EXHIBIT 1

Certificate of Translation Accuracy

Hyeseung Son and Myungran Ha, certified Korean-English conference interpreters and translators, hereby certify that, to the best of our knowledge and belief, the attached document translated from Korean into English is a true, accurate, and complete translation of the following document:

Transcript_Hanju Kim Testimony_20240115 Hearing

Executed this 12th day of March 2024

Signed: _____

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We have used all available measures to ensure the accuracy of each translation but shall not be held liable for damages due to error or negligence in translation.

Seoul Eastern District Court
Report

1st

Case: 2023Reo26 Judicial cooperation (Request for taking of evidence)

Judge: Soeun Yang   Hearing date: 14:00, January 15, 2024

Court's assistant junior official: Gangwon Jeon   Location: Court room 308

                                                Public/not public: Public

The case and the name of the party were called

Plaintiff's legal counsel: Attorney-at-law Wonsik Yoon   Attended

Defendant's legal counsel: Attorneys-at-law Joonho Lee, Sangmi Baik   Each attended

Witness: Hanju Kim   Attended

Judge

       Ordered to record the witness' testimony following provisions of Article 159 Paragraph 1 of the Civil Procedure Act and notified the party of this fact

Examined the witness as shown in the separate report

Ended

Court's assistant junior official: Gangwon Jeon

            Judge: Soeun Yang

Seoul Eastern District Court
Witness Examination Report

(Part of the 1st report of January 15, 2024)

Case: 2023Reo26 Judicial cooperation (Request for taking of evidence)

Witness: Name: Hanju Kim

Date of birth: August 11, 1980

Address: 9-103, 15, Olympic-ro 4-gil, Songpa-gu, Seoul (Jamsil-dong, Asia Seonsuchon Apartment)

Judge

Stated the purpose of the oath to the witness, warned about the penalties for perjury, and had the witness take oath following the separate affidavit.

The examination of the witness is the same as the court recording system's recording file (unique number: 000211-20230200000026-240116131645).

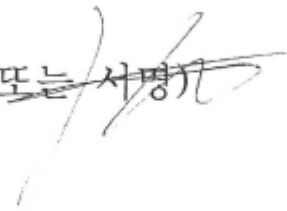Court's assistant junior official: Gangwon Jeon

Judge: Soeun Yang

Oath

I swear that I will tell the truth, the whole truth, and nothing but the truth in good conscience,
and that if lie,
I will do so under the penalty of perjury.

Witness Hanju Kim

Date of birth: August 11, 1980

A1670

Verifier
[seal]

Seoul Eastern District Court
Transcript

Case number	2023Reo26
Hearing date	14:00, January 15, 2024
Location	Room 308
Content of stenography	Testimony of witness Hanju Kim
Total number of pages	97 pages
Note	

I submit the attached transcript that was written following the provisions of Article 35 of the Civil Procedure Rules.

January 15, 2024

[seal]

Court reporter: Yoonmi Kim

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Plaintiff's counsel to the witness

Q. I will ask a question to witness Han Ju Kim. It is a question related to the general background of this case. "Terraform" means Terraform Labs PTE Ltd., the Singaporean corporation. "Chai" is short for Chai Corporation. This is question number 1. Please state and spell your full legal name for the record.

    A. My name is Han Ju Kim.

Q. Please include any English and Korean nicknames.

    A. Yes, my English nickname is Paul Kim. PAUL KIM.

Judge to the witness

Q. Please tell us the spelling of Han Ju Kim also.

    A. It is HAN JU KIM.

Plaintiff's counsel to the witness

Q. How old are you?

    A. I was born in 1980.

Q. Where are you from?

    A. Seoul

Q. Are you a citizen of South Korea?

    A. Yes, correct.

Q. Are you a citizen of any other country?

    A. No, I am not.

<center>-2/97-</center>

Q. Have you resided in any other countries?

    A. Yes, I have.

Q. What countries?

A. I think I was in the U.S.A. from when I was 15 years old to 17 years old.

Q. What brought you to the country?

A. I went briefly to study abroad.

Q. What is your highest level of education?

A. I quit high school.

Q. Then you have never enrolled in college?

A. No, I did not attend college.

Q. Where was your first job?

A. My first job was at a game company. The corporation's name back then was probably "Young Technology."

Q. Is "Young Technology" a game company in Korea?

A. Yes, correct.

Judge to the witness

Q. Just a moment. For numbers 11 and 12, I think it will be better if we combine them into one question and have the witness briefly summarize his career before joining Terraform.

A. After joining "Young Technology,", the company in 2010… it's a long time ago so I can't remember but can I just mention changes in my affiliation?

Q. Yes, it would suffice to mention your title, changes in your affiliation, and duration of employment.

A. After working as a server programmer at "Young Technology," my final title at a game company called "Ymir Entertainment" was CTO, (cont'd)

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A. after which I briefly worked at a game company called "Paranoid Joy" as the Head of Engineering Team. Next, I founded a company called "Styleket" where I worked as CTO, after which I joined "Gaza Labs," a company related to the Terra project, as the Head of Engineering and worked there. Would this be enough?

Q. Only up to Terraform.

    A. Then before joining "Gaza Labs," so until "Styleket."

Q. What was your approximate duration of employment at each job?

    A. Since I started working when I was 18 years old, my career would total at around 20 years.

Q. So you've been a working member of society for about 20 years?

    A. Yes, correct.

Q. You've worked at each company for about 2~3 years?

    A. Yes, correct.

Plaintiff's counsel to the witness

Q. What was the name of the second company you worked at where your final title was CTO?

    A. Styleket.

Q. No, you said your first employment was at "Young Technology," after which you joined your second job.

    A. Ymir Entertainment.

Q. At what point did you join Terraform?

    A. I never joined Terraform. But I joined Gaza Labs in October 2019.

Q. Then, combining questions 13 and 14, do you mean you've never joined the Singaporean company Terraform but you joined in October 2019 a Korean company called Gaza Labs Inc., which was related to Terraform?

    A. Yes, correct. But I think it was October 2018.

<center>-4/97 -</center>

Q. Then how did you learn about Terraform? What brought you to join Gaza Labs?

A. In early 2018, an investor of "Styleket" introduced me to Daniel Shin. I met Daniel Shin and it was like, "there's this project so try meeting with Do Kwon." Then, in early 2018, I met Do Kwon through Daniel Shin and heard an explanation about this project.

Q. So when you say you've heard an explanation about this project, you mean you have met Daniel Shin, then met Do Kwon through Daniel Shin, and heard an explanation about this Terra project from Do Kwon?

A. It wasn't a detailed explanation but just an overall gist of it. So, it was like a first get-together, to get to know what kind of a person each other was.

Q. Do you know who the founder of Terraform is?

A. I don't really know.

Q. It was on the news that Terraform was jointly founded by Daniel Shin and Do Kwon, the two of them, but you don't know?

A. I don't know much about how the Ltd. works and it was not my affiliation to start with, so I don't know … I was affiliated with Gaza Labs. Nevertheless, when I worked with the two of them in Korea, I remember they sort of worked like they were Co-CEOs. I don't know how it was founded.

Q. You were referring to the Singaporean corporation Terraform Labs when you said Ltd. …

A. Yes, I don't know much about that.

Q. Although you do not know precisely about the establishment, structure, or founders of Terraform, which is the ultimate parent company of the Terra project, you know that Daniel Shin and Do Kwon, the two of them jointly run this Terra project in Korea. Is this the correct way to put it?

A. Yes, I think so.

Q. Number 17, you mentioned earlier when you first met Do Kwon, right? (cont'd)

-5/97-

Q. Then number 18, you were hired by Gaza Labs. Was it Do Kwon who hired you into Gaza Labs?

A. To be precise, I belonged to a company called "Styleket," which was acquired, so I came to join "Gaza Labs."

Q. So, you founded and worked at Styleket, but as Styleket became acquired by Gaza Labs, your affiliation naturally changed to Gaza Labs. Is this the correct way to put it?

    A. Yes, that is the correct way to put it.

Judge to the witness

Q. What is the relationship between Gaza Labs and Terraform PTE Ltd.?

    A. What relationship they have isn't what… I worked as an engineer so I don't know their relationship but it is true that Gaza Labs engaged in the development of the Terra project in a way. Perhaps it was something like consignment? People working in Korea needed an entity in Korea to be directly employed to, rather than the Singapore entity….

Q. So, the equity structure or the corporation Gaza Labs itself is unrelated to Terraform?

    A. That is something I have no knowledge of - how it is arranged.

Q. Gaza Labs… the company you were affiliated with was acquired. Then, who was the person actually in control at Gaza Labs?

    A. I thought Do Kwon and CEO Daniel Shin were jointly managing it.

Q. From how you saw it, Gaza Labs was jointly managed by Daniel Shin and Do Kwon.

    A. The CEO was someone else, well precisely…

Q. You mean although you don't know who the nominal CEO was, the acquisition happened via introduction by Daniel Shin and Do Kwon, and you thought Daniel Shin and Do Kwon were technically exercising some sort of influence?

<div align="center">-6/97-</div>

    A. Yes, that's how I saw it.

Plaintiff's counsel to the witness

Q. This question is just for reference. According to the news, Gaza Labs Inc. at some point was renamed to the current Kernel Labs Inc. Is this correct?

    A. Yes, I believe so.

Q. Number 19, what interested you about Terraform?

A. Styleket Inc. was having business difficulties so we took on outsourced work for a project related to blockchain, which is how I got to know about blockchain, and when I heard explanations from Do Kwon or Daniel Shin, I found it interesting. Also, Styleket was going through difficulties as a corporation, so I thought "this is an opportunity," and joined the company. There were these two reasons.

Q. Do you consider Do Kwon a friend?

A. He is not a friend…

Judge to the witness

Q. Do you have a close relationship with him? What relationship do you have?

A. He was a coworker I used to work with.

Q. Do you consider him a coworker or a boss?

A. The company had a horizontal corporate culture, so it's not like, "if you don't do it, I'm going to fire you," but I don't know, we're not friends. I consider him a coworker.

Q. A colleague at work?

A. Yes.

<center>-7/97-</center>

Plaintiff's counsel to the witness

Q. The only time you worked in relation to the Terra project was at Gaza Labs, right?

A. While I was working at Gaza Labs, I transferred to Chai Corporation in November 2018.

Q. So, you completely left Gaza Labs in November 2018, and…

A. I did not completely leave, later on I rejoined Kernel Labs. Anyway, I transferred to Chai Corporation in November 2018.

Q. The original name of Chai Corporation was Earth Electronic Payment Co., Ltd., right?

A. Yes, correct.

Q. The company was initially founded as Earth Electronic Payment Co., Ltd. and registered a business name change to Chai Corporation in September 2019 based on my research. Is this correct?

    A. Oh, then that would mean I joined Chai Corporation. Anyway, yes, that's right.

Q. You initially worked at Gaza Labs and later moved to Earth Electronic Payment, which is now Chai Corporation. Were your duties at Gaza labs different from your duties at Chai Corporation? Please explain what your duties were.

    A. They were a bit different. When I joined Gaza Labs, I spent time developing a bit more on blockchain and exploring the technology. After joining Chai Corporation, my duties focused more on linking mobile payment service with blockchain and developing the server for Chai Pay.

Judge to the witness

Q. You were mainly in charge of the program development, right?

    A. Yes, correct.

<center>-8/97-</center>

Q. But the program you developed was different afterwards?

    A. Yes.

Q. How did your title change?

    A. I didn't have a specific title at Gaza Labs. Ah! I think it was Head of Engineering at Gaza Labs, and the same title at Chai Corporation.

Q. Could that be interpreted as you having the ultimate responsibility and authority regarding technology development?

    A. What do you mean by authority…

Q. Regarding program development.

    A. Yes, I had much relevant experience.

Q. You were the person in charge who had authority and responsibility with regards to engineering work.

A. Yes, but Do Kwon was above me at Gaza Labs, while I was the person in charge at Chai Corporation.

Q. You were the responsible person when it came to engineering.

A. Yes.

Plaintiff's counsel to the witness

Q. What was your salary?

A. I recall it was around 80 million KRW.

Q. At both places? At both Gaza Labs and Chai?

A. No, I think it was less at Gaza Labs, probably around 60~70 million KRW. In fact, I don't recall with specificity.

Q. Although you are not sure, an annual salary of 80 million KRW at Chai.

A. That may not be exactly accurate. But approximately.

Q. Approximately it was under 100 million KRW, so, was that your base salary? (cont'd)

-9/97-

Q. Does it not include incentives or bonuses? Was there any?

A. There were no talks of it when I was hired. But when we entered into a business transfer agreement for Styleket, we reached an arrangement where, entity for entity, after making a valuation of the Styleket company, that value would be divided by the price of Luna deemed by Gaza Labs, and we would receive the resulting number of Luna afterwards as a compensation for what was happening to Styleket. The Terra blockchain did not exist back then, so we could not receive it right away at the time of work handover. So, "we will give it to you after the Terra blockchain successfully launches" was what we agreed upon in a contract.

Judge to the witness

Q. Did you end up receiving the Luna as a compensation for the purchase?

A. Yes, I did later on. Not the full amount, but I did.

Q. You received it partially, so how much did you receive?

A. I think it was around 1.5 million coins.

Plaintiff's counsel to the witness

Q. So you received 1.5 million Lunas after the Luna coin was launched, right?

A. Yes.

Q. It was arranged formally as compensation for Styleket as you were joining after closing Styleket, however, since you were to develop blockchain and be the ultimate person responsible for technical matters, a certain amount of compensation was to be paid once the coins were issued. There was a pretext, but anyway, you actually did receive 1.5 million coins. When did you receive them? Right after the launch?

A. I want to be clear; after the valuation of Styleket was completed, not just nominally, the number of Luna tokens to be paid were calculated based on such valuation. (cont'd)

-10/97-

A. Along with Hyunjoong Kim, the CEO of Styleket at the time, and me, the CPO at the time, there were around 5~6 employees at the time of the purchase I believe. "Let's somehow distribute the total amount among the employees," this is what happened. And what was the following question?

Judge to the witness

Q. Do you mean you did not receive all of the 1.5 million coins?

A. I did. Out of the total amount.

Q. Then, the part you wanted to correct was that you received the Lunas as a compensation for the purchase of Styleket, not as a compensation for the engineering technology development, right?

A. They made a special contract in order to hire us because they trusted our technical skills.

Plaintiff's counsel to the witness

Q. In that case, what was the total income you earned for the duration of your employment at Gaza Labs and Chai Corporation? An annual base salary of 80 million KRW, which is under 100 million KRW, and 1.5 million coins you received later on, is that all? Or is there more?

A. I don't recall in detail.

Q. Perhaps not in detail, but roughly, you earn the base salary when you work for a company, right? And the compensation for Styleket's purchase was calculated initially and you received 1.5 million coins. Other than that…

A. Can you specify from when to when?

Q. You joined Gaza Labs and then moved to Chai Corporation. Until when did you work there?

-11/97-

A. I think I worked until March~April 2020 at Chai Corporation.

Q. You worked at Chai until March~April 2020.

A. I think it was March.

Q. During your employment until March 2020, did you not receive any other payment from Chai Corporation besides the base salary you mentioned earlier?

A. Correct, nothing else.

Q. At Gaza Labs, you reported to Do Kwon since he was your boss, and after moving to Chai Corporation, you did not have to report to anyone since you were the top person in charge, correct?

A. Since the company had a horizontal corporate culture, people did not exactly report to other people, but by rank, Do Kwon was of a higher rank than myself at Gaza Labs, and at Chai Corporation, Daniel Shin was above me in terms of rank. It wasn't a relationship where I had to make reports to them.

Judge to the witness

Q. When you faced engineering-related issues that you were not comfortable deciding on your own, did you consult someone in a meeting or have meetings with someone?

A. Do Kwon and Daniel Shin did not speak much during official meetings. The people who worked on the task together, then there was the PM, and I did have meetings with the PM. I barely talked to Daniel Shin, and with Do Kwon, occasionally there were instances where questions like "how do I make this, what is the intention behind it" were asked.

Q. You mentioned a PM, do you remember the person's name?

A. Yes, the PM regarding Chai Pay at Chai Corporation was Kangjoon Lee.

Q. Is he one of Daniel Shin's people?

-12/97-

A. He was affiliated with Chai Corporation, yes. As far as I know, Daniel Shin recruited Kangjoon Lee, who was working at Ticket Monster.

Plaintiff's Counsel to the witness

Q. When you say Kangjoon Lee was a PM at Chai Corporation, PM is the term for Project Manager, which usually refers to someone who heads a project. So, do you mean Kangjoon Lee was the Project Manager for Luna coin, Terra coin, the Terra project?

