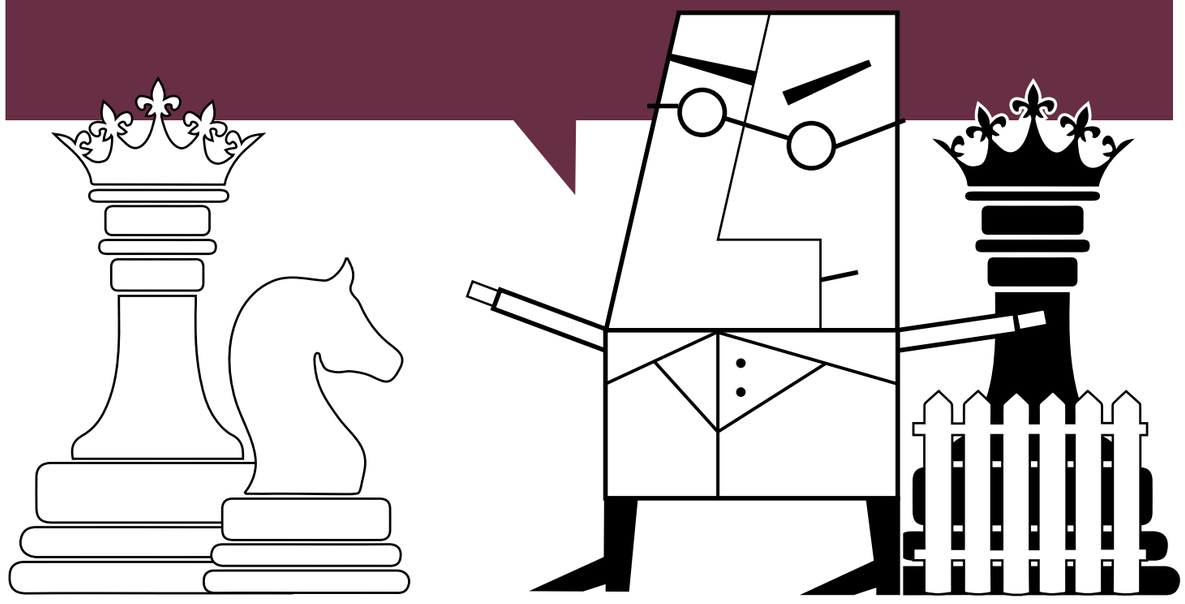
WE WILL DEFEND YOU IN A COURT DISPUTE

Dispute resolution and mediation



CONTENTS

DISPUTE RESOLUTION PRACTICE: FACTS AND FIGURES

More than **350** court disputes over the last 3 years

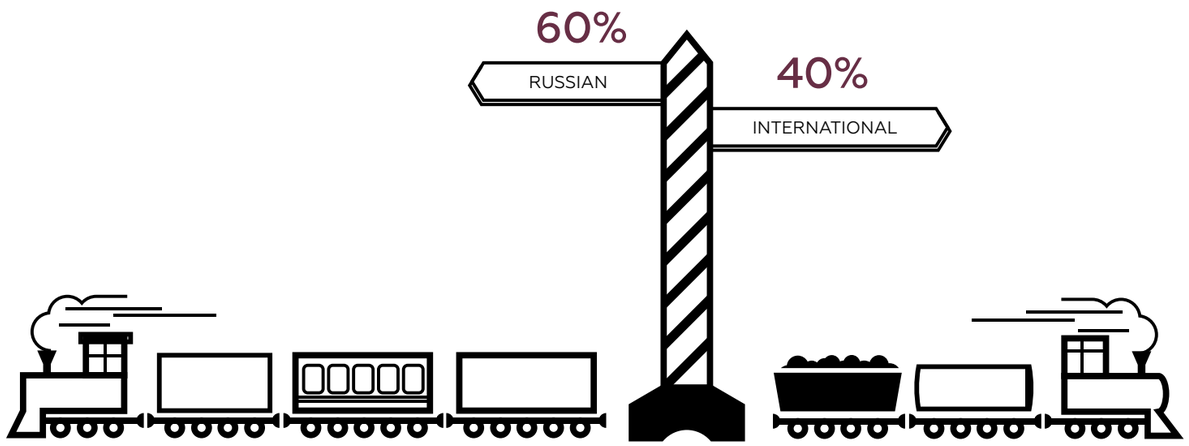
More than **90%** of cases resolved in favour of our client

Around **15%** of disputes are resolved at the pre-trial stage

We are experienced in handling cases in international commercial arbitration forums

- the International Commercial Arbitration Court at the International Chamber of Commerce and Industry
- the Arbitration Institute of the Stockholm Chamber of Commerce
- the London Court of International Arbitration
- the International Commercial Arbitration Court at the Chamber of Commerce and Industry of the Russian Federation

