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ARBITRATION COURT OF THE KALININGRAD REGION

2 Rokossovskogo St., Kaliningrad, 236040 http://www.kaliningrad.arbitr.ru

ORDER

on the refusal to recognize and enforce the awards of a foreign arbitral tribunal within the territory of the Russian Federation

Case No. A21-4252/2026

May 28, 2026 Kaliningrad

The dispositive part of the ruling was announced on 27 May 2026. The ruling was issued in its full form on 28 May 2026.

The Arbitration Court of the Kaliningrad Region, composed of Judge M.S.Glukhoyedov, with the court clerk O.V. Guletskaya recording the minutes and audio of the hearing, and with the participation in the hearing of representatives acting under power of attorney for the petitioner—D.A. Arkhipov, R.D. Avilov, A.A. Baturin, and A.V. Shagaev, acting on behalf of the applicant; and A.I. Kara and V.S. Gerbutov, acting on behalf of the claimant (participating in the hearing via a web conferencing system), and on behalf of VTB Bank (public joint-stock company) Sakhabov D.R., on behalf of Central Bank of the Russian Federation Kazina I.G., having considered in a hearing the petition of the international company Public Joint-Stock Company "United Company "RUSAL" (Russian Federation, Kaliningrad region, Kaliningrad) regarding the recognition and enforcement within the territory of the Russian Federation of an arbitral award rendered by the London Court of International Arbitration (LCIA, located in London, United Kingdom of Great Britain and Northern Ireland) in Case No. 225567 dated September 25, 2024, regarding the recovery from ArTI as the principal debtor and RUSAL as the guarantor of a debt in the amount of 213,770,661.77 euros, and the arbitral award of the London Court of International Arbitration (LCIA, located in London, United Kingdom of Great Britain and Northern Ireland) in Case No. 225567 dated August 29, 2025, regarding the recovery from AARTiAi and RUSAL of interest in the amount of 33,835,208.30 euros, accrued on the termination amount in March, additional interest at the agreed contractual rate for the period from the date of the award until the date of payment, arbitration costs in the amount of 199,146.29 pounds sterling, legal costs in the amount of 3,616,440.40 pounds sterling and 2,044,908.07 euros,

accrued on the termination amount in March, additional interest at the agreed contractual rate for the period from the date of the award until the date of payment, arbitration costs in the amount of 199,146.29 pounds sterling, legal costs in the amount of 3,616,440.40 pounds sterling and 2,044,908.07 euros,

HAS DECIDED:

International Public Joint-Stock Company "United Company 'RUSAL'" (Russian Federation, Kaliningrad Region, Kaliningrad, OGRN: 120390011974; INN: 3906394938; hereinafter—"RUSAL," the applicant) filed a petition with the Arbitration Court of the Kaliningrad Region seeking recognition and enforcement within the territory of the Russian Federation of the awards of the London Court of International Arbitration (LCIA) dated September 25, 2024, and August 29, 2025, in Case No. 225567, which awarded the foreign legal entity OWH SE i.L. (Registration No. 94961; hereinafter "RTI," the debtor) and RUSAL in favor of the foreign legal entity OWH SE i.L. (Germany, registration No. HRB 12169, located in Federal Republic of Germany, hereinafter referred to as "OWH," the claimant) were ordered to pay 249,650,778.14 euros, 3,815,586.69 pounds sterling, as well as 2,044,908.07 euros in court costs.

The claimant has named the following as third parties not asserting independent claims regarding the subject matter of the dispute: the Ministry of Finance of the Russian Federation (TIN: 7710168360; hereinafter "Ministry of Finance of the Russian Federation"); the Central Bank of the Russian Federation (TIN: 7702235133; hereinafter "Bank of Russia"); the Federal Financial Monitoring Service (INN: 7708234633; hereinafter "Rofinmonitoring"), VTB Bank (public joint-stock company) (INN: 7702070139; hereinafter referred to as "VTB Bank"), and Joint-Stock Company "Federal Computer Center for Stock and Commodity Information Technologies" (TIN: 9705184963; hereinafter referred to as "JSC 'Federal Center'").

By a ruling of the Arbitration Court of the Kaliningrad Region dated May 4, 2026, the following entities were joined as third parties not asserting independent claims regarding the subject matter of the dispute: the federal state unitary enterprise "Directorate for Investment Activities" (TIN: 5032034971; hereinafter referred to as the "Directorate"), and the Federal Agency for State Property Management (TIN:7710723134; hereinafter referred to as the Agency).

On April 30, 2026, the court received motions from the OVH to dismiss the petition without consideration and to terminate the proceedings in the case.

In support of its motion to dismiss the claim, OVH argued that the Arbitration Court of the Kaliningrad Region lacked jurisdiction to hear the claim due to the existence of an arbitration clause providing for the submission of disputes to international arbitration in London, United Kingdom of Great Britain and Northern Ireland (hereinafter "LCIA international arbitration").

