

**Contact:**  
**Senator David Vitter**  
**Mercury, LLC**  
[dvitter@mercuryllc.com](mailto:dvitter@mercuryllc.com)  
**504-256-2300**

## **En+ Group and the German Automotive Industry**

### **SANCTIONS BACKGROUND**

- On April 6, the U.S. Treasury Department's Office of Foreign Asset Control (OFAC) designated a range of Russian officials and interests as subject to U.S. sanctions. This list included Russian oligarch Oleg Deripaska and the En+ Group (En+), as well as the world's second-largest aluminum company, Rusal.
- Mr. Deripaska currently controls 70% of En+.
- En+ owns 48% of Rusal but effectively controls it.
- Aluminum production will be severely impacted if Rusal goes out of business. German automobile companies, such as Daimler, Volkswagen and BMW, which are so critical to Germany's economy, are at risk.
- Since the Treasury Department's announcement, sanctions have been enforced against Mr. Deripaska, En+ and Rusal.
- OFAC announced General License 12B and 13A and has extended the deadline to June 5 and 6, 2018, respectively for U.S. investors to exit any shareholding interest in En+, and for both U.S. and non-U.S. entities to cease doing business with En+ and Rusal, as well as Mr. Deripaska.

### **THE BARKER PLAN**

- The independent chairman of En+, Lord Gregory Barker, is aggressively responding to the OFAC's actions in an effort to lift the sanctions on En+ and Rusal. The Barker Plan has three components:
  - Reduce Mr. Deripaska's ownership stake in En+ below 50%;
  - Remove Mr. Deripaska from the boards of both En+ and Rusal;
  - Replace Mr. Deripaska's allies on the boards by independent directors.
- Through these reforms, the Barker Plan would accomplish the Trump Administration's goal of removing Mr. Deripaska from control of En+ and Rusal. As U.S. Treasury Secretary Steven Mnuchin has stated: "*Our objective was not to put Rusal out of business . . . and the first aspect would be that he (Mr. Deripaska) sells down below 50% . . . .*"

- Lord Barker has the support of the company's minority shareholders, its independent board, and the London Stock Exchange.
- The Barker Plan is already underway:
  - On May 18, 2018, Mr. Deripaska stepped down from the board of En+ effectively immediately. He also announced he will not seek reelection to the board of Rusal.
  - On May 23, 2018, Rusal's CEO resigned from the company, and seven directors appointed by Mr. Deripaska stepped down from Rusal's board.

### **TIME IS OF THE ESSENCE**

- Lord Barker, as well as executives from En+ and Rusal, are engaged in very productive discussions with OFAC to successfully implement the Barker Plan and address the Trump Administration's concerns over Mr. Deripaska. In addition to the progress that has already been made to remove Mr. Deripaska and his allies from the boards of En+ and Rusal, Lord Barker is also in discussions with potential investors to buy down Mr. Deripaska's controlling interest.
- However, En+ and Rusal, under the guidance of Lord Barker, need additional time to fully implement the Barker Plan. The companies have requested an extension of the June deadlines for the imposition of U.S. sanctions.
- Unless the U.S. Treasury grants this extension, the impact on the global aluminum market--and all companies that depend on it--could be devastating.
- The London Stock Exchange has confirmed that it will suspend trading on En+ on June 1, 2018 if the deadlines for the sanctions are not extended.
- Due to specific regulations and filings required by the London Stock Exchange, reducing Mr. Deripaska's ownership stake will take a minimum of two months to address various financing and liability issues, and win approval from multiple regulators.
- Citibank and other financial institutions, will no longer be able to participate in the divestment and transfer of Mr. Deripaska's shares if the sanctions deadlines are not extended.
- Since he would be at risk of secondary sanctions, Lord Barker would not be able to remain in his role as an independent director if the sanctions deadlines are not extended.
- The resignation of Lord Barker would effectively destroy the Barker Plan.
- Failing to extend the sanctions deadlines would not only result in the collapse of the Barker Plan, it could lead to the nationalization of Rusal by the Russian Federation.

### **SUPPORT FROM YOUR GOVERNMENT**

- The Federal Republic of Germany has a clear and significant interest in the success of the Barker Plan. Manufacturing and jobs are at stake.
- To protect German economic interests and support the Barker Plan, we request Ambassador Wittig take the following steps:
  1. Email a strong statement of support for the Barker Plan and all extensions necessary to execute it to key Trump Administration officials, including:
    - David Meale, Deputy Acting Assistant Secretary for Counter Threat Finance and Sanctions, U.S. State Department  
[MealeD@state.gov](mailto:MealeD@state.gov)
    - Seth Bridge, OFAC, U. S. Treasury Department, [Seth.Bridge@treasury.gov](mailto:Seth.Bridge@treasury.gov)
    - Any other officials with whom you have particularly good working relationships.
  2. Draft and submit to us a statement of support for public use in the future.

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

Received by NSD/FARA Registration Unit 5/30/2018 12:31:00 PM

Received by NSD/FARA Registration Unit 5/30/2018 12:31:00 PM