

DISSEMINATED BY MERCURY LLC, A REGISTERED FOREIGN AGENT, ON BEHALF OF THE RT. HON. LORD GREGORY BARKER. ADDITIONAL INFORMATION IS ON FILE WITH THE U.S. DEPARTMENT OF JUSTICE, WASHINGTON D.C.

## Taking Control: How the Barker Plan Permanently Removes Oleg Deripaska from Control of En+ and Rusal

**Background:** After months of negotiations, the Treasury Department announced December 19 that it had reached an agreement with the independent chairman of En+ to affect a major restructuring of the company's corporate governance and ownership structure to comply with U.S. policy goals. Specifically, the agreement calls for sanctioned Russian oligarch Oleg Deripaska to be removed from his control of En+, forcing him to sell off his majority stake in the company and replacing the current board of directors with an independent group of U.S. and U.K. members who have been vetted by the U.S. Treasury Department.

**The bottom line:** The Treasury Department's agreement will permanently eliminate Deripaska's control while forcing him to take a loss of billions of dollars while still facing aggressive sanctions from the U.S. government.

### Severing Deripaska's Control – The Specifics

- Deripaska's shareholding in En+, the holding company for RUSAL, **falls from 70% to 44.95%. A further 10% of Deripaska's holdings are vested in an independent trust approved by OFAC. His tangible voting rights are reduced to 35%.**
- **Independent directors vetted by OFAC will make up 8 of 12 seats** on a (two-thirds) newly constituted board, including at least six U.S. or U.K. citizens.
- **The number of independent directors will increase to eight from three.**
- **Two-thirds of the company's voting rights will be held by independent trustees or minority shareholders.**
- **All dividends due to Deripaska are locked in a U.S. bank and will remain subject to OFAC blocking** for as long as Deripaska remains sanctioned.
- Voting rights for additional shares – those held by VTB Bank and any Deripaska family member or related party – are similarly vested in a U.S. trustee.

### Further Protections for the United States

- OFAC's plan is **designed to cement enduring changes at En+ and RUSAL.**
- The binding agreement requires the companies to submit to **unprecedented ongoing transparency with Treasury, including extensive and regular auditing, certification and reporting requirements.**
- Any breach of the agreement by En+ or RUSAL would result in the companies being immediately sanctioned again.
- **All of Deripaska's property will remain blocked and he will remain on the SDN list.** His investments in En+ and RUSAL are frozen and **he cannot obtain cash either in return for his shares or from future dividends issued by these companies.**
- As Treasury has stated, **"These companies will be subject to ongoing compliance and will face severe consequences if they fail to comply."**

### Alternatives?

- **If sanctions are not removed, EN+ and Rusal will lose their license to operate creating the likelihood that the companies will either be nationalized by Russia or purchased by the Chinese.**