

I. CRITERIA FOR CLASSIFICATION OF NSD'S CLIENTS AS A FOREIGN TAXPAYER (in accordance with the terms defined in Federal Law No. 173-FZ dated 28 June 2014 "On Specific Requirements to Financial Transactions with Foreign Individuals and Legal Entities, Making Amendments to the Administrative Offences Code of the Russian Federation, and Repealing Certain Provisions of the Laws of the Russian Federation")

1. A client who is an individual (sole trader) falls under the category of foreign taxpayers provided that the client meets at least one of the following criteria:

1.1. Citizenship in a foreign country.

1.2. Availability of an indefinite leave to remain (permanent residency) in a foreign country (*e.g.*, a U.S. Green Card).

1.3. Long-term presence in a foreign country, *i.e.*, a situation where the individual (sole trader) has been present in such foreign country for at least the time period stipulated by the foreign country's laws for an individual to be treated as a tax resident of such foreign country.

For instance, with respect to the United States, an individual will be treated as a U.S. tax resident if the individual was physically present in the United States for at least 31 days during the current calendar year and at least 183 days during the 3-year period that includes the current year and the 2 years immediately before that. The number of the days during which the individual was physically present in the United States in the current year and during the 2 years immediately before that are multiplied by the applicable coefficient:

- 1 for the current year (*i.e.*, all the days the individual was present in the United States in the current year);
- 1/3 for the first year before the current year; and
- 1/6 for the second year before the current year.

Teachers, students, and trainees temporarily present in the United States under an "F", "J", "M", or "Q" visa are not treated as U.S. tax residents.

1.4. Any other criteria established by NSD in the course of the identification process, which justify the conclusion that the client falls under the category of foreign taxpayers.

In particular, for U.S. taxpayers, such criteria include:

- place of birth in the United States;
 - address (mailing address, including P.O. box) in the United States;
 - telephone number in the United States;
 - standing instructions for making payments to the United States;
 - a power of attorney issued to an individual whose address is in the United States;
 - an authorized signatory is an individual whose address is in the United States;
- or

- account statements for an account held with a credit organization are to be sent to such individual in an envelope marked with “care of” or “poste restante”, which is the single address for delivery of such account statements.

A client who is an individual (sole trader) does not fall under the category of foreign taxpayers, provided that such individual (sole trader) is a citizen of the Russian Federation and does not have a second citizenship in a foreign country (other than a citizenship in a member country of the Customs Union) or an indefinite leave to remain (permanent residency) in a foreign country.

2. A client who is a legal entity falls under the category of foreign taxpayers provided that the client meets at least one of the following criteria:

2.1. The legal entity is registered/incorporated in a foreign country, provided that the legal entity is not excepted from the operation of the tax laws of such foreign country.

2.2. The legal entity is a tax resident of a foreign country.

2.3. The legal entity is controlled by foreign persons who, either directly or indirectly, hold an interest in the legal entity’s share capital, such interest being treated as material in accordance with the laws of the relevant foreign jurisdiction.

In particular, with respect to the United States, a legal entity in the share capital of which controlling U.S. persons (substantial U.S. owners) hold, either directly or indirectly, more than 10% is treated as a foreign taxpayer. Controlling persons include, *inter alia*:

2.3.1. Individuals treated as foreign taxpayers in accordance with the criteria described in item 1 above; and

2.3.2. Legal entities treated as foreign taxpayers in accordance with the criterion described in item 2.1 above, provided that more than 50% (either individually or in aggregate) of the legal entity’s total income for the previous year is “passive income”, and more than 50% (either individually or in aggregate) of the legal entity’s weighted average assets (as at the end of the quarter) are passive income generating assets.

2.4. Any other criteria established by NSD, which justify the conclusion that the legal entity or its controlling persons fall under the category of foreign taxpayers.

In particular, for U.S. taxpayers, such criteria include:

- mailing address in the United States;
- telephone number in the United States;
- a power of attorney issued to an individual whose address is in the United States;
- an authorized signatory is an individual whose address is in the United States;
- or
- account statements for an account held with a credit organization are to be sent to such legal entity in an envelope marked with “care of” or “poste restante”, which is the single address for delivery of such account statements.

A legal entity may not be treated as a foreign taxpayer, provided that a more than 90% interest in the legal entity’s share capital is controlled, either directly or indirectly, by the Russian Federation and/or Russian citizens (including those who, in addition to the Russian citizenship, have a citizenship in a member state of the Customs Union),

other than individuals who, in addition to the Russian citizenship, have a citizenship in a foreign country (other than a citizenship in a member state of the Customs Union) or an indefinite leave to remain (permanent residency) in a foreign country.

In accordance with these Criteria, the following entities do not fall under the category of foreign taxpayers: the Russian Federation, Russian Federation regions, as well as cities, towns, villages, or other municipalities, represented by state or local authorities.

II. METHODS OF COLLECTING INFORMATION FOR THE PURPOSE OF CLASSIFYING NSD'S CLIENTS AS A FOREIGN TAXPAYER

NSD may use any **lawfully available** methods to collect information for the purpose of classifying NSD's clients as a foreign taxpayer, including:

1. Written or verbal inquiries/requests to the client;
2. Completion by the client of a questionnaire/form that allows NSD to classify (or not to classify) the client as a foreign taxpayer (e.g., W-8 or W-9 forms for U.S. taxpayers);
3. Analysis of any available information regarding the client, including information from trade registers of foreign countries¹, mass media, commercial databases, etc.; and
4. Any other methods being reasonable and adequate in the circumstances.

¹ The web site of the Russian Federal Tax Service ("*International Cooperation*" section, "*Foreign Countries' Public Databases*" subsection) contains links to the official web sites of foreign state authorities in charge of registration of legal entities, which allow one to verify whether or not a foreign legal entity is registered.