



*Important Notice*  
The Depository Trust Company

<b>B #:</b>	2447-14
<b>Date:</b>	December 29, 2014
<b>To:</b>	All Participants
<b>Category:</b>	Dividends
<b>From:</b>	International Services
<b>Attention:</b>	Operations, Reorg & Dividend Managers, Partners & Cashiers
<b>Subject:</b>	<b>Tax Relief</b> – Country: RUSSIAN FEDERATION <b>OJSC MAGNIT 144A CUSIP: 55953Q103</b> Record Date: <b>12/30/2014</b> Payable Date: <b>TBA</b> EDS Cut-Off: <b>01/05/2015 8:00 P.M. (EST)</b> Quick Refund   QR Open Date: TBA   QR Cut -Off: <b>02/23/2015 8:00 PM (EST)</b>

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) or Tax Relief option on the Participant Browser System (PBS) web site to certify all or a portion of their position entitled to the applicable withholding tax rate.

Questions regarding this Important Notice may be directed to GlobeTax 212-747-9100.

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Non-Confidential

THIS NOTICE REFLECTS CHANGES FOR DRs PAYING ON OR AFTER JANUARY 1, 2015. THESE CHANGES **DO** APPLY TO THIS SPECIFIC EVENT AS PAYABLE DATE IS EXPECTED TO OCCUR IN 2015.

J.P.Morgan

**OJSC MAGNIT 144A** has announced a dividend. J.P. Morgan acts as Depositary for the company's Depositary Receipt ("DR") program.

On DR Pay Date, holders may have the opportunity to receive their dividend net of the applicable withholding rate as per double tax treaty rate.

**Effective January 1, 2014** there are new requirements on obtaining the treaty rate as per treaty on Russian DRs applying to any Russian DR with a record date after January 1, 2014.

**In addition to these new requirements there are also changes to withholding rates for Depositary Receipts with a Russian payable date after January 1, 2015. The punitive withholding rate of 30% that existed on Russian DRs with payable dates from January 1, 2014 – December 31, 2014 was abolished and the new statutory rate is 15%.**

In order to obtain a rate as per treaty tax rate, ultimate beneficial holder disclosure is now required on DRs held as of record date. DRs are to be disclosed by country of tax residence and entity type. If no disclosure is made, tax will be withheld at the maximum 15% tax rate. If disclosure is made you will receive your dividend net the applicable treaty withholding rate.

Participants can use DTC's Elective Dividend System (EDS) function over the Participant Terminal System (PTS) or TaxRelief option on the Participant Browser System (PBS) web site to certify all or a portion of their position entitled to the applicable withholding tax rate. Use of EDS will permit entitlement amounts to be paid through DTC. By electing, Participants agree to the Agreements, Representations and Indemnification contained in this notice.

## DIVIDEND EVENT DETAILS

COUNTRY OF ISSUANCE	RUSSIAN FEDERATION
ISSUE	OJSC MAGNIT 144A
CUSIP#	55953Q103
DEPOSITARY	J.P. MORGAN
DR RECORD DATE	DECEMBER 30, 2014
DR PAY DATE	TBD
DR GROSS DIVIDEND RATE	30.414
ORD GROSS DIVIDEND RATE	152.07
RATIO	5 ADRS: 1 ORD
NON-DISCLOSURE WHT RATE	15%

### PLEASE NOTE THAT THERE IS POTENTIAL FOR AUDIT ON YOUR DISCLOSED SHARES:

The Russian tax authorities may audit the beneficial holders claiming through this process for up to three calendar years after dividends payment. At a minimum audits may require an original certificate of residency with specific language for any individual or entity that elects for the statutory rate, or is eligible and elects for the DTT rate, under the treaty between the country of residence and the Russian Federation. These forms may also need to be apostilled. The documents in a foreign language should be translated into Russian and the translation needs to be approved by a public notary. There is a 3 months period to provide audit documentation to the authorities with possibility for 3 months extension. Please note the Russian tax authorities maintain the right to request additional information and/or forms at any time and from time to time. Participants and beneficial holders will be responsible and liable for any tax relief and for maintenance and provision of all supporting materials. Note that audits requiring a certificate of residency to prove a tax benefit are only to be performed on those holders receiving a treaty rate. Any holders receiving a non-treaty 15% statutory rate **will not** be required to provide a certificate of residency but may be asked in an audit to provide some other more limited documentary evidence to support their initial disclosure