The motion to dismiss the case is based on RUSAL's lack of standing to file a petition for the recognition and enforcement of the LCIA international arbitration awards, since only OBKh, as the party in whose favor the awards were rendered, has the right to initiate the process of their recognition and enforcement.

The applicant, RUSAL, objected to granting the motions and submitted written objections to the court regarding each of the arguments in the motion.

The Arbitration Court finds no grounds to grant the motion to dismiss RUSAL's application for the following reasons.

Pursuant to the arbitration clause contained in Clause 13b of the General Agreement based on the form of the International Swaps and Derivatives Association (ISDA) as amended in 2002, dated September 11, 2019, concluded between OBX and ArtAI (hereinafter the "General Agreement"), any disputes, claims, disagreements, or controversies arising out of or in connection with the General Agreement and its annexes, including those concerning their interpretation, performance, and breach, shall be referred to arbitration in accordance with the LCIA Rules of Arbitration, with the seat of arbitration in London.

It follows from the descriptive and petitioning parts of the application that RUSAL requests that the awards of the LCIA international arbitration dated September 25, 2024, and August 29, 2025, in Case No. 225567 be recognized and enforced within the territory of the Russian Federation.

The recognition and enforcement of the LCIA international arbitration awards are based on the awards themselves, rather than on the General Agreement and its annexes; consequently, the arbitration clause does not cover the issue of recognition and enforcement within the territory of the Russian Federation, and is not applicable.

Subparagraph 7 of Part 1 of Article 244 of the Arbitration Procedural Code of the Russian Federation (hereinafter referred to as the "APC RF") provides that the recognition and enforcement of a foreign arbitral award includes a review of its compliance with the public policy of the Russian Federation.

Pursuant to Article V, paragraph 2(b), of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards (concluded in New York in 1958) the determination of whether the recognition and enforcement of an arbitral award is contrary to public policy is a matter for the competent authorities of the country in which recognition and enforcement are sought (hereinafter referred to as the New York Convention).

In the Russian Federation, pursuant to Article 241(1) of the Arbitration Procedure Code of the Russian Federation, the resolution of this issue falls within the jurisdiction of arbitration courts in proceedings concerning the recognition and enforcement of foreign court judgments and foreign arbitral awards and cannot be referred to a foreign arbitral tribunal for consideration.

Thus, the Arbitration Court of the Kaliningrad Region has jurisdiction to consider the application, and the arbitration clause does not apply in this case.

In addition, the court notes the following.

OVH is initiating legal proceedings against RUSAL and companies within the same group in other countries (Kazakhstan, Qatar) to challenge transactions and other legal acts, which are in fact aimed at enforcing arbitral awards.

In doing so, OVH, by circumventing the mechanism for the recognition and enforcement of arbitral awards, avoids having such awards reviewed for compliance with public policy in the relevant jurisdictions, essentially attempting to enforce the arbitral awards at the expense of third parties' assets.

The court concludes that, in this regard, OVH is acting in bad faith; by filing this motion, OVH is abusing its procedural rights.

The Arbitration Court also finds no grounds to grant OVH's motion to dismiss the case.

Pursuant to Article 242(1) of the Arbitration Procedure Code of the Russian Federation, an application for the recognition and enforcement of foreign court judgments and foreign arbitral awards shall be filed by the party in whose favor the decision was rendered (hereinafter referred to as the "claimant"), to the arbitration court of a constituent entity of the Russian Federation at the debtor's place of business or residence, or, if the debtor's place of business or residence is unknown, at the location of the debtor's property.

At the same time, Part 2 of Article 241 of the Arbitration Procedure Code of the Russian Federation provides that issues concerning the recognition and enforcement of a foreign arbitral award shall be resolved by an arbitration court upon application by a party to the dispute heard by a foreign court or a party to the arbitration proceedings.

Based on a literal interpretation of the aforementioned article, the recognition and enforcement of foreign arbitral awards occur exclusively on the basis of a petition filed by a party to the arbitration proceedings, which includes RUSAL.

The Arbitration Procedure Code of the Russian Federation contains no prohibitions on filing such a petition.

At the same time, the New York Convention does not limit the circle of parties entitled to seek recognition and enforcement of an arbitral award exclusively to the claimant.

RUSAL noted that, pursuant to Decree No. 95 of the President of the Russian Federation dated March 5, 2022, authorization from the Government Commission for the Control of Foreign Investments in the Russian Federation (hereinafter, the "Government Commission") is required to make a payment to OBKh.

This fact is not disputed by OBX.

As stated in Letter No. 05-06-06/3/20676 of the Ministry of Finance of the Russian Federation dated March 16, 2026, in order to obtain authorization from the Government Commission, it is necessary to provide information received from the competent authorities confirming that the enforcement of LCIA international arbitration awards does not conflict with the laws of the Russian Federation. This falls within

the jurisdiction of the arbitration courts of the Russian Federation within the framework of proceedings for the recognition and enforcement of foreign arbitral awards.

