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January 31, 2022

Re: ***Our Review of 2021 and a Look Ahead to 2022***

Dear S&C Community:

The start of a new year is a welcome opportunity to reflect on the accomplishments of the past year and to look ahead with optimism, hope and anticipation of what we can achieve in the year ahead.

For many of us, 2021 was the busiest year of our careers. The volume of work across virtually every one of our offices and practice areas increased year over year. We continue to respond to challenges of life with the pandemic. Our collective ability to serve our clients and support our colleagues through every twist and turn is a testament to our lawyers' dedication and skill. We are particularly grateful for the commitment and talent of our administrative and business service professionals, who worked tirelessly to keep our 13 offices open and operating seamlessly.

Our Practice in 2021

Last year was an exceptionally strong year for our M&A practice. Worldwide M&A activity in 2021 reached \$5.9 trillion, an increase of 64 percent from 2020, and the strongest year on record. Capital markets were similarly robust: worldwide equity capital markets activity for 2021 reached \$1.3 trillion, an increase of 19 percent from 2020—also the strongest annual period ever recorded. The syndicated loan market increased by 49 percent year over year, reaching \$5.4 trillion in 2021.

S&C advised on more than \$660 billion of global M&A deals in 2021—more than any other law firm. Beyond the volume of transactions, our M&A, executive compensation and tax lawyers worked on many of the most challenging deals of the year, including for AT&T in its spin-off of WarnerMedia and its \$106.5 billion transaction with Discovery; Fiat Chrysler

Automobiles in its \$60 billion merger with Peugeot to create Stellantis; Canadian Pacific in its \$31 billion acquisition of Kansas City Southern; Deutsche Wohnen in its €19 billion combination with Vonovia; Tiffany & Co. in its \$16 billion acquisition by LVMH; Baxter in its \$12.4 billion acquisition of Hillrom; MUFG in the \$8 billion sale of its U.S. core regional banking franchise to U.S. Bancorp; Suez in its response to Veolia's tender offer and then the divestment of approximately €7 billion of assets to create the new Suez; M&T Bank in its \$7.6 billion acquisition of People's United Financial; and Sumitomo Metal Mining Co. and Sumitomo Corp. in their \$1.55 billion sale of Sierra Gorda. We also represented financial advisers in nearly 70 M&A deals—38 percent more than in 2020, representing \$300 billion in deal value.

We handled some of the most challenging capital markets transactions around the globe, including representing XPeng in its Hong Kong IPO and U.S. offering; AUTO1 in its Frankfurt IPO (Germany's first IPO of the year and one of the largest German offerings of the past two decades); the underwriters in the Australian IPO by 29Metals (at the time, the largest Australian IPO of a mining company in more than a decade); the underwriters in the U.S. IPOs by CLEAR and Toast; SoftBank in a series of transactions to monetize further its stake in T-Mobile U.S., a share swap with Deutsche Telekom and monetization of its stake in Alibaba; Enbridge in its bond offerings, including its inaugural sustainability-linked bonds (the first by a North American pipeline company) and SOFR-linked bonds (the first by a non-financial issuer); the underwriters for Goldman Sachs in its bond offerings, including its inaugural sustainability bond; the underwriters for Alibaba in its inaugural sustainability bond; and Stellantis in its bond offerings, including its debut U.S. bond offering following the FCA/Peugeot merger.

We advised on a number of SPAC merger transactions, including Better Mortgage in its merger with Aurora Acquisition Corp. and related PIPE by SoftBank; Ermenegildo Zegna Group in its combination with Investindustrial Acquisition Corp. and PIPE offerings; Hyzon Motors in its combination with Decarbonization Plus Acquisition Corporation and related PIPE; TS Innovation Acquisitions Corp. in its IPO and Nasdaq listing and its merger with proptech company Latch and related PIPE; and 468 SPAC I in its Frankfurt Stock Exchange listing via a private placement, and combination with Boxine. We also advised Pershing Square in its transaction with Vivendi to facilitate the €35 billion spin-off and listing of Universal Music Group (UMG).

