
From: andri.manatschal@ch.pwc.com
Sent: 23 May 2013 08:14
To: Aidan McCowliff
Cc: Allister Crossley; alexey.bely@ch.pwc.com; sergey.bezborodov@ch.pwc.com; andri.manatschal@ch.pwc.com
Subject: RE: A Group - CLG structuring slides.pptxs [IWOV-IM_CLIENT.FID333402]
Attachments: CV_Nenad Popovic.pdf; 130525_Final Structure Mr and Ms P.pdf; 130415_ABS Group_Confirmation of filed anti corruption reports.pdf

Dear Aidan

Thank you very much!

Regarding the anti-corruption confirmation:

We can get the copies of the reports from the client if really necessary. However, since this document apparently include classified business information on the projects carried out at that time the client is not keen at all to see these documents be spread all over the world. Additionally, the project we are talking about right now is with Mr P and his family as individual clients and does not concern ABS Group's former operations in Serbia at all. Therefore, even from a legal perspective the client's legal advisors have sounded doubts whether the companies in Serbia are entitled to forward such documents to a third party. Even more since the business was sold in 2012. Given this I suggest to relay on the written confirmation by the client that the necessary reports have been filed and the x-check in the public source (pls refer to the press story) confirming this view by citing a Serbian official. This should provide the required comfort.

Regarding the source of Mr P's wealth:

Please find attached his CV. There is even a Wikipedia entry: http://en.wikipedia.org/wiki/Nenad_Popovi%C4%87

(See attached file: CV_Nenad Popovic.pdf)

As you can see from the CV, Mr P started his career as a commodities trader with Vitol and Marc Rich before he became a senior manager at Coalco, at the time a Russian aluminium and coal company. Primarily with the funds he earned as a manager at Coalco Mr P acquired in the course of a privatisation program stakes in the companies OJSC "VNIIR" and OJSC "ABC ZEiM Automatizatiya", former state owned Sovjet Union technology companies and now the core assets of ABS Electro group.

ABS Electro group is developing and producing solutions and equipment for high voltage power transmission (transformers, equipment for voltage transformation stations, etc.) and hydro station automation solutions. The group's main plants are based in Cheboksary, a Russian city located at the banks of the Volga river between Nizhny Novgorod and Kasan. ABS group's HQ is based in Moscow. Former operations in Serbia in the same industry were sold in 2012 to a financial investor which resold it to a Czech industrial buyer. Main customers of ABS Group are large integraters who are realizing infrastructure projects for Russian state controlled companies (e.g. RusHydro). Apart from own production ABS Electro distributes Western technology and equipment in Russia to complete its product portfolio. With ABB group ABS Electro operates a joint venture in Cheboksari.

You can find some information on ABS Electro goup here: <http://www.new.absholdings.biz/eng> and here: www.abselectro.com (the new homepage, however the English translation is not finalized yet).

Mr P owns most of his business assets through a number of Cypriot sub holding companies which are mostly consolidated in a Cypriot top holding company (ABS International Ltd). Currently the shares in ABS International are controlled through a nominee shareholder arrangement with a Cypriot service provider.

Apart from the business assets Mr P owns several real estate in Serbia, Montenegro and Russia. The real estate is

structured through Cypriot holding companies.

Finalized structure

Please find attached the chart for the final structure.

(See attached file: 130525_Final Structure Mr and Ms P.pdf)

Proposal and Engagement Letter

Please send me your engagement letters as follows:

- 1) Separate engagement letter for the setup of the final structure (to the extent it concerns "your" elements of the structure, i.e. the tow CLG, the protector company and the purpose trust) between Appleby and PwC Switzerland. Please send me this EL in Word format so that our legal guys can comment on the subcontractor arrangement.
- 2) Separate engagement letter for operating the structure between Appleby and the client (pls take his Swiss residence address). I would recommend to go for an annual advance payment of the fixed fee.

Timing and next steps

Can you pls produce a step plan for the incorporation including the documents needed to add the assets into the structure and the timing so that I can arrange for docs and signatures. Please note that the story again is quite urgent!

Thank you very much!
Andri

Andri Manatschal

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Aidan McCowliff ---20.05.2013 17:30:25---Dear Juan

From: Aidan McCowliff <AMcCowliff@applebyglobal.com>
To: Andri Manatschal/CH/TLS/PwC@EMEA-CH, "Allister Crossley" <ACrossley@applebyglobal.com>
Date: 20.05.2013 17:30
Subject: RE: A Group - CLG structuring slides.pptxs [IWOV-IM_CLIENT.FID333402]

Dear Andri

Further to your below correspondence with Allister, we have today received feedback from our compliance department in respect of the documentation provided in your email of 14th May. The documentation provided appears to be satisfactory in confirming the identity of the relevant parties and as such we look forward to receiving the originals in due course. We do have a query in respect of the ABS Group anti-corruption confirmation (attached). Are you able to advise whether the reports detailed in the attached confirmation were included in the original response? If so please also provide copies for our records.

Looking more generally at the enquiry, we appear to still have a shortfall relating to Mr Popavic's source of wealth. Would it be possible to receive further information on this in line with my email of 26th February: