

WHITE & CASE

**2018  
Annual  
Review**



## FROM THE CHAIRMAN

Economic and geopolitical dynamics diverged remarkably in 2018. The global economy continued to grow, while political uncertainty mounted as a wave of populism challenged established conventions.

Against this backdrop, we continued to help our clients around the world identify and resolve complex legal and business challenges. This includes representing Brazilian telecommunications company Oi S.A. in the completion of its US\$20 billion debt restructuring and acting for global cybersecurity provider Avast in the largest-ever software IPO on the London Stock Exchange.

In 2018 we opened new offices in Chicago, Houston and Tashkent. We added 84 new partners worldwide, in line with our 2020 strategy. And with revenue up nearly 14 percent, we had our highest revenue year on record.

For the fifth consecutive year, *The American Lawyer* named us the most diverse law firm in the United States. While we celebrate this achievement, we can and must do better. We are committed to making our workplace and our partnership more diverse and inclusive.

The dedication of our people to using their legal skills to make the world a better place resulted in nearly 120,000 hours of pro bono work last year, a record for the Firm. Among the range of pro bono matters we tackled, one highlight was our work to help create a lifesaving program to screen children affected by the Flint, Michigan water crisis.

Our 2018 *Annual Review* reflects a successful year, putting us in a strong position from which to grow and evolve as we help our clients navigate—and thrive in—an uncertain world.

**Hugh Verrier**



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V O I C E S

Insights from guest  
speakers at Firm events



## The declining global political system can be restored

BY MADELEINE ALBRIGHT

Democracy, human rights, the rule of law and diversity are the best medicine for our worsening social illnesses.

I'm often asked whether I'm an optimist or a pessimist. I'm an optimist who worries a lot. While I believe in our collective ability to make progress through political and economic liberty, I worry because we tend to repeat the mistakes of the past instead of learning from them.

In the arena of world affairs, I'm not sure we're any smarter now than we were in the past. The 20th century was the bloodiest in history. And the new millennium hasn't begun well.

More than 17 years after 9/11, the terrorist threat is evolving, decentralizing and, in some ways, growing more dangerous. The Russian and US governments warily coexist. And China and the United States appear to be on a collision course, viewing each other suspiciously through a lens of competition. In Europe, uncertainties surrounding Brexit are cause for concern.

Meanwhile, we're not doing enough to combat climate change. The world is also doing far too little, far too slowly, to halt the killing in Yemen and Syria. And between North Korea's ongoing nuclear weapons program and growing cyber threats, our efforts to curb the spread of dangerous weapons are falling short. I also worry that, in almost every region of the world, it seems that authoritarians and strongmen are on the rise and the democratic euphoria that greeted the end of the Cold War has dissipated.



**Madeleine Albright** served as United States Secretary of State under President Clinton, and is now chair of Albright Stonebridge Group and a professor of International Relations at Georgetown University's School of Foreign Service. During her diplomatic career, Albright wore pins—like this Vivian Shimoyama creation depicting the shards of a shattered glass ceiling—she selected to reflect her opinions on the day.

The psychology of collaboration that long prevailed has been shattered, replaced by a psychology of separation that triggers disagreements about everything from trade to international law to arms control. It makes me fear a return to the international climate that prevailed in the 1920s and 1930s when the US withdrew from the global stage, and countries everywhere pursued what they perceived as their own interests without regard for larger, more enduring goals.

The explanation for these developments begins with globalization and technology. These forces, which brought the world closer together, have also made many people cling more tightly to their ethnic, cultural and religious identities. Though most have benefited from globalization, those who feel betrayed and insecure often search for someone, preferably an outsider, to blame. Meanwhile, the rise of social media enables us to share our grievances instantly and globally.

For decades, the best aspirin for global headaches was the unity and strength of major industrialized powers in North America, Europe and Asia. We must once again recognize that a global approach, in partnership with countries that have similar views, is a force multiplier. In addition, we must embrace the rise of non-state actors, another important development. I'm referring to non-governmental

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organizations, institutional investors, multinational corporations—groups that make their own decisions and help shape the global terrain.

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all countries.*

Some companies have annual revenue that is higher than the GDP of a small country, and more influence than some national governments. The global system must bring these groups in earlier as decisions are made about the economy, trade and development. Our task in reforming the system is, however, like assembling an airplane that is already in flight. So, along with greater collaboration between the public and private sectors, we need leaders who look beyond what’s popular at home to what is necessary for the common good. That may be a naïve hope, but it describes a real need and is yet another reason why we need greater collaboration between the public and private sectors.

I began by saying I was an optimist who worries a lot, and I’ll end by saying that without underestimating the challenges, I still believe firmly in humans’ ability to learn from history, to establish and live by the rule of law, and to create economic and political arrangements that work to benefit all countries. But to make progress, we can’t simply assume that the forces of enlightenment and freedom will prevail. Those who feel threatened by globalization can be counted on to make their fears known, through nationalism, protectionism and political protests, while others will continue to see the 21st century as a battleground where the religious wars of the Middle Ages are to be re-fought.

To succeed—indeed, to survive—we must reassert authority based on the principles of democracy, human rights, the rule of law and a commitment to intercultural understanding and peace. That’s a tall order, and it’s not a job for governments alone. We each have a responsibility as businesspeople and individuals not to be prisoners of history, but to shape it, doing all we can to build a brighter future.

**Madeleine Albright was a speaker for a White & Case client event held November 7, 2018 at our New York office.**

## Have we reached peak populism?

BY GILLIAN TETT

### Why are populists gaining ground in a time of rising fortunes?

During most of his career, Ray Dalio, founder of Bridgewater, the world's largest hedge fund, has tracked financial flows to predict markets and economies—an approach that famously enabled him to spot the last decade's looming financial crisis.

A couple of years ago, however, Dalio changed tack: He asked his team to study the history of populism in Western elections, since he believed that politics—not just finance—was becoming a key economic driver.

The results of this number-crunching are thought-provoking, particularly as 2019 gets underway. For Dalio's data suggests that the proportion of the electoral vote that has gone to populist candidates in the Western world surged from around 10 percent in 2010 to 35 percent at the end of 2016, when his series ends.

That is striking given recent post-war patterns: Between the 1950s and 2000, the percentage was well under 10 percent. Indeed, the only time that a similar swing has been seen before in Dalio's data series was back in the 1930s: Then the populist vote in national elections also surged from about 10 percent to about 40 percent—with the upward trajectory only halting with the outbreak of World War II, or when elections came to an end.

But what is doubly startling about Dalio's recent calculations is that this decade's surge in populism has not occurred during a deep economic recession—but during a relatively strong bout of growth. Yes, a decade ago the Western world was left reeling from the aftermath of the 2008 financial crisis, just as 1930s voters were reeling from the crash of 1929.

And, yes, many voters have experienced profound economic pain during the last decade, because the growth that has occurred has been unevenly distributed (again, echoing the 1930s). Those long-suffering pensioners in Greece, say, have certainly been living through a recession (if not depression) during the last decade;



**Gillian Tett** is US managing editor for the *Financial Times*, where she covers a range of economic, financial, political and social issues. Tett is also a social anthropologist with expertise in Tajik wedding rituals. She credits her foresight about the 2008 financial crisis to her anthropological approach to journalism.

*That begs three key questions: Why has populism surged, even amid this boom? Will this trend continue? And if it does, how virulent might it be?* ”

so have American workers in the Rust Belt, or British workers in the North.

But if you look at the macroeconomic picture overall, what is also notable is that the American economy has

expanded for almost nine straight years, at a healthy clip—and even Europe has displayed reasonable growth. Indeed, the International Monetary Fund reports that the global economy has notched up more than 3 percent growth each year during most of the past decade. This is quite a contrast to the pattern seen in the 1930s, when a full-blown depression was underway in America, and Europe was experiencing an economic contraction.

That begs three key questions: Why has populism surged, even amid this boom? Will this trend continue? And if it does, how virulent might it be? On the first point, there is no clear consensus. Some observers blame income inequality for the trend. Others argue that the real culprit is automation, and the erosion of traditional jobs. However, as somebody who trained as an anthropologist, I suspect that something else is also at play: Digital technology has not just eroded jobs, but changed how voters (or consumers) interact with institutions and one another.

More specifically, in a world where consumers constantly use their smartphones to express their views, congregate in tribal groups, seek instant gratification for their demands and expect customized services, they have less and less patience for old-style political parties; instead, what is popular today in political terms is a celebrity brand and/or simple message about empowerment. Hence the appeal of populists—and slogans such as “Make America Great Again!” “Take Back Control!” “En Marche!”

Will this change anytime soon? Don’t bet on it. Some observers think (or hope) that the recent surge of voter enthusiasm for populists will fade as it becomes clear that they cannot possibly

deliver on their political promises. The drubbing that the Republicans received in America's 2018 mid-term elections, for example, might hint at a backlash against Donald Trump's populism, or so the argument goes.

But even if the voters are losing faith in some populists, it is hard to find much evidence that they are embracing centrist—or technocratic—candidates; instead, the backlash against Trump has sparked a surge of enthusiasm for far-left populists. So too in much of Continental Europe (and vice versa). Indeed, if Dalio were to update his data series to the present day, this would almost certainly show that populism has risen since 2017—just think of the recent results of elections in Brazil and Italy, or the rising anger in Germany and France.

So perhaps the most important thing that investors, business executives or political leaders need to ponder now is what form this populist wave will assume. Will it spawn ugly forms of nationalism, incoherent economic policies, unpleasant authoritarian rule and a proclivity for war—repeating the patterns so tragically seen in the buildup to World War II? Or will it instead force governments to listen to dispossessed voters, perhaps under the flag of a more benign sense of “patriotism” and national unity? Might it force political leaders and business executives alike to recognize a fact that has often been ignored in recent years, namely that our current political economic structures do not serve most voters—and act? Or will it simply spawn more frustration on all sides? It is crucially

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*So perhaps the most important thing that investors, business executives or political leaders need to ponder now is what form this populist wave will assume.*

unclear. But brace yourself for more political unpredictability—and disruption.

Gillian Tett was a panelist at the White & Case event “Tensions in Balance,” held October 11, 2018 at the Royal Institute of British Architects, London

## Breaching barriers to technology diffusion begets income gains

BY ROBERT ALAN FELDMAN

To translate technology into broad-based income gains, three things must happen.

The global economy is slowing. Both the International Monetary Fund (IMF) and the Organisation for Economic Co-operation and Development (OECD) predict a significant slowdown in growth over the next two years.

Sadly, income gaps around the world have led to populism and protectionism, which have slowed the response of governments on growth. The slower the response, the more the problems worsen. This is a vicious cycle. Shortsighted policy leads to bad outcomes, which only exacerbate shortsighted policies.

Escaping this cycle requires a solid understanding of where economic growth comes from, and what blocks it. The answer on growth is clear: Growth comes from diffusion of technology. So what is the fundamental process of technology diffusion, and how can we remove the blockages?

The diffusion process links five nodes: science; engineering; innovation; entrepreneurship; and growth. However, the flow is not unidirectional. Indeed, all nodes must be connected to all other nodes. Imagine a pentagram inscribed in a pentagon. Each node must do its own job well, but must also talk with all other nodes. Feedback is crucial. Successful innovation centers, such as Silicon Valley, have deep and dense feedback networks among the five nodes. Moreover, with the sharp drop of telecom costs, connections among the nodes around the world have strengthened.

Economic growth has improved since the recent recession, but there was an important failure: Few countries distributed the fruits of the growth widely enough to improve income distribution or to halt the rise of populism. Looking forward, in order to translate technology into broad-based income gains, three things must happen: The barriers that separate the nodes must be reduced; feedback among the nodes must be enhanced; and the fruits of growth must be distributed more fairly.



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**Robert Alan Feldman** is a professor at Tokyo University of Science, senior advisor to Morgan Stanley MUFG Securities, and commissioner of the Japan-US Friendship Commission. Feldman is fond of *maneki-neko*—Japan’s lucky “beckoning cat” figurines—which are often displayed in shop and restaurant windows and in homes as signs of hospitality and talismans of good fortune.

Feedback among the nodes has been weakened by two types of protectionism: global and domestic. Global protectionism comes in tariffs and non-tariff barriers among nations. No country is innocent; unbeknownst to most Americans, the United States imposes high barriers on imports of sugar, dairy products, footwear and SUVs, for example. In Japan, where I have lived for 30 years, actual tariffs on almost all products (except some agricultural items) are extremely low, but complex import procedures and distribution rules can complicate market access.

In both countries, quite often, these barriers are the result of rent-seeking by domestic producers, and come at very high expense to the consumer—and by extension, to the industries where consumers cannot spend because of the costs of high trade barriers.

Domestic protectionism comes in the power of vested interests over policy. In both Japan and the US, construction, pharmaceutical, medical, agriculture and many other industries employ many lobbyists to make their cases to both national and local legislative bodies. Well-organized groups are overrepresented, while poorly organized groups are underrepresented, relative to the population. Among the results are reduced competition, excess profits and lower efficiency. Another result is often overlooked—slower development and diffusion of technology.

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*Any policy that limits the free flow of technology across borders, whether national or otherwise, has the potential to cap growth by artificially limiting the potential for productivity gains.*

Why do these protectionisms slow technology progress? The answer is simple: Protected markets reduce the incentive for incumbents to invent,

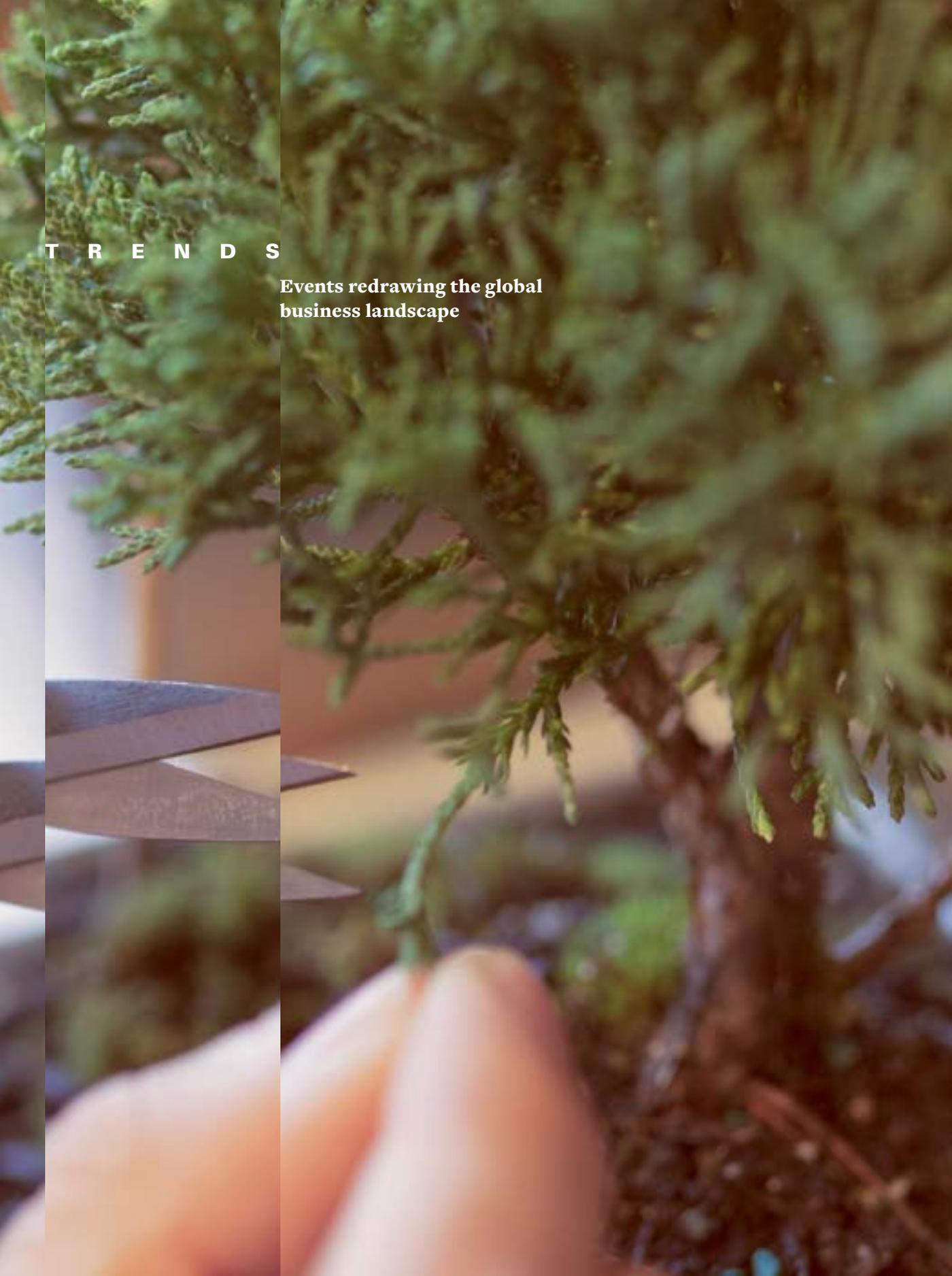
*Countries must recognize ”  
that investment in  
education is critical to  
future competitiveness,  
and they should find  
ways to encourage more  
students to learn the  
skills that are critical to  
technology development.*

adopt and spread new technology. Moreover, the excess profits in the protected industries constrain funding available for technology development in other industries. Finally, by reducing growth, excess profits make individuals poorer, and thus less willing or able to seek new education and new skills that might use new technology. Weaker education, in turn, worsens income distribution and invites both populism and further protectionism.

The world is now intensely searching for ways to distribute the fruits of growth more fairly. Universal Basic Income is one very good idea, although hard to implement. Any such system must be devised with an eagle eye on incentives and costs. An easier way toward fairer income distribution would be to end the two protectionisms, and enhance competition, both at home and abroad.

The legal profession can be part of this initiative, through two proposals from the profession itself. One proposal would seek to clarify and simplify international trade law. The profession itself, which sometimes benefits from the protectionisms, must act. If the job were left to governments, all of the corporate, labor and political vested interests would likely block progress. The other proposal would seek to redesign antitrust and competition laws globally. A template could be the way that corporate governance codes around the world are converging on key principles. Such proposals could take years to complete. We must start yesterday.

Robert Alan Feldman was a keynote speaker for the White & Case event “Uneasy Alliances with ‘America First’ United States,” held September 20, 2018 at the Shangri-La Hotel, Tokyo.



T R E N D S

Events redrawing the global  
business landscape



## The international trading system faces a turning point

US actions trigger trade barriers and disputes, raising doubts about the longstanding multilateral system.

Companies engaged in global trade may remember 2018 as a watershed year. Until then, the international trading system trended toward trade liberalization. But last year the United States took several unilateral actions in response to perceived harms to its interests, imposing significant tariffs and quotas on steel and aluminum in the name of national security, and imposing punitive tariffs on nearly half of all Chinese imports in retaliation for China's commercial and trade policies. Responsive actions followed in many countries, leading to an unprecedented number of national trade barriers and disputes.

The measures and countermeasures disrupted global supply chains, and raised doubts about the multilateral system and the WTO's ability to maintain order. Some governments remained committed to trade liberalization, continuing to pursue regional agreements somewhat successfully (the CPTPP agreement and the

EU-Japan FTA are examples). But unilateralism and economic nationalism created tensions that overshadowed this progress.



*The US-China ”  
dispute ebbs and  
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is possible.*



Looking ahead, it is uncertain whether the US Congress will approve a NAFTA replacement.

US tariffs on automotive goods,

potentially dwarfing those on steel and aluminum, could hinge on the rapid conclusion of bilateral agreements with the EU and Japan. With the UK set to leave the EU in March 2019, the rules governing Brexit remain unsettled.

The US-China dispute ebbs and flows, but many doubt whether an enduring solution is possible. And the WTO Appellate Body could soon stop functioning unless demands for reform (especially from the US) are met.

All of these developments challenge companies engaged in international trade. Those that invested for decades in international supply chains, relying on the trend toward trade liberalization under the WTO and numerous preferential trade agreements, are questioning their business models and acting defensively against unilateralism and domestic nationalism. Heading into 2019, answers to the numerous questions facing the global trading system remain elusive.

THIS ARTICLE WAS WRITTEN BY  
WHITE & CASE PARTNERS EXCLUSIVELY  
FOR THIS ANNUAL REVIEW



## Cryptocurrency rules take shape in the US and UK

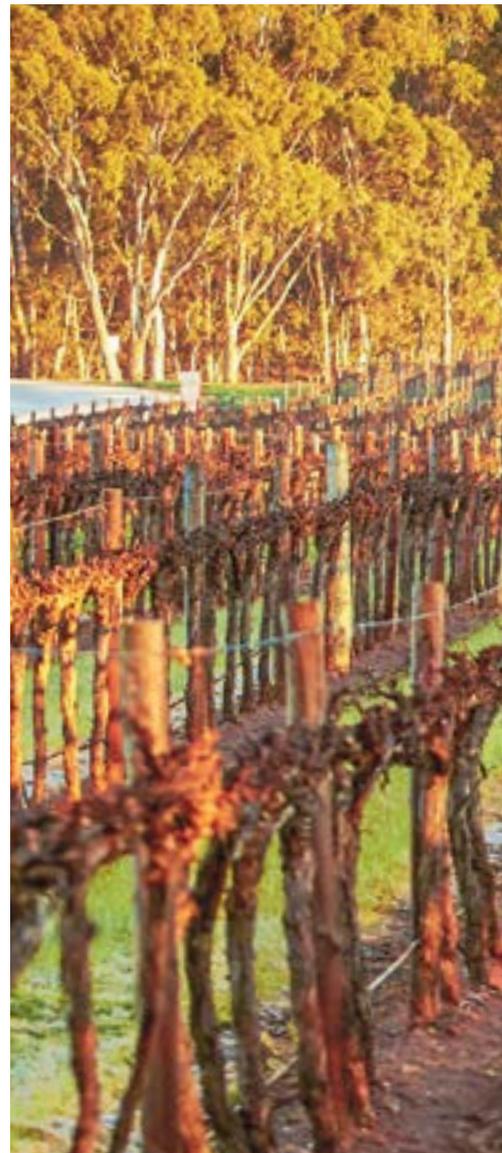
Don't expect a radical departure from existing securities regulations.

The US Securities and Exchange Commission (SEC) made clear in 2018 that longstanding rules governing securities issuance, investment and trading apply in full to digital asset securities (DAS), including those that use blockchain or distributed ledger technologies to offer cryptocurrencies or digital tokens.

In November 2018, the SEC issued a statement reinforcing the message that it would not be possible to skirt existing rules via technological innovation, regardless of the benefits the technology may provide to investors and capital markets. The message was substantiated in a series of enforcement actions against parties involved in DAS offerings, requiring them to pay penalties and register previously issued tokens as securities.

The SEC statement and enforcement actions are significant in that they establish "a path to compliance with the federal securities laws going forward" for issuers who may have conducted illegal unregistered DAS offerings.

Relevant existing laws apply to all parties involved in DAS activities, including asset managers; exchanges,







even when structured as decentralized platforms; and broker-dealers or those involved in activities that require them to register as such.

The UK's Financial Conduct Authority (FCA) is taking a similar approach. In April 2018, the FCA explained how different forms of digital assets would likely sit within its regulatory framework. Four weeks later, it disclosed that it had initiated investigations into 24 unauthorized firms involved in digital asset businesses to determine whether they might be engaged in regulated activities requiring FCA authorization.

The FCA, HM Treasury and the Bank of England are expected to take

a number of actions in 2019 to further develop and implement the UK's policy and regulatory approach to cryptoassets and distributed ledger technologies. For example, the FCA signaled that it would request input on draft guidance, setting out its interpretation of the application of the current regulatory framework to security tokens by the end of 2018, and HM Treasury plans to explore how exchange tokens might be regulated if necessary via a consultation to be issued in early 2019.

WHITECASE.COM | SEC RELEASES GUIDANCE ON DIGITAL ASSET SECURITIES: ESTABLISHED SECURITIES REGULATIONS ARE HERE TO STAY

## Regulators worldwide apply ever-more scrutiny to foreign direct investment

The United States, United Kingdom, China and elsewhere are clamping down on foreign investments, and in a widening array of industries.

As governments tighten their grip on national security reviews of foreign direct investment, the need for better assessment and calibration of the associated regulatory risk in cross-border transactions is greater than ever before.

Nowhere is this trend more evident than in the United States, with the August 2018 passage of the Foreign Investment Risk Review Modernization Act (FIRRMA), which expanded the range of transactions that are subject to review by the Committee on Foreign Investment in the United States (CFIUS), and the more recent release of a pilot program under FIRRMA that instituted mandatory declarations for a broad range of transactions and put in place penalties—up to the full value of the transaction—for failure to comply.

FIRRMA was designed to modernize the CFIUS process and close a number of key gaps under the prior law, particularly with respect to Chinese acquisitions. FIRRMA expands CFIUS's jurisdiction in several ways, most significantly to include purchases or leases of real estate in close proximity to sensitive US government facilities and even non-passive, yet non-controlling, acquisitions in US businesses whose activities involve critical technologies, critical infrastructure or sensitive personal data of US citizens.

The United States is far from alone. The EU, UK, Germany, France, China and other nations are also incrementally ratcheting up their reviews.

WHITECASE.COM | NATIONAL SECURITY REVIEWS 2018: A GLOBAL PERSPECTIVE

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## Jurisdictions clamping down on FDI

**The European Commission** is still considering a 2017 proposal for establishing a framework for the screening of foreign direct investments, hoping to strike a balance between maintaining the

EU's general openness to FDI and ensuring that the EU's interests are not undermined.

