DL and As are hereinafter referred to as a “Party” and collectively referred to as the “Parties”.
4. The Parties have entered into a Memorandum of Agreement between DL and AS, for the Establishment of a Joint Venture Company in Validatu dated 2 December 2009, setting out their basic understanding for the establishment of a joint venture company in the form of a limited liability company in Validatu (the “Company”) which will undertake the Project (as defined hereinafter).
5. Purpose of Joint Venture. The main purpose of the joint venture formed by the Parties under this Agreement shall consist of:

- a. the development, engineering, financing, construction, ownership, operation and maintenance of an integrated steel mill and associated structures and facilities to be located in Krimera, Koyto Province, Validatu (the “**Plant**”) with an estimated annual production capacity of 6,000,000 Metric Tons (“**MT**”).
 - b. the sale and export of steel products processed and manufactured at the Plant;
 - c. the procurement of raw materials and sub materials required for the production of steel products produced at the Plant;
 - d. the sale and export of by-products and processing of wastes generated by the Plant;
 - e. the execution and performance of the Project Agreements and the Financing Agreements; and
 - f. any other activities necessary or appropriate in conducting the foregoing activities.
6. Participation of Parties: Subject to the requirements and procedures provided under the Company Law the Parties hereby acknowledge and agree that this Agreement shall govern their relationship as Shareholders of the Company and define their respective right and obligations in respect of the Company, including those relating to the operation and management of the Company.
7. Establishment of the Company: October 4, 2010 (the “**Establishment Date**”) and also AS will retain 70% of the Shares whereby DL will retain 30%.
8. DL’s Obligation:
 - a. DL shall use its commercially best efforts to assist the company in:
 - i. Obtaining Governmental Authorities any and all necessary Governmental Authorizations required for the Project, including (A) environmental impact assessment (B) reclamation and landfill of public waters on the DL land;
 - ii. Applying for and obtaining investment incentives available for the Company; and
 - iii. Obtaining land use right or right of access or easements and other real property interests required for the Project.
 - b. DL shall deliver to AS: Prior to the completion date but no later than January 4, 2011 (A) certificate confirming that DL is the legal and beneficial owner of at least 3,880,00 m2 of land under a right to build land title or any other land title accepted by AS (B) documents evidencing that certain area specifiess has been settled and DL has obtained approval of the granting of the BUR Land title over the Juarigari Disputed Area (C) the BUR Land Certificate (D) documents evidencing that there is no actual pending claim by any third part or Encumbrance in respect of the DL Land.
9. Mutual Obligations: Obligations that should be embed by the Parties in light of the Joint Venture Agreement. Each Party shall:

- a. in an agreed manner, support the Company by using its resources and capacity to enhance the efficient operation and competitive ness of the Company;
 - b. in an agreed manner, support the Company through research and development, technology development, support of construction and operation, purchase of raw materials and sub materials and product sales, subject to the compensation arrangement to be mutually agreed with the Company.
 - c. Undertake the preparation of the Project Agreements, the Financing Agreements and other matters relevant to implementing this Agreement (as applicable).
 - d. Either directly or indirectly, in a manner agreed by the Parties, through its Affiliate(s), provides consulting and support services for the engineering and supply of equipment's, Construction managements and technologies required for or in relation to the project.
 - e. Shall procure the Company to Obtain all Governmental Authorization necessary to effect the Completion.
10. Non Performance of Obligations on Completion: If a Party fails to discharge any of its obligations under article 8 and 9 on the date upon which Completion is proposed to take place, the other Party may in its absolute discretion by providing notice to such Party:
- a. defer completion to such other dates as it may specify in such notice, provided that the date shall not be later than two (2) months following the first mentioned Party's receipt of such notice;
 - b. waive all or any of the requirements and proceed to Completion so as far practicable; or
 - c. refuse to perform its obligation under article 8 and 9 and, if any of such obligations remain unperformed after the expiration of two (2) months following the first mentioned Party's receipt of a notice, terminate this Agreement without liability on its part; provided that any extension given under this article shall not be in addition to any extension given under article 10(a).
11. Completion Conditions: Completion is conditional upon the satisfaction on or before the Completion Date, of each of the condition.
12. Composition of the Board of Directors: During the enactment of this Agreement, the Parties may elect 6 board members as follows:
- a. AS: Four (4) Directors including the President Director
 - b. DL: Two (2) Directors
13. Composition of the Board of Commissioners:
- a. President Commissioner from DL (or by rotating if mutually agreed by the Parties)
 - b. Commissioner from DL
 - c. Commissioner from AS (or by rotation if President Commissioner is nominated by rotation)
 - d. Commissioner from AS