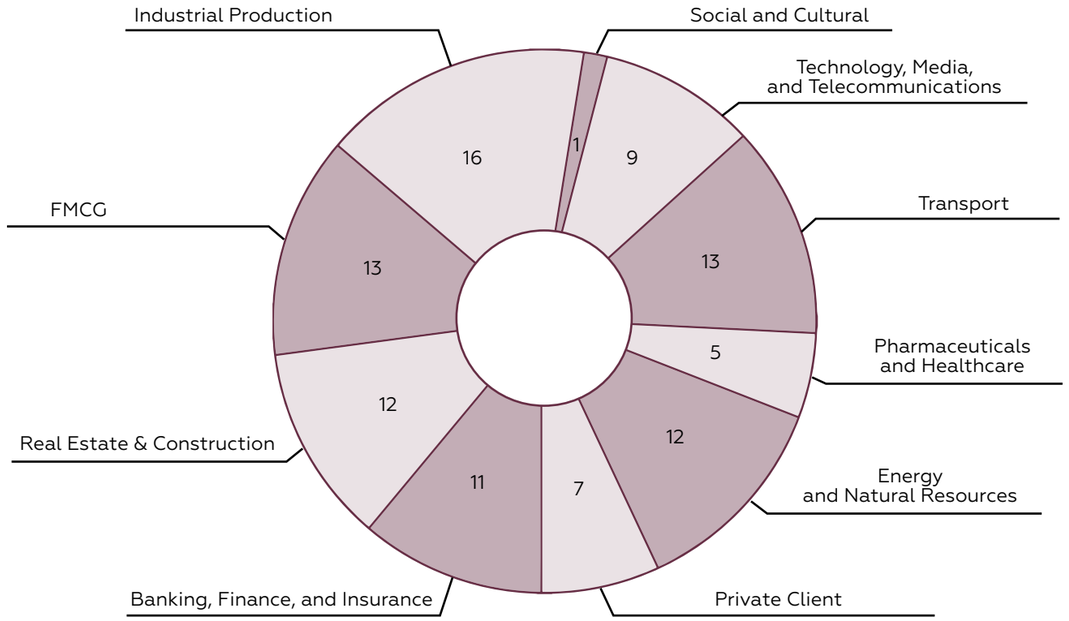
Geographical split of the practice's clients



Categories of disputes

- Recovering debt/ penalties under supply agreements, sale and purchase agreements, lease agreements, contractor agreements, contracts for services, etc.
- Disputes under construction contracts
- Disputes arising out of state contracts
- Disputes to have ownership title to pieces of real estate recognised
- Invalidating transactions
- Disputes connected with government financing
- Corporate disputes
- Disputes arising out of security obligations (suretyships, guarantees, pledges, etc.)
- Representing a creditor in a bankruptcy proceedings
- Disputes under investment contracts
- Insurance disputes
- Recovering a fee under a royalty agreement (representing the defendant)
- Having arbitral awards of foreign courts recognised and enforced

Our clients per Industry (%)



Litigation

PRE-TRIAL SETTLEMENT

01 SUCCESSFULLY SETTLED A DISPUTE AT THE PRE-TRIAL STAGE: THE WORKS HAVE BEEN COMPLETED, AND THE FINANCIAL CLAIMS HAVE BEEN WITHDRAWN

The Practice's lawyers represented an international company, which provides engineering services in the area of oil extraction, in a dispute with a major Russian oil company. The parties had mutual claims: in the client's opinion its opponent had not paid in full for services supplied; therefore the counterparty accused our client of having not performed the work. The dispute gave rise to litigation proceedings the outcome of which could have been that the client lost its equipment and access to the necessary technologies. Owing to the efforts of Pepeliaev Group's lawyers and our successful negotiations with the defendant, the conflict was settled: the works that were commissioned have been completed and financial claims have been withdrawn.

02 SETTLING A COMPLICATED DISPUTE THAT ALLOWED LONG-TERM AND EXPENSIVE PROCEEDINGS TO BE AVOIDED

The lawyers of Pepeliaev Group's Dispute Resolution Practice successfully represented a major international pharmaceutical company in a dispute with its major distributor. The amount in dispute was about RUB 200 million. As a result of the negotiations, Pepeliaev Group's lawyers found the optimal solution: the client agreed to discount a part of the penalty, and the distributor signed a payment schedule. This project is unique because we managed to successfully settle a complicated dispute at the pre-trial stage, allowing the parties to mitigate the risks of long-term and expensive proceedings.

03 ENTERING INTO AN AMICABLE AGREEMENT WHICH ALLOWED FOR THE PRESERVATION OF A PARTNERSHIP RELATIONSHIP BETWEEN THE PARTIES IN CONFLICT.