At the same time, on March 17, 2026, a representative of RUSAL proposed that OVH file an application for the enforcement of the LCIA awards on Russian territory, but OVH did not take any corresponding action in response to that letter.

The Russian Federation is the location where RUSAL conducts its primary business activities and where the debtor's main assets are concentrated.

During the proceedings, OVH failed to justify why it is avoiding filing a claim in a Russian court, and it has no economically valid reasons for doing so.

At the same time, OVH has initiated a number of legal proceedings against RUSAL and its affiliated companies in foreign courts.

Given OVH's contradictory conduct, as well as its failure to act and the need to provide the Government Commission with information regarding the compliance of the arbitral awards with Russian law, the court finds that OVH's motion to dismiss the case constitutes an abuse of procedural rights and should therefore be denied.

RUSAL, as the party obligated under the arbitral awards, has a legitimate interest in filing an application for the recognition and enforcement of these arbitral awards in the Russian Federation, including with respect to the compliance of the disputed arbitral awards with public policy.

In light of the foregoing, RUSAL is entitled to file a petition with a Russian court for the recognition and enforcement of the LCIA international arbitration awards.

VTB Bank submitted written explanations to the court in which it stated that the enforcement of an arbitral award requiring a Russian company to make payments to a party from a non-friendly jurisdiction would be contrary to the public policy of the Russian Federation, that the transactions between OVH and VTB are unrelated to the subject matter of this dispute, and that the testimony of Miro Zadro, submitted by OVH in support of its position during the arbitration proceedings—stating that the transactions between OVH and VTB are linked to the transactions between OVH and ArTiAi, is untrue.

VTB Bank also filed a motion with the court to define the scope of factual circumstances relevant to the proper consideration of the case.

The court finds no grounds to grant VTB Bank's motion, since, pursuant to Article 9, Part 2 of the Arbitration Procedure Code of the Russian Federation, parties to the case have the right to provide explanations on all issues arising during the proceedings related to the presentation of evidence, and in doing so, they independently bear the risk of the consequences of their procedural actions or inactions.

Rosfinmonitoring submitted written explanations to the court, in which it noted that, when considering RUSAL's application, it is necessary to establish the factual circumstances giving rise to the right to demand performance of the obligations specified by the applicant; it also drew attention to the fact that, as a result of the implementation of sanctions, OVH is currently effectively under the control of the government of the Federal Republic of Germany, which is included in the list of foreign states and territories engaging in unfriendly actions against the Russian Federation, Russian legal entities, and Russian individuals.

The Bank of Russia submitted written explanations to the court, in which it drew the court's attention to the fact that the procedure established by Decree No. 95 applies, inter alia, to cases of performance of obligations under an independent guarantee in favor of a beneficiary who is a foreign creditor, when such an independent guarantee secures the performance of an obligation under a financial instrument.

At the court hearing, the representative of OVH objected to granting the motion, the representative of RUSAL supported the arguments in the motion, and the representatives of third parties objected to granting the motion on the grounds set forth in their responses.

After hearing the parties' representatives and reviewing the evidence in the case, the court found the following.

Between 2019 and 2021, ArTiA (a company belonging to the RUSAL group) and OVH entered into currency and interest rate swap transactions and currency forward contracts under a master agreement in the form of the International Swaps and Derivatives Association (ISDA) Master Agreement, as amended in 2002.

The purpose of these transactions was to mitigate RUSAL's currency risks associated with a potential appreciation of the ruble against the U.S. dollar.

Initially, the master agreement was entered into on February 17, 2011, between ArtAi and VTB Bank. Under this agreement, the parties entered into individual transactions based on confirmations.

Subsequently, the parties agreed to replace VTB Bank with its German subsidiary—VTB Bank (Europe)—which was later renamed OVH. This arrangement was formalized through the conclusion of a new master agreement with OVH.

VTB Bank, OVH, and ArTiAi entered into a novation agreement dated September 11, 2019, pursuant to which VTB Bank transferred to OVH all rights and obligations under the confirmation dated April 30, 2019, and the rights and obligations of VTB Bank and ArTiAi under the remaining confirmations were terminated.

Transactions between OVH and ArTiAi are governed by the following documents: the ISDA Master Agreement dated September 11, 2019, containing standard terms and conditions for transactions in derivative financial instruments; An Annex to the ISDA Agreement dated September 11, 2019, containing the specific terms and conditions for transactions in derivative financial instruments between OVH and ArTiAi, as well as an arbitration clause; eleven confirmations entered into from April 30, 2019, through November 26, 2021, setting forth the terms of individual swap transactions; A Credit Support Annex dated September 11, 2019, providing for ArTiAi's obligation to transfer certain amounts of cash to OVH to secure the performance of obligations under the Confirmations in the event of an appreciation of the U.S. dollar against the ruble (credit support).

The amount of the credit collateral was equal to the amount necessary to cover ArTiAi's obligations arising from the early termination of all swap transactions, less 100 million U.S. dollars. The amount of the credit collateral was recalculated daily based on the current U.S. dollar exchange rate, and if the exchange rate rose, OVH could issue a demand for additional credit collateral.