A. No, that's not what I meant. Kangjoon Lee was the PM of the Chai Pay mobile payment service.

Q. When you said Kangjoon Lee was a PM, you meant he was the PM of the mobile payment, Chai Pay.

A. Yes.

Q. Who had final say over engineering matters? This seems to overlap, but Do kwon must have had the final say at Gaza Labs, right?

A. Yes.

Q. You are CTO, but other than CTO, there were CFO and the likes. Moving on, did Daniel Shin have the final say when you worked at Chai Corporation?

A. I mean, I was not involved in the management or any of that sort so I don't know, in fact.

Q. I mean, you were the Head of Engineering.

A. Yes.

Q. So although you were the Chief Technology Officer on the engineering side, even for the CTO, when it comes to the most important and essential matters, ultimately the company's CEO or regarding the registration of the company CEO … someone who is like the practical owner of the company must be consulted for a final agreement. There must be a person like that, right? So, who was that person at Chai?

A. Daniel Shin was in the lead.

Q. Did Daniel Shin play that role?

-13/97-

A. Yes.

Q. So, Do Kwon was not involved at all when you worked at Chai?

A. He was. He wasn't completely uninvolved, he was involved since Chai had the feature of
    being linked to the Terra blockchain, but Daniel Shin was more interested in the mobile
    payment service, and Do kwon was more interested in the Terra blockchain, so there
    was that difference, I believe.

Q. What I am asking is, the engineering work you were in charge of when employed at Chai
Corporation was the launch of Chai Pay. Then Chai Pay was launched, and it is part of the
Terra project, so although Chai Corporation ran the Chai Pay mobile payment service under its
name, Terra blockchain is coming from Terra, and all of this was brought together. In fact, what
is important is not how the companies are split, but they're all jumbled up and jointly operated
and managed by Daniel Shin and Do Kwon, and in the meanwhile, particularly Do Kwon actually
engaged in technology development in detail and heavily consulted with you as far as we
understand. Isn't this true?

A. The question is long so how…

Q. To rephrase it, you said Daniel Shin had the final say over your engineering work at Chai
Corporation, but can't we say that even when you were working at Chai Corporation, it wasn't
Daniel Shin solely making final calls related to engineering but Do Kwon was technically making
joint decisions with Daniel Shin, or rather, when it comes to technology-related matters, Do
Kwon was more heavily involved and therefore the ultimate decision maker?

A. Do Kwon could not have been the final decision maker because Do Kwon is less
    experienced than I am and he knew less about mobile payment service than me, and he
    doesn't have experience of service development. I had experience of making games, so
    for most of the engineering work, especially development, I was mainly the person in
    charge - this was how things worked. It was rather Daniel Shin or Do Kwon who were
    asking me how to make something, "just go ahead and build it" - this was the vibe.
    (cont'd)

-14/97-

A.   Kangjoon Lee was the PM. Kangjoon Lee in fact did not know much about mobile
    payment service, so to me and Hyunjoong Alex Kim, the CEO of Styleket, "Kangjoon,

you have to take care of this task. If you're the PM." This is how things worked. Our company's atmosphere wasn't one where someone would decide, and someone would report to another. This is how I would explain it.

Judge to the witness

Q. When it comes to engineering, how deeply was Do Kwon involved in Chai?

   A. He was interested in the service itself. He was not in a position to take responsibility over engineering matters. That's how I would like to put it.

Q. So it was a partnership with another company?

   A. Chai and Terra project were in a partnership.

Q. Just a partnership.

   A. Yes.

Q. It is difficult to say it was a relationship where he exercised influence internally.

   A. I don't think he exercised much influence over the Chai service internally.

Plaintiff's counsel to the witness

Q. I will ask number 26. Where was your workplace? You transferred from Gaza to Chai - did you work at an office?

   A. Gaza Labs and Chai Corporation…. At first, the companies were on the same floor of a shared office space called Dream Square near Gangnam Station, and I worked on the same floor when I was working for Gaza Labs, in Dream Square. Afterwards, when I worked for Chai Corporation, I still worked in Dream Square until early 2019. At some point in 2019, I worked at some office in Seongsu-dong, I don't recall the name of the building, (cont'd)

-15/97-

   A. until March 2020, when I transferred to Terraform Labs Korea, in a building called Blue Square in Seongsu-dong. Those were the workplaces I worked at.

Q. To summarize, initially when you worked for Gaza, you worked in Dream Square near Gangnam Station, and even after you moved to Chai, you kept working in Dream Square until early 2019. Then, you said you moved to Seongsu-dong, when was this?

A. It was a long time ago so I don't remember exactly when. All I remember is that it was in 2019.

Q. You moved to Seongsu-dong in 2019 and kept working in the same building in Seongsu-dong?

A. Yes, I worked at the same building in Seongsu-dong.

Q. You said you moved to Terraform Labs Korea. When did you move to Terraform Labs Korea while working at Chai Corporation?

A. I remember it to be around March 2020.

Q. You moved to Terraform Labs Korea in March 2020. Was the Terraform Labs Korea office in a building different from the building in Seongsu-dong where you worked while you were affiliated with Chai Corporation?

A. Yes, it was a different building.

Q. In March 2020, there was the company Terraform Labs Korea, and Chai Corporation also still existed. Then, in March 2020, did you move to a different office as your affiliation changed from Chai Corporation to Terraform Labs Korea?

A. Yes, that is right.

Q. In that case, the two offices were both in the same Seongsu-dong area according to the news. Is this true?

A. Yes.

Q. Were they close by? Were they in the same building? Or just buildings nearby?

A. What is your criteria for being close…

Q. You were working for Chai Corporation and moved to Terraform Labs Korea in March 2020, (cont'd)

-16/97-

Q. and both buildings are in Seongsu-dong, so you initially worked at the Chai Corporation building, then moved to work at the Terraform Labs Korea building. Were the two offices far apart? Were they in different buildings?

A. They were in different buildings, and I don't know what the criteria is to describe the distance.

Q. Were the buildings in close proximity in the same Seongsu-dong area?

A. No, they weren't that close by, but close could mean different things depending on the criteria.

Judge to the witness

Q. How long does it take on foot?

A. It takes about 15 minutes on foot.

Plaintiff's counsel to the witness

Q. You said you moved to Terraform Labs Korea. What were your duties in Terraform Labs Korea after you moved there?

A. I was in charge of managing the Terra blockchain public infrastructure, then server development tasks, blockchain code review tasks, duties like that.

Q. Did any employees report to you? In connection with the Terra project, you have worked at three companies - Gaza Labs, Chai Corporation, and Terraform Labs Korea - that are, in broad terms, companies related to the Terra project. Did you have as a subordinate employee, someone who reports to you, Yun Yeo - I assume this name refers to Yoonseok Yeo, right?

A. Yes.

Q. It is Yoonseok Yeo, right?

A. Yes.

Q. Was Yun Yeo an employee who worked below you?

-17/97-

A. I never thought of him as someone below me. Since relationships were horizontal at our company, I thought of our relationship as one where we gave each other help.

Judge to the witness

Q. When asked about roles, it would be helpful if you could answer by focusing on the person's duties.

A. Rather than reporting to me, if you mean review by report, then reporting…

Q. If he reported to you, if you could tell us what duties Yun Yeo had, and what kind of work he reported to you, that would answer the question.

A. Yun Yeo was mostly in charge of maintenance and repair in the Terra project. We had a relationship where he consulted review of code changes with me.

Plaintiff's counsel to the witness

Q. Yun Yeo's duty also entailed writing codes, something technical. Did his duty overlap with yours?

A. No, our duties did not really overlap. Yun Yeo was in charge of maintenance and repair.

Q. He was in charge of code-related maintenance and repair, while you were the Head of Engineering. Since you were the Chief Technology Officer, if you were the head of matters including the maintenance work that Yun Yeo performed, did he belong to the same part that you headed? Or was his work separate?

A. To be exact, Yun Yeo remained affiliated with Gaza Labs at the time. And I was affiliated with Terraform Labs Korea. Although there was a partnership, as I am repeatedly saying from earlier on, it was a horizontal corporate structure where all programmers… For example, even I would request someone else to review the codes that I have written. (cont'd)

-18/97-

A. Even my codes, I wouldn't… without being approved by someone else… I would request a review from people who know this code well, and if the code is agreed upon as, "oh, this one looks good," only then would it be uploaded. This was the kind of work structure in place. The company was not run in a traditional way. At least when it comes to technical matters. So that was the type of relationship we had.

Q. Understood. Yun Yeo was affiliated with Gaza Labs the whole time, which means the company he worked for did not overlap with yours, so you were in a collaborative relationship where you consulted each other regarding technical matters, right?

A. Yes.

Q. Before we move on to item b, I will skip to question number 31 as it is relevant. Chai launched the Chai Pay service sometime around June 2019.

A. Yes.

Q. When the mobile payment service Chai Pay service was launched, what was the relationship between Chai and Terraform? Here, Chai means Chai Corporation and Terraform refers to the big Singaporean company. What was the relationship between Chai and Terraform?

A. The two were in a mutually cooperative relationship as Chai mobile payment service is linked to the Terra blockchain.

Q. Chai Pay is an mobile payment service launched by Chai Corporation, and Terraform Labs Korea is the company that does blockchain, so the two were in a cooperative relationship - is this what you are saying?

A. Yes.

Q. For this joint project, namely the Terra project… regardless of what name the companies are under, even five or six companies can be established when there is a certain project ongoing, so in the end, to look at it broadly, isn't it that they were operated hand-in-hand? Operated in a joint manner? How can we look at this?

A. On that point, I think I should start by explaining how the project came about. The purpose of the Terra blockchain was "those with high price variance such as Bitcoin or Ethereum are difficult to use in daily life, in real society. Therefore, by making a stablecoin, we will give this a try." This ambition was the purpose that initiated the project. (cont'd)

-19/97-

A. In the case of Chai, "what is a service that can easily integrate this stablecoin into our daily lives? When you think about it, we should start with mobile payment service." So that was the part that Daniel Shin was interested in. The two got together and "well, then, let's together give these two things a shot." This was how it began, so rather than saying the two things shared a completely same purpose, the intention was to go global with mobile payment service, and then, in the case of the Terra blockchain, the intention was to launch stablecoin to the world… The two had slightly different ultimate objectives. But the two were aligned in the initial phase. What's the word for it? Compatible.

Judge to the witness

Q. I understand that there was some kind of alignment of interests with slightly different objectives. So, when this service first came out, were they the same company, or was one part of the other? Or was it none of those things?

A. No, that is not how I saw it.

Q. You didn't see it that way, and you saw them as separate independent legal entities?

    A. Correct, I saw them as separate projects. But your honor, when you think of it, from October 2018 to April 2019 the Terra blockchain was launched, and in June 2019, Chai was launched. That means there was only 6 months, 8 months for development. So, in fact, the workload was very heavy, and regardless of whether it's the same project, or a different project, we did it very quickly, very painstakingly, so I think there are many misunderstandings about these matters.

Q. Although they had different objectives, did the development period of the two programs overlap?

    A. Yes, the period overlapped inevitably.

Q. When it overlapped, did you engage in both?

-20/97-

    A. I was engaged. I was engaged in both.

Plaintiff's counsel to the witness

Q. You just answered that Terra coin was launched in between October 2018 and April 2019, right?

    A. Yes, it was April 2019.

Q. Terra coin, the stablecoin was released from October 2018 through April 2019, and Chai Pay was launched two months later in June 2019. Terra coin was launched, and the mobile payment service business Chai Pay was also launched, meaning the development period for the two largely overlapped, so you were engaged in both sides. Is this a correct summary?

    A. If you are asking whether I engaged in both, then I did engage in both. With regards to the period, I believe the development of Terra was already ongoing, but there was an overlap in the period anyhow.

Q. Understood. In the end, when it comes to technical matters, you were involved here and there, in both Terra and Chai Pay. In a way. Since it is quite difficult to separate them.

    A. The part that I was involved in, for the Terra project, was infrastructure development. I didn't engage in the server development work.

Q. You were in charge of infrastructure development in the Terra project related to Terra coin.

A. Yes.

Judge to the witness

Q. You were involved in the part that was integrated in the work you were doing for the mobile payment services development, right?

A. Yes, correct.

-21/97-

Q. There were parts of the development engineering work on both sides where you had no choice but to engage in.

A. Yes.

Plaintiff's counsel to the witness

Q. Then, I'll go back to the questions above. Item b of number 28. Do you know someone by the name of William Chen?

A. Yes, I do.

Q. Where did he work, and what was his role?

A. We worked together in Korea. When working for Terraform Labs Korea, William Chen was in the Dev-Relations Team, where his duty was to write SDKs that would make it easier for developers to develop, especially writing documents for developers.

Q. To summarize, William Chen worked at Terraform Labs Korea, and his role was, in order to help developers… what was that earlier? Develop SDK?

A. Yes, SDK development. It is short for software development kit.

Q. His duty was to write that.

A. Yes.

Q. Do you know Etienne Napoleone?

A. Yes, I do.

Q. Where did this person work and what was this person's role?

A. Likewise, he worked at Terraform Labs Korea, and his title was DevOps Engineer. His duties entailed infrastructure monitoring and management.

Q. Could you please repeat - what was the duty?

A. DevOps Engineer. Dev and Ops.

Q. D, e, v, and the rest?

-22/97-

A. Ops. Ops for operation.

Q. Once again, in capital letters, DevOps is one word where D and O are capitalized?

A. Yes, correct.

Q. DevOps?

A. Ops is short for operation.

Q. It was Dev Ops Engineer, so development operation?

A. Yes.

Q. Moving on, do you know Nicolas Andreoulis?

A. Yes, I do.

Q. Where did he work and what was his duty?

A. Likewise, I think he worked at Terraform Labs Korea, and I remember him as an employee in the Research Team.

Q. I will change the order for now and ask item b of number 38. In March 2020, Terraform and Chai Corporation, Daniel Shin and Do Kwon split up. Well, the exact timing could be February, or March, or April, but in early 2020, the two split up and the companies came to use completely different offices and so on according to news articles. Why did the two companies split?

A. The reason is that, first, the Terra project had to speed up the development process to adapt to the rapidly changing blockchain environment and put more efforts into the wider distribution of stablecoins as per its purpose, while Chai Corporation wanted to more

aggressively expand its mobile payment service, especially within Korea, so they split in order to make clear their own respective business purposes, as far as I remember.

Q. Then, Terra had to speed things up in order to quickly adapt to an even more rapidly changing environment while it wasn't necessary to rush the Chai Pay mobile payment business, so there was a gap in terms of pace. Does this mean working on both projects in parallel disrupted Terra's work regarding blockchain? It sounds like one side had to rush things in response to the rapid changes while Chai Pay didn't have to - was this because some kind of regulatory issues were getting in the way?

-23/97-

A. No, I don't think there were particular regulatory issues. Nevertheless, Chai had to take a conservative stance as a mobile payment service provider, a finance-related company. Since it had already acquired a license, it had to run the business from a conservative stance. It was merely connected with blockchain. Then, as I mentioned, Terra had a way bigger purpose of spreading the stablecoin, so the decision was made to make clear such directions.

Q. At that time, Korea's regulatory authorities… Chai Pay is supposed to be a mobile payment business, and registration and licenses are necessary to run a mobile payment business. Were there any regulations or things of that sort with regards to running such business by using Terraform's blockchain?

A. I didn't know much about whether such regulatory issues existed or not since I am an engineer, but I don't think there were legal restrictions against using blockchain. As I mentioned earlier, however, since Chai was a mobile payment service provider that had to be 100% compliant with the authorities' regulations, it had to operate in a slightly conservative manner - this was the level of understanding that I had.

Q. Is Chai a payment service provider of the Republic of Korea?

A. Yes, it is, although the goal was to go global.

Q. Since you already mentioned that you've worked at Chai, I will skip number 30. Number 31 was asked earlier. For number 32, you said you were involved in both companies when it comes to technical matters. I will skip to number 34. It seems like Chai and Terraform collaborated - how did they do so?

A. Chai and Terraform were in a collaborative relationship where transactions occurring on Chai were generated on the Terra blockchain as KRT transactions. I am speaking in technical terms.

Q. To repeat that, a transaction that occurred on Chai… once a transaction was made via Chai Pay, this transaction was moved to the Terra blockchain - was this the task?

-24/97-

A. No, it wasn't transferring, but converting into and creating a KRT transaction. This explanation is from my engineering perspective. Chai and Terraform had a collaborative relationship because Chai was designed from the beginning as a service linked to the Terra blockchain. I would put it that way.

Q. You mean, once a transaction takes place on Chai Pay, this was converted into a KRT transaction, right?

A. Yes.

Q. How should I understand what it means to convert a transaction that occurred on Chai into a KRT transaction? Payments on Chai were made through traditional currency or traditional payment methods, right?