### **The UK government**

is proposing radical new legislation to empower it to intervene in cases that raise potential national security concerns.

In France, the new Plan d'Action pour la Croissance et la Transformation des Entreprises (PACTE) law is likely to strengthen the sanctions mechanism.

### **The German Federal Ministry for Economic Affairs and Energy**

may prohibit or restrict a transaction if it poses a threat to the public order or security. In September 2018, the ministry announced its intention to further tighten the regime for foreign direct investments in Germany with new legislation.

**China** is in the process of implementing a comprehensive set of rules and regulations governing national security reviews for foreign investments.



V I E W S

Our thoughts on  
business dynamics





## A banner year for US M&A

Last year's sun shone bright on US mergers & acquisitions activity—but there are clouds on the horizon.

US M&A recorded its second-highest annual value ever in 2018, logging more than US\$1.5 trillion in deals. That is a 15 percent increase compared to 2017, despite a 2 percent decline in the number of deals year-on-year.

Domestic dealmaking was particularly robust, having risen 23 percent year-on-year to US\$1.2 trillion. US companies drew confidence from steady economic growth, low unemployment, business-friendly tax cuts and strong stock market performance. Indeed, the ten largest US transactions in 2018 were all domestic deals.

Cross-border M&A involving US companies did not fare as well. Inbound deal value fell by 10 percent year-on-year to US\$277.5 billion, and outbound deal value fell 8 percent to US\$324 billion. M&A involving Chinese bidders was down 66 percent by value year-on-year, to US\$3 billion, and volume was down 40 percent to 38 deals.

The drop in inbound M&A was exacerbated by tougher regulations and checks on foreign buyers investing in the United States. For example, the Foreign Investment Risk Review Modernization Act (FIRRMA) was signed into law in August 2018,







which significantly increased the scope of CFIUS, an interagency committee that reviews foreign investment on national security grounds.

Dealmakers have cause for concern in 2019. Rising interest rates, a potential economic slowdown, growing protectionism around the world and the looming threat of a trade war between China and the United States could all contribute to lower M&A activity.

Nevertheless, the US economy remained strong at the start of the New Year. Secular trends, particularly related to technology, will drive companies to pursue M&A. And despite stock market fluctuations, companies still have record amounts of cash to put to work. According to Moody's, US corporations have approximately US\$1.9 trillion in cash reserves.

## Private equity must prioritize cybersecurity

Strong cybersecurity  
governance is increasingly  
critical at all points in the  
investment chain.

Cybersecurity breaches can destroy a company's reputation and severely damage its bottom line—and consequently, investors' returns. The effects of a breach may not be immediately apparent, and acquirers purchasing companies that have been breached may find that they have bought into a thicket of cyber threats.

To protect themselves, private equity firms must ensure that their due diligence processes include assessments of cybersecurity risks on potential portfolio companies. Those that do can minimize the threat of acquiring cyber issues that must later be fixed, often at great expense. Having a clear process in place will also reassure their own investors.

The EU's General Data Protection Regulation (GDPR), implemented in 2018, offers further incentives to boost cybersecurity standards

and technology defenses.

All companies that hold EU citizens' data, no matter where in the world they are headquartered, are subject to the law and risk fines for major breaches. Under the GDPR, companies must adopt measures appropriate to the risks their data processing activities present. But compliance alone is not a security solution.

Assessments should address existing compromises, policy violations or suspicious activities, and the organization's overall cybersecurity capabilities. Issues to consider include:

- Is the information system architecture effectively structured?
- Are the risks well understood, and reviewed constantly as sophisticated threat actors advance?





- Are the right measures set up to detect breaches, and what is the average response time?
- What are the policies and processes for connecting with third-party vendors, and does the organization assess the nature and degree of supply chain connectivity as a risk?

Ideally, organizations would understand the cyber health of any company they want to acquire before completing a transaction. When that isn't possible, the review should occur before post-purchase integration enables issues to spread from the portfolio company to the private equity firm or to other companies in its portfolio.

WHITECASE.COM | CYBERSECURITY:  
AT THE CROSSROADS OF RISK

## Where banks grow cautious, other investors pick up the leveraged loans baton

As banks remain gun-shy on leveraged debt, direct lending funds fill the finance gap.

After the shock of the financial crisis, many investors and industry observers felt that the riskier end of the debt markets would be frozen out of play.

Compelled by new regulations around capital controls, banks retreated from lending to all but the most secure of debtors, while investors were reluctant to dive into anything without a safe haven label.

Just as nature abhors a vacuum, so does the leveraged loans market. Yet into the gap left by the banks has stepped a range of new investors. And in other markets, more players are broadening the field, too.

Direct lending funds have sprung up all over Europe and the US to provide financing to the smallest SMEs up to the largest companies seeking loans over bonds. In the last few years, a range of fixed income managers have signed up with banks and other providers to seek a single layer of debt, forming a group of unitranche lenders. These lenders are now increasingly taking US\$500 million transactions in their stride, whereas they had traditionally stuck with US\$100 million deals or lower.

Since 2007, these funds' assets under management grew from around US\$200 billion to close to US\$650 billion by the end of 2017, according to Preqin.



The renewed faith in CLOs also looks set to keep invigorating bank balance sheets as investors need yield, ensuring that the flow of capital continues apace.

Some forces at work could curb that capital flow. Restrictive European lending guidelines that some have decided to overlook may come back with a vengeance if household names—including some shaky-looking retailers—collapse, taking their leveraged debt providers with them.

And as investor confidence in direct lending has not been tested through the cycle, it would only take a couple of distressed situations in which a lender loses its investment to pour cold water on this lucrative—for the moment—practice.

WHITECASE.COM | THE FUTURE  
OF EUROPEAN LEVERAGED DEBT



## For a head start on an IPO, issue a high yield bond

Companies that have issued a high yield bond have already completed much of the work required for an IPO—but to date, few have taken advantage of the flying start.

Issuing a high yield bond has significant synergies with the steps businesses take to prepare for listing on a public market. High yield bond issuers have already done much of the groundwork needed to get to IPO, from collating financial statements to formulating their optimal public disclosure for, and communicating with, potential investors.

But few companies overall have taken advantage of these synergies. Since 2012, 438 European companies have gone public with IPOs that have raised more than €75 million. Of those, only 9 percent had previously issued a high yield bond, according to the latest data from Debtwire.

In France, the ratio is a little higher, with 43 percent of those bringing their company to list on Euronext Paris since 2012 having previously been high yield bond issuers. In Germany, 13 percent of IPO issuers had previously issued high yield bonds. The United Kingdom has the most companies that have gone from high yield to IPO, with ten companies having made the leap since 2012—representing







a mere 9 percent of the 112 companies that listed during that period.

But with the high yield bond market on the rise, there are more companies in a position to consider using the work they have already done to advance to an IPO. At the same time, the IPO market has come back to life—in Europe, some €21.8 billion was raised through 168 IPOs in the first half of 2018.

For companies that have issued a high yield bond, much of the preparation and reporting required by regulators to list on a public exchange has already been completed. On the flip side, being publicly listed is not a barrier to issuing a high yield bond. Whatever the order of the transactions, the synergies are the same.

WHITECASE.COM | HIT THE GROUND  
RUNNING: FROM HIGH YIELD BOND TO IPO

## Blockchain promises to boost sustainability in mining & metals

Increasing transparency demands from regulators and consumers are steering mining & metals companies to blockchain for an answer.

Facing a rising tide of regulatory requirements, benchmarking pressures, and climate- and human rights-related litigation, mining & metals companies are beginning to see the profit and brand potential in emphasizing the environmental and social attributes of their goods and services.

Because of its ability to improve transparency, traceability, accountability, integrity and efficiency through open, incorruptible data sharing, blockchain is being discussed as the cornerstone technology for delivering the transparency that regulators, business partners and consumers are demanding.

The potential benefits of blockchain solutions in mining & metals are many and varied: data consistency, documentation and traceability from provenance to producer, manufacturer, logistics and packaging providers; automated due diligence and reporting exported from the mine site; the monitoring of evolving customer and legal requirements; and environmental impact reports, recorded on the blockchain, enabling sustainable behavior to win rewards through incentives, such as tax rebates.

By 2020, countries implementing the Extractive Industries Transparency Initiative (EITI) standard must ensure that all mining and oil & gas



companies publish the names of the “real owners,” including owners’ identities and those of any politically exposed persons. Blockchain

technology could provide a holistic platform to address ownership transparency on a transaction-by-transaction basis.



The European Partnership for Responsible Minerals, a public-private partnership comprising governments and large industry players, is currently funding

SustainBlock, a plan to use blockchain technology for minerals and metals traceability from conflict-affected and high-risk areas.

We are approaching an era when blockchain technology can enable end-users to have a true 360-degree view of mining & metals products throughout their life cycle, a view that demonstrates not only that products are conflict-free, but also that a company is faithful to the attendant health, safety and social issues associated with their operations.

There remains a stumbling block: Research in the food, fashion and other sectors piloting blockchain shows companies capturing a premium on sustainably branded products, helping to offset blockchain and sustainability costs. In some parts of the mining & metals sector, producers are skeptical as to whether sustainability attributes will generate a premium on their products.

WHITECASE.COM | DIGITALISING  
THE MINING & METALS GLOBAL  
SUPPLY CHAIN: BLOCKCHAIN BRINGS  
SUSTAINABILITY TO THE FOREFRONT



## Signs still point to a brighter future in oil & gas M&A

Despite a year-end dip,  
the pieces are in  
place for oil & gas M&A  
to enjoy a busy 2019.

While declaring a complete rebound in oil & gas M&A might be premature, recovering prices and price stabilization should continue to spur the oil & gas M&A dealmaking activity that was picking up in the third quarter of 2018 into 2019 and beyond.

After a steady rise in US oil & gas M&A in the first three quarters of 2018, Q4 delivered an unhappy surprise: Autumn forecasts revising demand downward—coupled with a falling stock market, rising interest rates, US-China trade tensions and the revival of US sanctions against Iraq—sent the price of oil plummeting, and oil & gas dealmaking with it.

But Q4 may have brought a healthy correction. Low oil prices are putting the brakes on the building of new production facilities in the US, curbing fears of oversupply. A likely recovery in oil prices—predicted to remain range-bound, but at the upper end of the range—looks set to brighten the outlook for oil & gas M&A by reducing the bid-ask spread and creating a more deal-friendly M&A environment. In addition,

announced reductions in capital expenditures should improve free cash flow in the short term and result in a further reduction in any oversupply in the system.



Oil price stability creates an environment conducive to M&A, as buyers and capital providers gain confidence in the possibility of an upward trend in prices. With flatter strip pricing and an easing on

backwardation, sellers may also perceive little upside in retaining non-core assets. Renewed fundraising pressures in oil & gas-related private equity may also fuel M&A activity, as firms look to return capital to investors.





The explosive growth of US shale over the past decade has resulted in a highly competitive, fragmented market. As it has matured, the market has benefited from falling production costs, increased efficiencies and technological advances, all causing the industry to thrive despite commodity pricing pressure.

At the same time, the sector's so-called "supermajors" have been dialing back on exploration and have made budget cuts in order to long-cycle projects to weather the low-price environment—meaning their conventional crude reserves have waned and need replacing. In many cases, it is cheaper for the supermajors to make acquisitions in the shale space, which is primed for consolidation, than to bring new projects online.

This has resulted in strong M&A interest, particularly in the Permian Basin in West Texas, where production has roughly tripled since 2011, according to the US Energy Information Administration (EIA). In January 2018, ExxonMobil announced plans to increase its shale oil production in the basin fivefold, to 500,000 barrels a day, by 2025. Royal Dutch Shell has disclosed plans to spend some US\$2.5 billion a year on US shale assets, about one-tenth of its total spending. In late 2018, BP completed its acquisition of BHP Billiton's unconventional assets, and Chesapeake is expected to complete its acquisition in the Eagle Ford Shale in February 2019. Transactions such as these will further drive M&A activity, as large acquirers seek to rationalize their balance sheets and divest "non-core" assets.

WHITECASE.COM | OIL & GAS M&A HEADS  
FOR A BRIGHTER FUTURE

## Tech leaders are optimistic about the future of cross-border M&A

Strategic drivers continue to fuel cross-border deals despite economic and geopolitical uncertainties.

Technology sector confidence is high. In 2018, deal value rose to US\$145.1 billion, up 7 percent compared to 2017. Volume remained steady with a 1 percent decrease year-on-year, which suggests valuations were up considerably. These figures are consistent with overall global M&A trends in a year that turned out to be one of the best on record.

But what's in store for the future? We conducted a survey of 150 tech executives around the world to gauge their expectations for cross-border dealmaking over the next two years. We found that most respondents remain optimistic despite rising valuations, growing regulatory scrutiny (including tightened national security measures in the United States and abroad), interest rate hikes and a rising mood of protectionism.