Pepeliaev Group's lawyers represented a major engineering company in a dispute with a major Russian mining and smelting company over the settlement of debt of more than RUB 770 million for equipment supplied. Our lawyers made a thorough analysis of the relationship of the parties established through many years of working together, assessed possible reasons for the conflict as well as the consequences to which an escalation could have led. As a result we produced a report on the strong and weak aspects of each party's actions, and on the prospects of resolving the dispute in favour of the client if applying to a state commercial court. We then developed a strategy to settle the conflict. As early as the initial stage of negotiations Pepeliaev Group's lawyers managed to convince the opposing party to pay the debt in full. Owing to the agreement entered into, the parties remained partners. The companies continue to work together in implementing major projects of state importance.

04 EFFECTIVELY SETTLING PRE-TRIAL CLAIMS

The lawyers of Pepeliaev Group's Dispute Resolution Practice are permanently working on recovering overdue debt relating to informational services provided by a major global news agency. Owing to the efforts of our lawyers, about 80% of the monies owed to the client are paid out of court.

LITIGATION

01 RECOGNISING AS LAWFUL A SPECIAL PROCEDURE ESTABLISHED BY THE CLIENT FOR TERMINATING AN AGREEMENT

Owing to the efforts of Pepeliaev Group's lawyers, the court upheld the arguments of Thomson Reuters. The company insisted that the provisions of a fee-based agreement for informational services were lawful in providing that the agreement was to terminate on the expiry of a 12-month period after the client served notice of withdrawal from the agreement. A bank and Thomson Reuters had entered into a contract for services which established a special procedure for withdrawal from the contract. The parties provided for a unilateral withdrawal from the agreement to have the consequence that the agreement would remain in effect for twelve months after the notice of withdrawal had been served. Notwithstanding, the bank filed a lawsuit with the court and argued that, based on the rules of article 782 of the Civil Code, the agreement terminated from the date stated in the notice of withdrawal. The court of first instance issued a decision that the agreement should have terminated on the date when the counterparty received such notice. The court of appeal upheld that decision, while the court of cassation held that these arguments were incorrect and changed the decision of the first instance court. The court of cassation confirmed that the provisions of the fee-based agreement for services, in introducing a special procedure for its termination, do correspond with the law.

02 REPRESENTING A GLOBAL SPORTSWEAR PRODUCER IN A DISPUTE WITH A DISTRIBUTOR

The practice's lawyers provided legal support to a major global sportswear producer in a number of disputes in which it sought to recover debt from a distributor and regarding the termination of a distribution agreement. Within the framework of the project, our lawyers successfully defended the client in the court of first instance in a dispute initiated by a distributor which was seeking to invalidate a distribution agreement. In addition, Pepeliaev Group's lawyers have completed a litigation initiated by the issuer of a USD 400,000 promissory note to secure the distributor's performance of its obligations. The issuer was seeking to have the security transaction invalidated. Our lawyers also defended the client in three court cases against a bank to receive USD 3 million secured by a bank guarantee. This project is important from the standpoint of forming judicial practice relating to the enforcement of security for obligations in situations where the issuer of the promissory note has no obvious economic interest in the secured obligation, and when bank guarantees contain incorrect wording relating to the secured obligations.

03 SETTLING A COURT DISPUTE WITH A CONTRACTOR

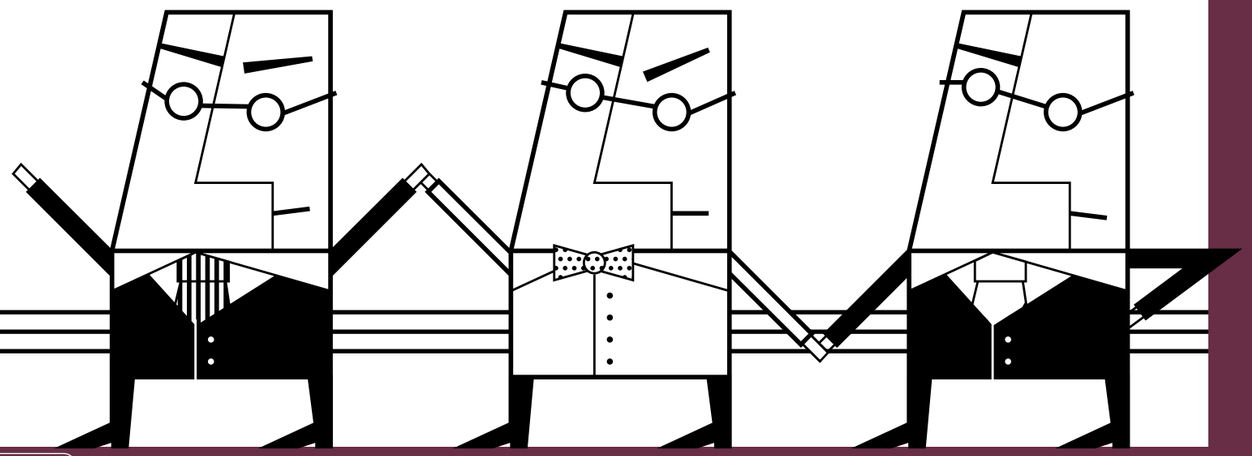
The Dispute Resolution Practice defended a major international oil company, developing the Kharyaga Field, in a dispute with a contractor (the client was the defendant and the contractor the claimant). The dispute concerned whether a Russian court had competence to consider a dispute arising from an agreement which contained an arbitration clause, and the International Chamber of Trade in Paris was chosen as a place for the consideration of arbitration proceedings. The claimant insisted that this dispute fell under the jurisdiction of a Russian court. What is more, the claimant referred to allegedly unclear wordings in the English version of the contract and appealed to rules for contractual interpretation contained in Russian law, although the contract was governed by French law. The outcome was that the district court upheld the defendant's position, insisting that Russian law could not be applied and that the Russian court was not competent to consider the dispute. The Practice's lawyers represented the client in two more sets of court proceedings, during which the contractor tried to block the right of the client's company to receive payments under bank guarantees in a total amount of EUR 73 million. We won the cases, and the client received the money from the bank.