Our financing lawyers were integral in helping our clients secure the liquidity to execute strategic transactions. This included notable credit and leveraged financings for Adient, Ares Management, AT&T, Baxter, Canadian Pacific, Canyon Capital, Carlyle, Cheniere, Northwestern Mutual, Oaktree Capital, Rent-A-Center, Sempra Infrastructure and several financial institutions. On the projects side, we continued to assist longtime and newer clients,

including Ambatovy Minerals and its owners in their third senior debt restructuring for their \$8 billion nickel and cobalt mine in Madagascar, and Arroyo Energy in the refinancing of wind and solar projects in Chile.

Following a banner year in 2020, our restructuring lawyers continued to work on challenging engagements in 2021. These include three public company mega cases, serving as lead counsel for California Resources Corporation, Garrett Motion and LSC Communications. The group also commenced a groundbreaking Chapter 11 case for Kumtor Gold Company in response to the Kyrgyz Republic's illegal seizure of a large gold mine. The group further restructured other debtor clients out-of-court; assisted with the structuring of rescue loans; helped clients complete strategic acquisitions in Chapter 11; continued its representation of the U.S.-recognized Government of Venezuela on restructuring matters; and represented the Government of Belize in its landmark sovereign debt restructuring involving a debt-for-nature swap.

It is difficult to imagine a more challenging environment for our Litigation Group than representing clients during the pandemic. Our teams adapted our state-of-the-art technology and used our Vince DiBlasi mock courtroom to keep cases moving when most courthouses were physically closed. Our litigators continued to deliver successful results in cases with massive financial and reputational stakes for our clients. We continue to be a firm of choice for companies facing existential crises, including serving for the past five years as National Coordinating Counsel for Volkswagen in navigating the multitude of civil litigations and regulatory investigations arising from its diesel emissions crisis. This representation has applied many of the lessons that we learned in advising our financial institutions clients in the wake of the financial crisis, including the importance of trying to achieve "global" resolutions in a crisis. We believe that our "generalist" model of lawyering allows us to serve our clients more holistically and nimbly in a crisis than the "specialist" model followed by many law firms.

Litigation work of particular note in 2021 included: defeating General Motors' RICO claims against Fiat Chrysler in federal and state court; helping Goldman Sachs secure an important win in the U.S. Supreme Court that will make it easier for defendants to challenge class certification in securities class actions and narrowing substantially the scope of its gender class action; working with Tiffany & Co. to defend successfully the agreement our M&A colleagues negotiated to save the biggest luxury retail deal of the past decade; keeping the syndicated loans industry intact for J.P. Morgan; securing a ruling in favor of Modelo in its intellectual property litigation; conducting an internal investigation for Major League Soccer into workplace culture at Real Salt Lake; securing a dismissal of claims against medical device company Abiomed, its CEO and CFO; securing a precedential ruling from the Ninth Circuit for Volkswagen on the *Affiliated Ute* presumption of reliance; representing Allianz in litigation filed by investors in Structured Alpha investment funds; and continuing to represent UBS in its

FIRREA case with the U.S. Department of Justice. We also helped our client Ocado Group win a pivotal trial victory in its patent dispute with AutoStore before the U.S. International Trade Commission. We expect IP litigation to be a growing part of our practice in the years ahead.

In the Tax Group, we were pleased to announce the appointment of Davis Wang and Isaac Wheeler as co-managing partners. Our tax lawyers played an integral role in helping our clients to complete their transactions last year, including for AT&T in its WarnerMedia/Discovery and DIRECTV/TPG Capital transactions; AB InBev in the sale of a stake in its container production plants to a consortium of institutional investors; Canadian Pacific in its battle for Kansas City Southern; and Garrett Motion on tax issues in connection with its Chapter 11 restructuring.

Our Estates & Personal lawyers worked with prominent family offices and individual clients, many of whom control major industrial, technological and financial groups in the U.S. and worldwide. This work was not limited to advising on tax, estate and family business succession planning, but also included working with the lawyers in our other practice groups to represent these clients on major M&A, capital markets, financing and litigation matters involving their business and personal interests.