Sixty-two percent of the executives we surveyed expect to do additional cross-border tech acquisitions over the next two years. Their aims are strategic. For many acquirers, the right deal means survival in the face of accelerating technological disruption. The desire to grow the customer base was the top

deal driver, mentioned by 69 percent of respondents seeking to expand geographically, extend product ranges or offer current products on new platforms. Cited by 46 percent of respondents, the need to gain new IP to deepen capabilities and enable growth was the second-most common motivator.

But dealmakers' enthusiasm has limits. Almost half of respondents, 44 percent, said they had walked away from potential cross-border deals. Of that group, 57 percent indicated their decision to leave the negotiating table stemmed from changes in the macroeconomic climate, including less balanced economic expansion around the world and greater downside risks, such as the threat of possible trade wars.

Considering the next 12 months, 47 percent pointed to trade wars and rising protectionism as the most significant geopolitical factor affecting acquisition strategies. Respondents' optimism was also tempered by tensions between the United States and its traditional allies (29 percent) and Brexit (24 percent).

WHITECASE.COM | TECH EXECUTIVES ARE OPTIMISTIC BUT PRACTICAL ABOUT CROSS-BORDER M&A



## Foreign venture capital investment into China soars

Overseas VC funds have poured into Chinese startups—at points, overtaking their US counterparts.

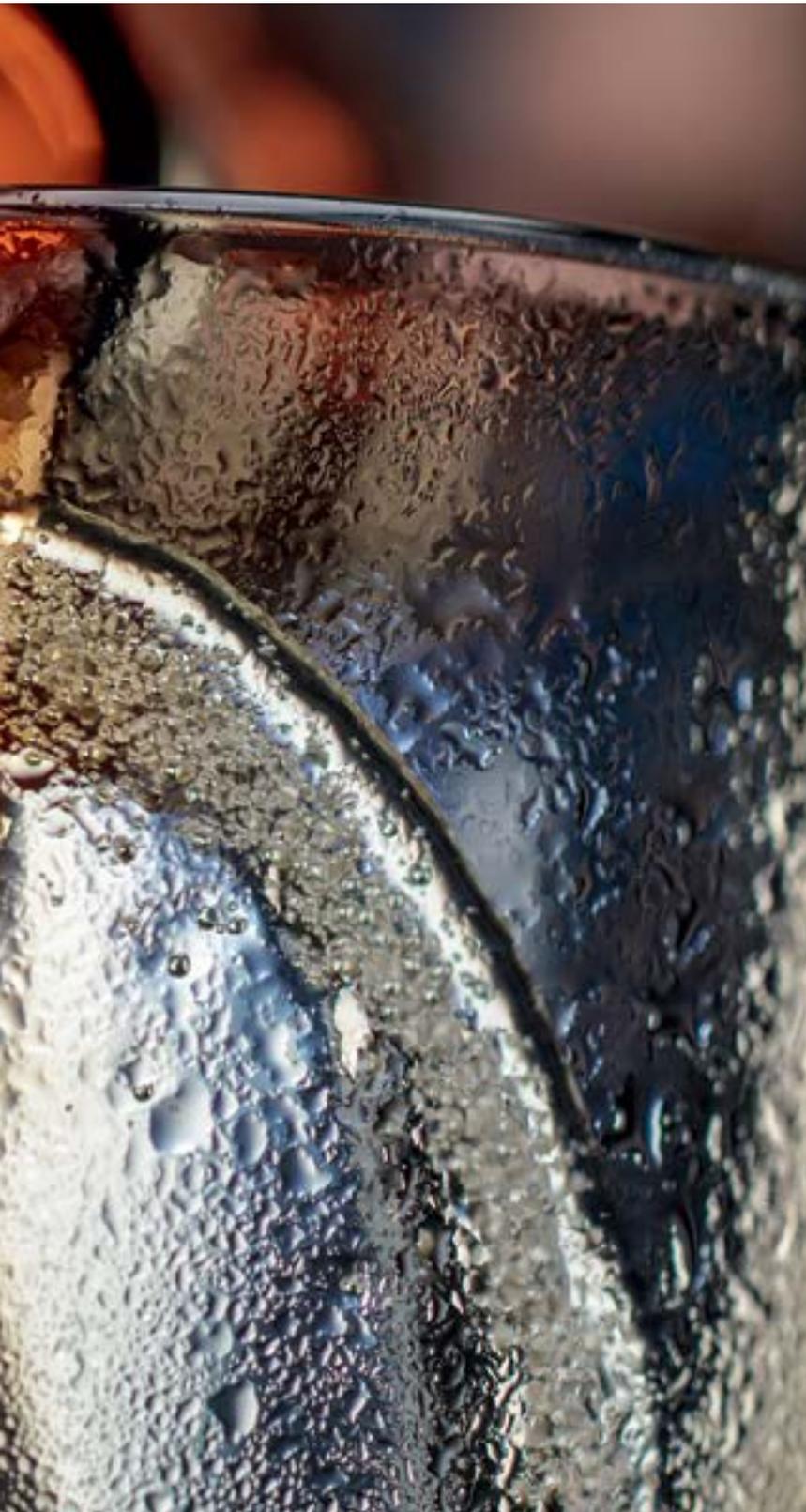
In the second quarter of 2018, companies based in China secured more VC funding (US\$30.9 billion), for the first time, than their North American counterparts (US\$27.2 billion), according to Goldman Sachs data. Although KPMG data shows that the US reclaimed the top spot for total VC investment in Q3, China nevertheless accounted for seven of the 13 largest VC financings globally in that quarter. China also became the leading market for large venture rounds, with an aggregate investment of US\$100 million or more.

For investors seeking growth beyond the mature, competitive US market, China offers

a large developing economy, a population of more than 700 million internet users and extensive financial support from its government. The fintech sector benefits from China's rapid evolution into a cashless society.

According to iResearch and Forrester Research, China's shoppers conduct 11 times more mobile payments than their US counterparts, creating opportunities to sell additional tech-enabled financial services. In the healthcare arena, China's large population and stretched healthcare services encourage investment in biotech, personalized medicine and medical cost-cutting technology tools.





During the past two years, VC investment in China nearly doubled, and predictions suggest that China could lead the US in areas such as artificial intelligence as early as 2025. Still, the Chinese market presents challenges for foreign investors. These include:

- The dominance of Chinese tech giants Alibaba, Tencent and Baidu, which can make deal competition difficult for foreign investors
- Protectionist flashpoints between the US and China
- Tougher rules on scan-and-go payments from China's central bank
- The combination of foreign investment and rising domestic development investment in technology could bring about serious challenges for foreign investors

Despite these hurdles, foreign investors still have good reason to be optimistic about China.

WHITECASE.COM | WHY HAS FOREIGN VENTURE CAPITAL INVESTMENT INTO CHINA SOARED IN 2018?

## Companies must close gaps in anti-bribery and corruption compliance

Work remains for companies committed to compliance in an energized enforcement climate.

Most legal and compliance employees (72 percent) believe their company's anti-bribery and corruption (ABC) initiatives are supported and reinforced by senior management, according to the results of the White & Case 2018 Global White Collar Crime Survey, conducted with the University of Manchester. The survey results are based on feedback from 252 respondents from a range of industry sectors, with different roles, positions and responsibilities within their organizations, and based and operating in various parts of the world.

But challenges remain, including on the front lines, where some employees feel pressure to overlook indicators of possible corruption and perceive that a coworker who wins business through a bribe will then be rewarded. As companies face more—and stronger—ABC laws backed by intensified global enforcement efforts, they should ensure that these perceptions don't undermine their efforts.





Forty percent of respondents report feeling pressure to approve engagement with third parties—such as local agents or subsidiaries—despite bribery and corruption red flags. Forty-eight percent believe employees who pay bribes on behalf of their company will benefit professionally and/or personally. Those who hold this view say the professional benefits would take the form of a “special status” (64 percent) or a promotion (60 percent).

Effective compliance programs can help companies prevent or detect employee wrongdoing, stop inappropriate practices at an early stage and take remedial actions. It may be most surprising that 19 percent of respondents say their company has no formal ABC policy.

To mitigate risks and build a culture of compliance, companies should:

- Establish strong ABC policies, supported by training
- Review the incentives that drive employees who work in high-risk positions and jurisdictions, assessing how their success is measured and ensuring that high behavioral standards are tangibly linked to their advancement and compensation
- Consider including clawback provisions in company policies or individual employment contracts that allow the company to recoup performance payments to employees who are later found to have violated ABC policies

WHITECASE.COM | MANY COMPANIES STILL DO NOT HAVE AN ABC POLICY

## **International arbitration tops methods of cross- border dispute resolution**

**With a view toward  
the future, the survey  
highlights the prominence  
and evolution of  
international arbitration.**

The international arbitration landscape continues to evolve, shaped by factors including legislation, jurisprudence and practice. For the fourth time, White & Case partnered with the School of International Arbitration – Queen Mary University of London to explore the arbitration community’s preferences, perceptions and predictions. The 2018 survey, “The Evolution of International Arbitration,” is the most comprehensive yet. It reflects views gathered from private practitioners, arbitrators, in-house counsel, academics and other stakeholders in a range of industries around the world.

Survey respondents considered topics including the pros and cons of international arbitration,







preferred seats of arbitration, diversity among arbitrators and what will shape the field going forward. Key findings:

- Ninety-seven percent of respondents prefer international arbitration to resolve cross-border commercial disputes. Ninety-nine percent would choose or recommend international arbitration in the future
- As in the past, “enforceability of awards” was seen as arbitration’s best feature, while cost was considered its worst
- London and Paris remain the most preferred seats for international arbitration, followed by Singapore, Hong Kong, Geneva, New York and Stockholm
- Fifty-five percent of respondents predict that Brexit won’t have an impact on London’s appeal
- While 60 percent of respondents feel progress has been made regarding

gender diversity on arbitral tribunals over the past five years, a third or fewer believe this is true for geographic, age, cultural and ethnic diversity

- Technology is widely used in international arbitration, and respondents would like to see even greater use of hearing room technologies, cloud-based storage, videoconferencing, AI and virtual hearing rooms

Perhaps most important, 61 percent of respondents think increased efficiency, including through technology use, will have the greatest impact on international arbitration going forward. Interested parties should keep one eye fixed firmly on these trends, and the other on emerging technology that could alter the international arbitration landscape.

WHITECASE.COM | 2018 INTERNATIONAL ARBITRATION SURVEY



I M P A C T

Highlights of our  
work in 2018



**We advised on  
282 announced  
M&A deals  
of more than  
US\$380 billion in  
aggregate value**

58

**Italy's largest-ever LBO**

We advised CVC Capital Partners on the financing and M&A aspects of the acquisition of 51.8 percent of publicly listed Recordati SpA (through FIMEI SpA, the family holding company) and subsequent tender, Italy's largest-ever LBO. The debt financing included an innovative dual-tranche €1.3 billion high yield bond issuance by Luxembourg company Rossini Srl.

**Anthem healthcare acquisitions**

We represented Anthem, Inc. (NYSE: ANTM), a leading US health benefits company, in a series of acquisitions including Aspire Health, Inc., the US's largest non-hospice community-based palliative care provider; America's 1st Choice, a for-profit Medicare Advantage Organization; and HealthSun Health Plans Inc., a Florida Medicare Advantage health plan and healthcare delivery network.

**Sonic fast food restaurant chain acquisition**

We represented Roark Capital Group and its portfolio company, Inspire Brands, Inc., in Inspire Brands' US\$2.3 billion acquisition of Sonic Corp., (Nasdaq: SONC) an Oklahoma-based drive-in fast food restaurant chain.

**Sony acquisition of EMI Music Publishing interest**

We represented Sony Corporation (NYSE: SNE) in its acquisition of all of the equity interest in EMI Music Publishing held by a consortium of investors led by Mubadala Investment Company. The consortium sold its approximately 60 percent equity interest in EMI to Sony Corporation of America, Sony's US-based subsidiary, for approximately US\$2.3 billion.

**PPF Group €2.8 billion CEE telecom acquisition**

We advised global investor PPF Group on its acquisition of Telenor's telecommunication assets in Central and Eastern Europe, the largest-ever M&A transaction in the CEE telecoms sector, and the largest loan syndication in the region since 2011.

**EchoStar offer for Inmarsat**

We represented US satellite group EchoStar in its proposed offer of £3.2 billion for Inmarsat plc, the UK-based satellite operator, an offer that Inmarsat rejected.

**UK fiber infrastructure acquisition**

We represented Antin Infrastructure Partners and Goldman Sachs's West Street Infrastructure Partners in their acquisition of CityFibre Infrastructure, the UK's largest alternative provider of wholesale fiber network infrastructure, by way of a scheme of arrangement.