04 SUCCESSFUL SETTLING OF AN INTERNET DISPUTE WITH A CROSS-BORDER ELEMENT RELATED TO PROTECTING THE CLIENT'S BUSINESS REPUTATION

Pepeliaev Group's lawyers represented the client with respect to information, published on three websites, that was inaccurate and discredited the business reputation of the client. Requests were sent to the organisations which provided domain names; two sites then deleted the information about the client and offered a retraction. The owner of the third site provided no response to the claim, and our lawyers prepared a statement of claim seeking the protection of the client's business reputation. The dispute was complicated by the fact that the website's owner resided in Ukraine, the hosting provider of the website was located in France, and the client was a citizen of Uzbekistan. When justifying why the dispute came under Russian jurisdiction, our lawyers applied, among other things, the concept of the 'sliding scale': the internet dispute should be resolved in the jurisdiction where the majority of the website's audience is located. The outcome was the court accepted the arguments of the Practice's lawyers and issued a decision that the information be recognised as inaccurate and discrediting the business reputation of the client. The court ordered the website's owner to delete the inaccurate information and to publish a retraction. During the dispute valuable conclusions were made on the jurisdiction of internet disputes complicated by a cross-border element.

"THE TEAM REPRESENTS NOTABLE DOMESTIC NATURAL RESOURCE AND ENERGY CORPORATES, EUROPEAN FINANCIAL INSTITUTIONS AND A BROAD RANGE OF ASIAN BUSINESS NAMES".

CHAMBERS EUROPE



International Courts and Arbitration

01 CLAIMS WORTH OVER USD 895,000 RAISED AGAINST OUR CLIENT WERE DISMISSED

The lawyers in Pepeliaev Group's Dispute Resolution and Mediation Practice successfully represented a major telecommunication company at the International Commercial Arbitration Court under the Russian Federation Chamber of Commerce and Industry. The case involved a dispute with a counterparty under a contract for services which was governed by German law. The claimant submitted a claim against the client to recover debt for international telecommunication services provided in an amount exceeding USD 895,000. The Claimant's claims were based on two agreements. Of these, one was governed by Russian law and contained a jurisdiction clause that all disputes should be submitted for consideration to the State Commercial ('Arbitration') Court for the city of Moscow. The second agreement was governed by German law and, in our client's view, contained an ad hoc arbitration clause, which did not allow the conclusion to be made that the Parties had agreed that the International Court of Commercial Arbitration (ICCA) under the Chamber of Commerce and Industry of the Russian Federation will be the arbitration institute to consider contractual disputes. Owing to the well-grounded position developed by our specialists the claimant reduced the amount of its claims to USD 648,000 to the extent based on the agreement with a jurisdiction clause, agreeing that this part of the dispute was outside of the competence of the International Commercial Arbitration Court at the Russian Federation Chamber of Commerce and Industry. The client's position in essence was based on the fact that the claimant had missed the limitation period and that there were no grounds to reinstate (interrupt or suspend) the limitation period pursuant to the applicable provisions of the German Civil Code. The panel of the tribunal concluded that it had the competence to consider the part of the dispute asserted by the claimant; however, the panel agreed with our client's arguments that the limitation period had been missed, and based on this fact the claims were dismissed. The project is interesting in terms of learning aspects of German legislation touched upon in the dispute.