14. Conflict of Interest:

- a. In the case where the Company has entered into any agreement with a Party, any of its Affiliate or any incumbent Director or Commissioner nominated by the Party (the “Conflicted Party”), the Directors and commissioners nominated by the Conflicted Party or the Conflicted Party itself (if the conflicted Part is a Director or Commissioner) shall participate in meetings of Board of Directors and the Board of Commissioners or Conflicted Part shall be counted for quorum purposes and receive information regarding such matters, provided that such Conflicted Part shall, or cause its nominated Directors and/or Commissioners (as applicable) to, vote in the same manner as the majority of the Directors and/or Commissioners (as applicable) nominated by the non-conflicted Party exercise its voting rights with respect to the implementation and/or enforcement of such agreement
- b. Each party shall cause the Directors, Commissioners and Officers and other representative of the company nominated by it to comply with the decisions made in accordance with Article 14(a)
- c. The Company shall obtain the approval of the Board of Directors to employ a Person who has been employed by any Party or any of its Affiliates.

15. Compliance: Each Party shall procure that the Company and the Directors, Officers and employees nominated by it shall adhere to, and comply with, the terms and conditions of this Agreement as if each of the Company and such Directors, Officers and employees were a party to this Agreement.

16. Non-Compete:

- a. During this term of agreement AS shall obtain prior written consent of DL to make any investment whether in the form of Joint Venture or otherwise, in a Validatu carbon steel manufacturing company which is or will be in competition with DL or any of its Affiliates or the company
- b. During this term of agreement AS shall obtain prior written consent of DL to make any investment whether in the form of Joint Venture or otherwise, in a Validatu carbon steel manufacturing company which is or will be in competition with the Company or (ii) make any investment into Valiant which is or will be in competition with AS or any of its Affiliates.

17. Establishment of Subsidiary or Service Company for the Project: The Parties may, to the extent permitted by Validatu Laws, establish a subsidiary of the company or an independent service company if deemed necessary for the efficient operation of the Plant or its other business purposes in relation to the Project, including the following:

- a. establishment of a company wholly owned by the Company to process wastes arising from the Plant;
- b. establishment of a company owned jointly by AS’s Affiliate or DL’s Affiliate and/or a Validatu company to process slag into cement; and
- c. establishment of a company owned jointly by AS’s Affiliate and/or DL’s Affiliate and/or a Validatu company to process by-products.

18. Event of Default: Default occurs when these events takes place:

- a. Material breach of this Agreement, which remains unremedied after expiration of two (2) consecutive months following a notice thereof by the other Party.
 - b. Insolvency (court made order of bankruptcy, dissolution, liquidation, administration, reorganization or rehabilitation of such Party).
 - c. Change of control of such Party in which a competitor of the other party secures control of such Party.
19. Consequence of Default: Notwithstanding anything to the contrary contained in this Agreement, for the duration of an Event of Default, the defaulting Party (the “Defaulting Party”) following the Default Buy-Out Notice may not without prior written consent of the other party (the “Non-defaulting Party”), receive any payment, dividend or distribution in respect of the Shares owned by it.
20. Termination Event: This agreement may be terminated by;
- a. the Non-Defaulting Party in case the other Party is subject to an Event of Default
 - b. mutual agreement of the Parties
 - c. either Party in case any of the Project Agreement is terminated for any reason other than on account of an Event of Default of the other Party, in which case, article 18.
 - d. Either Party if Completion does not occur other than on account of DL’s failure to perform its obligation under Article 8, in which case, Article 20(e) applies
 - e. AS in case DL fails to perform its obligations under Article 8.
21. Consequence of Termination: If for whatever reason, either Party ceases to own any Shares, then the other Party shall procure the Company to:
- a. cease using all of the other Party’s trade, name or trademarks and all other Intellectual Property Rights over AS’s licensed to the Company for use under the Technology License and Services Agreement; and
 - b. Comply in all respects with the provisions of such Technology License and Services Agreement and the Company’s obligation thereunder.
22. Other Consequences of Termination:
- a. In the Event of Defaults pursuant to Article 20(a), the Parties shall take all such steps that are reasonably necessary to ensure that the Company is wound up promptly, and the amount of all Losses incurred and suffered by the Non-Defaulting Party at liquidation and such amount shall be paid to the Non-Defaulting Party, if applicable, in proportion to its Shareholding Interest, but without prejudice to the right to further recover from the Defaulting Party.
 - b. In the event of mutual agreement pursuant to Article 20(b), no Party shall have any claim or obligations of any nature whatsoever against the other Party with or arising out of this Agreement other than for antecedent breach.
 - c. In the event of the termination of the Project Agreement pursuant to Article 20(c), AS Shall have the option to sell to DL, and DL shall have the option to