We are also very proud of the Firm's continued commitment to service through pro bono representations. Our notable matters included securing the release from prison of Tanisha Davis, a survivor of extreme domestic abuse and one of the first women to be resentenced and released under the Domestic Violence Survivors Justice Act (DVSJA); materially reducing the sentence of Nicole Addimando in the first appellate court ruling interpreting the DVSJA; working with the nonprofit Immigration Equality to fight successfully for the rights to U.S. citizenship for children of married same-sex couples; working with the National Homelessness Law Center to track and collect COVID-related policies and practices across the country into an online database for stakeholders, advocates and community members that provide support services to homeless populations; and obtaining a ruling to enforce COVID-related protections for over 3,500 individuals incarcerated in the Broward County, Florida jail system. We continue to serve as counsel to the New York State Permanent Commission on Access to Justice, which has expanded access to civil legal services for low-income New Yorkers.

The Year Ahead

As we look ahead to 2022, significant industry developments continue to impact our clients' businesses and our strategies to help them achieve their objectives.

Financial services remains a core area of our practice. Since the financial crisis, many non-U.S. banks have sought to exit the U.S. retail market, and we have helped a number of our clients respond to this trend, including BNP Paribas in its \$16.3 billion pending sale of its Bank of the West business—the largest bank M&A deal of the year. Technology and mobile banking are becoming increasingly important, as is the role of non-traditional financial services companies and payment processors that sit outside the regulated banking system. Last year, we advised, among others, FTX US in its acquisition of Ledger Holdings Inc., the parent company of a CFTC-regulated digital currency futures and options exchange and clearinghouse. Financial services companies recognize the need to invest to achieve scale. These factors have resulted in strong levels of banking M&A over the past couple of years, as companies focus on strategically transformative growth transactions or strategic realignments of their businesses. A number of key and systemic regulatory developments remain pending: the modernization of the Community Reinvestment Act; final capital rules under Basel III; and a regulatory framework surrounding cryptocurrency.

The pace of growth of the technology sector continues to be exceptional, with venture capital investments surpassing all-time records in 2021. Technology is increasingly integrated with other industries as everything from banking and payment systems to doctor visits and healthcare to agriculture and transportation becomes more digitized. With increasing digitization come massive volumes of sensitive personal data being collected, stored and used (and at the risk of being stolen or misused). Data privacy and security are now top of mind for most companies both in how they operate their business and in how they interact with others, including their law firms. Supranational, national and state governments also recognize this concern, with many enacting broad and at times vague data protection regulations.

Our technology clients are facing the risk of heightened antitrust and competition scrutiny. In addition, they are increasingly subject to foreign investment regimes worldwide, which have become more stringent in their review of transactions involving technology and data on the grounds of national security concerns. Intellectual property-related investments and litigations will continue to be important in this sector. Technology companies also are deeply focused on promoting strong environmental, social and governance (ESG) priorities. Recognizing the importance of the technology sector, we are expanding our presence in northern California.

Healthcare and life sciences companies are being impacted by evolving demographics, advancements in technology and rising consumerism. There are several notable developments that are the driving forces of these changes: a growing and aging population; increasing utilization of telehealth, virtual care or remote medicine, along with an industry shift toward a consumer-centric healthcare system; innovation in technology, artificial intelligence and predictive technology; advancements in genomics and gene editing; and the verticalization and integration of healthcare. We are well suited to helping our clients execute strategic M&A or financings in this dynamic sector. We also can offer our clients integrated intellectual property and antitrust advice. In addition to our work for Baxter on its Hillrom deal, notable examples of our healthcare and life sciences work last year include advising UnitedHealth Group in Optum's \$13 billion pending acquisition of Change Healthcare; Thimble Point Acquisition Corp. in its \$1.6 billion combination with Pear Therapeutics; and Amgen in its \$1.9 billion acquisition of Five Prime Therapeutics.

