

DECLARATION
concerning the removal of control by designated shareholders of
Alfa Asset Management (Europe) S.A.
("AAME")

WHEREAS:

- (1) AAME is a public limited company (*société anonyme*) incorporated under the laws the Grand Duchy of Luxembourg ("Luxembourg") having its registered address at 25 rue du Puits Romain L-8070 Bertrange Luxembourg, and inscribed in the Trade and Companies' Registry of Luxembourg, section B, under the number 171422. As a company involved in asset management activities, AAME is regulated by the Commission de Surveillance du Secteur Financier ("the CSSF") and holds the following licences issued by the Ministry of Finance of Luxembourg ("Ministry of Finance"): license for investment advice; license for brokerage; license for commission agent and license for discretionary portfolio management.
- (2) AAME's shareholders include Mr Mikhail Maratovich Fridman ("Mr Fridman"), who indirectly holds 36.47400% of AAME; Mr German Borisovich Khan ("Mr Khan"), who indirectly holds 23.26972% of AAME; Mr Alexey Victorovich Kuzmichev ("Mr Kuzmichev"), who indirectly holds 18.11758% of AAME; and Mr Petr Olegovich Aven ("Mr Aven"), who indirectly holds 13.76445% of AAME.
- (3) On 28 February 2022, the Council of the European Union ("EU") approved restrictive measures ("sanctions") in the form of the freezing of funds and economic resources belonging to certain entities and persons among which Mr Aven and Mr Fridman were identified.¹ Later, on 15 March 2022, the Council of the EU extended the scope of sanctions to more Russian entities and natural persons, among which Mr Khan and Mr Kuzmichev were also identified.
- (4) Therefore, cumulatively, Mr Fridman, Mr Aven, Mr Khan and Mr Kuzmichev (altogether referred to as the "Designated Shareholders") indirectly own a total of 91.62575% of AAME's capital shares.

¹ Council Regulation (EU) 269/2014 of 17 March 2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, (OJ L 078 17.3.2014, p.6) (last amended by Council Implementing Regulation (EU) 2023/1765 of 13 September 2023), ("**Regulation 269/2014**"), consolidated version accessible [here](#).

- (5) Further, on 25 February 2023, the EU Council imposed sanctions on JSC Alfa-Bank, an entity within the broader Alfa Group.²
- (6) Neither AAME itself nor any of the current members of its Board of Directors (“the Board”, which consists of Mr Pavel Nazariyan and Mr Sandi Nemet) are designated under any sanctions imposed by the EU.
- (7) The EU institutions have published several documents providing insight on the implementation of sanctions against Russia, namely: the EU Commission’s Consolidated Frequently Asked Questions on the implementation of Council Regulation 833/2014 and Council Regulation 269/2014 (the “FAQs”)³; the Council’s EU Best Practices for the effective implementation of restrictive measures (the “EU Best Practices”)⁴, the Commission’s Opinion of 19 June 2020 on Article 2 of Council Regulation (EU) 269/2014 (the “Opinion of 19 June 2020”),⁵ and the Commission’s Guidance Note on the implementation of firewalls (the “Firewall Guidance Note”)⁶. These documents provide, *inter alia*, companies that are considered to be owned or controlled by designated shareholders, the opportunity to rebut the presumption of control by such sanctioned shareholders over such companies.
- (8) In particular, the FAQs provide that the presumption of control can be rebutted on a case-by-case basis by the entity concerned “*if it can be demonstrated that some or all of its assets are outside the control of the listed person, and/or that funds or economic resources made available to it would in fact not reach or benefit the listed person.*”⁷ In rebutting the presumption of control, the EU’s Best Practices published by the Council recommends taking into consideration a non-exhaustive list of criteria.⁸

² Council Implementing Regulation (EU) 2023/429 of 25 February 2023 implementing Regulation (EU) No 269/2014 concerning restrictive measures in respect of actions undermining or threatening the territorial integrity, sovereignty and independence of Ukraine, accessible [here](#).

³ European Commission’s Consolidated FAQs on the Implementation of Council Regulation 833/2014 and Council Regulation 269/2014, issued on 22 June 2022 and last updated on 23 October 2023 (“FAQ”), accessible [here](#).

⁴ EU Best Practices for the effective implementation of restrictive measures published by the Council on 27 June 2022 (doc. 10572/22) (the “EU Best Practices”), accessible [here](#).

⁵ Commission Opinion of 19 June 2020 on Article 2 of Council Regulation (EU) 269/2014, C(2020)4117 final, Brussels, 19 June 2020, (the “Opinion of 19 June 2020”), accessible [here](#).

⁶ The Commission’s Guidance Note on Implementation of Firewalls in cases of EU entities owned or controlled by a designated person or entity, published on 29 November 2023, accessible [here](#).

⁷ FAQs, Questions 1 under Section 1 on Asset Freeze and Prohibition to Make Funds and Economic Resources Available.

⁸ EU Best Practices, pp. 23-24.

- (9) This is in line with the Commission’s Opinion of 19 June 2020 which states that the non-listed entity whose assets are presumed to be controlled by the sanctioned owner may obtain the lifting of the freeze on its assets by “*demonstrating that these are in fact not ‘controlled’ by the designated person, for instance because safeguards are put in place preventing the designated person from having access to them.*”⁹
- (10) In light of this framework and the designation of its Designated Shareholding by the EU sanctions, on 2 May 2022, the Board of AMME passed a resolution (Annex 1) in which it resolved, in particular:
- (a) to freeze the Designated Shareholders’ shareholder rights and to not declare, pay or provide dividends, distributions or make available any other funds or economic resources to them and not to permit them to participate in the governance of AAME, whilst they remain designated;
 - (b) not to, directly or indirectly, provide any funds or economic resources to entities owned or controlled by Alfa Group including Alfa Capital LLC and JSC Alfa-Bank.
- (11) On the same day (2 May 2022), all members of the Board of AAME in their personal capacities executed Personal Certifications (Annex 2) confirming, *inter alia*, that:
- (a) they maintain independence from the Designated Shareholders and undertake not to act under their direction or instructions when performing their duties in relation to the affairs of AAME, including with respect to decisions concerning the management, strategy and direction of AAME;
 - (b) they continue to comply with all regulatory sanctions imposed on the Designated Shareholders;
 - (c) in their capacity as Board Members of AAME, they have no knowledge or reason to suspect the ownership or control of AAME by the Designated Shareholders.

⁹ Opinion of 19 June 2020, p. 3.; and Opinion of 8 June 2021, p. 3.

- (12) The safeguards adopted with respect to AAME, as detailed in paragraphs (10) and (11) above, are collectively referred to herein as the “Safeguard Measures”.
- (13) The Safeguard Measures taken by AAME were promptly communicated to the relevant authorities, namely, the Ministry of Finance and CSSF, on 3 and 4 May 2022, respectively.
- (14) On 20 May 2022, the CSSF issued letters to AAME (Annex 3) and to each Designated Shareholder (Annex 4) stating that it had taken note of all the Safeguard Measures adopted by AAME, and confirming that these measures “*shall ensure that [AAME] could remain operational and thus protect [its] clients.*”

THEREFORE

- (15) AAME and its Board Members consider that AAME has effectively decoupled itself from the influence or control of its Designated Shareholders by adopting and adhering to the Safeguard Measures and shall not, therefore, by operation of sanctions imposed on its Designated Shareholders, itself be treated as frozen.

Made in Luxembourg,

Date:

On behalf of the Company,
Members of the Board:


Mr Pavel Nazariyan


Mr Sandi Nemet