purchase from AS, all of AS's shares and all of the rights and obligations in respect of AS's Shareholders Loans and Shareholders Guarantee.

- d. In the event of failure to achieve completion pursuant to Article 20 (d) neither Party shall be liable to the other Party except to the extent that such failure resulted from a breach by the first-mentioned party.
- e. In cases of termination under Article 20(e), AS shall have the right to sell to DL and in the event of AS's exercise of such right, DL shall have the obligation to purchase from AS, all of its Shares at a price equal to the sum of (i) all pocket cost incurred by AS in connection with the Project (ii) subscription prices paid by AS for AS's shares.

23. Requirement for Notices: All notices shall be made in English and in writing delivered by hand or prepaid air courier or sent by facsimile addressed as follows:

a. If to DL:

Dastan Logam,
1010 Nerfitiri
Validatu
T +29 1 8675309 F +29 1 8675300
Attention: General Manager of Corporate Planning and Business
Development

b. If to AS:

Adamantium Steel,
Peachberry 1100
2401 Villa la Costa
Republic of Valiant
T +38 1 396 4800 F
+38 1 396 4809
Attention: Head of Legal Department

24. Time of Receipt:

- a. If sent by hand, when left the address of the recipient
- b. If sent by prepaid air courier, five (5) Business Days after the date of posting;
or
- c. If sent by facsimile, upon receipt by the sender of an acknowledgement or transmission report generated by the machine from which the facsimile was sent indicating that the facsimile was sent in its entirety to the recipients facsimile number.

25. Language: This agreement is prepared in English and Validatuan (provided that this version is prepared after the English version). English shall be the official language in respect of all matters in connection with this Agreement.

26. Amendment: This Agreement shall be amended by an agreement in writing executed by all of the Parties.

27. Referral to Arbitration:

- a. If a Dispute occurs and is not resolved within thirty (30) days, then the dispute shall be settled by arbitration under the arbitration rules of the International Center for Settlement of Investment Disputes (“**ICSID**”).
- b. There shall be three arbitrators, one of whom will be appointed by each of the Parties and the third one will be jointly appointed by the two arbitrators so appointed. The three arbitrators shall not be of the same nationality of either Party.
- c. The arbitration will take place in Singapore.
- d. The arbitration will be conducted in English.
- e. The existence and content of any arbitration proceeding and any award shall be confidential between the Parties.