ArTiA's obligations to OVH were secured by an independent guarantee from RUSAL dated September 11, 2019.

RUSAL also noted that, in accordance with Article 23.1.21 of RUSAL's Articles of Association in effect at the time the guarantee was issued under the agreement dated September 11, 2019, RUSAL's transactions exceeding US$75 million were subject to approval by the Board of Directors. Previous corporate approvals of transactions between RUSAL and VTB (resolutions of RUSAL's Board of Directors dated April 18, 2019, June 20, 2019, and August 26, 2019) do not cover the transactions between ArTiAi and RUSAL with OVH, as their terms differed and they entailed a more significant level of risk for RUSAL and ArTiAi. Unlike the transactions with VTB, the transactions with OVH required ArtAi to provide OVH with credit collateral. The debt recovered through the arbitration awards arose precisely because of ArtAi's failure to fulfill this obligation. In the absence of the credit security provisions, ArtAi would not have incurred any obligations to OVH. On the contrary, OVH would have been obligated to pay ArtAi more than 65.8 million euros based on the confirmations. Thus, RUSAL's guarantee and the provision regarding credit security were not properly approved by ArtAi's board of directors, a fact of which OVH could or should have been aware.

Following the sharp decline in the ruble's exchange rate against the U.S. dollar in February 2022, OVH began demanding that ArTiA provide credit collateral in its favor. Between February 25, 2022, and March 24, 2022, OVH sent ArTiA a total of 19 demands for additional collateral in U.S. dollars or euros.

Subsequently, on March 1, 2022, March 4, 2022, and March 9, 2022, OVH sent ArtAi three notices of default via email, stating that failure to provide the required credit collateral constituted an event of default. However, Clause 12(a) of the Master Agreement provided that notices of default must be sent in hard copy to ArtAi's address.

ArTiA objected to these requirements, citing clause 5(b)(i) of the Master Agreement.

Due to the sanctions imposed against VTB Bank and its controlled entities, payments at OVH's request were unlawful under the laws of Jersey, where ArTiA was incorporated, and Gibraltar, where ArTiA's office was located and where some of its directors resided, as the sanctions formed part of the legal systems of those jurisdictions.

On March 23, 2022, OVH sent RTI a notice of early termination of all obligations under the Master Agreement effective March 25, 2022, due to the occurrence of an event of default.

On March 28, 2022, OVH sent ArtAI a demand for payment of 214,000,889.15 euros as the amount calculated upon the early termination of the parties' obligations under the Master Agreement.

On June 24, 2022, ArTiAi filed a claim against OVH with the LCIA international arbitration tribunal, seeking a ruling that the event of default had not occurred and that OVH's notices of default were invalid. The case was assigned No. 225567.

In addition, on October 17, 2022, ArTiAi sent OVH its own notice of termination of the master agreement and amended its claims, seeking a declaration that this notice is valid and an order requiring OVH to pay the amount of 65,848,193.35 euros, plus interest.

On December 2, 2022, OVH filed a counterclaim against ArTiAi seeking recovery of funds due upon early termination of obligations under the master agreement.

On March 24, 2023, OVH also filed a claim with the LCIA for international arbitration against RUSAL seeking recovery of funds due upon early termination of obligations under the master agreement. The case was assigned No. 235840.

In both cases, the arbitrators appointed were Jonathan Nash, KC (Chair, a British national), Elizabeth Gloucester, DBE (a British national), and Andrew Lennon, KC (a British national). The seat of arbitration was London, United Kingdom of Great Britain and Northern Ireland.

On July 6, 2023, by Procedural Order No. 1, the arbitral tribunal consolidated Cases Nos. 225567 and 235840 into a single consolidated case under Case No. 225567.

On September 25, 2024, the arbitral tribunal rendered an award ordering ArTiAi and RUSAL to pay, jointly and severally, the principal amount of 213,770,661.77 euros to OVH.

On August 29, 2025, the arbitral tribunal issued a supplementary award ordering ArTiAi and RUSAL to pay, jointly and severally, to OVH the sum of 33,835,208.30 euros in interest on the principal amount, interest on the principal amount from August 29, 2025, until the date of actual enforcement of the awards, as well as 3,815,586.69 pounds sterling and 2,044,908.07 euros in litigation costs.

Current Russian counter-sanctions regulations establish a special procedure for fulfilling obligations to foreign creditors who are foreign entities affiliated with foreign states that engage in unfriendly actions against the Russian Federation, Russian legal entities, and Russian individuals.