We expect that the consumer and retail sector will continue to evolve as we emerge from the pandemic. Many consumer goods companies are focusing on M&A to acquire brands or divestitures to shed underperforming brands. Many retail companies continue to be under intense financial pressure, particularly those with significant investments in physical retail space. Companies are assessing investment priorities across a wide spectrum of areas: digital acceleration; supply chain resiliency; health and safety; and cost structure realignment. Traditional private equity players continue to express interest in doing take-private deals in the retail space. As the lines blur between consumer and retail, technology, banking and healthcare, there will be increasing opportunities for cross-collaboration among our practice areas. We expect the areas of intellectual property, antitrust, and cybersecurity and data privacy to become even more important to consumer and retail transactions.

Our sports practice continued to grow in 2021. Our litigators secured a significant win persuading a federal judge to reject an emergency motion attempting to force Major League Baseball to move the All-Star Game from Denver back to Atlanta. We also advised on the sale of the Major League Soccer team Inter Miami CF and are representing DraftKings in its \$1.56 billion pending acquisition of Golden Nugget Online Gaming and related commercial agreement with Fertitta Entertainment, and its \$1.1 billion offering of convertible notes. We also helped the New York Knicks and the New York Rangers complete refinancings of their credit facilities.

ESG investing, shareholder engagement and sustainable finance have been growing for the past decade. While not necessarily new in Europe, the topic gained significant momentum in the U.S. business community over the last two years, and we expect this focus to increase. There are a number of ways that we help our clients navigate the myriad of ESG

touchpoints that they face: advising boards and management; reporting and disclosure; investor engagement; M&A; green financing for infrastructure, energy and natural resources; sustainability-linked financing; clean technology and renewable energy; environmental risk management; litigation; and employment-related advice. Unlike other law firms that have created formal ESG practices, our capabilities in this area are integrated within each of our core practices, and we believe this is one factor that differentiates the high level of service we can offer to our clients.

The energy and natural resources sectors are at a pivotal moment as governments and companies recognize the need for cleaner and more sustainable energy consumption. There is a substantial amount of capital and resources required to achieve this transition. S&C is well positioned to help clients consider investments, divestitures and financings that meet their energy transition goals. The energy transition does not affect energy companies exclusively: automakers and industrials are investing in hydrogen technology and electric vehicle (EV) production to reduce emissions; mining companies are extracting vast amounts of lithium, cobalt and copper to meet the growing demand for battery and other transition metals; and financial institutions and corporates are entering into renewable power purchase agreements to increase the share of their energy sourced from renewables. Traditional oil and gas majors in Europe and the U.S. are making significant investments in new energies. We are currently working with an oil and gas supermajor on an investment in a clean energy storage project designed to store excess solar and wind energy. We are also working with one of the largest global automobile manufacturers and its subsidiary, the operator of an EV charging network, in connection with the expansion of its EV operations in North America.

We continue to help companies and their senior executives navigate the increasingly complex web of securities- and commodities-related investigations and enforcement regimes. We are well placed to help our clients in actions by the SEC, CFTC, FINRA, the National Futures Association and other federal, state and non-U.S. regulators and self-regulatory agencies involving alleged accounting and disclosure issues, insider trading, market manipulation, spoofing, the FCPA and issues related to digital assets. In particular, our clients benefit from the expertise of our many lawyers who have held senior positions in government, and the transactional, advisory, litigation and enforcement expertise that we bring to bear for each matter. We anticipate a more heightened enforcement environment in 2022, and we expect the Firm to secure our share of the most challenging assignments.

Our People

The strength of our Firm is only as strong as our people. We welcomed new leaders to some of our practices and offices: Melissa Sawyer is now Global Head of M&A; Pat

Brown is Managing Partner of our Los Angeles office; Amanda Davidoff is Managing Partner of our Washington, D.C. office; and Sarah Payne is Managing Partner of our Palo Alto office.