A. What do you mean by traditional?

Q. Traditional payment methods are the most general ones such as paying cash or paying with a credit card. When consumers make transactions through Chai Pay, I am aware that consumers usually make payments with cash or card or the likes, the traditional payment methods, right? That's how things worked in Chai Pay?

A. I think you are referring to other mobile payment services when you say traditional. At the time, there were a lot of mobile payment services being launched. So, I don't think they were traditional, but anyway, the difference is that it was linked to the Terra blockchain. It worked that way in the backend, meaning it had an additional element on top of the traditional part you mentioned.

Judge to the witness

Q. Did Chai also provide mobile payment services that did not use Terra?

A. Yes.

Q. What was the proportion? Approximately what was the total proportion for mobile payment service that used the Terra blockchain technology?

-25/97-

A. 100% of the transaction information on Chai's ledger was converted into KRT transactions… what is the intention behind the question…?

Q. When it comes to mobile payments, mobile payment service using blockchain was available, and other mobile payments using mobile phones or credit cards which were not linked to blockchain technology were also available. If, as you just mentioned, Chai offered to consumers both those that used blockchain and those that did not, approximately what did the proportion look like? We're asking what percentage of transactions were made using blockchain versus not using blockchain.

A. It was 100% linked to the Terra blockchain in the backend. I don't know what the percentage was when it comes to user top-up, but there was a function that allowed users to top-up Chai points with KRT. I don't know the percentage of use, but there was such a function.

Q. Then, can I take it that everything that was offered used blockchain?

A. Yes, it is a service where all of Chai's ledger information uses and is linked with the KRT Terra blockchain ledger.

Q. In that case, can I take it that other general services that did not make use of the Terraform blockchain technology were not provided to consumers? Everything was linked?

A. At a certain point Chai cut off the linkage as far as I remember, but up to that point, yes.

Plaintiff's counsel to the witness

Q. Chai Pay is a mobile payment service, right? It is a mobile payment service similar to those like Naver Pay, and isn't it true that when it comes to these general mobile payment services, consumers put in cash or credit card when they purchase goods and ultimately that is used to make payment? Then, also in the case of Chai Pay, when subscribers of Chai Pay purchase goods from a merchant or use a service, the users of Chai Pay in the end would be doing so by putting in money similar to how Naver Pay works, but the Terra project advertised that "payments are made through the Terra blockchain," right? (cont'd)

-26/97-

Q. For such payments, it was stated that you made payments with blockchain, but do ordinary people actually make payments with blockchain? Then, the linkage in the backend, how it was linked is something to be examined, but was there an actual case where the payment itself was made via blockchain?

A. You referred to promotional materials - which promotional material would that be? I need to know that to answer your question.

Q. Anyway, Terra … although we are a mobile payment business, we use blockchain to make payments… Was this stated… Well, can you say so or not?

   A. I need to know where and how such a statement was made in order to tell you if it's true or not. I am not the PR person.

Q. Then cross that out. I will change the question. "When it comes to mobile payment service in Chai Pay, the payment is made with the Terra blockchain." Can you say so?

   A. Chai and Terra are linked. The Chai mobile payment service and Terra blockchain are linked. I am using this expression repeatedly.

Q. When you say they were linked, does it mean that payments are made by the Terra blockchain? Linkage is when two things are connected together, and you keep using the word link. When you say Chai Pay and Terra blockchain were linked, do you mean transactions were actually made with the Terra blockchain? Or does it mean that while payments were made traditionally on Chai Pay, it was simply linked in the backend so they were linked? What do you mean by link?

   A. It was not merely connected on the backend. I rigorously developed the algorithm and I personally made enormous efforts to link it to the Terra blockchain from the beginning, so it should be seen as one whole thing in its entirety, included in the whole payment process.

-27/97-

Judge to the witness

Q. Could you explain the linkage system you developed in simpler terms regarding how blockchain is used from the point a consumer makes payment to the point where it is processed? Let's say I paid for a good that is 1,000 KRW using the Chai linkage program. What happens next?

   A. Yes, in that case, you have created your account and you have Chai points topped-up.

Q. What do I top-up Chai points with?

   A. There are two ways. One is to link to a bank.

Q. A bank account?

   A. Yes, and then, there is the function of topping-up with KRT by connecting with the Terra station. These were the two ways.

Q. What exactly is KRT?

    A. KRT is a stablecoin that corresponds 1:1 with the Korean Won.

Q. So, it is a coin made by Terraform?

    A. Yes.

Q. Let's say I purchased a good by topping-up with KRT and a bank account. Then, what happens in the program?

    A. If the user makes the final approval, then, the Chai app sends certain approval request to the Chai API server over the Internet. Afterwards, the Chai API server receives it on its end, and after verifying everything like "the information sent by this person is correct. This person is the user," it verifies all those information and then checks whether "there is or isn't remaining Chai points balance," after which, proceeds with the remaining approval process. Programmatically. Then, at that point, data in the Chai database is looked up to make sure that it's all correct, after which, under the same function is a concept called LP, the concept of LP server. That is where this data is, there is a concept called LP queue (hereinafter "queue"), registered on the LP queue on Chai's end. (cont'd)

<div align="center">-28/97-</div>

    A. The reason for registering on the LP queue is to transmit the data in the queue layer to the LP server - the LP server managed by Gaza Labs. After doing so, the LP server receives the data, makes a wallet if it needs to, a crypto currency wallet. It makes a wallet - it makes it through the symmetric algorithm in order to quickly digest the data, uses the multisend function of the Terra blockchain to create a KRT transaction, which is uploaded on the blockchain. This is how the linkage works.

Plaintiff's counsel to the witness

Q. You just said there are two methods of payment. One is, from the customer's standpoint, simply connecting to a bank account to put money into Chai Pay, which means, in the end, the customer's bank account money goes in. Next, the second method is where KRT is used to top-up, KRT coin instead of money is topped up and what is topped up in Chai Pay is used to make payment. Earlier, you said you didn't know the percentage of top-ups using KRTs - do you really have no idea?

    A. When the KRT top-up was made, I was working at Terraform Labs Korea, I wasn't working at Chai, so honestly, I don't know the exact proportion. But, since I personally heavily used that function, and since the Terra community in Korea greatly welcomed

this function, from my standpoint, I thought "it is heavily used. This is very rewarding."
So, I don't know the exact proportion.

Q. I don't understand. For instance, if there were 10,000 transactions, did the transactions that used the KRT top-up method account for 10%, around 1%, around 50% - you don't even have a sense of approximately how much?

    A. I did development work only so I don't know the precise figures.

Q. I am not looking for anything precise. At least you must have a sense that one-third used the KRT top-up method, or around 1% used KRT - do you not have the slightest idea?

<div align="center">-29/97-</div>

    A. I've never done the math. I have an intense workload, so I am not a person who looks at what the percentage is. I am an engineer.

Judge to the witness

Q. When you explained the linkage program service earlier, the transmission of payment information to Terraform through the Gaza Labs server in the middle, up to that point is the linkage.

    A. Yes.

Q. All information has been transmitted. Information having been transmitted - I take it that this means everything that has been paid is changed into coins, which is recorded on the ledger. In that case, in order to change that once again into proceeds, does the process of converting that back into Korean Won take place through a coin transaction? How does that work?

    A. That process is beyond my scope. As for me, make it the same technically. So that the two ledgers are not different.

Q. The service you made and developed in connection… When you say, "you've linked them," - can I take it that this conceptually means "aggregating information about payments that consumers made by topping up Chai Pay points, converting that information, and displaying it in coins"? Is this a correct understanding?

    A. Yes, but that happened in real-time.

Q. Development of a program that uses that in real-time.

    A. Yes, correct.

Q. That is what linkage is.

   A. Yes, in my field.

-30/97-

Plaintiff's counsel to the witness

Q. I will skip item d of number 34 for now. Did Terraform and Chai have overlapping employees and shared office space? For this one, the same office was shared until the separation, split in early 2020, and as they split, the offices were both in the same Seongsu-dong but separate with a distance of 10 to 15 minutes by foot in between, correct?

   A. Yes.

Q. Number 35, who were the main employees that worked at Chai in 2019?

   A. Chai's main employees were Daniel Shin, Do Kwon, Changjoon Han… Up to whom can be deemed as main?

Q. Were there more? For example, it is on the news that Daniel Shin and Changjoon Han are currently under criminal trial in Korea in a case that has eight defendants - did they all work there? The Korean Terraform company.

   A. No, some employees out of them didn't. Some didn't, some did, I believe.

Q. Whom out of the eight defendants didn't?

   A. Joonyong Choi didn't, I believe.

Q. Who?

   A. Well, I am telling you since I am also one of them, Joonyong Choi was not much involved in Chai, I never saw him in the office.

Q. Out of the eight defendants under the criminal trial in Korea, except for Joonyong Choi, did the remaining seven work at Chai back then?

   A. Yun Yeo also didn't. Yun Yeo and Joonyong Choi were never involved in Chai.

Q. Then, I can take it that, excluding those two, the other six were main employees in 2019?

   A. Yes, correct.

Q. Number 36, how involved was Do Kwon at Chai? (cont'd)

-31/97-

Q. This was mentioned here multiple times earlier. Until the split in 2020, office space was shared and the two overlapped in their development - the launch of Chai Pay and the launch of Terra coin. But what happened after the split? After parting ways in February or March 2020, were there still connections with one another? With Do Kwon?

    A. I don't think so. As far as I know, I don't know if they still talked as partners afterwards, but they probably did not since they each had a lot on their plate.

Q. Do Kwon practically did not involve in the work going on at Chai Corporation after the split in early 2020.

    A. That is not an area of my knowledge. I don't think he did because he was too busy. I saw him every day in the office.

Q. Are you saying he "was not involved"? Or "you were engaged in development only that you did not know what the bosses were up to - whether he was involved or not"?

    A. I am not him so I don't know 100%. But that is my opinion, at least. "I think he was not involved."

Q. Well, is it true that an office space was shared and many of the employees overlapped until early 2020?

    A. I wouldn't say many, but around 5~6 employees overlapped.

Q. If 5~6 overlapped, 5~6 out of how many employees?

    A. Employees overlapped in the Engineering Team only because we were short of people so people were helping each other out, could you come over and help - this was the kind of practice at work, and the people involved in the development work were me, one designer, one front engineer, and Hyunjoong Kim. Around 4 people.

Q. The fourth sub-question of number 38. You explained earlier that when the two companies split, they parted ways due to their different pace as Terra blockchain had to be quick and active while the Chai mobile payment business operated within the regulatory laws under a license or registration from the Financial Supervisory Service. In that case, were there ever talks internally along the lines of "this is the only way due to this regulatory issue. This regulatory issue makes it difficult to bring Chai Pay along"?

-32/97-

A. I don't really know about those things since I was busy with work. There wasn't such a vibe. Within my work scope.

Q. Are you saying that you were not involved in talks about regulatory issues since you only engaged in technical matters and you never heard talks about "splitting up due to regulations"? How can we summarize your stance?

A. To explain precisely, in order to be a mobile payment service provider, the regulation compliance requirements are quite strict, and it was my first time. So, on a personal level, since technical aspects and infrastructure management had to comply with regulations, I put in my utmost effort to comply with the regulations such as network separation. Despite extremely uncomfortable circumstances for a computer engineer, I tried so hard at Chai to comply with regulations as I recall, and this was my personal experience.

Q. That was about what you did to comply with regulations on the technical side since there were many regulations. Was there absolutely no discussion about how dealing with each and every regulation is troublesome so there is no way but for them to split? Are you saying there were absolutely no talks about how the two companies had no choice but to split due to regulations?

A. What I'm saying is, Junghan Yoon was the Chief Information Security Officer, CISO, who was in charge of regulatory affairs, and without the CISO's approval I couldn't change anything, so I did all this work to comply with regulations, and as I've already said, the Terra project had a bigger goal of running business to distribute the stablecoin and this was why they split as I far as I remember.

Q. Then, number 39, when Terraform and Chai split, you never consulted with or talked about the split to anyone or took part in discussions about how a split was inevitable due to certain reasons?

-33/97-

A. No, I did not know of the fact before the split was decided. Neither did I talk to anyone about it.

Q. Regarding the split, you never consulted with Do Kwon about technical regulations, about how there are certain regulations and difficulties due to technical matters?

A. No, I did not.

Q. Were you the lead of the Infrastructure Team?

A. Yes.

Q. Did the Infrastructure Team's work include building a robust technical foundation for the Terra ecosystem?

A. Yes, correct.

Q. I will move on to the question about the LP server. Number 42, what is the LP server?

A. LP server is a project that receives ledger information from Chai and generates KRT transactions on the Terra blockchain.

Q. It receives ledger information from Chai and generates KRT transactions on the Terra blockchain.

A. Yes. To add on to that, it was designed that way since the initial phase of the Chai Pay design. But the operator of the LP server was Gaza Labs.

Q. Then who controlled the LP server? Did Terraform control it?

A. No, to be exact, Gaza Labs handled operation and management tasks as I've just mentioned. Well, that was the operating entity.

Q. Gaza Labs operated the LP server. That is what you are saying, right?

A. Yes, that was on the Naver Cloud Platform, the company for Gaza Labs server hosting. The LP server ran on a hosting server owned by Gaza Labs.

Q. The server that operated the LP server was kept on the Naver Cloud Platform, and it was Gaza Labs who managed and operated that Naver Cloud Platform. Is this the right way to put it?

-34/97-

A. Yes.

Q. What are the processes and resources (such as code, databases, server hosting services, hardware, etc.) that were required or used for the LP server's functionality?

A. As I've mentioned earlier, the LP server was run on the Naver Cloud Platform, and then there were components necessary to run the LP server on Chai's end, and on Chai's end, the components required for running the LP server were operated together within Chai's infrastructure. Do I have to tell you the specs too? In the Linux operating system.

Q. In your role as Terraform's chief engineer, did you interact with the LP server?

    A. As a member of Terraform Labs Korea, I did monitoring, maintenance and repair of the LP server.

Q. You continued to handle maintenance and repair tasks even after moving to Terraform Labs Korea. That is what you are saying, correct?

    A. Yes, correct.

Q. In fact, you created the LP server, correct?

    A. Yes, I wrote the code.

Q. Then, who asked you to create the LP server?

    A. As I've already told you, in the initial ideation phase, when it comes to the design itself, be it database design or API server development, Chai was developed with the linkage to the Terra blockchain in mind. No one asked me to create it. We discussed "how can we make this?" and then, "for this, can I do it this way?" I asked one by one, "can I do it this way, can I do it that way." This is how decisions were made, and I wrote the server implementation code accordingly. Rather than someone giving me a direction or a request, it was a prerequisite, so I made it on my own without anyone asking me to.

Q. Did anyone else help you?

    A. Someone helped me with a little bit of bug fixes. When something didn't work well, Yun Yeo gave almost 1% help, and I made the entire 99%.

<p style="text-align:center">-35/97-</p>

Q. What was the LP server's purpose?

    A. The purpose of the LP server is to play the role of receiving changes to the ledger information from Chai and uploading KRT transactions on the Terra blockchain.

Q. Did you say KRT transactions were generated by receiving changes to the ledger information from Chai?

    A. Yes.

Q. What does it mean to generate KRT transactions? The entire ledger is in Chai, right?

A. No, the KRT ledger for Chai is on the Terra blockchain, and the ledger for Chai is on Chai's database server.

Q. But you said the LP server receives ledger information from Chai, right?

A. Yes.

Q. The ledger information is in Chai - doesn't this mean that the ledger is Chai's ledger?

A. Yes, withdrawal, top-up, cancellation, things related to settlement with merchants in addition to payments… All such information makes changes to Chai's ledger. Such changes are received by the LP server, which then creates a linked KRT transaction. A transaction function called multisend is used to rearrange the information, and there is a special algorithm. It plays the role of making such information into a blockchain transaction.

Q. In that case, information about certain payments going through, withdrawals, and cancellations are shown on the ledger at Chai, and that information is passed on to the LP server as it is, right? Afterwards, the LP server takes that info and makes it into KRT transactions using something called multisend, according to what you said. This is a bit technical and I'm asking because I don't exactly understand it - I understand up to the point where the LP server receives certain information. Then, this is made into KRT transactions and on the blockchain… isn't KRT a blockchain? When you say KRT transaction… it is made into a blockchain transaction using multisend, so, what does this mean? (cont'd)

-36/97-

Q. What does it mean to make it into a KRT transaction, namely blockchain transaction? Please explain. So, just to cut to the chase, the transactions have all taken place already, and it's all on Chai's ledger, right? This is passed on to the LP server, and when you say it is made into the format of a blockchain transaction, it is merely moving it onto the blockchain showing "this is the content," in simple terms, right?