ANNEX III

Joint Venture Agreement

By and Between

Ruberia Metal Corporation And Dastan Logam

- 1) The Joint Venture Agreement is entered into as of December 26, 2012 between Ruberia Metal Corporation and Dastan Logam.
- 2) Ruberia Metal Corporation is a company incorporated and existing under the laws of Rodega, having its principle place of business at 6-1, Marunouchi 2-chome, Chiyoda-ku, Logi 100-8071, Rodega.
- 3) Dastan Logam is a state-owned publicly listed limited liability company incorporated and existing under the laws of Validatu, having its principle place of business at Industry Z1 Street, Krimera 42435, the Republic of Validatu.
- 4) Dastan Industry Area (“DIA”), a subsidiary controlled by DL, is the registered and valid owner of certain land that is suitable for such business of the JVC.
- 5) DL and RMC desire to cause a right to build Building Utilization Right (the “BUR”) on top of certain part of the right to manage the land.
- 6) The JVC name shall be “ Dastan Ruberia Corporation”.
- 7) Subject to any required approval from competent authorities of the Republic of Validatu in respect of the JVC, including (i) IBC Approval and (ii) the Minister of Law and Human Rights approval (the “MoL Approval”) on the deed of establishment of the JVC (the “Deed of Establishment) and the articles of association of the JVC (the “AoA).
- 8) The JVC shall engage in the following business:
 - a) Manufacturing and sale of the Products in the Republic of Validatu; and
 - b) Businesses ancillary to item (a) above.
- 9) The Initial authorized capital of the JVC shall be USD 28.800.000 and the initial paid up and issued capital of the JVC shall be USD 7.200.000 made up of 7.200 shares each having a nominal value of USD 1.000.
- 10) RMC shall contribute USD 3.672.000 and DL shall contribute 3.528.000

- 11) The Shares for RMC is 3.672 shares, which constitutes of 51% of the total shares of the JVC and 3.528 shares for DL, which constitutes of 49% of the total shares of the JVC.
- 12) The Deed of Establishment, which shall contain the AoA and shall reflect the provisions of the agreement to the maximum extent possible under applicable Validatu laws and practices, has been agreed and executed by the Parties in the Validatu language and notarized in front of a notary appointed by the Parties.
- 13) The JVC's business of manufacturing and sale of the Products includes:
 - a) The JVC would use DL cold-rolled full-hard substrate with the aim of maximizing use of DL cold-rolled full –hard substrate;
 - b) RMC would provide the DL technical assistance (on a non-exclusive basis) necessary for DL to produce cold-rolled full-hard substrate which would be required by the JVC;
 - c) RMC will in principle allocate orders for the JVC within three (3) years, provided that RMC will promptly allocate orders for the JVC which do not require customer approvals;
 - d) RMC would provide to the JVC technical assistance (on a non-exclusive basis) necessary for the JVC to produce the Products; and
 - e) Non-competition.
- 14) Board of Directors shall consist of four (4) directors, either of Validatu nationality or foreigners. Each director shall serve a term of three (3) years following his or her appointment.
- 15) RMC shall have the right to nominate two (2) directors, including the President Director of the JVC.
- 16) DL shall have the right to nominate two (2) directors, including the Chief Financial Officer of the JVC.
- 17) Board of Commissioners shall consist of four (4) commissioners, either of Validatu nationality or foreigners. Each director shall serve a term of three (3) years following his or her appointment.
- 18) DL shall have the right to nominate two (2) commissioners, including the President Commissioner of the JVC.
- 19) RMC shall have the right to nominate two (2) commissioners.
- 20) If any of the following events occurs:
 - a) a Material Breach by the Defaulting Party;

- b) the Defaulting Party is declared bankrupt or goes into voluntary or compulsory liquidation or a receiver or administrator or curator is appointed in respect of the business or assets of the Defaulting party,
then, the other Party shall have the right, but not the obligation, to serve a notice to the Defaulting Party to require the Defaulting Party to purchase all, but not less than all, of the Non-Defaulting Party's Shares.
- 21) This JVC agreement shall terminate upon the occurrence of:
- a) The execution of the Amended and Restated JVA by the parties; or
 - b) Mutual written agreement by the parties
- 22) The parties agree to waive Article 1266 of the Validatu Civil Code to the extent a court pronouncement is required to terminate this Agreement.
- 23) The following matters require unanimous approval of the general/extraordinary meeting of shareholders:
- a) Mergers, consolidation or acquisition of the JVC;
 - b) Dissolution or liquidation of the JVC;
 - c) Amendment of the AoA;
 - d) Increase or decrease of the authorized or issued and paid up capital of the JVC;
 - e) Approving distribution of dividend by the JVC;
 - f) Initial public offering of the JVC; and
 - g) Transfer of shares which constitute a change of control.
- 24) In compliance with Law no. 24 of 2009 regarding National Flag, Language, Emblem and National Anthem of Republic of Validatu, the parties agree to execute a Validatu language version of this Agreement within 30 days after the MoL Approval.
- 25) This Agreement shall be governed by the laws of the Republic of Validatu
- 26) The parties hereby agree that all disputes arising out of this agreement that cannot be solved amicably between the Parties shall be decided by arbitration in Singapore under the Arbitration Rules of the Singapore International Arbitration Centre by three (3) arbitrators appointed in accordance with the said rules.
- 27) The language of the arbitration shall be English.