We were delighted to welcome Jonathan Carter, Michelle Chen, Oderisio de Vito Piscicelli (London), Eric Diamond, Anthony Lewis (Los Angeles), Nicholas Menillo, Kamil Shields (Washington) and Leonid Traps as partners of the Firm, effective July 1, 2021. And we are equally delighted that Lauren Boehmke, Samantha Hynes (Washington), Ken Li, Jameson Lloyd and Ralston Turbeville, Jr. were elected partners of the Firm, effective January 1, 2022. Most recently, Colin Lloyd joined us as a partner in our General Practice Group, focusing on commodities, futures and derivatives. This diverse and talented group of new partners will strengthen the fabric of the Firm and our ability to serve clients and carry on the culture of S&C for decades to come.

We also welcomed back partners Karen Seymour and Steve Peikin and elected Jamie McDonald as partner. Steve served as Co-Head of the SEC's Division of Enforcement, while Jamie served as Director of the CFTC's Division of Enforcement. Jeff Wall returned as a partner following his service as acting Solicitor General of the United States. SEC Chairman Jay Clayton returned as Senior Policy Advisor, and former U.S. Ambassador to Thailand Michael DeSombre returned as a partner in Hong Kong.

Kristen Klein and Joyce Kwok were named special counsel in the General Practice Group, effective January 1, 2021. Arnaud Berdou (Paris) was named European counsel in the General Practice Group, effective July 1, 2021. Daniel Belke (Los Angeles), Alan Fishman, Benjamin Fleming (Melbourne), Benjamin Goodchild, Joon Seok Hong, Julia Kim, Daniel Loeser and Daniel Wolf (Washington) were named special counsel in the General Practice Group and Alana Longmoore, Mark Popovksy and Akash Toprani were named special counsel in the Litigation Group, all effective January 1, 2022.

The Firm continues to recruit, train and mentor the brightest lawyers from around the world. Our 2021 summer program was the most highly ranked summer program in S&C's history. More than 130 summer associates participated in our program, and we are pleased to say that 96 percent accepted our offers. Currently, we expect more than 120 associates to join us in the fall. In 2021, the Firm hired more than 25 clerks, including four from the U.S. Supreme Court and three from the Supreme Court of Canada. Today, the Firm comprises nearly 900 lawyers worldwide.

We continue to attract lawyers from around the world to our 70-plus-year-old Visiting Lawyers Program. To date, more than 300 lawyers have worked with us through this

highly selective program. We were delighted to host seven visiting lawyers in 2021, including two from Brazil and one from each of Israel, Japan, Mexico, the Netherlands and South Africa.

To support our people, we continue to make substantial investments in our integrated network of 13 offices. In 2021, the Hong Kong office moved into a new space at Alexandra House on Chater Road, while we renewed our lease on New Fetter Lane in London until 2030. As the world becomes ever more integrated, we believe that our historic emphasis on cross-border work will serve the Firm well. In 2021, more than half of our clients were headquartered outside the United States.

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In closing, on behalf of all of our partners, we thank Joe Shenker, who has worked tirelessly as our chair over the past 12 years. His contributions are innumerable: launching new practice areas; leading the Firm through terrorist attacks, hurricanes, floods and blizzards; opening new offices; guiding the Firm as we navigated through a global pandemic; and, most importantly, preserving our culture. All the while, Joe continued to practice as one of the preeminent lawyers in the world. We are grateful that Joe is continuing with the Firm as Senior Chair, and that he will continue to serve our clients and work with all of us.

Our Firm began 143 years ago when Algernon Sydney Sullivan and William Nelson Cromwell began their and our partnership. We are proud that S&C pioneered the international business law firm. Through world wars, depressions, financial crises, recoveries and now the COVID-19 pandemic, we have overcome challenges and remained at the forefront of our profession. It is a great privilege to begin our chapter as chairs of our exceptional Firm, and we are grateful for your continued support and commitment. Thank you for all you have done and continue to do.

Best wishes for a happy, healthy and safe 2022.

A handwritten signature in black ink, appearing to read "Bob and Scott". The signature is written in a cursive, flowing style.

Robert J. Giuffra, Jr. and Scott D. Miller