A. No, the entire process is a single integrated process from how I see it. You are saying it is impossible, it doesn't seem like a big deal. But personally, speaking as an engineer, I worked really hard on it.

Q. What I want to know is, the LP server receives the transactions that are already on Chai's ledger and brings over the transactions to express them on the blockchain. To put it in simpler terms, I will just change the question. If KRT transactions on the blockchain or the LP server don't exist, does the payment not go through on Chai? If the LP server is down or non-existent, would this cause disruption for ordinary people making transactions on Chai or not?

A. Some parts would be disrupted, yes, they would. This is where I put in a lot of work as an engineer. Especially, in case Chai or Terra faces failure or disaster, or in case either of them has a bug, in order to ensure that at least this ledger information remains perfect and that the function runs perfectly, I created queues on both sides. Such steps required way too much effort to be underestimated. I designed and created a robust structure, so it is not something that can be underestimated.

Q. I am not making any evaluation here. To summarize, at Chai…

A. It is not merely bringing something over.

Q. Moving on to item e of number 44, where were the various components of the LP server located or stored?

A. It sounds like a redundant question. There is something called LP dispatcher within the Chai infrastructure, and there is a queue for that LP dispatcher. Next, there is a LP module in Chai's API server. (cont'd)

-37/97-

A. There are a total of three things. If Chai's API server enters data into the LP queue - the queue layer - through the LP module, the component called LP dispatcher transmits the data in the queue layer to the LP server on Gaza Lab's hosting server, puts the data in a different queue layer on LP server's end, which is called WAL - Write Ahead Log. This queue layer is called WAL in engineering terms. WAL, Write Ahead Log.

Q. Could you repeat? W…

A. Write Ahead Log. That is where the data goes before the LP server digests or processes the data. That was how things were located and operated.

Q. Did you say there were three LP components? Could you name them once again?

A. I think there were a total of five.

Q. Five? Could you just simply name the five components once again?

A. There is the LP library module in the API server within Chai's infrastructure, and on Chai's end, the LP queue, queue layer in a database called Redis server. The LP queue that played the role of Write Ahead Log.

Q. Moving onto item f, where were the components above hosted?

A. Chai was on Chai's Naver Cloud Platform, and on Gaza Lab's end, there was a Naver Cloud Platform. There was a Naver Cloud Platform that was owned by each.

Q. Both used the Naver Cloud Platform… Anyway, the respective hosting account was under each one's name. There was one under Chai Corporation's name, another under Gaza Lab's name. Is this what you are saying?

A. I think I will be able to answer better if you could clarify the intention of your question. If I get into it completely technically, there are some differences to be exact. It is true that we did something with the Naver Cloud Platform corporation, but Chai Corporation did something called a hosting server rack lease, which is a slightly different arrangement. Do you need this level of details in the answer? If I understand your intention, then I can …

-38/97-

Q. Not at that level.

A. Yes.

Q. I will ask question number 45. Who did you communicate with about the LP server?

A. I talked to Do Kwon about how it should be linked only and I handled all the actual development work.

Q. Did Do Kwon supervise the creation of the LP server?

A. He was not involved in writing the code for the LP server at all, but simply told me the specs. He didn't supervise. Since what I make is transparently public on the blockchain, Do Kwon simply checked whether I did a good job.

Q. Did Do Kwon explain why he was so interested in the LP server?

A. The reason for him being so interested? Interested…

Q. The purpose of the LP server…

A. I think he must have been interested because the LP server played the role of linking Chai's mobile payment service to the Terra blockchain.

Q. Regarding how the LP server operated, you've already given us a long explanation. I will move on to number 47. What was the relationship between the LP server and Chai?

A. As for the LP server, Chai's API server, through the LP module… It is actually the same question. It was there because the data that was passed on through the LP module, through the LP dispatcher to the LP server was processed on the Terra blockchain.

Q. You are saying that the answer is the same as what was asked before. I will take it as that. For number 47, the answer to the earlier question will do. In that case, did the LP server copy Chai transactions onto the Terra blockchain?

A. No. You can't deem it as simple copying. Should I explain why?

-39/97-

Q. If it is not copying, why can't we see it as copying?

A. If the purpose was to simply copy, I would not have worked so hard to make the algorithm, all the complex process of designing against all potential failure, connectivity issues, put WAL queue and queue layers on both ends, and then the multisend… Take blockchain for instance, since blockchain at the time did not have such a great capacity for processing transactions there was the batch algorithm. We couldn't make that without the batch algorithm that created multisends. This is not something that can be reduced to simply copying.

Judge to the witness

Q. Are you saying that it wasn't copying because there was a conversion process that used a certain blockchain technology or algorithm?

A. Yes, even the originals are different. For instance, when you say copying, if you copy a document, the two documents should have the same content, right? But since Chai had a lot of additional information for mobile payment service and the blockchain only handles the pure ledger information, the two data have different raw data. The form is different, the data structure, content structure are different.

Q. You mean it was not mere copying because there was a process where information is extracted and converted?

A. Yes.

Plaintiff's counsel to the witness

Q. Who provided you or Terraform Chai's transaction data? Who provided Chai's server data in relation to the LP server?

-40/97-

A. At the time of Chai's launch I was affiliated with Chai Corporation, and as a member of Chai Corporation I developed the LP server. But after I left, the person in charge of engineering related to the LP server, the part that is linked to Terra, was Jihoon Kim, at Chai. I worked with Kim, when I was still working at Chai, I worked with Jihoon Kim, and Jihoon Kim took over my work after I moved to Terraform Labs.

Q. In that case, did you or Chai Corporation directly interact with Chai's customers when you had to obtain Chai's transaction data as a member of Terraform?

A. No, I didn't.

Q. Item f, did you or Chai Corporation, no, Terraform Labs Korea interact with merchants daily in real-time to obtain Chai's transaction data?

A. I am not sure because it is beyond my work scope, but I think they probably did.

Q. They probably did?

A. With the merchants and Chai, of course…

Q. My question is… transactions via Chai Pay take place as Chai's customers who are subscribed to Chai and Chai Pay's merchants purchase something, receive something, pay money, and so forth, right? So, once a transaction at Chai takes place, that transaction is received by the LP server and uploaded on the blockchain after a bit of extraction and variation, but whether we should call that copying or use another term… well this is your stance, isn't it? Then, did you, with Chai's customers in Chai Pay or the merchants whose payments were made on Chai Pay, did the LP server or the company that you worked for involve in the payment of such transactions? Or did you receive it after everything already took place on Chai's end?

A. I don't really understand the purpose of the last question, but I am not the person in charge of that task since I was in charge of engineering.

Q. Even if you are an engineer, this is something that is so basic. In the end, Chai Pay is something where the Chai Pay app is used to buy and sell goods, customers use Chai Pay to purchase goods, and the Chai merchants receive money there. (cont'd)

-41/97-

Q. This process takes place via Chai Pay owned by Chai Corporation, but you are saying that this is not solely done by Chai but it uses the Terra blockchain and so forth, and that receiving transaction data and realizing KRT transactions on this end is not copying. My question is, when it comes to the LP server receiving information from Chai, does it just receive the information, the Chai data between merchants and Chai's customers that is shown on the ledger as it is? Or,

when it goes through the LP server, does the LP server directly interact with Chai's customers or Chai's merchants?

    A. The LP server does not interact with the users or the merchants but the processor is configured together.

Q. Well, you explained it step by step. So, anyhow, when it comes to transactions on Chai, there is no interaction between the LP server and Chai's customers or Chai's merchants.

    A. Interaction doesn't take... Servers obviously work in the backend. It's not like all servers are exposed to the world, right? When there are things running behind a certain front, do you know everything that is running in the back?

Q. Let's set aside what's in the back for later. So, for now, the LP server did not play any role in an actual transaction.

    A. Why did it not…

Q. It received something that was already finished and then put it on this end afterwards.

    A. No. It, of course, did have a role. This is included in the entire design, so how can this not be connected or related?

Judge to the witness

Q. Please explain the transmission process of the transaction data that flows in from between Chai and the merchants.

<div align="center">-42/97-</div>

    A. Yes, I did explain earlier…

Q. Earlier, it was the transmission after it took place with the customers, from the customers.

    A. Yes, yes, for the payment to be approved, in the backend…

Q. For this one, you can explain the process of how what's been approved goes to the merchants.

    A. Merchants? Oh, with the merchants, yes, Chai must have had a settlement process when it comes to the merchants, right? A feature that I made for that function is where Chai's admin presses a button once the settlement is complete, the person in charge does so. Once the button is pressed, there is an identical settlement function on Chai's API server, and once that function is called, the changes to Chai's ledger information in

the function are processed, and likewise, it is made so that a Terra transaction that corresponds to the settlement on Chai's end is generated identically through the LP module. This is how you can see it.

Q. Number 9, oh, item g, not 9. Did the LP server receive and process in real-time Chai's transaction data involving customers and merchants? Or was there a time gap?

A. The goal was to process in real-time.

Q. If that was the goal, in reality, was it processed in real-time? Or were changes made and done after the transaction was already finished?

A. No. I don't know what the criteria for real-time is, but I made it so that it would be done within a few seconds. When there was some sort of a failure or an upgrade of the main Terra blockchain or Chai's maintenance, during such maintenance periods, of course it didn't happen. But in a normal situation, it was processed in real-time.

Q. You used the term normal situation, meaning that there were abnormal situations. As you just said, I am aware that there were quite a few times where the LP server did not operate due to an upgrade or a failure. (cont'd)

-43/97-

Q. Then, in such cases, did transactions all take place with absolutely no connection to the LP server or the blockchain, and the completed transactions were used to create KRT transactions much later in a retroactive manner?

A. No, they weren't made retroactively. As I said earlier, WAL, I made queue layers on both sides for what is called durability in English of the content. If you search up WAL, its purpose will come up. In case such failure situations arise, in computer engineering, we use such content structure or architecture so that the data would not be lost and so that KRT transactions can catch up with all data on Chai's ledger information once the abnormal situation is resolved - this was the design by which it operated. Also, for instance, if the data is not entered in the queue layer in the API server, the payment fails. Therefore, input into the queue layer includes ensuring that there won't be a problem in such failure situations.

Q. To summarize it once again, under abnormal situations, transactions don't happen almost real-time or within a few seconds as you've described, but after one or two days… During this period, the LP server was out of operation but played the role of holding onto the data so that it doesn't get lost - it seems like this is the gist, is it a correct understanding? In that case, the LP server was out of operation during maintenance, upgrade, or such situations. Normally, the LP server is required for a transaction to happen, but then, during abnormal situations, did Chai transactions still happen? Did they not?

A. You need to differentiate between abnormal situations. Whether there was an issue with the LP server, or there was an issue with the server on which the LP server ran, or there is a connection issue… The issue in such cases… I mean, if a service entirely comes to a full stop because of a single hole or a single issue, would there be any software or this kind of service in the world that works? An issue in one part… in order to prevent that, in order to prevent that and so that both sides solidly operate, I had in mind from the beginning that Chai should be up and running even during the Terra blockchain upgrade and the content should not be lost when I made it, so that was a given. (cont'd)

-44/97-

A. Who would want the Chai service to stop working when the Terra blockchain is temporarily down? The management? And to me, if Terra is down, then simply "payment is also down," being an irresponsible engineer… "Oh, when configuring a service of this kind, it is a given that it is built in such a structure that pursues solid stability." This was set when I designed this architecture, so I think this would be my answer to that end.

Q. To summarize, since you designed it in a way that Chai payments would go through even if the LP server is down, all Chai payments went through whether or not there was the LP server, and then…

A. Chai API does not work if the data is not entered into the LP queue. I already told you that you have to look at the different parts of LP. The LP is a concept that is located in many different places. I told you the five parts earlier. There are parts that are on Chai's end. If there is an issue with a part that is on Chai's end, Chai won't work. Since the LP server is a concept that is located across multiple places, if a function linked to the LP server on Chai's end stops working, Chai itself doesn't work.

Q. To go over it once again, LP… this is quite difficult for me to understand. So, in layman's terms, a part of the LP server is on Chai's end and another part is on Terraform's end. Let's say the LP server is malfunctioning, maybe it's undergoing an upgrade. So, if there is an issue on Terraform's end, payments would go through as long as there are no issues on Chai's end. If, however, there is a problem with the part of the LP server that is on Chai's end, then it would stop working. Is this a simple way to understand it?

A. Yes, yes, yes, that is the right understanding. (cont'd)

-45/97-

A. And then, it is designed in a way that when there's an issue on Terra blockchain's end or some sort of issue arises, in the end, the rest of the content would all be digested - we use the term digested - through the multisend algorithm.

Q. Well, you said there won't be an approval if there is a problem with the part that is on Chai's end, and the term itself doesn't mean much to me, so could you explain the part that is on Chai's end?

    A. Like LP, this LP… Since LP is responsible for the linkage between blockchain and Chai, the term LP spans both sides.

Q. Yes, it spans both sides.

    A. Yes, and on Chai's end, LP dispatcher, LP queue, and then the LP module in the API server - these three operate together …

Q. If so, were there actual instances where there was an issue with the parts on Chai's end only?

    A. Yes, there were.

Q. Do you mean, in those cases, the payment itself was rejected at Chai?

    A. I don't know about that, but I think there were instances where Chai did not send over the data, the dispatcher stopped working. So, since the LP server couldn't receive the data and didn't have the raw data or any information, it wasn't able to make the Chai KRT transaction. So, at the time, I told Jihoon Kim "I don't think the data is coming over," and Jihoon Kim said, "I'll check," and the problem was solved as far as I remember.

Q. So, you just shared an anecdote where, since the LP server links and spans two things, when the part of the LP server on Chai's end did not work, the LP server was not able to receive any payment information and you asked Jihoon Kim about it. Then, at the time, did payments for transactions on Chai actually go through but only the information was not being passed on to Terra's end? Or, do you mean, due to issues, transactions did not take place at all on Chai? At the time.

<div align="center">-46/97-</div>

    A. I don't remember what happened back then, well, I am not sure since I was not affiliated with Chai Corporation.

Q. It sounds odd that you don't know. When you asked why LP… why is the information on Chai's ledger that you were supposed to be getting not coming over, some action was taken. So, was it that you weren't getting the information due to an issue with the LP server on Chai's end although transactions were completed? Or you mentioned earlier that if the issue was on their end, transactions won't happen at all. So, was that the case at the time, no transactions were going through? That part.

A. I am not aware of what the situation was actually like in Chai Corporation. I simply asked Jihoon Kim "this isn't coming over, could you please take a look at it?" and after he checked, the problem was solved. That is all I remember.

Q. When you asked Jihoon Kim to go check since you weren't getting the information, did he check and send over the information on the transactions that were made? When you say it was solved, who solved it?

A. Jihoon Kim. I made the request through Jihoon Kim, so I don't know who solved it. Jihoon …

Q. Then, someone at Chai must have solved it?

A. Yes.

Q. Once they solved it at Chai, they sent over the information?

A. Yes.

Q. You must have received the information they sent over at the time, right? Then how long was the period that the information you haven't been getting covered? For instance, was it a day's worth of information? Five days' worth? What happened? If, let's say, you haven't been getting information for three days. Then, since the issue was solved after three days of you not getting the information, did they send you over the entire three days' worth of information? Or three days' worth of information… I mean, you would know what happened back then.

-47/97-

A. I don't precisely recall how much, when, for how long, how many days the situation persisted. I simply remember that there was such an event. When that event took place, the data on what happened during the event, for instance, if the event took place over three days, the entire three days' worth of data was sent over to the LP server.

Q. Well, earlier you said that transactions won't be approved and transactions won't happen if there was an issue with the part of the LP server on Chai's end. But now you are saying that you did receive ex-post information on the three days that the issue persisted despite the issue with the part of the LP server on Chai's end, right? That means it wasn't the case that transactions weren't getting approved but they were getting approved despite the issue on Chai's side of the LP server and all transactions happened, but you simply received the information later. I'm asking because this seems like a bit of a contradiction to your testimony earlier. Which one is true?

A. You keep rephrasing the same question. I made the architecture that prepares you for such failure situations.

Q. You made the architecture in preparation for failure situations, but earlier in your testimony, you clearly said …

   A. They are not unrelated; they are not unrelated to one another. I designed this architecture to withstand the issue in case an issue occurred. If this is so difficult, I…

Q. I will change the question once again. You clearly said earlier that if there was an issue with parts of the LP server on Chai's end, transactions on Chai between merchants and Chai's customers won't be approved at all, and transactions won't take place to begin with. Is that right? Was this what you testified earlier?

   A. If there is an issue with the LP server's LP module, meaning the LP module in Chai's API server, then such a situation would arise.