02 ENFORCING WITHIN RUSSIA A DECISION ADOPTED BY THE CHINA INTERNATIONAL ECONOMIC AND TRADE ARBITRATION COMMISSION

The lawyers of the Practice provided support to a major motor car producer in a project that involved having a decision of the China International Economic and Trade Arbitration Commission recognised and enforced within Russia. Under the Commission's decision, over EUR 1.4 million of an advance payment had been awarded against the debtor, together with interest for the late repayment of the advance payment under an agreement for the supply of equipment which was terminated afterwards. During the hearing, the debtor was trying to interfere with the recognition and enforcement of the decision, citing that it had not been properly notified of the arbitration proceedings and alleging that the decision contradicted public policy in Russia. Our lawyers in turn proved that the debtor was notified properly and on a timely basis of the appointment of the arbitrators and of the time and place of the arbitration. It also had an opportunity to make its own submissions and to participate in the arbitration proceedings. Moreover, our specialists convinced the courts that the enforcement of the decision would not contradict the public policy of Russia because Russian civil and commercial procedure legislation provides for the possibility to recover an advance payment when a supply agreement is terminated (if the goods have not been supplied), together with interest for late repayment of the advance payment and also court expenses. As a result, the court of the first instance and the cassation court agreed with our position and recognised as ungrounded the arguments of the debtor.

03 SUCCESSFULLY REPRESENTED A CLIENT IN A DISPUTE WORTH USD 10.5 MILLION IN THE ARBITRATION INSTITUTE OF THE STOCKHOLM CHAMBER OF COMMERCE

We represented a Client in the Arbitration Institute of the Stockholm Chamber of Commerce in a dispute with a counterparty arising from a contract under Russian law for the supply of broiler hatching eggs. The dispute was over a debt of UDS 500,000, which our Client's claim sought to recover. The counterparty issued a counterclaim seeking compensation of alleged losses of USD 10 million. The Client's claim was upheld; the counterclaim was rejected. The direct involvement of Pepeliaev Group's lawyers in the arbitration in Stockholm demonstrates our team's wide capabilities. The project involved: drafting all the procedural documents, speaking English during the hearings, working with witnesses (preparing and interrogating the Client's witnesses, cross-examining the counterparty's witnesses), and working in close cooperation with our Client's Swedish lawyers engaged for the arbitral proceedings. The case was considered under Swedish arbitration legislation; aspects of English law were applied in the hearing to the concept of liquidated damages (i.e. those agreed in advance).

04 RECOVERED FOR OUR CLIENT DEBT OF USD 350,000 UNDER A SUPPLY AGREEMENT

The lawyers of the practice managed to recover debt under a supply agreement for our client, a major producer of home decoration materials. The debt that was recovered totalled USD 350,000, which took the form of an unearned advance payment plus interest. The dispute was considered in the International Commercial Arbitration Court at the Russian Federation Chamber of Commerce and Industry and involved the application of the provisions of the 1980 Vienna Convention on Contracts for International Sale of Goods. The project is interesting from the standpoint of the formation of the ICCA's practice and from the standpoint of the arbitrators assessing evidence provided in the form of e-mail correspondence with attachments.

"WELL-REGARDED COMMERCIAL DISPUTES PRACTICE, SEPARATE FROM THE FIRM'S FORMIDABLE TAX LITIGATION FORCE".

CHAMBERS EUROPE

Bankruptcy

01 COLLECTING BAD DEBT ON BEHALF OF A LATVIAN BANK USING A BANKRUPTCY MECHANISM

Pepeliaev Group's lawyers protected the interests of a major Latvian bank within the framework of a comprehensive project to collect bad debt. Having initiated bankruptcy proceedings of borrowing companies and the bank's sureties, we succeeded in: including claims of USD 8 million in the register of creditors; cancelling the decision of the arbitration tribunal on which an affiliated creditor's claim was based; and in preventing the withdrawal of the debtor's key assets that had been pledged as security for its loan obligations. We managed to initiate the proceedings under a simplified procedure based on an application filed by a foreign bank with respect to persons other than the principal debtors. This serves as grounds for these projects to be viewed as important and setting a precedent in terms of judicial decisions resulting from a check of whether bankruptcy applications are grounded.

02 PREVENTED THE CLIENT FROM FACING SUBSIDIARY LIABILITY OF RUB 650 MILLION

Pepeliaev Group's lawyers provided comprehensive support in a bankruptcy case representing former executives and the founder of the debtor. Thanks to the efforts of our lawyers the debtor was liquidated, the executives and the founder were released from the secondary liability of RUB 650 million despite the fact that they had been found criminally liable for tax evasion. A precedent is set by the court decisions that result from the consideration of the petitions for secondary liability to be imposed. At present, there is no case law featuring such proceedings in which account is taken of a court decision that has come into being in respect of a controlling entity regarding the compensation of harm caused by a tax offence that relates to a bankrupt legal entity's non-performance of its tax obligations.