Pursuant to subparagraph “a” of paragraph 6 of Presidential Decree No. 254 of May 4, 2022 “On the Temporary Procedure for Fulfilling Financial Obligations in the Sphere of Corporate Relations to Certain Foreign Creditors,” as a general rule, Rusal may fulfill its obligations under the Guarantee based on Arbitration Awards only through a “Type C” account in accordance with Decree of the President of the Russian Federation No. 95 dated March 5, 2022 “On the Temporary Procedure for the Fulfillment of Obligations to Certain Foreign Creditors,” since OVH is registered in a non-friendly state, and the Guarantee secures the fulfillment of ARTIA’s obligations under financial instruments.

Pursuant to paragraph 11 of Decree of the President of the Russian Federation No. 95 dated March 5, 2022, “On the Temporary Procedure for the Performance of Obligations to Certain Foreign Creditors,” authorization to perform obligations without complying with the special procedure may be granted by the Government Commission for the Control of Foreign Investment in the Russian Federation.

As RUSAL notes, such fulfillment may entail the risk of double recovery of the debt from RUSAL, since, from the perspective of foreign law, such fulfillment of obligations may be deemed improper. Currently, OVH is seeking enforcement of the arbitral awards, including in Kazakhstan, the Hong Kong Special Administrative Region, and the United Kingdom. Thus, RUSAL may transfer funds to OVH’s accounts OVH i.e., not to a “C”-type account) only with the permission of the Government Commission for the Control of Foreign Investment in the Russian Federation.

This position is confirmed by letters from the Russian Ministry of Finance dated February 20, 2026, No. 05-6-06/3/13163, and from the Bank of Russia dated March 12, 2026, No. 02-31/2322

On March 5, 2026, RUSAL applied to the Government Commission for the Control of Foreign Investment in the Russian Federation to obtain permission to transfer funds via the OVC.

On March 16, 2026, the Ministry of Finance of the Russian Federation, in Letter No. 05-06-06/3/20676, stated that in order to obtain authorization from the Government Commission, it was necessary to submit information from the competent authorities confirming that the enforcement of the LCIA international arbitration awards dated September 25,2024 and August 29, 2025, in Case No. 225567, does not conflict with the legislation of the Russian Federation, which falls within the jurisdiction of the arbitration courts of the Russian Federation in proceedings concerning the recognition and enforcement of foreign arbitral awards.

Accordingly, the applicant filed a petition with the Arbitration Court of the Kaliningrad Region seeking recognition and enforcement of the LCIA international arbitration awards dated September 25, 2024, and August 29, 2025, in Case No. 225567.

Having examined the case materials and verified the validity of the arguments set forth in the petition, the court finds that RUSAL's claims should not be granted, based on the following.

Given the subject matter of the dispute, the provisions of the United Nations Convention on the Recognition and Enforcement of Foreign Arbitral Awards, concluded in New York in 1958 (hereinafter the "Convention"), are applicable.

Pursuant to Article I of the Convention, it applies to the recognition and enforcement of arbitral awards rendered in the territory of a State other than the State in which recognition and enforcement of such awards are sought, in disputes to which both natural and legal persons may be parties. It also applies to arbitral awards that are not considered domestic awards in the State in which recognition and enforcement are sought.

Subparagraph “b” of paragraph 2 of Article V of the Convention provides that recognition and enforcement of an arbitral award may also be refused if the competent authority of the country in which recognition and enforcement are sought finds that the recognition and enforcement of that award would be contrary to the public policy of that country.

Pursuant to the third paragraph of subparagraph 2 of paragraph 1 of Article 35 of Law of the Russian Federation No. 5338-1 of July 7, 1993, “On International Commercial Arbitration,” recognition or enforcement of an arbitral award, regardless of the country in which it was rendered, may be refused if the arbitral tribunal has determined that the recognition and enforcement of the arbitral award is contrary to the public policy of the Russian Federation.

Provisions similar in substance are contained in Articles 234–244 of the Arbitration Procedure Code of the Russian Federation.

Pursuant to paragraph 7 of part 1 of Article 244 of the Arbitration Procedure Code of the Russian Federation, an arbitration court shall refuse to recognize and enforce foreign court or arbitration awards if such recognition and enforcement are contrary to the public policy of the Russian Federation.

Paragraph 2 of the Information Letter of the Presidium of the Supreme Arbitration Court of the Russian Federation dated February 26, 2013

“Review of the Practice of Arbitration Courts in Considering Cases on the Application of the Public Order Clause as a Ground for Refusal to Recognize and Enforce Foreign Judicial and Arbitration Awards” (hereinafter referred to as Information Letter No. 156 of the Presidium of the Supreme Arbitration Court of the Russian Federation dated February 26, 2013) states that an arbitration court may review a foreign arbitral award for compliance with Russian public policy not only upon the request of a party to the dispute but also on its own initiative.

According to Information Letter No. 156 of the Presidium of the Supreme Arbitration Court of the Russian Federation dated February 26, 2013, “public order” refers to fundamental legal principles that are of the highest degree of imperativeness and universality and possess special social and public significance, and form the basis for the structure of the state’s economic, political, legal systems of the state.