-48/97-

Q. If there is an issue with the LP module, then transactions on Chai would not be approved and won't go through. Is this a correct summary?

   A. Yes, correct.

Q. But in the event you shared with us a short while ago, although you don't remember how long the event lasted, you asked why you weren't getting the information, and it turned out there was an issue on Chai's end. Without your help, however, they solved everything at Chai, and they sent you over the information pertaining to the period during which the failure lasted. This was also your testimony, correct?

   A. Yes, I guess there was no issue with the LP module in that case. The process went through because there was no issue with the LP module of the API server, the LP API server. The data was properly being entered into the LP queue on Chai's side, the WAL. This input means that, in the end, it was ensured that the data will be passed on to the Terra blockchain. So, from Chai API's standpoint, it was successfully done since that was ensured. Now, I don't think there is any contradiction.

Q. If so, are you saying that while you worked there, there was no case where transactions did not go through on Chai due an issue with the LP server's LP module?

   A. I didn't work there at that time. I was working for Terraform Labs Korea, so I don't really know if there were such cases.

Q. If there was such a case and transactions didn't go through at all, at least it would not have been passed on to you or the LP server. You are the chief person for all such matters, the chief…

A. I did not work for Chai Corporation. How would I know? How would I know the daily events when I took no part in them. I remember about the time when I worked there, but I don't recall about the time when I wasn't there.

Q. Item i of number 48. You said it was copied in a multisend method transaction. Well, what is the multisend method?

A. Multisend method, where is this term coming from?

-49/97-

Q. Multisend.

A. In order to transfer crypto tokens from one wallet to another, a transaction called send – just send, not multi – is generally used, and multisend is a function that allows you to arrange multiple sends in a batch so that they can be processed together in a single transaction.

Q. Number 49. From June 2019 to May 12, 2022, Chai transactions appeared on the Terraform blockchain because you "mirrored" or recorded Chai transactions on the blockchain using KRT, correct? You testified earlier that Chai transactions eventually appeared on the Terraform blockchain after a bit of variation. Isn't this because Chai transactions were mirrored or recorded on the blockchain using KRT?

A. As I explained repeatedly, it was not just Chai transactions; inside Chai database, there is a ledger table, and LP is short for Ledger Processing, and the ledger table has a line-by-line data, and these line items are transferred and put into the queue layer, and alternative algorithm mutisends are generated. This is not simple. Rearrangement functionality. In order to optimize and digest transactions, i.e., ledger information as quickly as possible on the blockchain, a special algorithm that I designed was used to turn this information into multisends to transmit KRT transactions, into Terra, multisend Terra transactions, which were then uploaded on the blockchain. As such, there were numerous steps involved, so words like mirroring or copying are not appropriate. The right expression would be that KRT transactions were generated. Transactions on the blockchain.

Judge to the witness

Q. You programmed the LP server to bring Chai transactions, the transactions made on Chai, into the Terraform blockchain.

-50/97-

A. Yes.

Plaintiff's counsel to the witness

Q. You programmed the LP server, correct?

A. Yes.

Q. Using a multisend method to send transactions in a batch instead of sending them one by one - does this mean that you made such an algorithm, multisend transactions?

A. Yes.

Q. Then, when a transaction occurs on Chai Pay and settlement is made, is the settlement made using the blockchain? For example, when people do this with cash or money in a bank account, you said the information gets extracted, and that would be extracted to a blockchain transaction and be uploaded after a bit of variation. The most essential thing here is the transaction being treated as paid, and payment being made. But the LP server was not involved in payment, was it?

A. It is true that it is linked. But, as far as I know, merchants received payments in Korean Won in my view, because I was not asked to develop technology. It is true that I did design the system in a way that it would have been possible.

Q. So the question is, when it comes to a merchant, i.e., the merchant who receives payment in the end for selling its product, the settlement was made regardless of the blockchain from the merchant's perspective, correct?

A. No. They are linked together.

Q. They are linked, meaning….

-51/97-

A. In the same process, just like payment, cancellation and others like top-up, subscription, and so on – this whole process is linked with the LP server across the board.

Judge to the witness

Q. Weren't all merchants settled in Korean Won….

A. In Korean Won, it is true, it is true, but….

Q. Do they receive a converted amount?

A. Yes, yes, I think so. I am not a person in charge of that, but I think so. Yes.

Q. When you designed the program, was there no merchant that selected coins that go into a transaction wallet as their preference and received payments in coins?

A. At that time, it was possible to make that function, but the work, in terms of timing, was deprioritized. I was told that "there is no need to develop it now," so I did not develop it.

Q. So you did not proceed to that point? Even though it was possible to develop the function?

A. No, I did not.

Plaintiff's counsel to the witness

Q. A wallet is needed for the LP server to generate Chai transaction data on the blockchain, correct?

A. Yes. That is correct.

Q. Who controlled the wallets? Who had those wallets?

A. They were in the LP server program database. Who controlled, who controlled, oh, I had access to them.

Q. You had access to the wallets, and did anyone else have access?

-52/97-

A. I had access to the LP server, so I knew that the data of such wallets were stored in the LP server, but I did not exert control over them as in examining them one by one, or trying to manipulate them in any way. That should never be done, because then….

Judge to the witness

Q. That is not what he meant by control. Did you have access, which would allow you to manage the wallets' data?

A. Yes.

Plaintiff's counsel to the witness

Q. In terms of having access, you had access to the LP server and the wallets, and who else?

A. All I did was keep a passcode or access-related information somewhere in case I died or something, but as far as I know, there was nobody who actually accessed it. Only I did.

Judge to the witness

Q. Does it mean that you always had access to the LP server despite the change in your affiliation?

A. Yes.

-53/97-

Plaintiff's counsel to the witness

Q. The LP server ranged over both Chai Corporation and Terraform Labs, and some sort of transactions would have been made there, and money… so, this wallet, what is a wallet? Is it about sending data? Or sending money? Conceptually.

A. If you want access to make cryptocurrency transactions, you need access to the wallets.

Q. So the concept of the wallets is that you need a wallet in relation to blockchain and cryptocurrency, correct?

A. Yes. That is correct.

Q. Only you had access to the wallets, and you continued to have access to the wallets even after you left Chai Corporation and transferred to Terraform Labs. Didn't Chai Corporation have any wallets at all? Can you say that it did not have any wallets or access to the wallets?

A. I think I would have naturally given Daniel Shin or Do Kwon the access if they had asked for it. None of them had.

Q. Then, were Daniel Shin and Do Kwon aware that you were the only one who had access to the wallets?

A. Yes.

Q. Even after you changed your affiliation to Terraform, the access was still in your possession. This should be a fair description.

A. Yes. I had it as an engineer.

Q. You explained earlier that KRT is a crypto token that is pegged to the Korean Won. A crypto token that is connected to the Korean Won.

A. Yes.

-54/97-

Q. You said that once a transaction takes place at Chai, a KRT transaction is generated in the end. KRT is a crypto token. Where was it coming from? Did someone provide it? With regard to the LP server, the crypto token should have come in for the KRT transaction to be made and work somehow, right? Who provided it? Where did it come from?

A. I received it from Chang-joon Han from the Finance Team by asking for it.

Q. Talking about Chang-joon Han, was he working for Terraform after Terraform and Chai split up? Which company was Chang-joon Han affiliated with?

A. I do not know exactly.

Q. How can you not know?

A. I do not know which company he was working for. Well, he and I worked together, so he could have been affiliated with Chai Corporation or somewhere….

Q. You do not know his affiliation? Chang-joon Han's affiliation?

A. No, no. He was the CEO of Earth Electronic Payment, wasn't he? But I do not know whether he was the CEO of Earth Electronic Payment at the time. I really do not know. He might have moved to a different company afterwards like I did. That I do not know.

Q. Because now….

A. Oh, if you are talking about the beginning of the LP server, he was affiliated with Chai Corporation because I asked him.

Q. Chang-joon Han was at Earth Electronic Payment, which later changed its name to Chai Corporation, and his role at Earth Electronic Payment was a CFO based on my understanding. Is this correct?

A. Yes, yes, yes, I think I asked him for it when he was the CFO of Chai Corporation.

Q. You mean, you asked Chang-joon Han, the CFO of Chai Corporation, for the KRT, and he gave it to you.

A. Yes. I got confused going back and forth in time. I will try to stay focused while giving you answers.

-55/97-

Q. You received the KRT from Chang-joon Han and generated KRT transactions using the LP server, correct?

    A. Yes.

Q. Does that mean the KRT eventually came from Chai Corporation….

    A. Yes, Finance. Yes.

Q. You received it from the CFO of Chai Corporation, not Terraform, so you received the KRT from Chai Corporation. Is this a fair way of understanding?
I am asking you item a of number 55. Where did the KRT come from? Was it from Terraform or Chai? Please give a precise answer.

    A. I really do not know where it came from. I made a request to Chang-joon Han and received the KRT in the wallet, the LP wallet. This is all I know.

Q. You asked Chang-joon Han for the KRT upon necessity and received it?

    A. Yes.

Q. To make a payment, to use Chai Pay, using blockchain, cryptocurrency, what should happen is consumers decide to use their blockchain, I mean, cryptocurrency, for a payment when buying goods, and then the merchants receive a payment in cryptocurrency. This is what payment using cryptocurrency should look like. But this KRT did not come from consumers and all of it was just given by Chang-joon Han of whatever his affiliation was, the KRT, Terraform Labs, or Chai, and you just took it to create transactions. Isn't this what you told me? Is this a fair understanding?

    A. No. You cannot put it that way.

Q. Then how should I understand it?

    A. Because, as I explained earlier, there was a KRT top-up function among top-up methods and the function allowed users to top up Chai points using the KRT that they had in their wallet. So this KRT was something that they got from somewhere for themselves. Doesn't this match with what you described?

-56/97-

Q. KRT top-up is charged with cryptocurrency, not with traditional currency or savings or something, and it could somehow be used to purchase goods, and therefore, payment is made using cryptocurrency. For us to look at it this way, well, that is why I asked you earlier what the proportion was, and you answered that you did not know anything about the proportion. How is it possible that you have no knowledge?

A. I do not know the proportion, but I personally used it very much.

Q. Number 58. Was Chai making payments to merchants only in Korean Won?

A. Yes. In Korea Won. I am not a person in charge of that matter, but merchants were paid in Korean Won based on my knowledge.

Q. There was no case where Chai merchants were paid in blockchain, because that was just not made, and settlement was only done in Korean Won, correct?

A. Technology-wise, that was possible. But, as far as I know, merchants were paid in Korean Won. I think they were paid in such a way.

Q. Have Korean regulatory authorities prohibited Chai from using blockchain technology in its payment processing business, its payment business using Chai Pay?

A. No. There was no restriction… well, for one thing, it is not an area that I have accurate knowledge of, but I do not think there was legal prohibition or something like that. I think they were at a stage where they were contemplating what to do.

Q. Number 62. You said earlier that there was no merchant that accepted payment in Terraform assets like KRT, correct?

A. Yes, about what?

Q. You said earlier that there was no merchant that was paid in Terraform assets, cryptocurrency….

A. You mean, about Chai?

Q. Is it correct there was none with regard to Chai Pay?

A. Yes, I think so.

Q. Number 63. Please briefly explain the top-up program. How does it work?

A. Yes. When a user opens the Chai app, they are supposed to select a top-up method, and one of the top-up options they have is Terra. (cont'd)

-57/97-

A. When they choose Terra as their top-up method, Terra Station, a wallet app in their mobile phone, opens, and there, Chai requests for the top-up with the KRT in the wallet. The user receives a pop-up message, asking if they approve, and when the user selects "yes," that is how the Terra Station wallet, as a top-up method, becomes connected with the Chai server. After that, when the user tries to buy something, for example, a product at a merchant, the merchant selects the payment method as Chai, and the user opens the Chai app, the app opens, and the payment approval gets processed there. If the user does not have enough Chai points, meaning, the Chai points they have fall below the due amount, a transaction is generated to transfer the KRT from the user's wallet for the purpose of top-up. When the transaction succeeds, Chai points get topped up and are used for the payment.

Q. Item f. The LP server replicated, or, since you put it differently, generated all Chai transactions, not just transactions using the top-up program, but all transactions to the blockchain, correct?

A. Pardon?

Q. You said that there is a process to change Chai transactions to KRT transactions through the LP server, and that process did not only apply to the generation of transactions using the top-up program, but to the generation of all transactions, including payment made in a traditional way, correct?

A. Yes, yes, they are included.

Q. When did the top-up program start, and when did it end?

A. I think it started around May 2020, and I am not sure when it ended, when it was taken out of the Chai app as a top-up method. I remember that it was taken out at some point, but I do not clearly remember when that was.

Q. To rephrase, you do not know when it ended, but you know that it was introduced around May 2020.

A. Yes.

-58/97-

Q. Who communicated or talked about the LP server? There was you, and who else? Who did you communicate with or talk to about the LP server? Was it Do Kwon….

A. Communicate with and talk to for what purpose, if I may ask?

Q. Are there people that you communicated or discussed with about, say, the existence of the LP server, the making of the LP server, or the detailed operations of the LP server?

A. Do Kwon talked to me about the specs for linking Chai mobile payment service to the Terra blockchain. When it comes to writing code, configuring architecture, setting up components like making the queue layers on both sides, etc., I did that all by myself.

Q. Then, for question number 65, about the people who knew or were aware of the LP server, is it fair to say that it was only one person, just Do Kwon, who knew the detailed content? Would this be your answer?

A. Do you mean, about the LP server itself? Who knew about the link with Terra? Everyone knew that. And, about the existence of the LP server, well, answers may vary depending on the scope. First off, the name of the LP server. It could be that Do Kwon did not know the name because I made that name. I think there were some people who knew that something like that was running somewhere. Like Hyunjoong Alex Kim. Having some knowledge about its existence. But when it comes to how it operated, no one understood no matter how hard I tried to explain, so there was no one I had such conversations with.

Q. Is Alex a different name Hyunjoong Kim uses, or is it a separate name?

A. Alex Kim is the same as Hyunjoong Kim, yes.

Q. Is Hyunjoong Kim the same person as Alex Kim, then?

A. Yes. We just told each other about what we were working on. Just to that level.

Q. I previously asked you about the occasions where the LP server went down. Did the LP server go down multiple times?

A. Yes, yes, as a person in charge of that matter, I remember that there were around five to six instances.

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Q. Number 68 contains items asking about specific time periods. From October 1 to 4, 2021, there were no Chai transactions recorded on the Terra blockchain, correct?

A. I remember that there were such instances, but I do not clearly remember the exact time or date or something like that. Sometimes such events lasted very short, sometimes long. That I remember.

Q. You remember that there were several time periods, but not the exact dates?

    A. Yes, yes.

Q. Moving on to item f, there are a total of 26 days between October 2021 and May 12, 2022 with no transactions from Chai recorded on the blockchain. Is this correct?

    A. In total, I think it could be around that number, though it seems a bit long, fair enough.

Judge to the witness

Q. Do you remember the number of events?

    A. I think about five or six times.

Plaintiff's counsel to the witness

Q. Is it correct that Chai had over 1 million users at that time?

    A. When are you talking about?

Q. Chai Pay….

    A. I remember passing the 1 million mark, but not sure when that was, but yes, for now, yes.

Q. Regardless of when it hit the 1 million mark, at a certain point in time, Chai had over 1 million users and up to 142 merchants. Roughly, is this correct?

    A. I think it is correct, roughly.

Q. For 26 days, not a single transaction was recorded on the Terra blockchain. For as long as 26 days. Is this also correct, then? I mean, one or two people….

<div align="center">-60/97-</div>

    A. I did not do the math myself. I do not know who did the calculation, but if the calculation is correct, then I guess I…. I did not calculate it myself, so, for now, yes.

Judge to the witness

Q. Despite having over 1 million users and 142 merchants, there were time periods where there were no transactions. How come?

A. I think you are saying that there are 26 days, or around that number of days, where Terra transactions did not occur. The reasons why and the process of how such situations came to be could vary widely, and some of them I remember clearly, some others less so, but let me just share with you what is clear. In the Terra blockchain, there were names of the mainnet, ranging from Columbus 2 to Columbus 5. When the name subsequently changed from 2 to 3, to 4, and to 5, the blockchain temporarily stopped operating, and took some time to re-operate. When going from Columbus 2 to 3, the blockchain's implementation approach changed a bit, so the existing Terra user wallets, the wallets linked to the users, somehow, had to be modified, I mean, cleaned, which took a very long time. So, it was between Columbus 2 and 3 that re-operation, I mean, the blockchain was actually up and running, but it took a long time to sort out, tidy up the content. Later, as for 3, 4, and 5, similar context came into play, causing Terra Chai payment ledger data not to be delivered to the Terra blockchain in real time, I think. Context-wise.