ANNEX IV

Email Transcript from Adamantium Steel Notifying Dastan Logam

From: ceo@ads.vlnt
Sent: 26August 2012 10:17
To: ed@dl.vldt
Cc:
Subject: Notification a possible breach of contract.

Dear Sirs,

I hereby write this email to confirm the information recently in regards to Validatu's government policy to alter the course of the steel industry and Dastan Logam plan to create another joint venture agreemnet in order to fulfill the demand of the government?

We are looking to hear from you.

Best regard,

Clarissa Frederika

CEO of Adamantium Steel LTD

ANNEX V

Email Transcript of the second email from Adamantium steel and Dasatan Logam

From: ceo@ads.vlnt
Sent: 24January 2013 19:10
To: ed@dl.vldt
Cc:
Subject: Breach of Contract and immediate termination of the new joint venture agreement

Dear Sirs,

I hereby write this email to seek for clarification regarding Dastan Logam action in making a new joint venture agreement that also engage in a steel industry. It is essential that you reply this email remembering the nature of the event regulated in the agreement, and furthermore a termination of the new agreement.

We are looking to hear from you.

Best regard,

Clarissa Frederika

CEO of Adamantium Steel LTD

ANNEX VI

Witness Statement as Clarification and Correction Of The Case

1. Following the previous Annexes, The Arbitral Tribunal received numerous requests of clarifications. Taking into account with all of these requests, we hereby issues the following clarifications and corrections based on the witness statements by Mr.FarizSukmaRyanda, Mr. MuhamadAndikaManaon,Mr. AzhelHouzanFariz and Mr. Rafif Muhammad Rizqullah the counsel of SasongkoTubagus& Partners, Legal Representative of Dastan Logam Ltd.
2. Article 8 Section 2 subsection d of BIT in Annex 1 (P.27) stated the place of alternative tribunal is in London Court of International Arbitration, however in the Request for Tribunal (P.24) and Page 8, It quotes the same Article in the BIT however in here it provide that the place of alternative tribunal is in The Singapore International Arbitration Centre.

Correction : Singapore Arbitration Centre is the Alternative Tribunals if the dispute arising between the parties only involving Commercial matters excluding the scope of any investment dispute. Concerning with the London tribunal within Article 8 Section 2 subsection d of BIT in Annex 1 (P.27), we would like to assert that such clause has been amended by both parties consent. Any fact regarding with the existence of the wording London Tribunal in annex 1 is merely contractual error admitted by related parties.

3. The BIT was dated on 31 December 2009 in the Request for Arbitration (Page 4), The Response of the Respondent (Page 11), and in the case Studies (Page 20). However it was also dated in 31 December 1998 (Page 8) and in the BIT itself (P.29) ?

Correction : the BIT was formed in the year of 1998.

4. The JVA RMC-DL gets funds from DL or Validatu?

No further explanation

5. When is the exact date of DastanLogam entering a new JVA with RMC? In summary of the dispute (p. 5), it is stated that DL has entered a JVA with RMC on Jan 3rd 2012 while in case study (p. 21), it is stated on Dec 26th 2012.

Correction:The exact date of Dastan Logam entering the JVA with Ruberia MetalCoorporation in 3rd January 2012

6. In the Question number 1 [P.18] in the Procedural Order, express that “Whether Tribunal has jurisdiction over the dispute concerning Claimant’s photovoltaic projects [...]”?

No further clarification

7. The date where Validatu shift its focus to automotive industry, and the possibility of voiding any treaties that are not compliance to this goal, In the Summary it gives 3 January 2012, In the Case study it gives in 5 September 2011, and furthermore in the Email Transcript in Annex IV it stated that the concerns of the possibility of breach had exist since 26 August 2011.

Clarification :The announcement from the president is announce at the 5 July 2011,and both contracting states has ratified the Vienna Convention On the Law of Treaties 1969

8. In annex V, the JVA with RMC had been conducted in 24 January 2012, However in the Case Study it is only shown that the RMC MoU took place in the end of 2012 and further the JVA in 26 December 2012.