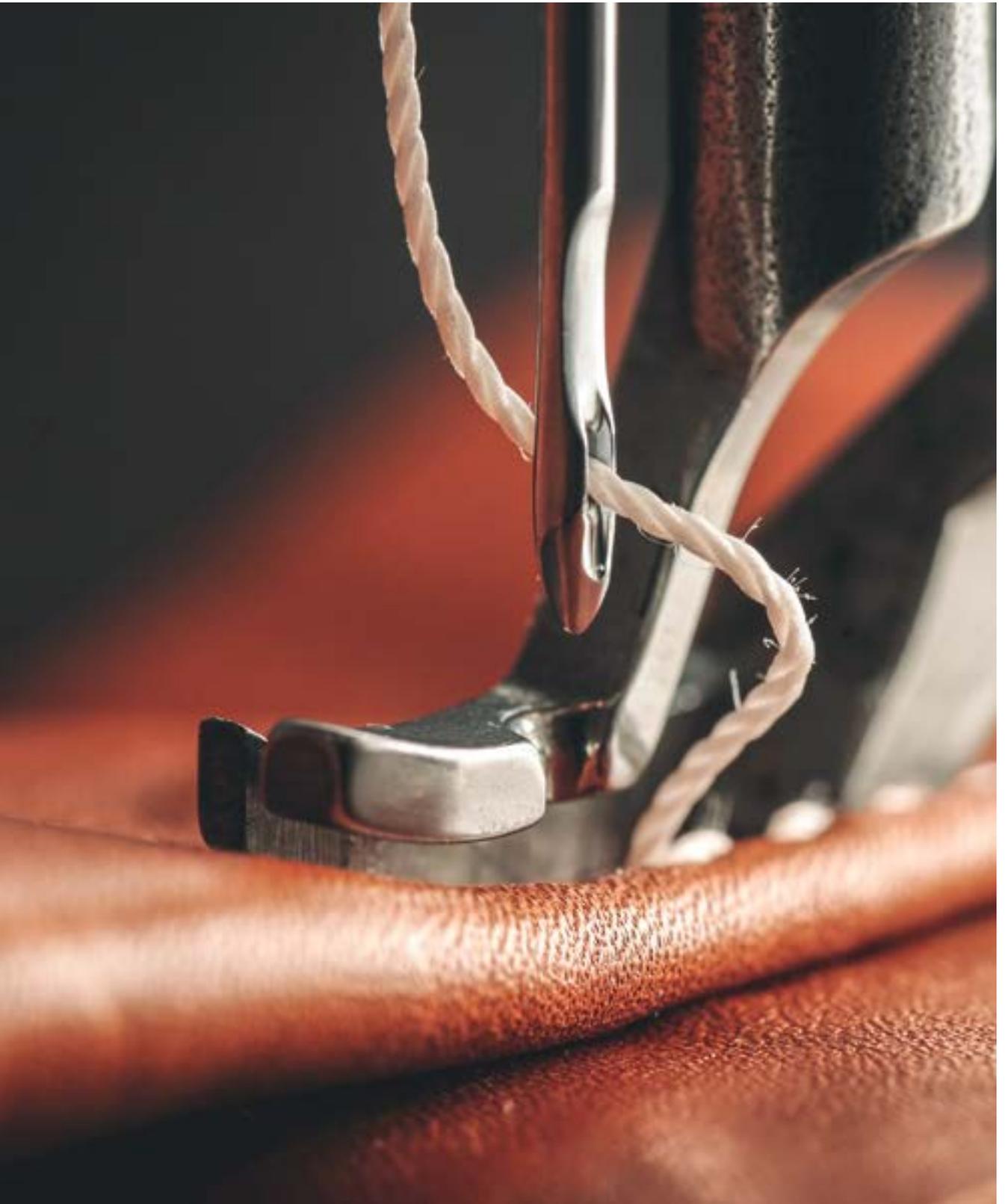
**Sale of IAT's small block diesel engine business**

We are representing Japanese industrial group IHI Corp. and its wholly owned subsidiary IHI Agri-Tech Corporation (IAT) in the sale of IAT's small block diesel engine business to Caterpillar Inc. and its subsidiary, Perkins Engines Company Ltd. The transaction encompasses 18 definitive agreements and includes the sale and dissolution of joint ventures in the US, UK and China.

**Animal health products acquisition**

We advised the Bulgarian group Huvepharma, a global pharmaceutical company specializing in the development, production and commercialization of human and animal health products, on its acquisition of the Animal Health Division of Neovia (InVivo Group).





**PepsiCo US\$3.2 billion purchase of SodaStream**

We represented SodaStream International Ltd. (Nasdaq: SODA), a leading manufacturer and distributor of sparkling water makers, in its sale to PepsiCo, Inc.

**US\$5.6 billion healthcare merger**

We represented healthcare provider LifePoint Health, Inc. (Nasdaq: LPNT) in its US\$5.6 billion merger with healthcare provider RCCH HealthCare Partners.

**Brookfield CAD 4.3 billion acquisition of Enercare**

We represented Brookfield Asset Management in its CAD 4.3 billion acquisition of Enercare Inc., one of North America's largest home and commercial services companies.

**Deutsche Telekom acquisition in the Netherlands**

We advised Deutsche Telekom on the acquisition of Tele2 Netherlands by its Dutch subsidiary, T-Mobile Netherlands. The combination of the two mobile network operators created a strong third player on the Dutch market and was approved unconditionally after a Phase II investigation by the European Commission.

**CVC Capital Partners acquisition of ConvergeOne Holdings**

We advised CVC Capital Partners on its acquisition of ConvergeOne Holdings, Inc. (Nasdaq: CVON), a leading global IT and managed services provider of collaboration and technology solutions, through an all-cash tender offer valued at approximately US\$1.8 billion.

**€4.6 billion tender offer for Amer Sports**

We advised Finland-headquartered sporting goods company Amer Sports Corporation on the voluntary recommended cash tender offer for all of its shares by an investor consortium formed by ANTA Sports, FountainVest, Anamered Investments and an affiliate of Tencent.

**US\$3.5 billion cross-border restructuring**

We represented the management team of SGX-listed commodities trader Noble Group Limited (NGL), in its cross-border US\$3.5 billion debt-for-equity restructuring, whereby the business and assets of NGL were transferred to a new holding company (Noble Group Holdings) as a private entity held by creditors (70 percent), NGL shareholders (20 percent) and management (10 percent).

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**In a changing  
financial  
landscape, we  
helped clients  
raise capital and  
complete complex  
financing  
transactions**

**Innovative financing  
under Juncker Plan**

We advised Crédit Agricole CIB on €830 million in new funding for French SMEs and ISEs through a synthetic securitization, one of the first large-scale transactions under the European Investment Plan (Juncker Plan).

**Largest-ever software  
IPO on LSE**

We advised global cybersecurity provider Avast on its US\$816.6 million (£602 million) IPO, the largest-ever software IPO on the London Stock Exchange.

**US\$2.1 billion-equivalent  
financing for Fidessa  
Group acquisition**

We represented UBS AG, Stamford Branch, as arranger, in an incremental term loan facility for ION Trading Technologies S.a.r.l. and ION Trading Finance Limited's credit agreement. It included US\$1.32 billion of initial dollar term loans and €670 million of initial euro loans; the proceeds were used, in part, to acquire the UK's Fidessa Group plc.

**First Nasdaq IPOs  
of Brazilian companies**

We represented the underwriters in the US\$1.4 billion IPO and Nasdaq listing of shares of Brazilian fintech company StoneCo Ltd., the second-ever Nasdaq IPO of a Brazilian company; and the underwriters in the US\$210 million IPO and Nasdaq listing of shares of Arco Platform Limited, a Brazilian digital education platform, the first Nasdaq IPO of a Brazilian company.

**Global agribusiness  
US\$4.75 billion  
notes offering**

We represented various underwriters in a US\$4.75 billion Rule 144A/Regulation S offering of notes by Syngenta Finance NV in connection with its acquisition by ChemChina.

**Amigo Holdings  
£1.3 billion IPO**

We advised Amigo Holdings PLC, the leading company in the UK guarantor loan space, on its IPO on the London Stock Exchange (LSE).

### **First IPO on Astana International Exchange**

We represented various financial institutions in the US\$3 billion IPO of JSC NAC Kazatomprom, the world's largest producer of uranium, on the London Stock Exchange (LSE) and the newly established Astana International Exchange (AIX) allowing free float of the GDRs between the LSE and the AIX. This was the largest Kazakhstani IPO on the LSE in more than a decade and the first IPO on the newly established AIX.

### **Creation of new Mexican stock exchange**

We represented Central de Corretajes (Cencor), a developer of infrastructure for financial markets in Latin America, Mexico and the United States, in the creation of Bolsa Institucional de Valores (BIVA), Mexico's first new stock exchange in 100 years and one of the most technologically advanced stock markets in the world.





**Concordia US\$3.7 billion recapitalization**

We advised an ad-hoc group of secured creditors of Concordia International Corp., an international generic pharmaceuticals business, on its US\$3.7 billion recapitalization, which was implemented by way of a court-approved plan of arrangement pursuant to the Canada Business Corporations Act.

**Hong Kong shopping malls acquisition financing**

We represented a consortium led by Gaw Capital Partners in HK\$13.8 billion in financing arranged by various banks for the acquisition of a portfolio of 17 retail shopping malls in Hong Kong.

### **Multibillion-dollar Ambac debt restructuring**

We represented a group of hedge funds, as the significant creditors, in the rehabilitation of the segregated account of Ambac Assurance Corporation (AAC), a Wisconsin stock insurance corporation and a subsidiary of Ambac Financial Group, Inc., which resulted in the restructuring of more than US\$5 billion of debt and Ambac's exit from rehabilitation.

### **Successful completion of Oi restructuring**

We represented Brazilian telecommunications company Oi S.A. in the completion of its US\$20 billion debt restructuring, Latin America's largest-ever, including advising on new international bond issuances by Oi of US\$1.7 billion, new equity issuances of US\$1.5 billion and US\$1.7 billion in restructured export credit facilities in 2018.

### **€1.1 billion financing for Finnish acquisition**

We represented global private equity firm CVC Capital Partners in the €1.1 billion financing for its acquisition of the Mehiläinen Group, a leading provider of private healthcare and social services in Finland.

### **US\$6.4 billion acquisition financing for Brookfield Property Partners**

We advised Wells Fargo, Morgan Stanley and several other lead arrangers and lead banks on US\$6.4 billion in financing to fund in part the US\$15 billion acquisition by Brookfield Property Partners L.P. of commercial real estate company GGP Inc.

### **Michelin €2.5 billion bond issue**

We advised Groupe Michelin, the leading tire company, on a three-tranche, €2.5 billion bond issue.

### **Delta Air Lines US\$1.6 billion notes offering**

We represented underwriters on a publicly registered offering by Delta Air Lines, Inc. of US\$1.6 billion notes.

### **€1.275 billion debt financing for Zentiva acquisition**

We represented the mandated lead arrangers/original lenders in the debt financing of pharmaceutical company Zentiva by Advent International Corporation.

### **Berlin Hyp AG's green Pfandbriefe issuance**

We advised various financial institutions, as managers, on Berlin Hyp AG's issuance of €500 million of green covered bonds (Pfandbriefe).

## No matter the dispute, we helped clients navigate complex legal issues worldwide

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### **Winning strategy allows Toshiba's US\$18 billion transaction to proceed**

We developed an innovative bifurcation strategy that created the conditions for our clients Toshiba Corporation (Toshiba) and Toshiba Memory Corporation (TMC) to reach global settlement of three ICC arbitrations with several SanDisk companies controlled by Western Digital Corporation. The companies agreed to withdraw all their claims with prejudice, thereby allowing Toshiba to proceed with TMC's US\$18 billion sale.

### **Groundbreaking victory in French class action case**

We achieved a victory for BNP Paribas Group in a groundbreaking French Supreme Court (Cour de Cassation) judgment dismissing the plaintiffs' entire claim regarding unfair terms the bank allegedly used in a specific portfolio of loan agreements. This is one of the first significant civil class actions under French law and is receiving substantial coverage in the French and global media.

### **Acquittal of foreign exchange trader after extensive antitrust investigation**

After a three-week trial, we won the acquittal of Richard Usher, a foreign exchange trader, on all charges of conspiracy to violate the Sherman Antitrust Act. The acquittal came after a five-year multimillion-dollar investigation by the US Department of Justice's Antitrust Division. We also represented Mr. Usher in an investigation by the UK Serious Fraud Office, which declined to prosecute.

### **Largest-ever offshore drilling chapter 11**

We advised the coordinating committee representing a bank group holding US\$7.4 billion in secured debt on the successful restructuring of Seadrill Limited, one of the world's largest offshore oil drilling companies. The restructuring involved more than a quarter of the world's largest 100 banks and was the largest offshore drilling chapter 11 in history.

### **Victory for Pfizer in patent disputes**

We successfully represented Pfizer and Wyeth in inter partes reviews and post-grant review proceedings brought by Merck Sharpe & Dohme Corp. in the US Patent and Trademark Office. Merck sought to invalidate Pfizer patents, including Plevinar 13®, which generated US\$3.6 billion-plus in revenues in the United States in 2016. Some of the matters are on appeal.