## FEES & DEADLINES

FILING METHOD	BATCH	PAYMENT METHOD	FEES	FINAL SUBMISSION AND DTC ELECTION DEADLINE (ALL TIMES 8PM EST)
RELIEF AT SOURCE	PAYMENT ON DR PAY DATE	VIA DTC/EDS	\$0.0075 per DR	JANUARY 5, 2015
QUICK REFUND	IMMEDIATELY FOLLOWING PAY DATE	VIA DTC/EDS	\$0.0075 per DR	FEBRUARY 23, 2015

## ELIGIBILITY MATRIX FOR RELIEF AT SOURCE / QUICK REFUND

WITHHOLDING RATE AS PER TREATY	RECLAIM RATE	ELIGIBLE RESIDENTS	DOCUMENTATION REQUIRED
<b>NON-DISCLOSURE/STATUTORY WITHHOLDING RATE 15%</b>	0%	Any Disclosed Non DTT Country  OR  Disclosed and Algeria, Argentina, Australia, Austria, Belarus, Brazil, Bulgaria, Canada, Cuba, France, Germany, Iceland, Indonesia, Japan, Luxembourg, Malaysia, Mali, Montenegro, Netherlands, New Zealand, Philippines, Portugal, Romania, Serbia, South Africa, Spain, Sri Lanka, Sweden, Switzerland, Syria, Thailand, Ukraine, Venezuela, Vietnam  OR  Any DTT country simply disclosing their shares and not applying for a more beneficial treaty rate	NONE
<b>RUSSIAN TAX RATE- 13%</b>	2%	Disclosed and applying for the tax rate of: Russian Federation	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY
<b>DTT - 12%</b>	3%	Disclosed and applying for the DTT rate of: Finland	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY
<b>DTT FAVORABLE - 10%</b>	5%	Disclosed and applying for the DTT rate of: Albania, Armenia, Azerbaijan, Belgium, Botswana, Chile, China, Croatia, Cyprus, Czech Republic, Denmark, Egypt, Greece, Hungary, India, Iran, Ireland, Israel, Italy, Kazakhstan, Democratic People's Republic of Korea, Republic of Korea, Kyrgyzstan, Latvia, Lebanon, Lithuania, Macedonia, Mexico, Moldova, Mongolia, Morocco, Namibia, Norway, Poland, Singapore, Slovakia, Slovenia, Tajikistan, Turkey, Turkmenistan, United Kingdom, United States of America, Uzbekistan	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY
<b>DTT FAVORABLE - 5%</b>	10%	Disclosed and applying for the DTT rate of: Kuwait, Qatar, Saudi Arabia	ESP GENERATED COVER LETTER & ESP GENERATED SUMMARY
<b>RUSSIAN TAX RATE - 0%</b>	15%	Vnesheconombank OR Russian Unit Investment Trusts	COVER LETTER & SUMMARY  IN THE CASE OF UNIT INVESTMENT TRUST - <b>NAME OF THE UIT MUST BE DISCLOSED</b>

**NOTE: THERE ARE SOME COUNTRIES WITH DOUBLE TAXATION TREATIES WITH THE RUSSIAN FEDERATION THAT HAVE MULTIPLE WITHHOLDING RATES. THE LOWER RECLAIM RATE APPLIES TO THE RELIEF AT SOURCE AND QUICK REFUND PROCESS. THE HIGHER RECLAIM RATES GENERALLY APPLY TO CONDITIONAL SITUATIONS (I.E. HOLDING A MINIMUM AMOUNT OF OUTSTANDING SHARES OR A SPECIAL ENTITY TYPE). FOR MORE INFORMATION PLEASE CONTACT GLOBETAX**