Q. Did transactions occur during these time periods?

A. Chai transactions? Yes, yes, Chai transactions occurred as long as the LP module worked.

Q. And the data of those transactions were later transferred to Terraform?

A. Yes, yes, correct.

-61/97-

Q. How were the transactions that occurred during those time periods sent to Terraform later?

A. Among what I said earlier, there is the LP queue on the Chai side, which plays the WAL function. They get stored there first, and the LP server receives such data as long as the LP server is in operation. I mean, the blockchain may have stopped operating, but that does not mean that the LP server stopped operating. So, the LP server receives such data in real time; and there is this queue layer inside the LP server, which ensures that the data is stored and not lost when the blockchain faces problems; and the data gets stored there. And then, when the blockchain re-operates, the process resumes: the data gets converted to multisend and gets uploaded.

Q. There was a process to do such system processing?

A. Yes, yes, from that point of view.

Defendant's counsel to the witness

Q. Number 1. William Chen, he was mentioned in the direct examination earlier, was he involved in the operation of Chai's payment application? For example, in terms of engineering or coding. William Chen.

    A. Chai's….

Q. Involved in its operation?

    A. He was not involved with Chai at all.

Q. Number 2. Did William Chen and Aaron Myung work on matters related to the LP server?

    A. I do not know who Aaron Myung is. And William Chen was not involved at all.

Q. You said this many times during the direct examination, where or who did Chai depend on when it comes to handling all blockchain-related processes in connection with its payment application? Did Chai handle this internally on its own? Or did it depend on some external person or entity?

<div align="center">-62/97-</div>

    A. Are you talking about Chai? The LP server, ah, Gaza Labs had the authority to manage the LP server operation, and part of the LP server was managed by Chai.

Q. Then, please confirm if our understanding is correct. I'll ask you a follow-up question. Did Chai depend on or cooperate with Gaza Labs or Terraform Labs for blockchain-related processes?

    A. Yes. Precisely speaking, Gaza Labs did so upon receiving a request for technical support from Terraform, but when I first did the development, linkage with Terra had to be done by Chai, so I wrote the code for the LP server as part of that entity… What was the last question?

Q. The gist of the question is: did the legal entity called Chai handle all blockchain-related processes on its own, or did it receive cooperation or depend on others, whether it be Gaza or Terraform?

    A. Yes, it cooperated. Divided work….

Q. They divided the work?

    A. Yeah, yeah, yeah.

Q. Number 5. Chai Pay business launched in the first half of 2019, while the two entities, Chai and Terraform Labs, split up, so to speak, in the first half of 2020, correct?

   A. Yes, correct.

Q. Number 6. Before the split in 2020, the Chai Pay business had already launched and was operating successfully for a substantial amount of time, correct?

   A. Yes, correct.

Q. This was covered in the direct examination, if Korea's legislation or regulation at the time prohibited such business, it would not have been possible for Terra and Chai to launch and operate the business without any problem for a substantial amount of time, correct?

   A. Yes. If there were legal issues, it would not have been possible, naturally.

Q. Number 7, are you familiar with Project Santa? Have you heard of it?

-63/97-

   A. Yes, I have.

Q. Please briefly explain it. Project Santa.

   A. Based on my recollection, Project Santa was a project where Terra delegators, I mean, LUNA delegators, in fact, the LUNA delegators in the Terra network, the people who delegated their LUNA tokens to validators received some LUNA – I think it was LUNA – via something like AirDrop.

Q. So, it was sort of a project to offer incentives to LUNA holders to participate as validators at an early stage of the Terra project. Is this understanding correct?

   A. Yes, yes, yes. I think so.

Q. So Project Santa is unrelated to the generation of Chai transactions, i.e., transactions that occur on the Chai app?

   A. Yes. Completely, that is….

Q. Separate, correct?

   A. Yes.

(Presents Exhibit A [TFL_SEC_00223877 - GitHub email with Hanju Kim re: Chai API function call to check LP server queue])

Q. This is an email retrieved from Terraform. Have you seen this email?

    A. Yes, yes, yes, I have seen it.

Q. When you were working for Chai and Terraform Labs, did you sometimes receive emails like this one?

    A. Yes, I received emails of this kind.

Q. If you look at the subject line, it says 'chai-finance/api-server.' What does this mean?

    A. 'chai-finance' in the front is like a handle in GitHub, a service where you manage the source. So it refers to the name of the organization in a way. And the following 'api-server' means the API server project of chai-finance.

Q. This kind of email, you should know this well because you are an engineer, is sent to you and other people when there is a commit, or a pull request, or a comment, or a change related to code in the storage, the storage like the API server, correct?

<p style="text-align:center">-64/97-</p>

    A. Yes, correct.

Q. What is shown here, what is shown in this email contains an accurate explanation of a comment, or a change, or a commit that is made to Chai's source code. Can we view it this way?

    A. Yes.

Q. This is an email sent and received among the relevant people at the time, so it naturally contains an accurate account, correct?

    A. Yes.

Q. Paragraph e, was the code for the LP server that was used in connection with Chai's payment business published and managed on GitHub?

    A. Yes, correct.

Q. There was a storage called 'lp-server' in Terra GitHub. Do you know this?

A. Yes

Q. The LP server.

A. Yes, yes, there was the LP server.

Q. Is that storage where the code and updates for the LP server were stored? LP server….

A. Yes, correct.

Q. The source code in the 'lp-server' storage in Terra GitHub, which I mentioned just now, is what is used to operate the LP server, correct?

A. Yes, correct.

Q. And these emails that you see now, these emails also seem to discuss proposals to change a function of the source code. Is this correct?

-65/97-

A. Yes, correct. But this one is not about the LP server storage, but the API server.

Q. At the top of this email, there is a part written in blue, highlighted in yellow now. The part in blue, at the top, reads 'src/lib/payment/confirm.ts.' And on the bottom there is something similar in blue, which reads 'src/user/registration.ts.' For both parts, the content that comes afterwards is about the updates related to the API code in the Chai payment app, correct?

A. Yes, correct.

Q. Looking at this email now, you naturally know this.

A. Yes, yes.

Q. If you look at this part, you'd know this well because you are an engineer, if you look at this part highlighted in yellow, it reads 'lp.claimDON.' What does this mean? Please explain in layman's terms so general listeners can understand, the lp.claimDON.

A. I think it would be better to start explaining from the top. If you look at the first line, there is a function defined as processConfirm. It says function, so it is a function. When this processConfirm function is called, by the way, not all content pertinent to this function is in the bottom part, but the content above is excluded. And in the bottom part, there is 'lp.claimDON.' LP here means the LP module in the API server that I mentioned earlier. This again calls a function defined as claimDON in the LP module. So, consecutive calling of the functions happens. When the claimDON function is called, the following

items such as 'payment.user.id,' 'merchant.id,' and 'billingAmount' go into the LP queue layer, the one that I said plays the role of WAL.

Q. Paragraph b. When Chai app's API executes this lp.claimDON function, the inputs necessary for the user's transaction such as "amount," "from," and "to" are put into the endpoint on the LP server side. Is this correct?

    A. Yes, correct. They go into the queue for standby.

Q. Such input process happens on Chai application correct? At least, up to this point.

<center>-66/97-</center>

    A. Yes, correct.

Q. Therefore, when the user makes a payment, or conducts a transaction, or does the top-up, which you mentioned, using the Chai app, Chai app's API sends over the data needed to conduct a blockchain transaction in the equivalent amount to the endpoint on the LP server side.

    A. Yes, correct.

Q. Paragraph e. What has been explained so far is only a rough overview, but this process kicks in every time transactions occur on the Chai app. This kind of process. Is this correct?

    A. Yes.

Q. Without such input from the Chai app, the LP server is unable to execute a blockchain transaction that is equivalent to the transaction on the Chai app, correct?

    A. Yes.

Q. Such data, like you said earlier?

    A. Yes, it is unable to do so.

Q. That is what you said continuously in the direct examination correct?

    A. Yes, correct.

Q. Paragraph g. When a customer uses the Chai app to purchase something from a merchant, the customer uses the Chai app. In a normal condition, the LP server executes a corresponding blockchain transaction within a few seconds, right? In a normal condition without any failure?

A. Yes, yes, correct.

(Presents Exhibit A)

Q. According to the code related to the blue 'src/lib/payment/confirm.ts' part, Chai API had a function to put the Chai app payment on hold without granting approval until the data for the blockchain transaction equivalent to the Chai app payment were put into the queue layer of the LP server, correct?

A. Yes, correct.

-67/97-

Q. That is what you tried to explain earlier as shown in 'await lp.claimDON' on the bottom.

A. Yes, yes.

Q. Paragraph i. This function was put in place to ensure that when a transaction is made on the Chai app, a corresponding blockchain transaction goes into the queue layer of the LP server without fail, correct?

A. Yes.

Q. This is what you explained earlier, correct?

A. Yes, it is the same.

Q. To sum up, this is paragraph j, the reason where a Chai app transaction would not be approved until the corresponding blockchain transaction information is properly added to the LP Server queue was to ensure that a corresponding blockchain transaction always takes place for each Chai app transaction, correct?

A. Yes, correct.

Q. Number 10, you have given us a quick explanation so far, and what you told us happens only when a Chai customer makes a transaction on the Chai app, correct? It would not just randomly happen if there were no transaction.

A. Yes, correct.

Q. In other words, to look at the same thing from a different perspective, what is shown on Exhibit A demonstrates that the LP server is actually used when Chai's API processes a transaction.

A. Yes.

Q. The fact that it is used, the Chai API is Chai's process of processing its transactions on the Chai app… let me start over. All those things are contained in Chai's API, and this Chai API is an integral part of Chai's process of processing its transactions on the Chai app, correct?

-68/97-

A. Yes. They are included in the whole process.

Q. If you have a look at Exhibit A, underneath the writing in blue, there is a part that says something like 'src/user/registration.ts.' What is this? It seems to be about the wallet. What is this about?

A. This is the source code in Chai's path_name, like, so, this is a function that is called when a user subscribes to the Chai app.

Q. It is a code that is called when a new user subscribes to the Chai app, you mean?

A. Yes.

Q. When there is a new Chai user, does the LP server create a Terra wallet for that new Chai user on the blockchain?

A. Yes. It calls a certain LP-related module ClaimDON function to launch, open, launch a Terra wallet connected to the Chai user on the blockchain.

Q. Is the ultimate function or the purpose of that function to create a Terra wallet for the user on the blockchain when there is a new Chai user?

A. Yes.

Q. After the user's wallet is created, the wallet remains connected to the user's Chai account, correct?

A. Yes, correct.

(Presents Exhibit C)

Q. Do you remember this? This is a conversation that took place on a messenger called Slack.

A. October 9, 2020, so that was when I worked for Chai, no, Terraform Labs Korea….

Q. It is a conversation between you and someone called Etienne….

A. Yes, yes, I remember what the conversation was about to a certain extent.

Q. Please roughly explain what the context or background was behind this conversation based on your recollection.

-69/97-

A. Yes. Around this time I think there was a situation where the LP server operation, or KRT, I mean, the KRT transactions that correspond with Chai transactions, due to Chai, did not occur. In other words, a situation that was described as "down." If you look at the first line, Paul Kim is myself. 'lp-watcher' is a project that plays the role of, in case there is an incident like this one, giving you an alert, indicating that "KRT transaction is not working, so you should look into this." It is a project like that.

Q. Notifying that a problem occurred?

A. Yes, yes, yes, that was the background to this conversation.

Q. Paragraph b. If you look at the yellow-highlighted part in the middle starting with "In short," you wrote that the LP server "basically replicates chai transactions." What did you mean by this? There were a lot of discussions on this point earlier, so, to sort things out, could you please explain what you meant by 'replicating' from your point of view?

A. Yes. At first, I tried to explain, but as Etienne is also a DevOps engineer, I wanted to quickly move to a conversation as engineers, a casual explanation. There is a database term called database replication. Etienne is a DevOps engineer, so, of course, he has a certain level of knowledge about the database, and the purpose of database replication is to enhance the stability of certain data, as well as failure response, coordination in the face of failure, and data accessibility, and things like that. Storing the data in multiple databases for such purposes is described as replicating. This is the intent behind what I said there.

Q. From an engineer's point of view, does the word "replicate" have a different meaning from "copy" in layman's terms?

A. Yes. From an engineering standpoint, the word would not be understood as simple duplicating or copying. The word would be understood to entail the purpose of enhancing stability, coordination in the face of failure, and accessibility.

-70/97-

Q. Paragraph c. Were the blockchain transactions that were generated in accordance with the Chai transactions real transactions? Or were they a mere copy of the records?

A. They were real KRT transactions, and not a mere copy.

Q. In that case, is it true that certain value, value was transferred between the user's wallet and the merchant's wallet, in other words, an account of some sort?

A. Yes. They are transfer records of KRT token stablecoins.

Q. Is it correct that, using blockchain technology, an accurate ledger about various information, such as buy, discount, refund, reward, and merchant payment, was gained from Chai?

A. Yes, from Chai. From Chai.

Q. Thanks to, by using such blockchain technology?

A. Yes, yes, yes, it is correct that it was used.

Q. Looking at this conversation once again, Etienne goes, "So basically Chai was still working, but no transactions on the blockchain so no rewards." The part that starts with "So basically chai was still working." He says this and you answer "Correct." What was your understanding of his statement that basically Chai was still working, but there were no rewards because there were no transactions on the blockchain? How shall we understand this statement?

A. When the LP server stops, KRT transactions are not uploaded to the blockchain. There is no problem on the Chai side, but there would be no transactions because of a problem of stoppage on this side. As a result, the gas fee for the LUNA Stakers is not distributed. This is how you can understand the statement.

Q. There is no problem with Chai transactions, but when the blockchain transactions are suspended, the resulting gas fee is not generated, and therefore, there are no rewards. Is this the correct way to understand this?

-71/97-

A. Yes, yes. There is an omitted part after "no rewards," which is "to the delegators." So, no rewards to the LUNA delegators.

Q. Paragraph g. So, according to your explanation, if the Terra blockchain is down, or the LP server is down and not in operation, during that time, the rewards, as Etienne put it, are not generated as Etienne mentioned. Correct?

A. Yes. During that.

Q. During that time?

A. Yes, yes.

Q. Paragraph h. If you look at the line below, you said "we have two queue layer in both chai and terra." What does this mean?

A. I think I explained this earlier, queues were made on both sides to make sure that, even when failure or something happens, the content does not get lost and Terra transactions, the Terra transactions that correspond with the Chai ledger information are generated later, in case a long time elapsed. There was something that played this role.

Q. That means there were queue layers on both sides.

A. Yes.

Q. Paragraph i. Then, Chai's internal ledger and the transaction and settlement information on the Terra blockchain are the same, correct? Because there are queue layers, and all information gets matched?

A. It is true that the corresponding ledger has the same amount and other information, though the format is different.

Q. This is blockchain, and that is not blockchain, so the format is different, but the necessary information contained in the two is the same, correct?

A. Yes, yes, yes.

Q. You used the word "mirror" here to mean that the transaction and settlement information in both Chai and Terra is identical. Is this a correct understanding of the meaning?

-72/97-

A. No, this is what Etienne said to explain how he understood it. Of course, internally, mirroring, I mean, it is too difficult for me to explain this, so these kinds of words…. Some people said mirroring, and some people, I do not know how they said it, but I think Etienne here seems to be saying this to mean that.

Q. So you are saying you used the word "mirror" to explain the concept easily, for the benefit of the other?

A. Yes. Between him and I, because I explained briefly, he goes "Ahhh yes okay," and continues, right? He wanted to check with me if his understanding was correct.

Q. Understood. Paragraph j, let me ask you this to sort things out because there was a lot of complex back and forth during the direct examination. If the Terra blockchain went down, or the LP server did not operate, the rewards resulting from the transactions may not have been generated during that time, correct?

    A. Correct.

Q. Because during that time, blockchain transactions were not generated, correct?

    A. Yes.

Q. Number 13. I have some questions about the multisend method. You explained this earlier, but to get things straight. I will skip number 13 itself, and start from the second paragraph. At that time, recording transactions on the blockchain took a significant amount of time in general, so, from a practical standpoint, there were many difficulties in applying it directly to the payment business. Is this correct?

    A. Yes, that is accurate.

Q. For other blockchains except Terra?

    A. Yes.

Q. However, at that time, Terraform developed and applied advanced technologies like multisend to overcome such difficulties. Is this correct?

    A. Yes, correct.

<div align="center">-73/97-</div>

Q. Please briefly explain, to sum up, how multisend overcame such time limitations and why this was such advanced. In other words, tell us this is what multisend does.