Such principles include, in particular, the prohibition on committing acts expressly prohibited by the most imperative provisions of the legislation of the Russian Federation (Article 1192 of the Civil Code of the Russian Federation), if such acts harm the sovereignty or security of the state, affect the interests of large social groups, or violate the constitutional rights and freedoms of individuals.

Economic sanctions imposed by foreign states cannot serve as a basis for violating the rights of Russian legal entities, since the consequences of their application contradict the public order of the Russian Federation and are not enforceable on its territory (paragraph 5 of clause 1 of the Information Letter of the Presidium of the Supreme Arbitration Court of the Russian Federation dated February 26, 2013 No. 156, Article 1, Part 1 of Federal Law No. 127-FZ of June 4, 2018, "On Measures to Influence (Counteract) Unfriendly Actions by the United States of America and Other Foreign States").

Verifying whether an arbitral award complies with public policy entails a comprehensive and thorough examination of the relationship between the parties to the arbitration, as well as the circumstances surrounding the initiation of the arbitration proceedings.

The imposition by foreign states of restrictive measures against the Russian Federation, motivated by political considerations, inevitably raises doubts as to whether the relevant dispute will be adjudicated in a foreign state in accordance with the guarantees of a fair trial—including those pertaining to the impartiality of the court—which constitutes one of the elements of access to justice.

In this case, the fact that the arbitration proceedings against RUSAL and ArTiAi are being conducted, among others, by liquidators and special representatives appointed by the German government agency, the Federal Financial Supervisory Authority (hereinafter "BaFin"), as part of the enforcement of sanctions against VTB Bank. The court takes into account that the recovery of funds in favor of OVH is in effect equivalent to leaving them under BaFin's control - that is, under Germany's control - for an indefinite period, which amounts to expropriation.

Furthermore, the debt owed to OVH by ArTiAi and RUSAL arose because OVH, already under BaFin's control, took advantage of the legal uncertainty regarding the legality of the payment in its favor and terminated the transactions with ArTiAi precisely at the moment when the dollar exchange rate rose sharply, in order to maximize the amount recoverable from ArTiAi and RUSAL.

Pursuant to Article 1, Paragraph 4 of the Civil Code of the Russian Federation, the principle of good faith is one of the fundamental tenets of civil law; therefore, an international commercial arbitration award rendered in favor of a party acting in bad faith would be contrary to the public policy of Russia. OVH's bad faith is also evident in its creation of a false impression for ArTiA that the formal requirements for notices of default had been met.

As evidenced by the case materials, OBH sent notices of default and sought to recover funds from ArtAi and RUSAL in arbitration after BaFin assumed control over OBH as a result of sanctions restrictions.

The shareholders of OBX were VTB Bank and FSUE "FT-Center," holding 99.39% and 0.61% of the shares, respectively. On November 29, 2022, FSUE "FT-Center" was reorganized by conversion into JSC "FT-Center."

On February 17, 2022—that is, even before sanctions were imposed on VTB—Bafin appointed its special representative, Deloitte GmbH, to OVH to verify the effectiveness of the internal sanctions control system.

According to the testimony of Miro Zadro, the liquidator and CFO of OVH, this was done in preparation for the possible imposition of sanctions against VTB.

On February 24, 2022, VTB was added to the sanctions lists of the United Kingdom and the United States. On the same day, BaFin issued an order prohibiting OVH from making payments or transferring assets to VTB or companies within its group due to the unreliability of the Russian shareholder.

On March 1, 2022, March 4, 2022, and March 9, 2022, OVH sent notices of default to RTI, and on March 23, 2022, it sent a notice of early termination all obligations under the ISDA Agreement due to the occurrence of a Default Event.

On March 22, 2022, OVH unilaterally wrote off its obligations under the subordinated credit line provided by VTB Bank in 1992, thereby demonstrating its intention to avoid repaying it.

According to Miro Zadro's testimony, these obligations were accounted for as liabilities (rather than equity) in accordance with Basel III requirements.

Therefore, to cover the risks associated with the claims against ARTIA and RUSAL, it was required to establish impairment reserves for the corresponding accounts receivable, which created the risk of exceeding the statutory thresholds and capital adequacy requirements.

To ensure compliance with regulatory requirements, OVH adjusted its balance sheet by removing receivables from ARTIA and RUSAL from its assets and removing its liability to VTB under a subordinated credit line from its liabilities.

On April 8, 2022, VTB was subject to EU sanctions. Consequently, on April 8, 2022, and April 9, 2022, BaFin issued orders prohibiting VTB, as a shareholder of OVH, from exercising voting rights at general meetings, and prohibiting OVH's management from carrying out VTB's instructions on any matter.

As a result, VTB completely lost corporate control over OVH. On April 19, 2022, BaFin appointed Frank Helwig as a special representative with management functions and executive powers at OVH. Subsequently, on June 10, 2022, BaFin issued an order appointing Peter Schade as a special representative with the powers of a supervisory board member.

