

## **Additional information in relation to the YCS announcement of 22 December 2018.**

Yacht Kosatka Monster Project, owned by Econautics Racing Intl. Ltd., owned by Roman Guerra, has already been rented twice for regatta by Yacht Club Sopot (YCS):

1. The Rolex Fastnet Race 2017
2. St. Maarten Heineken Regatta 2018

None of the organizers had any objections to the yacht's documents.

The rent of the Kosatka Monster Project for Sydney to Hobart 2018 regatta was the third in a row rental of this yacht from a regular contractor in the person of Econautics Racing Intl. Ltd.

On 7 September, the owner of the yacht confirmed the registration of the yacht for the Sydney Hobart regatta by e-mail to the president of the board (CEO) of YCS Rafał Sawicki. Cruising Yacht Club of Australia, which is the organizer of the regatta, confirmed the registration of the yacht by accepting its application, which resulted in the display of the yacht with the Yacht Club Sopot crew on the organizer's website as race participants. After the crew arrived in Sydney, the yacht underwent the safety tests required by the organizer together with the stability test of the yacht. Formalities that were to be completed before the start: the first-aid kit equipment, the results of stability test calculations provided by the yacht's constructor, certificates of two life jackets, signed media rights forms, numbers of 7 individual PLB rescue devices, which had to be hired on site by a part of the crew. All these additions, about which YCS was informed by the owner of the yacht were completed by 20 December 2018. The practice of completing formalities before the race is standard and in case of many yachts lasts until the last days before the race.

Thursday 20 December 2018: During the afternoon's training in open Pacific waters, the owner asked the crew to stay as close as possible to the shore to make important phone calls and was very nervous. He asked Filip Wójcikiewicz, the commander of the club, to tell him that the organizer of the regatta questioned the amount of the insurance rate. He said that on Friday morning he meets a local broker and he will arrange it and suggested that the club will have to pay for it. The CEO of the club as well as the current member of the supervisory board Michał Ostrowski were immediately informed about this fact. The authorities of the club considered the issues of a potential subsidy to be secondary as long as the yacht could take part in the regatta.

- Friday 21 December 2018

About 9:00 a.m. the owner of the yacht was asked to meet with the representative of the Organizing Authority. After this meeting, the owner of the yacht informed the CEO of YCS that the entry of the yacht Kosatka Monster Project had been rejected. In the face of this news, the CEO immediately asked for a meeting with the Organizing Authority. This meeting was attended by the CEO and representatives of the race committee: Chairman and a representative of the regatta office. At the beginning the CEO was informed that he should not be allowed to talk at all, because for the organizers, the only party is the owner of the yacht. Nevertheless, understanding the seriousness of the situation, the race officer agreed to provide information. The CEO was informed that the reason for

rejection are irregularities related to insurance. The only answer to the question, which irregularities, was that such that make it impossible for the yacht to compete in regatta. The next question was what would have to happen in order for the yacht to start, the answer was that it is not possible. The judges' committee was unambiguous and firm on this subject from the very beginning.

The president of the club informed the commander, who immediately conducted an interview with the owner of the yacht, who admitted that the race officers and Pantaenius Australia (the alleged policy issuer) told him that the policy has not been in place for two years, that the document he holds is not true. The commander asked for an interview with Pantaenius Australia for verification, which took place from the phone of the owner of the yacht. The owner of the yacht claimed to be linking with the director of Pantaenius Australia. In a conversation between the commander and the insurance company representative, it was confirmed that the yacht has been uninsured for two years and that they will not allow the owner of the yacht Roman Guerra to take out a new policy and that he does not think that someone else in Australia will do so. The word "forgeries" was not used in the conversation, but the commander was invited to the office of Pantaenius Australia. After this conversation, the commander of the club asked the owner of the yacht directly if the insurance documents he had been using for two years were counterfeit and if he had deliberately forged them. The owner of the yacht confirmed that it looks like the documents are really fake, but he did not admit that he did it. He informed that he had purchased insurance from a French broker, but he must remember who it was.

After this conversation the commandant and the CEO asked to meet again with the principal race officer. The meeting was also attended by one of the crew members, commander of the club from the USA, Charles Schroeder. From the side of the committee were present the same people as at the previous meeting. The commander of the club asked again about the reason for removing from the list of participants. The answer was the same - irregularities in the registration documentation. The Commander informed about his last conversation with Pantaenius Australia and the owner of the yacht. The Commission was aware of this information and informed that the reporting of the Kosatka Monster Project within the framework of facts already known to them could not take place categorically due to fears that in such a situation they would have to undermine the credibility of all other documents of the yacht. The commander suggested that a new registration for the regatta be submitted by the YCS, with its own insurance policy and potentially without the owner of the yacht on board. The regatta committee replied that this was not an option either, as all documents of the yacht would still have to be verified and they are not in a position to do so on time. The question of whether a completely new entry with a new boat could be made was also answered NO - this would be a precedent for the entry of the yacht after a date that is not allowed by rules. The Race Committee did not give any other option to YCS crew members to take part than an invitation to board by other crews already notified and admitted.

After this meeting, the CEO asked the organizers to publish such a request together with a list of the crew, which to date has not had any effect.

Representatives of the club authorities immediately organised a meeting of the available crew and informed them of unforeseen circumstances related to the rejection of the

regatta application, ensuring that they would make every effort to obtain the most favourable solution for the interested parties. The attempt to participate in the regatta remained a priority, but it was clear that steps should be taken to secure possible claims against the owner of the yacht.