    A. Because, KRT transactions among multiple wallets are handled together in a single transaction, well, originally, when a transfer happens on a general blockchain, a single transaction includes a single transfer. But when you use this multisend function, multiple transfer functions can be performed in one transaction.

Q. They are performed in a batch, so speed goes up?

    A. Yes.

Q. The multisend technology was developed and applied to replicate transaction data in real time with an aim to, not just merely 'copy' Chai transaction data, but generate and execute

actual blockchain transactions corresponding to Chai transactions on the Terra blockchain. This seemed to be your intent, is this correct? In other words, 'Why would we have done this in such a complicated way if we just wanted simple copying? We did it in a complicated way in order to accurately replicate the transaction data in real time.' Would that be an accurate understanding of your point?

A. For one thing, here, the word "replication" is a database term. And, in the actual backend logic, as you said, the algorithms, or the queues or such complicated set-up were implemented to use the multisend method.

Q. So you mean all of this was not needed if you were just simply copying Chai transaction data?

A. Correct, if it was just simple copying, well, then.

Q. When transaction data is replicated, so to speak, let me drop the word mirrored here, replicated on the blockchain, the intrinsic characteristics of blockchain technology arise, i.e., the data remains on the blockchain permanently and people who participate in the blockchain can check and verify its accuracy. Is this correct?

A. Yes, that is a general understanding.

Q. This is another slightly general one. The applications that are based on the blockchain in general, not Terra. (cont'd)

-74/97-

Q. They sometimes use a centralized database to quickly process a huge amount of transactions before executing the transactions on the blockchain, correct?

A. Yes, correct. For example, precisely, exchanges, exchanges also do that.

Q. By exchanges, do you mean a securities exchange?

A. No, a cryptocurrency exchange.

Q. Chai also used such a middle stage, or an intermediary stage to record the transactions in fiat currency between the customers and the merchants, correct?

A. Yes.

Q. Number 17, but, on the other hand, Chai also had another goal, which is to build a system where stablecoins can be used in transactions without customers necessarily having to know the complex process, right?

A. Yes, it did.

(Presents Exhibit Dl & D2)

Q. Number 18. Let me show you Exhibit D. D1 is an original Korean version, so I think you can have a look at D1. If you look at it from the middle, there is a conversation between you and Do Kwon. Slightly below the middle to the next page. And you can see it on the screen from the bottom part of the second page. Is this a conversation between you and Do Kwon, dated December 11, 2019?

A. Yes, correct.

Q. At the lower part of the page, Do Kwon asked you "After 14 days, the coins automatically return to the lp server, right?" Was he referring to KRT here?

A. Yes.

Q. Here, Do Kwon was referring to the KRT that moved from the merchant's wallet on the Terra network to the LP server wallet, correct?

A. Yes, correct.

Q. Item d. And 14 days that Do Kwon mentioned here was a typical settlement period of Chai merchants, correct?

-75/97-

A. It was a settlement cycle.

Q. To put them all together, was Do Kwon asking here what the LP server did with KRT once the merchant received a payment? Is that what he was asking?

A. A lot of the context is omitted here. What he wanted to know was what happens to the KRT in the merchant's corresponding Terra wallet when the merchant receives a payment after 14 days.

Q. He was asking about what happens to the KRT in the merchant's wallet.

A. Yes.

Q. Item f. There, you answered, "It's not automatic, it's manual. Chai is doing it that way as of now. Because the lp server specification is actually implemented identically to chai," and Do Kwon asked, "Oh, then the finance team has to manually withdraw everything and move it again

to the lp server? It seems a bit tight (lol)." To this question, you answered, "No, that's not it, you have to press the button in the admin already, and the processing happens together at that time... It's just pressing a button haha. Each store is already doing it."

    A. Yes.

Q. Let me ask you step by step. After the merchant makes a transaction with a customer, 14 days is a settlement cycle, as you said earlier. At the end of the settlement cycle, when the merchant gets paid, a Chai employee should press something like a button in Chai's internal program. Did I understand this correctly?

    A. Yes, a responsible Chai employee in the Finance Team should press the button. Timing-wise, that person presses the button when they complete the settlement process.

Q. Pressing the button in Chai's internal management system, correct?

    A. Yes.

Q. Once the payment is made to the merchant on the Chai system, accordingly, a blockchain transaction takes place where the corresponding amount of KRT in the merchant's wallet moves to the LP server wallet, correct?

-76/97-

    A. Yes.

Q. Number 19, skipping the part above. Moving on to a different topic. No exhibit is needed. In Terra, other than the KRT, there was a different stablecoin, called MNT, which was linked to Mongolia's fiat currency, the Mongolian Tugrik. Is this correct?

    A. Yes, correct.

Q. KRT is pegged to the Korean Won, and MNT to the Mongolian currency.

    A. Yes, the Mongolian Tugrik.

Q. This MNT was used in a payment application called Memepay. Were you aware of this?

    A. I was not the person in charge of the matter, but I was asked to provide technical advice, so I was aware of the existence of that project.

Q. Since you were aware, I have one last question for you. I heard that there were merchants who were paid in MNT, the cryptocurrency, in Memepay. For example, taxi fare could be paid in MNT. Have you heard about that?

A. Yes, I have heard stories that that works there.

Q. I have one more follow-up question. You testified during the direct examination that, technology-wise, it was possible to pay merchants directly in KRT in Korea as well, even though it was not done in practice. Correct?

A. That was what was envisioned from the start of Chai's design, and I designed and built everything with that vision in mind.

Q. Understood. Number 20, I'd like to ask you about the top-up. Chai users were able to convert the KRT they had to Chai money (points) using the KRT top-up program, correct?

A. Yes, correct.

Q. In that case, KRT is converted to Chai money, and Chai money is used for a transaction, so, in the end, it could be said that one could make a Chai transaction, purchasing goods, etc., using the KRT. Is this understanding correct?

-77/97-

A. Yes, it is.

Q. When you said you used the KRT top-up very much, you meant you did this, correct?

A. Yes. Because I used it, too.

Q. Number 21. Chai must have calculated and recorded the KRT amount that the customers paid to charge, i.e., top up their Chai money, correct?

A. Yes, I think it did.

Q. When the KRT was used to top up Chai money, naturally, a corresponding transaction would have occurred on the Terra blockchain. Was this the case?

A. Yes, it was.

Q. And Terraform Labs and Chai are the companies that are related to this work, so Terraform Labs and Chai must have shared, given and received, the data resulting from such top-up transactions on a regular basis, correct?

A. What was going on beyond my knowledge… Since I am an engineer. But I think I was able to expect that such work existed.

Q. Number 22. Your testimony earlier was left a bit unorganized because of complexity, so I'd like to ask you this question to clarify. Please listen. Plaintiff's counsel argued earlier that 'there were at least five instances between October 2021 and March 2022 when no transactions occurred on the Terraform blockchain, but it would not have been possible for the Chai application to have been non-functional during those periods.' Please briefly explain to us once again how Chai transactions could still be processed even when the blockchain did not operate.

   A. Many safety measures, such as the queue layer and dispatcher, were added so that the whole process, the whole system would work, and not collapse even during such instances.

Q. That is why it was still possible?

   A. Yes, that is how.

(Presents Exhibit E)

-78/97-

Q. Number 23. Exhibit E. This is an article published on June 11, 2019, on Terraform's official Medium page. Have you seen this kind of material often? What is Medium?

   A. I think this Medium service was used to upload news on the internet for public viewing. It is something like a blog.

Q. If you look at this exhibit at the upper part of the second page. The upper paragraph on the second page. Do Kwon explains, "As a first step of this partnership, Terra and Chai will work together to find ways to utilize Terra's blockchain technology. Chai provides the infrastructure of a payment gateway, offering both secure, reliable, and fraud-resistant transactions and convenient settlement with merchants in fiat. And by offering Terra's blockchain technology through Chai, we will rebuild the payments stack on the blockchain to simplify the legacy payment system and provide transaction fees at a discounted rate to merchants." Correct?

   A. Yes, I think so.

Q. The sentences you read, I read to you, do they accurately represent the relationship or business of Chai and Terraform Labs in your view, or do they differ from reality?

   A. They are accurate.

Q. The exhibit in front of you does not include Do Kwon or Terra saying 'Terra cryptocurrency is directly used as a payment method,' correct? If you look at the exhibit.

   A. Correct.

Q. It just says the blockchain technology is utilized, correct?

A. Yes.

Q. Item d. It only says 'Terra's blockchain technology is utilized for a payment service,' and it is 100% true that Chai and Terra utilized Terra's blockchain technology for a payment service at that time, correct?

A. Yes.

-79/97-

Q. Item e. Is it correct to understand that Chai and Terraform Labs divided work in the following way: Chai provided the traditional infrastructure of a payment gateway, and Terraform Labs provided the blockchain infrastructure?

A. Yes, correct.

Q. When did this division of work start? Roughly, in terms of timeline?

A. From the beginning.

Q. From the beginning of the Chai Pay business?

A. Yes.

Q. To sum up, Chai utilized the blockchain technology to process and settle transactions through partnership with Terraform Labs. Is this understanding correct?

A. Yes, correct.

Q. Number 24. I will just read the material without showing you, so please listen carefully. This is from an article published on the same Medium page about 10 days later. On June 21, 2019, Terraform Labs uploaded an article on the Medium page, and explained, "Simply put, Chai operates on the Terra Columbus mainnet, recording transactions and managing account balances. It is integrated with most of major domestic banks, enabling checkout with just a few clicks without having to manage wallet addresses, QR codes, personal keys, etc., which is an intrinsic characteristic of a blockchain service. Chai consolidates all user purchase behaviors in a unit of 10 to 15 seconds in a batch and submits the batch transactions to the Columbus blockchain. For each batch transaction, it pays a certain percentage of stability fee and awards block rewards to network stakeholders. Over the past 2 days, approximately 26k batch transactions have been conducted with Chai." Have you heard about this explanation or seen this article?

A. No. I did not read the article thoroughly. But, what you said just now did not sound self-contradictory.

Q. You do not remember the material, but from your point of view, is what I explained just now in line with what Terraform Labs explained back then? Is it different from reality?

-80/97-

A. What you said is in line with reality.

Q. What I told you is all correct?

A. Yes.

Q. I will skip the next paragraph. All the blockchain transactions corresponding to Chai transactions that were conducted on the Terra network were real transactions, correct?

A. Yes, they were real transactions.

Q. And this was briefly mentioned earlier, but blockchain wallet addresses, QR codes, personal keys, etc. were all created and managed on the backend, so users did not need to manage them separately, correct?

A. Yes, correct.

Q. In fact, customers do not need to know those things, do they?

A. If they knew, it would not be a mobile payment service.

Q. If the customers knew every single thing and managed them, then it would not be called a mobile payment service.

A. Correct.

Q. Was this the same for the merchant wallets?

A. Yes.

(Presents Exhibit F (2020.3.18., Agora proposal about Chai seigniorage allocation))

Q. Number 25. We have a new material, Exhibit F. This is a one-page document about seigniorage, marked F1. Please have a look. Do you remember this seigniorage funding proposal?

A. Yes, I do.

Q. This is a proposal that was proposed, voted, and approved by the people with voting rights on the Terra network, correct?

A. Yes. All delegators had voting rights.

Q. Delegators had voting rights, and was this proposal something that was proposed, voted, and approved by them?

-81/97-

A. Yes.

Q. This proposal, in summary, was to pay back the seigniorage that was created by the transactions on the Terra network to Chai, correct?

A. Yes, I remember this. It is correct.

Q. This is to pay back to Chai, so, did Chai receive funding based on this proposal? Some sort of payback?

A. If you look at the timeline at the bottom, this was submitted on March 18, and passed on April 1, so I think the funding was given.

Q. Are you saying that the proposal would have been implemented accordingly?

A. Yes.

Q. Since you seem to have some knowledge on this, let me ask you. It is said that this payback, the fund was used to offer discounts to customers to incentivize them to use Chai. Are you aware of this?

A. I do not know how it was used.

Q. Then, let me ask you this way although this may sound abstract. It is said that the consumers who purchased goods using Chai were offered discounts due to the Terra blockchain. Is this accurate, or are you not familiar with this topic?

A. As a person who worked on both sides, that is how I understood things worked.

Q. You do not know the details, but in light of your experience of working in both companies, that seemed to be the case.

A. Yes.

Q. One more follow-up question on the exhibit. If you look at the description part of the seigniorage proposal, it says in the parentheses 3 and 4 that the seigniorage is allocated to Chai and used as a budget for discounts, and therefore, consumers benefit from it. Are you saying that the proposal was made and executed according to this description in your view?

A. Yes, I am.

-82/97-

(Presents Exhibit G (Twitter contest tweet))

Q. Number 26. This is the next material. Exhibit G, in Korean. Please have a look at the following pages, too. About 2 to 3 pages would be enough. Paragraph a. Do Kwon ran a kind of a contest for Chai users to find the merchant wallet addresses. Are you aware of this?

A. Yes, I am aware of this event. I see 10. 2020.

Q. How did you come to know about this?

A. I heard about it from someone else that Do Kwon is doing something like that there.

Q. Did you hear about this at that time?

A. Yes.

Q. The process was making a purchase on the Chai app, finding the purchase history on the Terra blockchain, and matching the two to identify which wallet address belonged to which merchant. Is this technically possible?

A. Yes. Because, technically speaking, there is a KRT transaction that corresponds with a Chai transaction. Imagine that you paid a certain amount, say, 1,560 Korean Won at a CU convenience store or something. After that payment, if you go to the Terra blockchain and keep on searching, there should be 1,560 Korean Won somewhere, right? You check if that is matching, and make another payment. This time, 1,600 Korean Won. Then, there should be 1,600 Korean Won after 1,560 Korean Won. This way, you can find out your wallet address. This is the case technically.

Q. Based on your knowledge about how Chai and Terra blockchain worked, the users at the time must have been able to accurately identify the merchant, correct? If they worked hard on it?

A. Yes, once you find out your wallet address, you know that this address is connected to a Chai account. After that, if you try making a payment at different merchants, let's say, first at Yanolja, and then at TMON, and then at Bungae Jangter, there should be matching amounts, right? That way, you can look up which merchant wallet the KRT is transferred to. This is how you can find out.

-83/97-

Q. When a customer makes a purchase on the Chai app, how fast does the LP server generate and conduct a transaction on the blockchain in general?

A. Normally 3 seconds, and up to around 10 seconds when it is slow.

Q. But, of course, the merchant does not get paid right away, correct? The merchants would not be paid in 3 seconds or 10 seconds.

A. No, because there is a settlement cycle. Not right away.

Q. The settlement cycle is typically 14 days after the purchase. Ever since Chai opened, there were continuous transactions, so, as a result, this kind of settlement of transaction amount must have happened every day between the merchants and Chai, correct?

A. Yes. It must have started 14 days after the launch. Yes, correct.

Q. This is it for that question. Moving on to number 27. There is this thing called CHAISCAN, and the transactions marked on CHAISCAN are also real transactions on the blockchain, correct?

A. Yes.

(Presents Exhibit H1 (SEC Ex 255A - Korean) and H2 [SEC Ex 255B (English)])

Q. Number 28. Let me show you Exhibit H. This seems to be a thread of Slack messages in Korean. This is also sent by you. Please see the last page where you talk about putting money back into the merchant wallet in reverse.

A. Yes, I have seen it.

Q. In the conversation dated April 21, 2020, you said "It might be better to just put money back into the merchant wallet in reverse," and also said, "If the merchant's balance becomes zero, there's an issue where cancellations become impossible." Were you saying that there is an issue with a blockchain transaction not being executed if a transaction is canceled on Chai, so, taking a certain approach might be better to resolve the issue? Trying to find a solution?

A. Yes, correct.

Q. Could you please briefly explain the context?

-84/97-

A. I think this conversation started probably because there was an issue of the LP server going down. So, if you look at the top, I sent a link to Yun, since Yun was a blockchain technology expert and was in charge of maintenance and repair, and we discussed how to solve the issue. The issue occurred, I said things like, 'there seemed to be something strange with a wallet,' 'maybe not a user wallet,' 'investigating'… And from 7:48, I did some research, and I said that 'this might be a negative transaction case,' and added that 'travel agencies like Tourvis have certain days where settlements become negative.' Let me explain. The settlement cycle is 14 days, but sometimes, cancellation is made after the settlement cycle. This was during the pandemic. During the pandemic. This Tourvis that I mentioned is a travel agency, and they sell flight tickets and stuff like that, and people tend to make payments one or two months prior when they travel. Because of Covid-19, however, there was sudden mass cancellations, say, two months after the payment. As a result, the amount to be settled for TOURVIS on Chai's ledger became negative. You can understand this, right? But it is not technically possible to make a negative ledger on the Terra blockchain. So we went 'how should we deal with this,' 'it is not possible to put a negative value on the blockchain, so maybe, for now, putting the KRT in the merchant wallet first and sending a recall sign afterwards might be an option. And the conversation finished with an open ending saying that 'it might be better.'

