
En+ Group announces its removal from OFAC's SDN List

28 January 2019 — EN+ GROUP PLC (the “**Company**”, “**En+ Group**” or together with its subsidiaries the “**Group**”), (LSE: ENPL; MOEX: ENPL), a leading international vertically integrated aluminium and power producer, announces its removal from OFAC's SDN List (as defined below).

As previously announced, on 6 April 2018 the Office of Foreign Assets Control (“**OFAC**”) of the U.S. Department of the Treasury designated certain legal and natural persons, including the Company and its subsidiaries, UC Rusal Plc (“**Rusal**”) and JSC EuroSibenergo (“**Subsidiaries**”), to OFAC's Specially Designated Nationals List (the “**SDN List**”) (the “**OFAC Sanctions**”). In connection with the OFAC Sanctions, OFAC issued several general licences, which were subsequently extended by OFAC on several separate occasions, most recently through the issuance of new General Licences No. 13I, 14D and 16D, which were due to expire on 28 January 2019.

On 19 December 2018, OFAC submitted a notification to the U.S. Congress (the “**Notification**”) regarding the OFAC Sanctions, which set out OFAC's intention to remove the Company and its Subsidiaries from the SDN List.

The Company is pleased to report that, following the Notification, OFAC has announced the removal of the Company and its subsidiaries from the SDN List with effect from 27 January 2019. OFAC's press release of 27 January 2019 (the “**OFAC Release**”) states that:

"The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) today lifted sanctions imposed on En+ Group plc (“**En+**”), UC Rusal plc (“**Rusal**”), and JSC EuroSibEnergo (“**ESE**”), following an earlier notification submitted to Congress on December 19, 2018."

The full text of the OFAC Release can be read at <https://home.treasury.gov/news/press-releases/sm592>.

The removal by OFAC of the Company and its subsidiaries from the SDN List was subject to and conditional upon the satisfaction of a number of conditions, including, but not limited to:

- ending Mr Oleg Deripaska's control of the Group;
- reduction of Mr Oleg Deripaska's direct and indirect ownership interest in the Company and its Subsidiaries to below 50%;
- changing the composition of the boards of directors of the Company and Rusal so that they are composed of a majority of independent directors;
- making significant changes to the Company's corporate governance framework;
- establishing independent voting arrangements for the Company's shares held by certain shareholders; and
- ongoing auditing, reporting and certifications by the Company and Rusal to OFAC concerning compliance with the de-listing conditions (the “**Conditions**”).

The reduction in Mr Deripaska's interest in the Company to no more than 44.95% has been achieved by:

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- the issue of 67,420,324 new shares in the form of GDRs, representing approximately 10.55% of the enlarged share capital of the Company following the completion of the Lord Barker Plan (638,848,896 shares), to a subsidiary of Glencore International AG in exchange for the transfer to the Company by Amokenga Holdings Limited of its 8.75% holding in Rusal;
 - VTB Bank taking ownership of certain of shares pledged as collateral for previously issued obligations of entities controlled by Mr Deripaska issued by VTB Bank; the bank has no voting rights with respect to those shares with the rights held by an independent American voting trustee; and
 - the donation by Mr Deripaska of certain shares to a charitable foundation – the voting rights attaching to such shares to be controlled and exercised by an independent American voting trustee.

These arrangements also ensure that Mr Deripaska will not be able to exercise voting rights in respect of more than 35% of the Company's issued share capital.

The composition of the Board of directors of the Company has been completely overhauled. Independent directors accepted by OFAC will make up 8 of the 12 seats on the newly constituted Board, including six U.S. or U.K. citizens and the number of independent directors will increase to eight from three. Their identities and details will follow in a further announcement shortly.

Finally, the Company has been in active dialogue with the London Stock Exchange, the Financial Conduct Authority, Citibank, N.A. (the Company's depository), Euroclear and Clearstream in connection with the GDRs clearing and settlement procedures. The Company expects clearing and settlement in its GDRs to recommence on a normalised basis shortly. Further details on this will follow in a further announcement.

Lord Barker of Battle, the Company's independent chairman said:

"The lifting of sanctions on the whole En+ Group is a turning point in this great company's fortunes. This is the first time independent directors of a London listed Russian company, with the strong support of minority shareholders, have successfully removed control from a majority shareholder as a direct response to US sanctions policy. It is a clear victory for muscular corporate governance and sets the group on a new path as an independent, international leader in its sector, operating in 14 countries across five continents.

The strong support for this plan from both the European Union and the British government, and a coalition of nations from Sweden to Jamaica, further underpins the broad based international support for the actions of the U.S. Administration to lift sanctions. With two thirds of the board now controlled by independent directors and nearly two thirds of the company shares now controlled by minority shareholders & independent U.S. Trustees, there has been a fundamental shift in both governance and ownership.

However, despite the last few turbulent months, thanks to the skill and dedication of our employees and the quality of our world class assets, our underlying business has proved to be remarkably resilient and the long term prospects are excellent. The strategy outlined at our successful London IPO in 2017 remains but we face the future with renewed confidence. En+ is determined to be at the forefront of the global shift to a low carbon economy and to lead our sector in both innovation and quality.

The new board will bring not only the qualifications and experience to deliver the new era of robust corporate compliance and verification demanded by OFAC but also the skills, commitment and vision, to take the group into the next decade.”

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Group's business, results of operations, financial position, liquidity, prospects, growth or strategies. Forward-looking statements speak only as of the date they are made.