Clarification:JVA RMC-DL, 3rd January 2012

9. In the Page 5-6, The Dispute is “with Validatu and of Adamantium” and “Validatu declined negotiations” instead of “DastanLogam Declined Negotiations”, are the conflicting partie between Validatu v Adamantium Steel, or DastanLogam with Adamantium Steel?

No further Clarification.

10. Respondent had been treated multiple times as state, this being the usage of "*respondent's sovereignty*" in its objection, so does Respondent is an LLC or is it a State / State owned enterprise

Clarification : Respondent is a State Owned Enterprise

11. Does the wording "arbitration rules" in the first page of the Registrar's Notice of Appointment and in Clause 27 of the Joint Venture Agreement between the Claimant and Respondent (Annex II) refer to the 1965 ICSID Convention or ICSID's Rules of Procedure for Arbitration Proceedings of 2006?

- The term "arbitration rules" in the Problem refers to the ICSID rule of 2014 as it is stated in the Problem.

12. We kindly request the inclusion of page numbers in the Moot Problem, and rectification of possible mistakes (e.g. appointment of Dr. Miles in the second page of the Registrar's Notice of Appointment and the term "photovoltaic projects" which is found in paragraph 3 of Procedural Order No. 1)

No further explanation

13. Have the Parties agreed on the substantive law governing the dispute?

Clarification :

- Claimant and Respondent have agreed to CISG as the Law that governs the contract. Both States of Respondent and Claimant are contracting parties of Vienna Convention on The Law of Treaties.

14. If the law of Validatu was to be applied in absence of an agreement between the disputing parties, considering its fictive nature are there any laws, which mirror that of Validatu's investment and/or company laws?

Clarification :

- It is indeed a fact that the law of validatu is fictive. However, there are several things that should be noted in light with all the presumptions which may arise concerning with the nature of the fictional law of validatu. Since they have ratified CISG ,Vienna Convention, and the UNIDROIT Principle on the Law of Treaties, hence those two international provisions are automatically accepted as their national Law concerning with commercial trade and the Law of Investment.

15. What is the content of Validatu's Presidential Regulation?

No further clarification

16. What is the meaning of the wording “the country of Validatu Industry Project” under paragraph 10 of the Case Study?

Correction: It supposed to be “in the country of Validatu”

17. Have the project funds been transferred by the Claimant for the purpose of the completion of the first phase of the Joint Venture Agreement between the Claimant and Respondent?

No further Clarification

18. Is there a shared ownership between the Government and the private sector in Dastan Logam Ltd? If so, which party has the controlling amount of shares?

Clarification :

- Both of the Government and Dastan Logam never expose or publicate the detail on the shares between them, the information is confidential.

19. Did Validatu directly nominate the Respondent for the purposes of dealing with foreign investments behalf of it?

Clarification :

- The Investment was initiated by the government of Validatu and Valiant. The Investment continues towards the JVA between DL-AS.

20. What is the product of the JVA made between Respondent and Ruberia Metal Corporation?

Clarification :

- The product from this joint venture is varied steel products from the steel mill as it is stated on the 5th paragraph of the JVA (Annex II).

21. What is the definition of “products” in Clause 8 and 13 in JVA made between Respondent and Ruberia Metal Corporation?

Clarification :

- The term “products” shall be defined as any goods resulted from the mining activity conducted by the parties.

22. The following are date discrepancies which create factual confusion:

- The date of the BIT provided in the Registrar's response to the Request for Arbitration dated 5 November 2014 and in the last page of the BIT (Annex I) is on the year 1998, whereas the date of the BIT in the Request for Arbitration is 2009
- Annex IV dated 26 August 2011 shows that the Claimant inquired to the government of Validatu's change of economic policy which under page 2 of the Request for Arbitration is effectuated by the Presidential Regulation dated 27 September 2011 and therefore at the date of Annex IV has yet to be enacted.
- Annex V dated 24 January 2012 shows that the Claimant sought clarification from the Respondent regarding the establishment of a JVA between the Respondent and Ruberia Metal Corporation which is dated 26 December 2012 and therefore at the time of Annex has yet to be issued. ▸

It has been answered in the further correction of the case