03 PROTECTING A FOREIGN BANK'S TRANSACTION IN A CASE CONCERNING THE BANKRUPTCY OF A RUSSIAN CREDIT INSTITUTION

The Bankruptcy Practice's lawyers defended the client, a European bank, in three instances in a case on the insolvency of a Russian credit institution. This meant that the client was able to preserve assets of more than RUB 6 billion. These assets had been transferred to the client by the debtor shortly before the bankruptcy proceedings were initiated against it. The specific feature of the dispute lay in the need to prove that a margin lending transaction had the particular nature of ordinary transactions, including from the point of view of European and Latvian law on financial pledges. The most complicated aspect was the fact that the transaction was consummated during a high-risk period – just before the bankruptcy proceedings were initiated.

04 PROVIDING ADVICE TO A TELECOMMUNICATION COMPANY: THE CLIENT MANAGED TO AVOID HAVING RUB 1 BILLION OF TAX ADDITIONALLY ASSESSED

The Practice's lawyers together with our tax lawyers drafted a memorandum on issues concerning a restructuring of the client's group of companies, which involved using a bankruptcy mechanism. In the context of the project, we examined several options for potential scenarios and assessed the risks (including from a tax standpoint). This helped the company to take the correct decision and avoid having mandatory payments of RUB 1 billion additionally assessed.

Mediation

Mediation is a non-judicial method for settling disputes with the assistance of a mediator based on the voluntary consent of the parties in order to reach a mutually acceptable solution. Mediation allows both parties to save significant amounts of money on court costs and to save time compared with court proceedings*.

* For ethical reasons Pepeliaev Group's projects related to managing legal risks and mediation are strictly confidential.

THE TEAM

YURI VOROBYEV

Partner

y.vorobyev@pgplaw.ru

Specialist area

Yuri specialises in resolving commercial disputes and, for more than 20 years, he has been providing legal support to clients when conflicts having to be settled in court either occur or are threatened. He has a significant track record of settling disputes out of court.

Key accomplishments

Yuri's professional background includes defending clients in more than 300 cases for high-level Russian and international companies.

Among his major projects:

- successfully represented a subsidiary of Russia's largest natural monopolist in respect of a claim raised against it for the recovery of more than RUB 500 million of debt;
- represented a major Russian oil company in a dispute about the legitimacy of state subsidies;
- handled a series of lawsuits for a leading international banking group, protecting it against funds being unjustifiably recovered from it.

He has authored numerous articles and commentaries on legislation.

Major clients

Air Baltic, ALROSA, Gazprom, VTB Group, Campari Rus, Jaguar Land Rover, Sanofi, Liebherr, Oriflame

What they say

Chambers Global: Yuri Vorobyev is the head and the key contact of the Dispute Resolution and Mediation Practice.

ROMAN BEVZENKO

Partner,
PhD in Law

r.bevzenko@pgplaw.ru

Specialist area

Before joining Pepeliaev Group, Roman headed the Private Law Division of the Russian Supreme Commercial Court (the "SCC"). He was intimately involved in drafting and discussing the key clarifications of the SCC in civil law matters between 2008 and 2014. Roman was personally responsible for drafting several of the most significant resolutions of the Plenum of the SCC and information letters of the Presidium of the SCC in the following areas: security for obligations; rights to real estate law; and the law of obligations.

Key accomplishments

Among his major projects:

- providing legal support for the operations of various large unit investment trusts. He arranged a model that used complex investment structures to organise bank and private financing of the construction of commercial and residential facilities;
- from 2008, Roman has been a member of the working group for drafting the Concept for Improving Civil Law and the new draft of the Russian Civil Code. He has worked successfully in the sub-group devoted to the general provisions of the Civil Code relating to proprietary rights, financial transactions and securities transactions.

Roman continues to pursue his teaching activity. He has authored more than 70 academic papers.