On June 9, 2022, and August 19, 2022, the Frankfurt am Main court, upon application by the Federal Financial Supervisory Authority, appointed FUW Treuhand Projekt GmbH, represented by Lukas Flotter and Andres Wissing, as trustees to exercise the voting rights of VTB Bank and FSUE "FT-Center" with respect to OBX.

Thus, the actions of BaFin and the Frankfurt am Main court to deprive Russian shareholders of control over OBX constitute the implementation of unilateral sanctions against the Russian Federation and Russian legal entities, which, pursuant to Part 1 of Article 1 of Federal Law No. 127-FZ of June 4, 2018, "On Measures to Counter Unfriendly Actions by the United States of America and Other Foreign States,'' are classified as unfriendly actions that pose a threat to the territorial integrity of the Russian Federation and are aimed at its economic and political destabilization.

The Constitutional Court of the Russian Federation also pointed out the illegality of actions related to the implementation of sanctions by foreign states in its ruling dated February 13, 2018, No. 8-P, according to which a right is not subject to judicial protection if its exercise by the rights holder is conditioned by compliance with a sanctions regime against the Russian Federation or its economic entities, which has been established by any state outside the proper international legal procedure and in violation of multilateral international treaties to which the Russian Federation is a party. The court notes that by Order No. 77-118-o of the Moscow City Territorial Administration of the Federal Agency for State Property Management dated February 10, 2022, "On the Assignment of Federal Movable Property under the Right of Economic Management to the Federal State Unitary Enterprise 'Directorate for Investment Activities,' the right of economic management held by FSUE 'FT-Center' with respect to OBKh shares was terminated, and those shares were assigned under the right of economic management to FSUE 'Directorate for Investment Activities.'

The right of economic management implies that the holder of this right may own, use, and dispose of the property assigned to it within the limits determined by the owner in accordance with the provisions of Articles 210, 216, 294, and 299 of the Civil Code of the Russian Federation and other regulatory legal acts.

The Russian Federation is the owner of 6,109 OBX shares (0.61%), and since February 10, 2022, the right of economic management with respect to these shares has been exercised by FSUE "Directorate for Investment Activities."

The court notes that neither they nor VTB Bank were summoned by the Frankfurt am Main court to participate in proceedings regarding the appointment of trustees to manage the shares, and these decisions have not been recognized in any jurisdiction, including Russia.

Subsequently, on March 24, 2023, the trustees appointed by the German court decided to liquidate OBX. With BaFin's approval, Miro Zadro and Frank Helwig were appointed as liquidators.

The court notes that on December 2, 2022, OBX filed a counterclaim in arbitration seeking to recover funds from ArtAi, while already under the control of BaFin's special representatives, whereas OVH's lawsuit against RUSAL was filed on March 24, 2023—the day the liquidators were appointed.

Thus, the arbitration proceedings to recover funds from ArTiAi and RUSAL were initiated by OVH officials appointed by BaFin, which—as part of preparations for the imposition of unilateral sanctions and their subsequent implementation—removed VTB and the Federal State Unitary Enterprise "Investment Activities Directorate" from participating in the management of OVH and deprived them of their shareholder rights.

Under these circumstances, enforcement of the arbitral awards is impermissible, since to do otherwise would amount to recognizing the legality of BaFin's actions in enforcing sanctions against Russian legal entities and depriving them of the ability to exercise their ownership rights with respect to OVH shares.

The balance of rights among parties to relationships such as those at issue in this case, and the prohibition against prioritizing a formalistic approach over the substance of the relationship when protecting their rights, are ensured by the parties' obligation not to derive benefit from their unlawful or bad-faith conduct.

OVH's conduct is aimed at realizing a bad-faith intent, manifested in maximizing profits and enriching itself at RUSAL's expense, rather than in the interests of OVH's legitimate shareholders, including VTB, against the backdrop of an unfavorable economic situation and a sharp rise in foreign exchange rates.

Based on a systematic interpretation of the provisions of Chapter 31, Articles 248.1, 248.2 of the Arbitration Procedural Code of the Russian Federation, in accordance with the position of the Supreme Court (Ruling of the Judicial Panel on Economic Disputes of the Supreme Court of the Russian Federation dated December 9, 2021, No. 309-ES21-6955(1-3)), the mere fact that restrictive measures have been imposed against a Russian individual participating in a dispute in international commercial arbitration, located outside the territory of the Russian Federation, is deemed sufficient to conclude that such an individual's access to justice has been restricted.

The imposition by foreign states of restrictive measures (bans and targeted sanctions) by foreign states against Russian individuals infringes upon their rights

—at the very least, in terms of reputation—and thereby knowingly places them at a disadvantage compared to other individuals.

Under such circumstances, doubts are entirely justified as to whether a dispute involving a person located in a state that has imposed restrictive measures will be heard in a foreign state that has also imposed restrictive measures, with due observance of the guarantees of a fair trial—including those concerning the impartiality of the court—which constitutes one of the elements of access to justice.