The CEO informed the Polish consulate in Sydney about the situation and asked for legal aid. With the help of the Polish community he contacted the local law firm Aus Ship Lawyers, which specialises in maritime law. The first suggested action was to file a lawsuit with the court protecting the yacht against change of owner, which finally took place on 22.12 (Saturday morning). Subsequently, any claims were presented.

The next step of the club authorities was to visit the police station in order to inform about a potential crime to which the whole crew and the club became victims. The police, giving the case number, informed that the report would be available only directly to a legal representative, after establishing the facts.

In the meantime, the commander of the club and one of the crew members, hoping to reverse the referee's decision, obtained an insurance offer for the yacht according to the standards required by the organizer of the regatta from an English brokerage insurance company cooperating with Loyds of London, which insures such regattas as Volvo Ocean Race, among others. An offer with details of the policy was sent to the owner of the yacht with a request to send it to the regatta organizer (YCS was still not treated by the organizer as a party).

In the evening, the entire crew was informed again about the progress of the case.

In the meantime, the owner of the yacht sent the CEO an email from the organizers informing about the official rejection of the yacht from the regatta due to the failure to complete the registration formalities.

- Saturday 22 December 2018

In the morning one of the crew members present on the yacht informed that he heard the owner of the yacht talk with one of his crews and asked him to prepare the yacht for departure. The entire crew was immediately informed and asked to come on board to prevent this. At the same time, the CEO contacted the law firm in order to initiate the procedure of arresting the yacht (filing an application to the court and informing the local authorities) in order to secure future claims. As a result, the Federal Court of Australia accepted the club's attorney's request and issued an arrest warrant for the yacht.

Representatives of the club demanded from the owner of the yacht to make another attempt to change the decision of the organizers in the light of providing a proposal for a new policy (the owner of the yacht is still treated as the only party representing the yacht). The visit was unsuccessful.

Then there was another conversation between the owner of the yacht, the CEO the commander of the club and a representative of the crew, in which the owner of the yacht was requested to submit originals to the organizer of documents, including an allegedly

falsified policy. The owner of the yacht provided these documents. When asked again whether it was him - the owner of the yacht - who falsified these documents, he again answered that he did not. The answer to the questions about who will do it, what is the name of the broker who issued the policy, whether he has any evidence of payment of the policy was the same - that he received legal information that he could not answer these questions.

Then the CEO sent a new inquiry to the regatta committee about the possibility of restoring the yacht to the start list. The email contained a new policy and a list of all the deficiencies we wrote about in the previous section. The answer of the Chairman of the regatta remained the same.

The president and commandant of the club and two representatives of the crew went back to the regatta office to conduct the next interview with the Chairman. The race officer was available on the phone, the conversation took place with the loudspeaker on the phone and was audible to all those present. The Chairman asked for confirmation that the owner of the yacht was not participating in the conversation and finally informed those present that he had no option to allow the yacht Kosatka Monster Project to race in 2018, because he was not allowed to do so by any regulations and that he was very sorry for that reason. He also said that he would pass on any information concerning the reasons for rejection of the application, if necessary, to the appropriate authorities (police, court).

During this meeting, a local marshal (around 14:30) arrived at the marina on behalf of the Australian Federal Court, who arrested the yacht due to YCS claims against the shipowner.

The president, commander and member of the club's supervisory board again held a meeting of the available crew, in which they informed them of the situation and the fact that, after consulting the club's lawyers, the CEO would officially inform them of an emergency situation which prevents them from taking part in the race.

On the same evening an official announcement was published and official information was sent to the participants.

- Sunday 22 December 2018.

The CEO again met with the participants in order to provide information and answers to their questions. He also informed that it is possible to use the assistance of the Polish Consulate in Sydney in order to return home earlier than expected.

The CEO received a phone call from the local police, who informed him that they were looking for the owner of the yacht in order to establish the facts. The CEO then went to the police station to provide any additional information, including an allegedly counterfeit policy that he had received the day before from the owner of the yacht. During the visit, an Australian police officer called Pantaenius Australia to inquire about the existence of the alleged policy. An employee of an insurance company knew immediately what it was all about and verbally confirmed that such a policy did not exist. The officer asked him (at this stage he can only ask, not demand) to prepare and send him a statement on the matter, to which Pantaenius Australia employee agreed.

The statement is to be sent to the police and the police is to forward the statement to the CEO (indefinite).

- Monday 24 December 2018

The CEO met with a local lawyer in his office in Sydney. The lawyer summarized the actions taken so far and presented a plan of next steps to obtain enforcement of claims. The meeting was joined by crew representatives so that the activities of the club's authorities remained transparent.

The club has so far covered all attorney, court and marshal costs that were required for official actions to secure the yacht. Currently, the club is raising funds for further legal costs, which have already been presented to it.

Then the CEO wrote another email to the police, giving details of the people who may know where the owner of the yacht is and a request to the Polish Consulate in Sydney to assist with legal action.

The president of the club constantly but unsuccessfully tries to get in touch with the owner of the yacht in order to start any negotiations.

The club president is in constant contact with the local law firm regarding the arrest of the yacht and any claims related to it.

The police report will be made public after it is made available to the club, unless there are any legal objections.

Bearing in mind all the facts and the conviction that all possible steps have been taken to secure the yacht for future claims, Yacht Club Sopot decided to publish the above detailed information.