Major clients

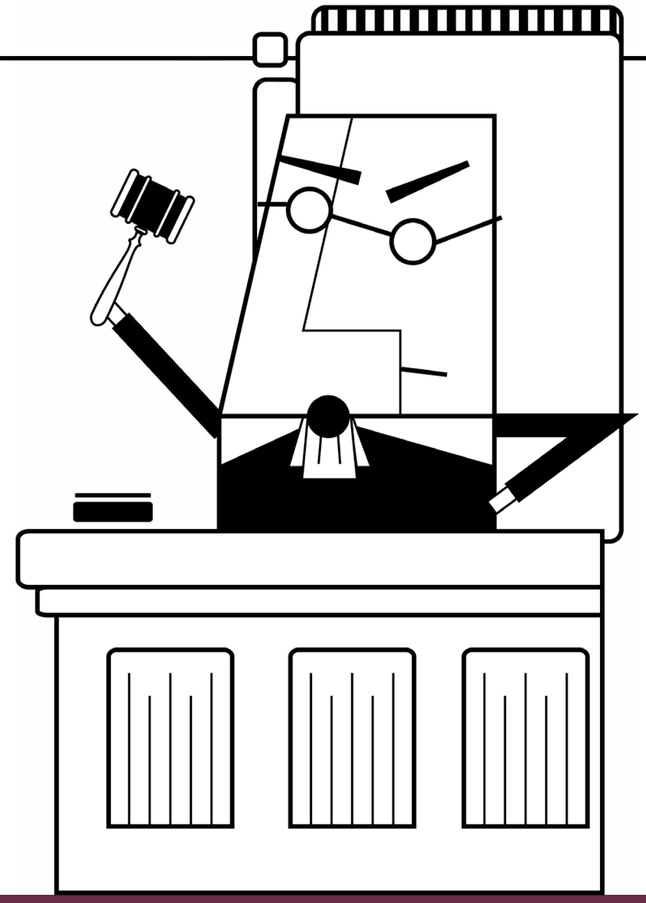
VimpelCom, Sibur, SDM-Bank, McDonalds, Aeromar, Aeroflot, Amway, Samsung, PhosAgro, Leroy Merlin, Yandex, ALROSA, MOEX, Sportmaster, Heineken

What they say

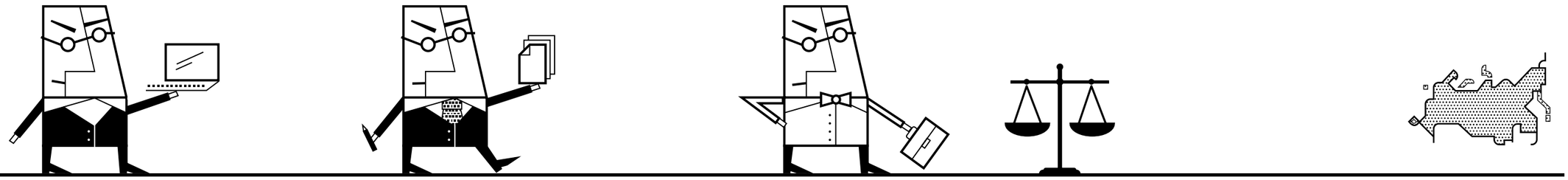
Chambers Europe: "He has good technical knowledge, he's very systematic. Sources also note his strong theoretical background".

"DISPUTE RESOLUTION GROUP LEADER YURI VOROBYEV HAS EXTENSIVE EXPERIENCE ACTING ON THE DEFENCE SIDE OF RUSSIAN AND INTERNATIONAL COMPANIES IN COMMERCIAL DISPUTES".

THE LEGAL 500



ABOUT THE FIRM



2024

Employees
250

Lawyers
160

Our lawyers include twenty two Doctors of Law and PhDs in Law

Pepeliaev Group lawyers are constantly involved in drafting legislation and are called on to act as experts in state bodies, at the highest level. Thus they are involved in creating a favourable business environment in the country

Clients
2000

Practices
20 **law practices**

- Tax Law
- Currency Control
- Administrative Law Defence of Business
- Corporate Law / M&A
- Antimonopoly Regulation
- Commercial Law
- Banking and Finance Law
- Real Estate & Construction
- Dispute Resolution & Mediation
- International Litigation and Arbitration Practice
- Bankruptcy
- Intellectual Property
- Customs Law
- Employment and Migration Law
- Data Protection
- Legal GR and defence against illegal takeovers
- Family and Inheritance Law
- Criminal Law Defence of Business
- Services for Private Clients
- Translation and interpreting

10 **branch of economy**

- Life sciences
- Ecology
- Telecom, media and IT
- Digital Economy Legal Support Group
- Energy
- Oil and gas sector and mineral resource use
- Legal support of projects in the sphere of culture and art
- Maritime law
- Automotive industry and transportation
- Production and sale

Offices
8

Moscow
St Petersburg
Nizhnekamsk
Krasnoyarsk
Vladivostok
Beijing
Shanghai
Dubai

2002

The year we were founded

19

15

50

5

- Tax Law
- Customs Law
- Corporate Law
- Commercial Law
- Real Estate & Construction