### **Multibillion-dollar putative ERISA class action dismissed**

We represented Anthem, Inc. in winning dismissal of a putative ERISA class action challenging Anthem's pharmacy drug pricing practices. The case stemmed from Anthem's sale of NextRx, its in-house pharmacy benefit manager (PBM), to Express Scripts, Inc. (ESI) and its ten-year PBM agreement with ESI for provision of PBM services. The US District Court for the Southern District of New York held that Anthem was not acting as an ERISA fiduciary when it sold NextRx and entered into the agreement. The case is pending appeal in the Second Circuit.

### **Landmark class-certification victory for Allergan**

For pharmaceutical giant Allergan, we won reversal of class certification by the US Court of Appeals for the First Circuit in an antitrust monopolization case where plaintiffs challenged the development of a new phthalate-free version of its ulcerative colitis drug, Asacol®. The landmark ruling precludes the widespread use of aggregate proof and post-trial affidavits in class actions as a substitute for fact-finding by juries.

### **Saudi bank dropped from terrorism case**

We achieved a decisive victory for Al Rajhi Bank when the US District Court for the Southern District of New York dismissed outright a terrorism case brought against the Bank and HSBC by or on behalf of US nationals injured or killed in a terrorist attack in Jordan; the plaintiffs had alleged that Al Rajhi Bank conspired with HSBC affiliates to provide access to US dollars and financial services to "Al Qaeda in Iraq."





### **Successful settlement of decade-long €7 billion dispute**

A cross-border team from eight Firm offices advised Finnish electricity producer Teollisuuden Voima Oyj (TVO) on negotiating a global settlement ending its decade-long arbitration against French nuclear group Areva and German technology group Siemens regarding construction of a nuclear power plant in Finland. The agreement guarantees the plant's completion and includes payment to TVO of a €450 million settlement indemnity, an incentive payment for a maximum amount of €150 million and a penalty for a maximum amount of €400 million.

### **Taiwanese tech giant wins in Germany**

We successfully represented Taiwanese tech giant MSI before two German courts in an unfair competition and trademark litigation, focusing on MSI's globally famous tagline "No. 1 in Gaming," in which the plaintiff claimed a misleading use of the tagline by MSI.

### **EU General Court annuls abuse of dominance findings**

We represented French pharmaceutical company Servier in its challenge of a European Commission decision on patent settlement agreements in pharmaceutical markets. The EU General Court partially annulled the decision, notably overturning all findings of abuse of dominance under Article 102 of the Treaty on the Functioning of the European Union, the first time that a Commission decision on this issue has been fully overturned since the 1970s.

## We represented clients globally on groundbreaking project and asset financing matters

### **LAX Automated People Mover project**

We represented the LAX Integrated Express Solutions consortium in the groundbreaking Automated People Mover (APM) project for Los Angeles International Airport (LAX). The APM is part of the US\$5.5 billion LAX Landside Access Modernization Program being implemented in preparation for the Summer 2028 Olympic Games and the largest-ever contract awarded by the City of Los Angeles.

### **Latin America's largest gas-fired power generation project**

We advised Goldman Sachs & Co. LLC, Inter-American Investment Corporation, International Finance Corporation and Swiss Export Risk Insurance in structuring US\$1.8 billion in financing for the design, construction and operation of a 1,516 MW thermoelectric power plant in Brazil.

### **A65 motorway refinancing**

We advised a lending syndicate on the €825.5 million refinancing of the A65 motorway concession in France.

### **Australian cogeneration power plant refinancing**

We represented the financiers in the AUD 862 million refinancing of the Worsley Cogeneration Power Plant in Western Australia, providing electricity and steam to the Worsley Alumina Smelter. The financier syndicate comprised 14 international financiers from Australia, Asia and Europe.

### **Ecuador port project**

We advised DP World PLC and its subsidiary DPWorld Posorja S.A. on the approximately US\$377 million project financing for a new deepwater, multi-purpose port terminal to be located near Guayaquil, Ecuador.

### **Saudi petrochemicals complex**

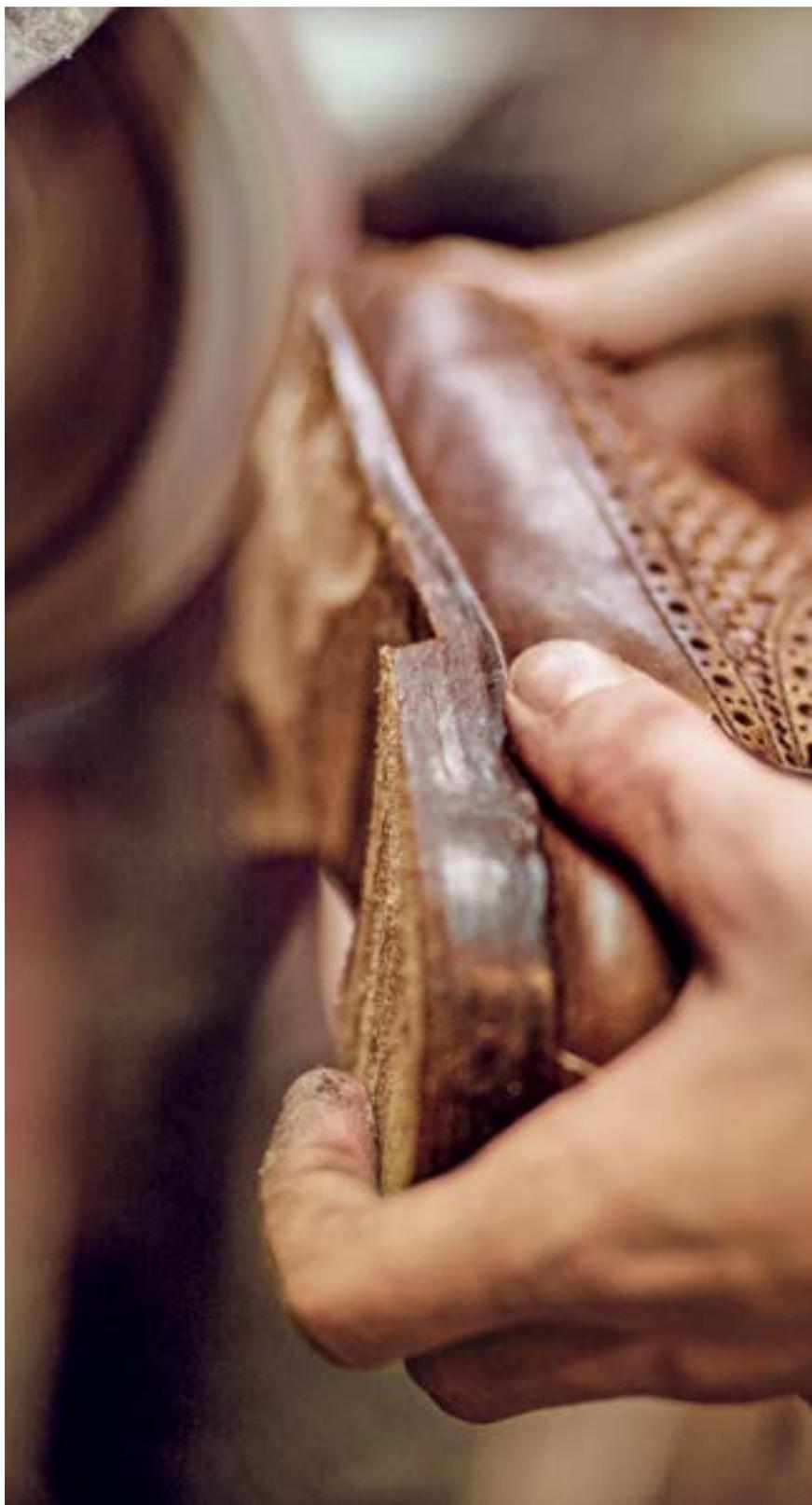
We advised the mandated lead arrangers in connection with the SAR 2.15 billion Islamic project financing for the construction of a new petrochemicals complex in Yanbu, Saudi Arabia.

### **US\$3.036 billion bond financing for Abu Dhabi pipeline**

We represented Abu Dhabi Crude Oil Pipeline LLC, a wholly owned subsidiary of Abu Dhabi National Oil Company (ADNOC), in the inaugural issuance of the US\$3.037 billion senior secured bonds in connection with ADNOC's program to monetize its midstream assets as well as the acquisition of the Abu Dhabi Crude Oil Pipeline.

### **€3.5 billion fiber optic network financing**

We represented Open Fiber S.p.A., an Italian company that is building an ultra-broadband fiber network across Italy, in its €3.5 billion project financing, the largest-ever financing for a fiber optic network in the EMEA region.





**Residential project  
in Saudi Arabia**

We represented Saudi Aramco in the procurement and financing of a residential compound on a build, own, operate and transfer (BOOT) basis to serve the North Oil and Gas Productions and Operations Areas in the Fadhili region, Kingdom of Saudi Arabia.

**World's first green power  
hub in Australia**

We represented Neoen Australia Pty Ltd. in the development and AUD 350 million project financing of the Bulgana Green Power Hub, a 194 MW wind farm and 20 MW battery storage facility to be constructed in Victoria, Australia. An agribusiness industry world-first, it will generate electricity into the national electricity grid and provide emissions-free electricity in a behind-the-meter arrangement to an adjacent high-tech glasshouse producing pesticide-free fruit and vegetables.

**Ethiopian Airlines'  
AFIC financing**

We represented ING Capital and Société Générale in connection with a 12-year senior secured loan facility to finance Ethiopian Airlines Groups' first-five Boeing 737-MAX aircraft. Principal and interest on the senior loans were covered by an insurance policy issued by a group of insurers under the Aircraft Finance Insurance Consortium (AFIC) of Marsh Inc.

**40-aircraft portfolio  
refinancing**

We represented Vermillion, the leading Ireland-based aircraft leasing company, in a large-scale, US\$950 million secured financing for the refinancing of a portfolio of 40 aircraft by a syndicate of international banks.

**Avianca aircraft financing**

We represented Avianca in connection with a US\$100 million loan guaranteed by UK Export Finance to finance a Boeing 787-8 aircraft.

**Our lawyers  
performed  
pro bono work  
around the world  
to ensure that the  
most vulnerable  
had legal  
representation**

**Victory for same-sex spouses  
to move freely across the EU**

Working in partnership with Romanian NGO ACCEPT, lawyers in our Brussels office represented a same-sex couple at the European Court of Justice (ECJ), winning a landmark ruling that recognizes the right of same-sex spouses to move freely across Europe when one spouse is a non-EU resident. We joined the ACCEPT lawyers on record before the ECJ, taking an unexpected approach that positioned the case as an issue of freedom of movement, rather than human rights. The court ruled that same-sex married couples must have equivalent rights to heterosexual married couples to travel and reside anywhere in the EU.





**Support for detained immigrants in the US**

We have been providing pro bono legal services on a number of projects aimed at ensuring the rights of immigrants being detained in the United States. Lawyers in our Washington, DC office are working with the Capital Area Immigrants' Rights Coalition to represent detained immigrants in the region. Lawyers across our US offices have worked at various rural immigrant detention facilities in the southern US as part of the Southern Poverty Law Center's Southern Immigrant Freedom Initiative. Through this ongoing

project, our lawyers spend a week working onsite and are trained and supervised by SPLC experts to evaluate cases, handle bond hearings and prepare deportation defenses. Our Spanish-speaking lawyers have worked onsite at the Port Isabel Detention Center in Texas to assist parents separated from their children at the border, while other lawyers have provided remote legal representation conducting credible fear interviews for detained parents at the Karnes County Residential Center in Texas.

**Lead-exposure testing for at-risk children in Flint, Michigan**

A team of lawyers in our New York office helped win a precedent-setting settlement for approximately 30,000 children in Flint, Michigan, who had been exposed to lead-tainted water during the city's water crisis. The settlement ensures that every child will receive the most sophisticated testing available to measure the impact of lead exposure. Michigan will pay more than US\$4 million to cover the cost

of the screenings. Our team served as co-counsel with the Education Law Center and the American Civil Liberties Union of Michigan. We are continuing this partnership into the next phase of our lawsuit, which will ensure that Flint schools have the resources needed to provide these children with the educational opportunities that are their legal right.