## PROCESS STEPS

- Go to <https://www.globetaxesp.com/> and disclose your ultimate beneficial owners by
  - Country of Tax Residence
  - Entity Type (either legal entity or individual)
- Sign the ESP generated cover letter and summary and mail to GlobeTax
- Use the ESP generated share summary at withholding rate as per treaty to complete your elections at DTC's EDS System

**IMPORTANT: TO RECEIVE YOUR DIVIDEND AT A FAVORABLE WITHHOLDING RATE YOU MUST BOTH COMPLETE THE DISCLOSURE TO GLOBETAX AND A CORRESPONDING EDS ELECTION AT DTC.**

## ESP Electronic Submission Portal

powered by **GLOBETAX**

J.P. Morgan, offers ESP powered by GlobeTax, an electronic withholding tax submission system. This system allows for the secure and simplified transfer of share data from the Participant to J.P. Morgan and creates applicable documentation on the Participant's behalf.

Submit the data online through the web site below, print out the document on letterhead, sign, and mail to J.P.Morgan / GlobeTax.

These claims should be submitted through the following website. (Requires a one-time registration)

<https://www.globetaxesp.com/>

Please contact Ms. Leann Maurice at 1-800-915-3536 if you have any questions about this process.

**NOTE: CLAIMS SUBMITTED FOR 15% ON THIS EVENT WILL BE REJECTED – THIS IS DEFAULT RATE**

## CONTACT DETAILS

PRIMARY CONTACT	LEANN MAURICE
DOMESTIC PHONE (U.S.)	1-800-929-5484
DOMESTIC FAX (U.S.)	1-800-929-9986
INTERNATIONAL PHONE	1-212-747-9100
INTERNATIONAL FAX	1-212-747-0029
EMAIL ADDRESS	LEANN_MAUURICE@GLOBETAX.COM
COMPANY	J.P. MORGAN / GLOBETAX
STREET ADDRESS	90 BROAD STREET 16 <sup>TH</sup> FLOOR
CITY/STATE/ZIP	NEW YORK, NY 10004
ADDITIONAL CONTACTS	ROMAN SLUDNOV
EMAIL ADDRESS	ROMAN_SLUDNOV@GLOBETAX.COM