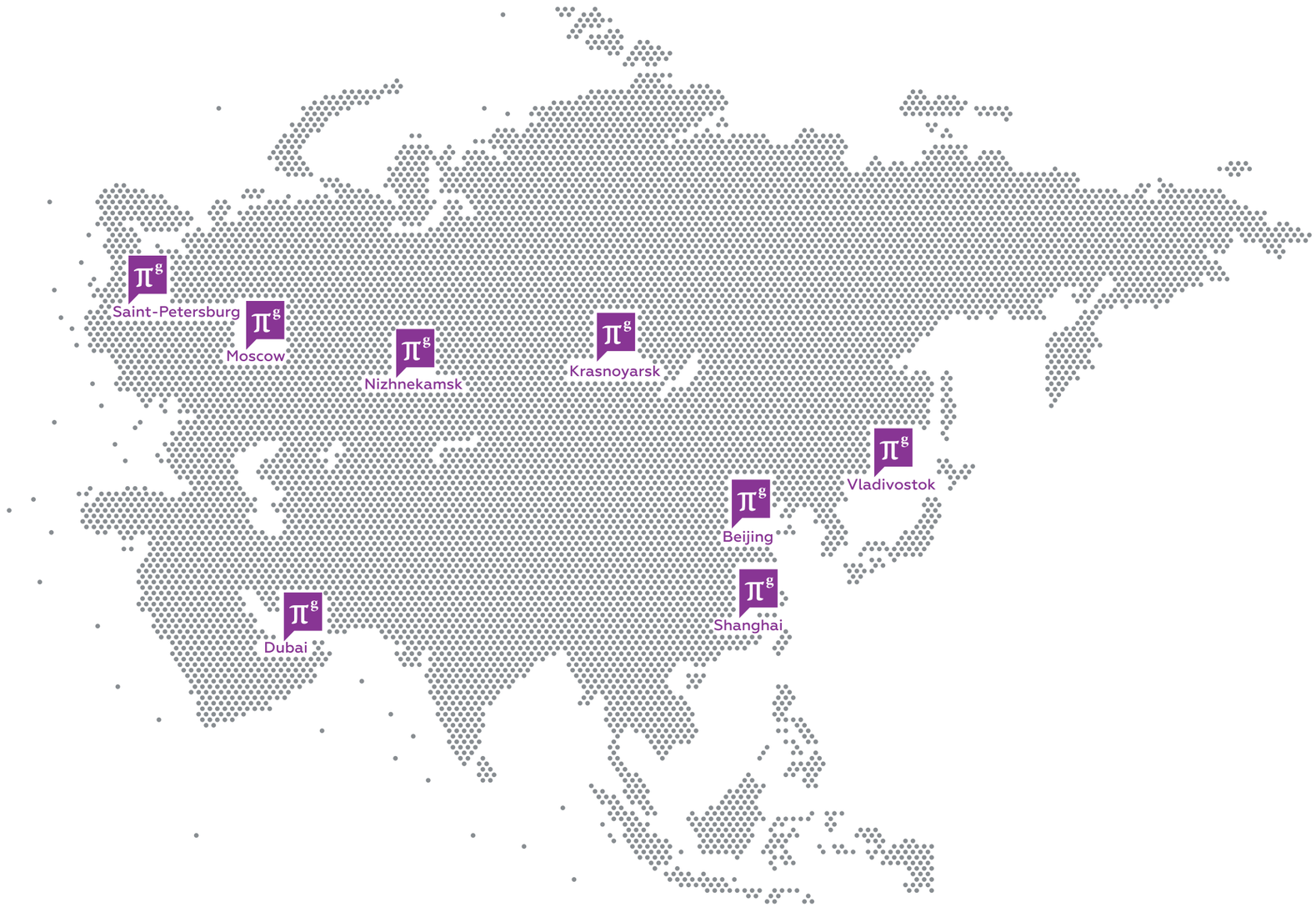
1

Moscow

Rankings

The Legal 500 · Chambers Europe · Chambers Global · IFLR1000 · World Trademark Review · International Tax Review · Право 300 · Best Lawyers

GEOGRAPHICAL SCOPE OF OUR SERVICES



REGIONAL OFFICES

Pepeliaev Group has offices in Russia located in Moscow, St Petersburg, Nizhnekamsk, Krasnoyarsk and Vladivostok.

What do our local offices offer to our clients?

- Local knowledge
- Time-efficient communication
- Favourable pricing

CHINESE DESK

- Offices in Beijing, Shanghai.
- Support for Chinese investors in Russia and for Russian investors in China.
- We have strategic partners on the Chinese market.
- Comprehensive legal support.

KOREAN DESK

- Legal advice to Korean companies in Russia and to Russian investors in Korea.

MIDDLE EAST DESK

PG TAX Consultancy LLC provides services on tax structuring and tax consultancy in UAE and GCC.

- Tax structuring in the GCC states.
- Tax support.
- Tax consultancy in the UAE.
- Private Wealth Tax Services in UAE.
- Tax Compliance.
- Legal project management.

INTERNATIONAL PROJECTS

- Pepeliaev Group is a member of the TerraLex international association of law firms.
- Pepeliaev Group is also a part of Taxand, which is a well-known tax advisory group.
- Efficient liaison with partners which are leaders in their respective jurisdictions.
- Comprehensive project management and a single manager to address all project-related issues.