Q. Understood. Paragraph c. Even though there was a technical difficulty issue with making a transaction on the blockchain, the transactions, system-wise, had to be made through the blockchain at that time, and that is why you had this kind of discussion to solve the issue, correct? In the end?

A. Yes, correct.

Q. This issue occurred precisely because the blockchain transactions were closely linked with how transactions flowed on the Chai side, didn't it?

A. Yes, it did.

(Presents Exhibit I (SEC Ex. 252) Slack records as of September 22, 2020)

-85/97-

Q. Number 29. Exhibit I. This is also a one-page document in English. According to this document, you and Nicolas Andreoulis discussed if you had "a list of all the wallets associated

with Chai (including merchants and customers)." At that time, there actually were Terra wallets that were associated with Chai merchants and customers, correct?

    A. Yes.

Q. This could be checked through the blockchain as well, correct?

    A. Yes.

Judge to the witness

Q. It may have been very difficult for you to come here today to testify as a witness. It may not have been an easy decision to make. How did you decide to take the stand?

    A. I have been constantly contacted by people around me about what on earth the LP server is, and this matter seemed to be a key issue in dispute. As a person who is involved in a related case and was working on this matter in the company, I felt obligated to explain this. That is why I decided to testify.

Q. What you have testified so far is all based on facts according to your experience and recollection, correct?

    A. Yes, that is correct.

Q. Are you currently involved in any pending criminal cases?

    A. Yes, as a defendant.

Q. Are you currently being prosecuted in that case as a defendant, and is the trial still in progress?

    A. Yes.

Q. Has the first hearing taken place?

    A. No, I don't think witness examinations started yet. It appears to be still in the preliminary hearing stage.

Q. Have you attended hearings in the criminal proceedings against you?

<div align="center">-86/97-</div>

    A. I have.

Q. So, the first hearing took place with you in attendance?

    A. Yes.

Q. Since you are involved in a pending criminal case that is related to this case, you have the right to refuse testimony. However, you came here today with an intention to waive the right to refuse testimony, took an oath, and testified based on the truth. Is this understanding accurate?

    A. Yes, that is accurate.

Plaintiff's counsel to the witness

Q. With respect to your response to Question 9 during the cross examination, TFL's counsel conducted the examination in relation to Exhibit A, a GitHub email. You testified about the lp.claimDON in Exhibit A. My first question is, it is my knowledge that this lp.DON is not related to the Terra blockchain, but to the Tempura blockchain. Which one is correct?

    A. At the very beginning, there were several approaches to make linkages, which I ideated before the actual, final implementation. I said earlier that there were about five to six components related to the LP, and in the middle of the process, there was another component that used the concept of Tempura. The component was called Tempura back then, and it was put in somewhere in the middle. The name was made during the development process, but while working on the actual implementation, I realized that the implementation could be sufficiently done without this Tempura concept. So, I just removed it. Tempura means a deep-fried dish in Japanese, right? It means something deep-fried. DON is, well, it is a bit awkward to say this in court, but DON comes from Gyudon, Katsudon, those rice-bowl dishes topped with toppings. You can think of it as a program, program code name. But its operation is about the KRT blockchain transaction, so you can think of it by substituting it like that. It is just a function name.

Q. Exhibit A is dated December 12, 2019, right? (cont'd)

<center>-87/97-</center>

Q. And DON here came from Donburi rice-bowls, and Tempura was… Anyway, it is true that DON was related to the Tempura blockchain. Isn't it correct that that was before the Terra blockchain was made, so, as a middle step, that was done, not on the Terra blockchain, but on the Tempura blockchain?

    A. No, that is not correct. Tempura was never actually made in reality. It was just there as a code name. Tempura was never once used.

Q. Then, is it correct that the Tempura blockchain is only a code name, and this refers to the Terra blockchain?

A. Yes, that turned out to be the case in the end. Tempura was initially in the plan, but was removed, so it never actually ran. In the end, the lp.claimDON function was computed, playing the role of linking with the Terra blockchain.

Q. I have a second question on this topic. Then, this DON, the transactions on Chai are recorded on the ledger, correct?

A. Yes.

Q. Afterwards, the information moves to the LP server. Do the transactions on the Chai ledger get recorded first before they move to the LP server? Or do they already move to the LP server even before they move to the LP server or in that process? How does it work, timing-wise?

A. If the data does not go into the queue that guarantees the data's transfer to the LP server, the transaction fails. So, they are in the same function across the whole process. Indeed, when there is a function in any program, if its data is not fully executed, it is incomplete, right? When it is incomplete, the transaction should fail. That is a basic specification of a payment, a transaction. The function of putting the data in the LP server queue is part of the whole process, so I think I can explain in this way: if putting the data into the queue fails, the transaction fails. The same logic applies to registration and the same to settlement.

-88/97-

Q. My third question is, with regard to lp.claimDON, this is related to the merchants, right? I mean, Chai's merchants. On Chai, there are Chai users and Chai's merchants who do business there. So, was it in December 2019 that this service called claim appeared with regard to the merchants through lp.claimDON?

A. The source code was changed on the date that is shown there, in 2019.

Q. If you look at this date, you made the Donburi, the DONclaim whatever, in December 2019. Is this understanding correct?

A. Are you asking if I wrote the code then?

Q. Yes, writing a code, or.

A. Yes.

Q. Then, looking at this the other way around, if a certain claim service with regard to the merchants finally came to be made in December 2019, isn't it correct that the functions related to the merchants did not exist on the Chai app or things like that before then?

A. No, that is not correct. They existed.

Q. What are they?

A. May I see the material again? Are you asking if the function did not work before December 12, 2019, because the source code was only put in place on that date? Did I understand your question correctly? In June 2019….

Q. Yes. Before this was introduced. Is this the first time that this function was introduced? When was this function made?

A. Chai launched In June 2019, right? It has been operating since then. First of all, the Terra blockchain was linked right from the beginning. Please have a look at the source code here. I requested Jihoon Kim to review the change to the source code, and this email contains the details of that change. I requested a review on the source code change. (cont'd)

-89/97-

A. It was like, 'this change would not cause a problem to our server, right? It should not,' and I tried to verify that. There is @devilcoke, and at the top, in the 'From' line of the email, there is 'jihoonkim.' The first line of the email body reads @devilcoke, and this is Jihoon Kim's ID. After that, it reads 'approved this pull request.' This means that I sent a pull request and Jihoon Kim approved the pull request that I sent. And moving on to the content, in the 'lib/payment/confirm.ts' file, there are lines that start with '-' and this means that those lines are deleted from the source code. There are lines that start with '+' and this means that those lines are added to my source code. Therefore, the lines that are headed by '-' are the lines that were originally in the API server. There, you can see that lp.claimDON was still called, right? The same call to the users. 'Amount,' 'merchant.id,' all of these were called in the same way. Thus, this source code was originally written before June 2019, before the launch of Chai.

Q. You are a defendant in a criminal case in Korea, correct? That case is handled by the Seoul Southern District Court.

A. Yes, yes, correct.

Q. There are eight defendants in that case, and you are one of them. If you look at the legal counsel there, renowned major law firms in Korea and well-known attorneys-at-law are representing the eight defendants. The attorneys who represent you in that case are from Kim & Chang, and many names are on the list as legal counsel. And today, the attorneys who cross-examined you on behalf of Terraform Labs and Do Kwon are also from Kim & Chang.

A. I did not know that.

Q. You did not know that?

A. Because this is the first time that I have met them.

Q. Anyway, a good number of Kim & Chang attorneys are representing you in the criminal case, and Kim & Chang is also representing Terraform Labs and Do Kwon in this case. (cont'd)

-90/97-

Q. Also, in the Letter of Request sent by the United States court, the name of your counsel in Korea is expressly written as Mr. Kwon of Kim & Chang, again. So now….

A. Mr. Sangdong Kwon?

Q. Mr. Taehyoung Kwon.

A. Mr. Taehyoung Kwon. Yes.

Q. The name is expressly written in the Letter of Request. So, no matter where I look, there is Kim & Chang here, and Kim & Chang there, Kim & Chang is everywhere on all three fronts. The legal counsel representing you in this case, written on the Letter of Request is from Kim & Chang; and the legal counsel, very powerful attorneys, representing you in the criminal case are from Kim & Chang; and the attorneys who represent Do Kwon and Terraform Labs and cross-examined you are from Kim & Chang, too. This is the current situation. Who is paying for your legal fees?

A. Being involved in the criminal case, I was extremely shocked mentally and was at a loss about what I should do. That was when I, with the help of Hyunjoong Kim, contacted Kim & Chang law firm and asked them to take on my case, of my own free will, paying the legal fees myself. About the lawyers belonging to the same law firm… I am unsure of what I am supposed to do about it.

Q. Didn't Do Kwon or his side give you some support or something?

A. Isn't Do Kwon in prison now?

Q. Even if he is in prison, it may still be possible to make contact.

A. None.

Q. Prior to today's testimony, have you met in person, had a phone call or a meeting, or consulted with the attorneys representing Terraform Labs in Kim & Chang, whether it be the attorneys who cross-examined you today or other people?

    A. Contacts were about saying hello to the nine people who are the defendants like myself, and asking about what time I should meet them at the court, what the courtroom number is. (cont'd)

<div align="center">-91/97-</div>

    A. Also, Hyunjoong Kim and Yun Yeo are engineers, so contacts were made when their memories were unclear, for example, when they were unsure about where the source code was, to help each other.

Q. I am not asking about your contacts with other defendants. Kim & Chang is playing two roles. One is to represent Terraform Labs, and the other is to represent you. Prior to your testimony today, have you consulted with other attorneys of Kim & Chang about your testimony and various other things like procedures and so on?

    A. Yes. I have consulted with the attorneys whom I hired to represent me in the criminal case regarding giving this witness testimony. Because, of course, as the judge mentioned, this could influence my trial. Well, I was not obligated to come here and take the stand. Because I could get nervous and I should not say anything strange, anything that is not true. I am not a legal expert, right? So, I received some help, some legal advice on those aspects because I hired them.

Q. To put things in order, of course, you would have consulted with them about whether to attend and give a testimony today. Have you discussed how to testify with regard to the 85 questions prepared? Have you or have you not consulted with them about how you would answer each question?

    A. No. I said everything based only on the truth. In fact, I have explained the same thing over and over in numerous interviews with the prosecutors as a reference witness and as a suspect, but no one seemed to understand. That is why I decided to come here, to tell the truth accurately as it happened. So, regardless of whether that question is pointed in this direction or that direction, what I sought advice on was "This is the truth. Would there be any legal issues related to this?" And I have received advice that the same fact can be questioned multiple times in different angles, and there is a possibility of distorting, reducing, or exaggerating certain aspects in that process.

<div align="center">-92/97-</div>

Q. So, in a way, you have received advice on how to answer the 85 questions. How much time did you spend receiving the advice?

A. To be exact, in terms of time, overall, I mean, when asked a question, refrain from answering too quickly or too long. But I think I gave you some lengthy answers today. Lengthy. Well, since I am a computer engineer, I asked a lot about such aspects. So, the exact time spent, I don't know, in total, roughly, I prepared for my criminal case along with this witness testimony, right? Everything was kind of jumbled up. So, a lot of discussions were made, of course, because I hired those attorneys. But, concerning this SEC witness testimony, I don't think a significant amount of time was particularly spent on it.

Judge to the witness

Q. Among the questions you were asked during today's examination, have you discussed how to answer any specific question, other than receiving general advice?

A. While I was preparing for my criminal case initially, even before I was asked to testify today, I was told which terms might not sound good in court, such as 'duplicate,' 'copy,' 'simple,' things like that, 'impossible,' and things like that, since I am not an expert in these areas. When giving answers during the prosecutor's interviews, I went through eight, nine sessions, nine sessions, giving explanations for tens of hours, I felt extremely frustrated because, no matter how hard I tried, my explanations were not understood. Yeah.

Q. In the prosecutor's interview transcript, none of which was submitted to this court, there was a part where you used the term 'copy.' As a result, in the process of preparing for the criminal case, you were advised to be careful about the wording today when providing testimony, taking into consideration the potential sensitivity of that particular term. Is that what you mean?
-93/97-

A. Yes.

Plaintiff's counsel to the witness

Q. Concerning today's testimony, the plaintiff in this U.S. case, the SEC, contacted your representative, your legal counsel several times in July this year, 2023, to have a meeting, have discussions concerning today's testimony. Is this correct?

A. William Chen?

Q. No. I have been informed that the SEC made multiple requests to have a meeting, a prior meeting, regarding your testimony. Did this happen?

A. I was aware that related proceedings were in progress.

Judge to the witness

Q. Did you receive direct contact from the SEC….

    A. I do not recall being contacted directly, I think they made contact with my counsel regarding this witness testimony. I was not contacted directly.

Plaintiff's counsel to the witness

Q. The SEC did not contact you directly, but the SEC did so through your representative….

    A. Through legal counsel….

Q. Through your legal counsel, the SEC made a request to have prior discussions about the content of the testimony that you were about to give in Korea as a witness. Have you received such a request through your legal counsel…. Oh, excuse me. I got something wrong. It was not several times. (cont'd)

<div align="center">-94/97-</div>

Q. The SEC made one request in July, and another one recently, last week, to have prior discussions about the testimony. Is this correct?

    A. I am not sure about the exact timing because I was preparing for my criminal case, but I remember that they were there. That is why I am here.

Q. This is not about you being here. Unlike Korean proceedings, in U.S. courts, based on my knowledge, it is common to have a prior meeting with opposing counsel, the attorneys on the other side, to adjust and communicate before a trial or witness testimony. That is probably why the U.S. side reached out to discuss, but, both times, there was no….

    A. With the advice of Kim & Chang law firm, there was an occasion where I talked with Kim & Chang. My counsel….

Q. When the SEC made a request in July, there was no reply. Last week, when the request was made again, you refused to meet or to have a prior meeting. Such a request is uncommon in Korea, but this is a procedure in the U.S. Anyway, the request was rejected last week.

Defendant's counsel

So the SEC made several contacts with the witness to set up a meeting, but at the same time it is raising an issue about the fact that the witness met with K&C? What exactly is the intent of the SEC's questions? And as the Korean attorney said….

Judge to the defendant's counsel

Q. How many attorneys does Kim & Chang have currently?

    A. I think there are more than 1,000 attorneys.

Q. I assume you have not counted how many attorneys there are in Korea.

<div align="center">-95/97-</div>

    A. No.

Q. Currently, there are around 1,000 attorneys associated with Kim & Chang. Therefore, this court also finds it difficult to make presumptions solely based on the fact that these attorneys come from Kim & Chang. Kim & Chang is the largest law firm in Korea and has a uniquely extensive number of attorneys. If you have further impeachment questions, please take this aspect into account.

Plaintiff's counsel

Yes. No further questions, Your Honor.

Judge

In civil procedures under Korean law, the notification of the witness' right to refuse testimony and the oath-taking are not strictly enforced, so I am concerned about uncertainties this may create. I clearly recall that you were warned of the penalties of perjury and took an oath, and that you became aware of your right to refuse testimony during the examination process. In fact, under Korean law, proceeding with civil procedures without notifying the witness of their right to refuse testimony does not prevent them from being subject to criminal punishment for perjury. Nevertheless, considering that there is an issue raised by the plaintiff's counsel, I would like to ensure accuracy and clarity by notifying you and administering the oath once again before ending today's session.

Judge to the witness

Q. Mr. Kim, during your testimony today, if you testified about experiences that you did not have as if you did, or memories that you did not have as if you did, even if they were not inconsistent with the substantive truth, you may face criminal punishment for perjury. (cont'd)

<div align="center">-96/97-</div>

Q. Are you aware of this?

A. Yes.

Q. Your examination today did not include any secrets of others that were obtained in the course of your work, but it did include matters for which you could face criminal punishment. Thus, you had the right to refuse testimony. You had prior knowledge about this right, but you appeared in court today with the intention of waiving it, and testified truthfully. Is this understanding correct?

A. Yes, it is correct.

Q. Please hand over the oath once again. Please take the oath once again.

A. I swear that I will tell the truth, the whole truth, and nothing but the truth in good conscience, and that if lie, I will do so under the penalty of perjury. Witness Hanju Kim.

Q. I have one last question for you. During today's witness examination that lasted for over five hours, did you tell the truth in good conscience based on your memory?

A. Yes, I did.

-97/97-