G R O W T H

Our progress in 2018

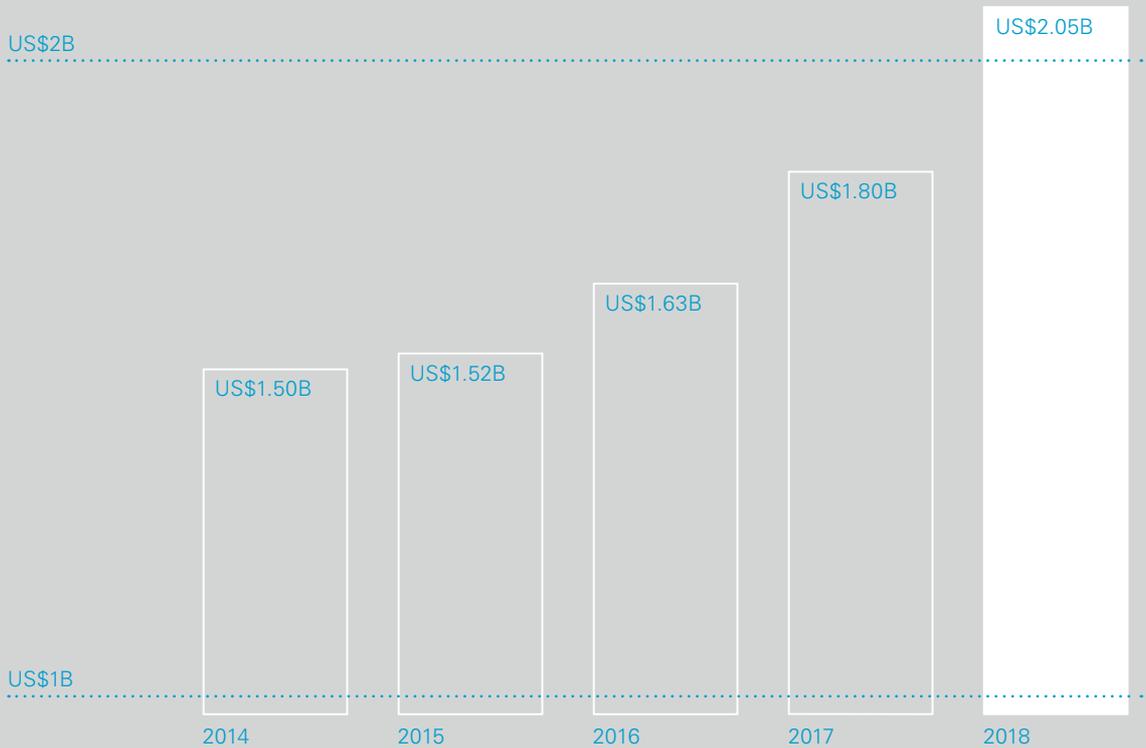




## Revenue

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Ongoing growth **36.7%** 2014 – 2018 growth    **13.9%** 2018 growth



## New offices

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### We expanded our global presence with new US offices in Chicago and Houston and a new office in Tashkent in Uzbekistan

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**Chicago** · Opening an office in Chicago in June 2018 was an important step in implementing our 2020 strategy to grow in the United States. Our new Chicago office already serves clients in M&A, including private equity, disputes, bankruptcy and real estate. Chicago and the Midwest are important markets for a number of our clients, and home to a broad combination of mature and emerging industries that will benefit from our global experience and capabilities.

**Houston** · We further strengthened our leading Global Oil & Gas Industry Group with the February 2018 opening of an office in Houston, the global capital of the oil & gas industry. The new office furthers the Firm's strategy to grow in the United States while supporting the Firm's industry priority groups.

**Tashkent** · The January 2019 opening of our office in Tashkent, Uzbekistan underlines our commitment to our Uzbek clients, and to our international clients who are taking advantage of increasing opportunities to invest in Uzbekistan. The focus of the new office on disputes and complex, cross-border transactions supports the Firm's 2020 growth strategy.

## Awards & rankings

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No. **1** US law firm for  
summer associate  
job satisfaction  
(only firm with  
perfect score)

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No. **1** Global Law Firm  
(second consecutive year)

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”

**White & Case, with a perfect average score of 5.0, was the top-ranked firm.**

*The American Lawyer*

”

**Historically one of the strongest and most successful global firms year over year, and currently an eight-time Global 20 member, White & Case once again proved to be a formidable force on the world’s legal stage.**

*Law360 Global 20*

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**FINANCIAL TIMES INNOVATIVE LAWYERS**

White & Case was the only law firm to be ranked among the top seven most innovative law firms in all three of the *Financial Times*' 2018 reports:

We received the following rankings internationally in categories including managing complexity and scale, accessing new markets and capital, dispute resolution, the rule of law and access to justice, technology and enabling business growth:

**No. 2** North America

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**STANDOUT** 5 matters

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**NO. 4** Europe, Middle East

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**HIGHLY  
COMMENDED** 6 matters

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**NO. 7** Asia

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**COMMENDED** 6 matters

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## Awards & rankings (cont.)

### TOP RANKINGS AND AWARDS

**Most innovative US law firm in Europe** *International Financial Law Review*

**Best Green/SRI Law Firm**  
GlobalCapital Sustainable and Responsible Capital Markets Awards 2018

**Law360 Practice Groups of the Year** Competition, Life Sciences and Project Finance

**Top 10 global M&A by deal value of announced global M&A transactions** *Mergermarket, Thomson Reuters and Bloomberg M&A league tables*

**International Pro Bono Excellence award** (for our work in support of the Global Pact for the Environment) Cyrus R. Vance Center for international Justice

**Global Finance Deal of the Year**  
*The American Lawyer*

**#1 International Arbitration Practice** *Global Arbitration Review GAR30 ranking (fourth consecutive year)*

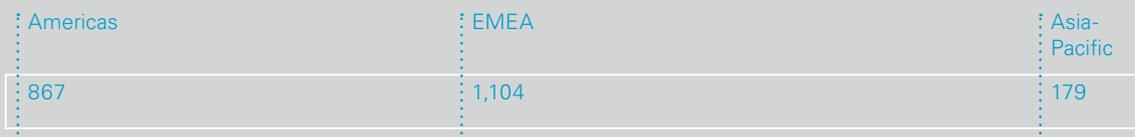
**12 deals of the year** *IJGlobal*

**Three deals of the year**  
*LatinFinance*

**Six deals of the year** *Project Finance International*

## Our lawyers

**2,150** Total number of lawyers



**1,088** US-qualified lawyers

**483** English-qualified lawyers

## New partners

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**Era Anagnosti**

Capital Markets  
Washington, DC

**Kamilla Azamat**

Project Development  
and Finance  
London

**Marwan Azzi**

Mergers & Acquisitions  
New York

**Steven Baker**

Commercial Litigation  
London

**Maria Beguiristain**

White Collar  
Miami

**Marc A. Benjamin**

Mergers & Acquisitions  
Chicago

**Raymond F. Bogenrief**

Mergers & Acquisitions  
Chicago

**Chris Brennan**

Commercial Litigation  
London

**Rupa Briggs**

Capital Markets  
New York

**Jay C. Campbell**

Trade  
Washington, DC

**Robert Counihan**

Intellectual Property  
New York

**Jay Cuclis**

Project Development  
and Finance  
Houston

**Matthew N. Drossos**

International Arbitration  
Washington, DC

**Quintin du Plessis**

Banking  
Johannesburg

**Laura Durrant**

Commercial Litigation  
London

**Ross E. Elfand**

Antitrust  
New York

**Tom Falkus**

Capital Markets  
London

**Gary Felthun**

Mergers & Acquisitions  
Johannesburg

**Hannah Field-Lowes**

Commercial Litigation  
London

**James Fogarty**

Capital Markets  
New York

**Juraj Fuska**

Mergers & Acquisitions  
Bratislava

**Saam Golshani**

Mergers & Acquisitions  
Paris

**Rebecca Gottlieb**

Banking  
New York

**James Greene**

Capital Markets  
London

**Bingna Guo**

White Collar  
Beijing

**Carolyn Pelling Gurland**

White Collar  
Chicago

**James Hardy**

Banking  
London

## New partners (cont.)

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**J. Jonathan Hawk**  
Commercial Litigation  
Los Angeles

**Tim Hickman**  
Intellectual Property  
London

**J. Frank Hogue**  
Antitrust  
Washington, DC

**Alexis Hojabr**  
Mergers & Acquisitions  
Paris

**Thomas H. Horenkamp**  
Mergers & Acquisitions  
Chicago

**Ash Ilkhani**  
Capital Markets  
New York

**Martin Järvengren**  
Mergers & Acquisitions  
Stockholm

**Francisco Jijón**  
International Arbitration  
Washington, DC

**James Johnson**  
Mergers & Acquisitions  
London

**Ryan Johnson**  
Intellectual Property  
New York

**Emmie Jones**  
Mergers & Acquisitions  
London

**Matthias Kieseewetter**  
Mergers & Acquisitions  
Hamburg

**Tilman Kuhn**  
Antitrust  
Düsseldorf

**Luke E. Laumann**  
Mergers & Acquisitions  
New York

**Eugene J.M. Leone**  
Mergers & Acquisitions  
Chicago

**Frank Lupinacci**  
Mergers & Acquisitions  
New York

**Hamish Macpherson**  
Commercial Litigation  
Sydney

**Alexander Malahias**  
Project Development  
and Finance  
Abu Dhabi

**Taisa Markus**  
Capital Markets  
New York

**Claire Matheson Kirton**  
Banking  
Dubai

**Jorge Mattamouros**  
International Arbitration  
Houston

**Chad S. McCormick**  
Tax  
Houston

**Shane McDonald**  
Banking  
London

**Michael J. McKeever**  
Mergers & Acquisitions  
Chicago

**Robert Morrison**  
Banking  
Los Angeles

**Nirangjan Nagarajah**  
Mergers & Acquisitions  
Melbourne

**Sudhir Nair**  
Banking  
London

**Alessandro Nolet**  
Banking  
Milan

**Charlie Ofner**  
Project Development  
and Finance  
Houston

**Steven P. Otilar**  
Project Development  
and Finance  
Houston

**Nicholas Palumbo**  
Banking  
New York

**David J. Pezza**

Mergers & Acquisitions  
Chicago

**Aaron Potter**

Mergers & Acquisitions  
Chicago

**Christopher Richardson**

Project Development  
and Finance  
Houston

**David Robertson**

International Arbitration  
London

**Dominic Ross**

Mergers & Acquisitions  
London

**Paul Saltzman**

Banking  
New York

**Ruth A. Schoenmeyer**

Mergers & Acquisitions  
Chicago

**Ali Shaikley**

Mergers & Acquisitions  
Dubai

**Rebecca Shorter**

International Arbitration  
London

**Gary R. Silverman**

Mergers & Acquisitions  
Chicago

**Julia Smithers Excell**

Banking  
London

**Edward So**

Capital Markets  
New York

**Brad Strahorn**

Commercial Litigation  
Sydney

**David Strickland**

Project Development  
and Finance  
Houston

**David H. Suggs**

Antitrust  
New York

**Gilles Teerlinck**

Capital Markets  
London

**Johan Thiman**

Capital Markets  
Stockholm

**Tommaso Tosi**

Mergers & Acquisitions  
Milan

**Steven Tredennick**

Mergers & Acquisitions  
Houston

**Daniel Turgel**

Mergers & Acquisitions  
London

**Pratin Vallabhaneni**

Banking  
Washington, DC

**Guillaume Vitrich**

Mergers & Acquisitions  
Paris

**Mattias von Buttlar**

Banking  
Frankfurt

**Michael Weir**

Mergers & Acquisitions  
London

**Howard Wettan**

Intellectual Property  
Silicon Valley

**Henrik Wireklint**

Mergers & Acquisitions  
Stockholm

**Steven Worthington**

Mergers & Acquisitions  
London

**54** New partners  
joined

**31** Firm lawyers  
promoted

**85** Total new  
partners

## Enhancing client service through legal project management

Our ongoing  
investment in LPM  
boosts transparency,  
communication  
and efficiency.

Legal project management (LPM)—the application of project management tools and practices to assess, plan, execute and evaluate legal matters—has become a hot topic for law firms and their clients. In 2018, we demonstrated our ongoing commitment to LPM by adding to our dedicated global team and methods. Our focus remains on collaborating with our clients to deliver the most efficient and effective service.

The Firm's legal project managers combine subject matter experience in the banking, legal and government sectors with innovative project management techniques. Integrated within legal teams, they often communicate directly with clients while providing best-practice support to lawyers working on the matter. They ensure that good practices are implemented throughout the Firm and that we learn from each client matter engagement.

The tools used by our legal project managers include matter process mapping, project management templates and proactive regular reporting to clients on matter status and fees, helping to safeguard against surprises. In addition, we consider solutions that involve artificial intelligence, and work to find the right resource for the right task—whether within an existing team or through offshore outsourcing.

As a result of our growing investment in LPM, we have improved reporting and transparency in our communications, and are able to provide clients with real-time information. Our budgets are more accurate, and tracking them across jurisdictions has become more streamlined. From the beginning of a matter to its end, we are employing LPM to ensure an efficient and effective resolution.



## Keeping the focus on innovation

A culture of innovation helps lawyers put legal technology into context.

Technology has transformed the practice of law. But true innovation requires more than a readiness to adopt the latest tech solutions. For that reason, White & Case focuses on both identifying global legal technology that addresses client-service opportunities and on building a Firm-wide culture that supports innovation. In 2018, we worked toward these goals with events in our New York, London and Paris offices.