# FREQUENTLY ASKED QUESTIONS (FAQs)

## GENERAL QUESTIONS

QUESTION	ANSWER
DO I NEED TO PROVIDE A CoR?	FOR RELIEF AT SOURCE AND QUICK REFUND PROCESSES AT THE TIME OF ELECTIONS CoRs SHOULD BE OBTAINED BUT NEED NOT BE PROVIDED. AT THIS TIME, ONLY THE ESP GENERATED FORMS WILL BE REQUIRED AT THE TIME OF ELECTION. HOWEVER, CoRs WILL BE REQUIRED IN CASE OF AN AUDIT ON SHARES DISCLOSED FOR TREATY BENEFITS. IN THE EVENT OF AN AUDIT AND YOU WILL BE LIABLE TO MAINTAIN AND PROVIDE THESE IN THAT EVENT. IT IS EXPECTED THAT CoRs MUST BE TRANSLATED INTO RUSSIAN AND APOSTILLED, LEGALIZED OR NOTARIZED AND THAT THEY MUST BE ISSUED AS OF THE CALENDAR YEAR.
IS IT REQUIRED TO USE ESP TO DISCLOSE?	IF YOU ARE NOT ABLE TO UTILIZE THE ESP SYSTEM PLEASE CONTACT GLOBETAX TO OBTAIN COPIES OF THE ESP FORMS TO SUBMIT MANUALLY. NOTE YOU WILL STILL NEED TO MAKE AN ELECTION ON YOUR DRs THROUGH THE DTC EDS SYSTEM.
WHY SHOULD I COMPLETE THE ESP DISCLOSURE BEFORE ELECTIONS AT DTC?	THE ESP SYSTEM WILL PROVIDE CLIENTS WITH AN AGGREGATE OF THEIR DISCLOSED DRs BY WITHHOLDING RATE AS PER TREATY. THIS INFORMATION SHOULD BE USED TO MAKE YOUR DTC ELECTIONS BY WITHHOLDING RATE AS PER TREATY.
IS THERE A DIFFERENCE BETWEEN THE RELIEF AT SOURCE AND QUICK REFUND?	THE PROCESS STEPS ARE THE SAME FOR BOTH PROCESSES. HOWEVER, THE RELIEF AT SOURCE PERIOD IS SHORTER AND INVOLVES PAYMENT OF YOUR DIVIDEND WITH TAX RELIEF ON PAY DATE. THE QUICK REFUND IS A LONGER PERIOD FOR SUBMISSION AND WILL INVOLVE PAYMENT OF YOUR TAX RELIEF AFTER PAY DATE. BOTH PAYMENTS ARE THROUGH DTC.
IS THERE AN OPPORTUNITY FOR STANDARD REFUND?	AT THIS TIME THERE IS NO DEFINED STANDARD REFUND. PLEASE CONTACT GLOBETAX FOR ADDITIONAL INFORMATION.
IS IT POSSIBLE FOR ME TO DISCLOSE THE DRs FOR 15% WITHHOLDING EVEN IF THE COUNTRY OF TAX RESIDENCE HAS A DTT?	<b>NO.</b> FOR EVENTS THAT PAID IN 2014 YOU COULD RECEIVE A 15% WITHHOLDING ON THESE COUNTRIES BY SELECTING THE STATUTORY RATE OF 15%. THE MAXIMUM WITHHOLDING RATE IS NOW 15% FOR EVENTS PAYING IN 2015. <b>THEREFORE NO ACTION IS NECESSARY TO RECEIVE THE 15%.</b>
CAN RESIDENTS OF A DTT COUNTRY WITH AN ENTITY TYPE CONSIDERED TRANSPARENT DISCLOSE THEIR DRs TO RECEIVE THE DIVIDEND AT THE TAX TREATY RATE?	THE DRs OF TRANSPARENT ENTITIES SHOULD BE DISCLOSED AT THE ULTIMATE BENEFICIAL HOLDER LEVEL. ALWAYS CHECK THE SPECIFICS OF THE RELEVANT TAX TREATY TO ENSURE YOU ARE PROPERLY DISCLOSING THE DRs OF THE ENTITY AND COUNTRY OF TAX RESIDENCE WITH RESPECT TO THE RUSSIAN FEDERATION

## FREQUENTLY ASKED QUESTIONS (FAQs) CONT.

QUESTION	ANSWER
WILL J.P. MORGAN /GLOBETAX ACCEPT CLAIMS FILED DIRECTLY TO THEM BY BENEFICIAL OWNERS?	J.P. MORGAN / GLOBETAX ONLY ACCEPTS CLAIMS FILED BY THE DTC PARTICIPANT WHO HELD THE SECURITIES THROUGH DTC AND ONLY TO THE EXTENT THAT DTC HAS REPORTED THESE HOLDINGS TO US AS VALID.

## DISCLAIMER

### *Warning and Disclaimer:*

The Depository will not be responsible for the truth or accuracy of any submissions received by it and, by following the procedures set forth herein or otherwise submitting any information, all submitting holders of DRs, and their agents, shall be agreeing to indemnify and hold harmless the Depository and its agents for any and all losses, liabilities, fees and expenses (including reasonable fees and expenses of counsel) incurred by any of them in connection therewith or arising there from. The authorities will be relying upon the truth and accuracy of any and all submissions received by them in connection with the relief at source process and may hold submitting holders of DRs and their agents, liable and responsible for any losses incurred in connection therewith or arising there from. There is no guarantee that the tax authorities of the Russian Federation will accept any submissions made. Neither the Depository nor its agents shall be responsible or liable to any holders of DRs in connection with any matters related to, arising from, or in connection with the relief at source process described herein.

All tax information contained in this Important Notice is based on a good faith compilation of information obtained and received from multiple sources. The information is subject to change. Actual deadlines frequently vary from the statutory deadlines because of local market conditions and advanced deadlines set by local agents. To mitigate risk it is strongly advised that DTC Participants file their claims as soon as possible as the depository and/or their agents will not be liable for claims filed less than six months before the specified deadline. In the event that local market rules, whether implemented by a local agent or a tax authority, conflict with the information provided in the important notice, either prior to or after publication, the local market rules will prevail.