According to Decree No. 430-r of the Government of the Russian Federation dated March 5, 2022, the United Kingdom is included in the list of foreign states and territories engaging in unfriendly actions against the Russian Federation, Russian legal entities, and Russian individuals.

Thus, there is an unequal legal position between OVH and RUSAL in the resolution of this dispute in international arbitration.

Furthermore, the court finds that the arbitrators did not properly examine the circumstances surrounding the default notices sent to ArTiA.

Paragraph 12(a) of the General Agreement required OVH to send notices of default in hard copy to Art-I's office on the island of Jersey. However, these notices were sent to ArTiA exclusively via email. At the same time, OVH marked the emails with the notation "By courier, registered/certified mail, and fax (where applicable)," even though, in reality, no hard copies of the notices were sent to ArTiA. OVH's actions created the appearance of compliance with the procedure for serving notices of default set forth in the General Agreement.

During the LCIA arbitration proceedings, OVH argued that ArTiAi had not raised any objections regarding the procedure for sending notices of default. The arbitral tribunal relied on these arguments to conclude that there were grounds for applying the estoppel doctrine against ArTiAi; consequently, ArTiAi's arguments regarding a violation of the prescribed notification procedure were rejected.

During the period when it received the default notices, ArTiAi did not have access to its office documents, as its office services provider, Ogier, unilaterally terminated its services to ArTiAi in February 2022. As a result, ArTiAi was objectively deprived of the opportunity to verify in a timely manner whether the notification procedure set forth in the General Agreement had been followed and to raise the relevant objections.

At the same time, the Adjudicating Authority, to which Ogier had also ceased providing office services, could not have been unaware of these circumstances.

Under these circumstances, the court concludes that OVH's actions led the arbitral tribunal to form an erroneous impression that ArTiAi, from the moment it received the notices, was aware of the failure to comply with the procedure for sending them as established by the General Agreement and, despite this, did not raise any objections regarding their proper service.

The court also takes into account Rosfinmonitoring's position that, pursuant to Order of the Government of the Russian Federation No. 430-r dated March 5, 2022 "On Approving the List of Foreign States and Territories Committing Unfriendly Acts Against the Russian Federation, Russian Legal Entities, and Individuals," Germany, as a member state of the European Union, is considered unfriendly toward the Russian Federation.

Consequently, the recognition and enforcement of LCIA international arbitration awards would effectively amount to supporting the unilateral restrictive measures adopted by the state authorities of the Federal Republic of Germany against Russian companies, which are contrary to the public policy of the Russian Federation.

Thus, the court of first instance finds that the foreign arbitral awards are contrary to the public policy of the Russian Federation; therefore, there are no grounds for granting the motion.

In accordance with Article 168(2) of the Arbitration Procedure Code of the Russian Federation, the arbitral tribunal allocates legal costs when rendering its decision. Article 112 of the Arbitration Procedure Code of the Russian Federation provides that the arbitral tribunal shall resolve the issue of legal costs in the judicial act concluding the consideration of the case on its merits.

Pursuant to Article 101 of the Arbitration Procedure Code of the Russian Federation, court costs consist of state fees and court costs associated with the arbitration court's consideration of the case.

Pursuant to Part 1 of Article 110 of the Arbitration Procedure Code of the Russian Federation, court costs incurred by parties to the case in whose favor the judicial act is rendered shall be recovered by the arbitration court from the opposing party.

Upon filing the application with the RUSAO via payment order No. 00432 dated March 25, 2026, a state fee in the amount of 3,000,000 rubles was paid.

Since the application was denied, the state fee paid upon filing the application shall be borne by the applicant.

Pursuant to Articles 241 and 245 of the Arbitration Procedure Code of the Russian Federation, the Arbitration Court of the Kaliningrad Region

HAS RULED:

To deny the motion dated April 30, 2026, to dismiss the petition without consideration, and the motion dated April 30, 2026, to terminate proceedings in the case against the foreign legal entity OWH SE i.L.

To deny the petition for the recognition and enforcement within the territory of the Russian Federation of the awards of the London Court of International Arbitration (LCIA) dated September 25, 2024, and August 29, 2025, in Case No. 225567 regarding the recovery of funds from the foreign legal entity RTI Limited (Registration number (Registration number) 94961) and the international company Public Joint-Stock Company “United Company ‘RUSAL’” (Russian Federation; TIN: 3906394938) in favor of the foreign legal entity OWH SE i.L. (Germany, registration number (Nummer der Firma): HRB 12169) in the amounts of 247,605,870.07 euros, as well as arbitration and court costs in the amount of 3,815,586.69 pounds sterling and 2,044,908.07 euros to the international company public joint-stock company “United Company “RUSAL.”

The ruling may be appealed within one month of the date of its issuance to the Arbitration Court of the Northwestern District.

Judge M.S. Glukhoyedov

The electronic signature is valid.
Electronic Signature Details: Certification Authority: Federal Treasury; Date: October 8, 2025, 6:31:15
Issued to: Maxim Sergeyevich Glukhoyedov