During Practice Innovation Days in New York and London, our Knowledge team brought together lawyers, staff and client representatives to learn more about emerging “lawtech” and workflow improvement tools, such as those enabled by artificial intelligence (AI). Attendees met with and learned from leading lawtech vendors, including Neota Logic, an AI-powered expert system, LawGeex, a contract review tool, and Luminance, a document analytics tool.

In his opening comments, Oz Benamram, the Firm’s Chief Knowledge Officer, noted AI’s power to drive efficiencies and improve client service, but also emphasized the human element required to deploy technology effectively, focusing on a specific problem and then considering technology with that problem in mind.



Our Paris Innovation Week featured a series of presentations, workshops and events. Highlights included talks by lawtech startup founders and opportunities for our lawyers to engage with them, a “hackathon,” where teams of lawyers competed to devise ideas to improve collaboration and engagement at the Firm, and sessions that offered tips on using Firm technology to increase productivity and manage time. “The week was a great way to meet innovators and entrepreneurs and accelerate the development of a more innovative environment in the Firm,” says Paris partner Céline Domenget-Morin, who

spearheaded the initiative with Paris Executive Partner Denise Diallo and partner Bertrand Liard.

All of the events included input from members of the Firm’s dedicated Practice Innovation team, former practicing attorneys who identify uses for new technologies in both disputes and transactions, partnering with our lawyers to manage technology vendors and educate clients.

## Our diverse workplace

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97 nationalities

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89 languages spoken

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## Our affinity groups

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Our affinity groups foster a sense of community among the Firm's diverse groups. Each group sets its own agenda and goals specific to the issues the community feels are most important to them. Affinity groups are also the drivers of activity to create and enhance awareness of the diverse groups within the Firm, and each group's unique identity and concerns.

Asian Affinity Group

Black Affinity Group

Black, Asian and Minority Ethnic (BAME)

LINK Affinity Group

Colorful Affinity Group

Alianza Network

Middle Eastern Affinity Group

Spectrum LGBT Affinity Group

## Recognition of our diversity

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# First in diversity

(fifth consecutive year) *The American Lawyer  
Diversity Scorecard 2018*

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### 2018 PRIDE 500 EMPLOYER SEAL

for exceptional dedication to LGBT inclusion (Germany) · STICKS & STONES, Aktionsbündnis gegen Homophobie (Action Alliance against Homophobia)

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### 2018 MANSFIELD RULE CERTIFICATION

confirming that White & Case has “affirmatively considered at least 30 percent women and attorneys of colour for leadership and governance roles, equity partner promotions, and senior lateral positions.” · Diversity Lab

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### 2018 FLEX IMPACT AWARD

for the Firm’s gender-neutral US leave policy for lawyers and staff · Diversity & Flexibility Alliance

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### BEST

international law firm for talent management—Americas, Asia (sixth consecutive year for Americas; fourth consecutive year for Asia), and country awards for Belgium, Finland and Russia · *Euromoney* Legal Media Group Women in Business Law 2018

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### DIVERSITY CHAMPION

*The American Lawyer*  
Industry Awards

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### 100%

rating on commitment to lesbian, gay, bisexual, transgender and queer (LGBTQ) workplace issues (tenth consecutive perfect rating) · Human Rights Campaign Foundation 2018 Corporate Equality Index

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92

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## Partnering with Barclays to explore how “covering” hinders true inclusion

We co-sponsored a seminar exploring how social pressure to conform can undermine inclusion initiatives.

Most banks, law firms and corporations adopt sophisticated diversity and inclusion initiatives, yet homogeneous leadership teams and unmet diversity targets persist. The pressure to “cover,” or tone down, aspects of one’s identity to conform to the dominant culture at work may be one reason for the slow progress. To highlight this issue, we joined forces with longtime client Barclays to host an event that took place simultaneously in London and New York.

Our seminar, “Uncovering Talent: Authenticity, Inclusion and Business Impact,” began with a keynote address by Kenji Yoshino, Chief Justice Earl Warren Professor of Constitutional Law at NYU School of Law. Kenji’s speech, which was live in New York and video-linked to London, was followed by separate panel discussions in each office.

While employees who feel pressured to “cover” experience diminished confidence, perception of opportunity and professional performance, “covering” also hurts companies,





Kenji pointed out. Data shows that diverse teams correlate to higher value among Fortune 500 companies. But it is not the mere fact of, for example, an individual's skin color or sexual orientation that benefits their team. Rather, diverse teams excel at problem-solving because of the different life experiences and thought processes they bring to bear on challenges. To fully leverage that diversity, companies must expand their notion of the ideal worker so individuals feel freer to be authentic.

The panel discussions that followed Kenji's speech focused on navigating authenticity in the workplace, the attributes of true inclusion and Barclays's "Bring Your Whole Self to Work" campaign, which encourages employees to be themselves at work. Through this well-attended event, panel participants provided our colleagues and clients with insight into the ways in which uncovering talent improves not only the workplace satisfaction of a broad spectrum of workers, but also the bottom line.

## Global Women's Initiative yields results

Recent successes  
affirm our  
multipronged  
approach to increasing  
the number of  
women leaders.

White & Case has made a long-term commitment to retaining and advancing women at the Firm through our multifaceted Global Women's Initiative.

Over the past nine years, we have embraced a comprehensive approach aimed at increasing the number of women leaders at the Firm. Based on expert-identified best practices, we employ several strategies. For example, annual business plans must include data on the breakdown by gender and the percentage of partner candidates who are women. Giving the exercise teeth, leaders are held accountable for retaining and promoting women.

In addition, we provide a sponsorship program that matches junior women lawyers with senior partners, offering them access to Firm leaders. This enhances retention and increases our ranks of strong women partnership candidates. We also invest heavily in a market-leading global coaching program for women approaching partner level. The program ensures early training and





support for all women, not just those immediately identified as potential high performers. And women partners receive executive coaching and external development opportunities through leadership programs affiliated with Harvard and Cambridge universities.

As a result of efforts like these, we are moving the needle on gender diversity and inclusion. Since 2010, the proportion of women partners in the Firm has grown from 8 percent to 20 percent with the 2018 class of promotions effective January 1, 2019. Two-thirds of our global practice groups have increased the number of senior associate women (fifth year and above) an average of 5 percent in the last five years. In 2018, 43.4 percent of our senior associates were women, compared to an average of 38.9 percent in the prior three-year period. As the numbers show, our pipeline of women associates being considered for partner continues to increase, and we are retaining women identified as top candidates for advancement.

## Our global reach

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6

continents

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In 2018, we advised  
clients from

44

offices

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122

countries on  
matters in

30

countries

---

180

countries

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## Building a platform to help businesses navigate human rights issues

A new interest group focuses on a rapidly evolving area of law.

Human rights abuses have become a pressing concern for companies around the world. Legal and reputational risks surrounding issues such as modern slavery, child labor, environmental impact, security and discrimination have escalated as jurisdictions pass legislation codifying the United Nations Guiding Principles on Business and Human Rights (UNGPs), which were adopted in 2011. Companies in industries as diverse as finance, mining and technology are eager to ensure that they, their suppliers and any companies in which they invest are not involved in activities that violate human rights—for legal as well as ethical reasons.



GROWTH | FOR  
OUR CLIENTS





This year, White & Case formalized its commitment to this emerging area of law by establishing a dedicated group that builds on our longstanding subject matter experience. Led by London partner Clare Connellan, the Business & Human Rights interest group provides an important Firm-wide platform for sharing knowledge across practices and jurisdictions. The group's creation follows related Firm initiatives, including business and human rights training for all of our lawyers in 2016, and the formation of our Responsible Business Working Group in 2017. Client demand for guidance on multifaceted business and human rights issues coincides with the legal profession's

growing interest in the subject. The American Bar Association endorsed the UNGPs in 2012 and, in 2014, the International Bar Association recommended their endorsement by bar associations globally. Similar guidance came from the Law Society of England and Wales, and from the Law Council of Australia in 2016. The business and human rights landscape has been further transformed by developments including reporting requirements at the operations level and in supply chains, and investor-driven action on human rights issues. Our new Business & Human Rights interest group provides clients with the support they need to thrive in this challenging landscape.

## How would widespread adoption of blockchain affect your business?

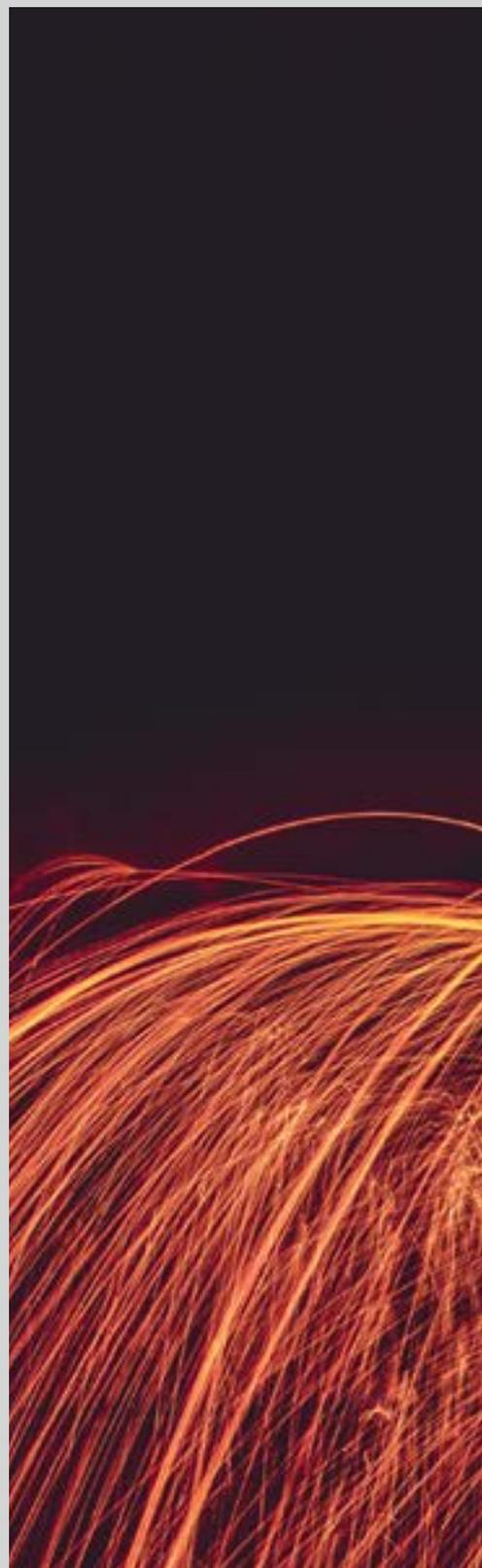
With partners from Saïd Business School, we conducted blockchain scenario analyses with senior executives.

Evangelists of blockchain technology say its effects on business could be as transformative as the internet has been. Yet most executives are still getting up to speed on blockchain. And many questions remain about the technology itself, such as: Can it work at scale? Is it secure? How will it be regulated?

To help GCs think through these and other issues, we hosted an event that focused not only on blockchain fundamentals but also on how the technology could affect their businesses. The event was co-facilitated by experts from the University of Oxford's Saïd Business School.

Hosted in London by White & Case's co-head of financial institutions, the seminar featured a wide range of both White & Case lawyers and external experts, including a leading QC, the CEO of a blockchain company and the UK prime minister's fintech ambassador. Participants came from a wide range of global corporations, financial institutions and industry bodies.

The sessions on scenario analysis were a highlight of the event. One scenario, which was called "Regulatory Patchwork," involved the widespread adoption of blockchain technology in the context





of rising global populism. In this scenario, blockchain policies and regulations are fragmented across regions and countries, and markets increasingly favor “borderless tech” that effectively sets policy itself.

Another scenario, called “Blockchain-Powered Nation,” involved widespread adoption in a world where China leads in the development of blockchain technology and creates state-sponsored infrastructure for economic and political exchange. In this scenario, the Chinese platform is so much more sophisticated than other platforms that many of the world’s largest corporations shift their attention to building their most complex and lucrative services on top of it.

Participants considered a number of questions, including: How does the scenario challenge your current assumptions? What risks and opportunities would it present? What capabilities would your organization need to develop to address them? And what would you do right now if you knew the scenario would come to pass?

The event reinforced our conviction that the ability to imagine alternative futures is a critical skill in an era when disruption is the norm and the pace of change continues to accelerate.

## Read more

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# AR 18

Our *Annual Review* is available online at [whitecase.com/annual](http://whitecase.com/annual)

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# GCR 18

Our *Global Citizenship Review* is available online at [whitecase.com/citizenship](http://whitecase.com/citizenship)

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## Environmental printing

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mohawk

Interior pages printed on Mohawk paper

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This *Annual Review* is printed on elemental chlorine-free papers, and 100 percent of the electricity used to manufacture the paper for this Report is matched with Green-e Certified Renewable Credits (RECs) from wind power projects

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In this publication, White & Case means the international legal practice comprising White & Case LLP, a New York State registered limited liability partnership, White & Case LLP, a limited liability partnership incorporated under English law, and all other affiliated partnerships, companies and entities.



