

**WITNESS STATEMENT
OF LEONID BORISOVICH NEVZLIN**

1 INTRODUCTION

1. My name is Leonid Borisovich Nevzlin. I am making this written statement in connection with proceedings pending before the Court of Appeal in The Hague, The Netherlands, between the Russian Federation and Yukos Oil Company's ("**Yukos**") former majority shareholders, Hulley Enterprises Limited ("**Hulley**"), Veteran Petroleum Limited ("**Veteran**") and Yukos Universal Limited ("**Yukos Universal**") (together "**HVY**").
2. I have already been a witness in other legal proceedings related to this case. On 15 September 2010, I submitted a written witness statement in the arbitrations. On 18 and 19 October 2012, I appeared as a witness at the Hearing on the Merits in the arbitrations in The Hague, where I was cross-examined by counsel to the Russian Federation. I confirm that I fully stand by my prior testimony (both written and oral).
3. This witness statement has been prepared with the assistance of the lawyers of De Brauw Blackstone Westbroek N.V. ("**De Brauw lawyers**"). I have carefully examined the content of this witness statement and confirm that everything stated in it is true.

2 PERSONAL BACKGROUND

4. I was born in Moscow on 21 September 1959. My mother was a teacher of Russian language and literature. My father was an engineer who specialised in automatic systems.
5. I attended the same university as my father, today its name is The Gubkin Russian State University of Oil and Gas, the faculty of automation and computer science. I enjoyed my studies and always did my best to excel academically. When I graduated in 1981, I was proud

that the university let me tutor students, directing their diploma projects, who were just a year younger than myself.

6. After my graduation in 1981, I initially tried to stay in academia. However, my Jewish background limited my chances to obtain one of the few vacant positions at Moscow's most reputable universities. Ultimately, the State commission that was responsible for assigning university graduates to their first positions, gave me a position with 'Zarubezhgeologia', a State-run organisation under the USSR Ministry of Geology. Although not an academic position, I was nevertheless happy with that job as it enabled me to pursue my interests and apply in practice what I had learned at university. My main tasks focused on programming and creating automated systems. My work at 'Zarubezhgeologia' also allowed me to gain knowledge in fields that I was initially less familiar with, namely geology, geography and economics, as I would often have to analyse processes in factories, supply chains and other production areas.
7. In 1983, whilst still working at 'Zarubezhgeologia', I first met Mikhail Brudno. He applied for a job with the human resources department of our organisation. Someone there apparently gave him the advice to talk to me. At that time, I had very heavy workload. I was very pleased that there was another young and talented specialist joining who would be able to help me. I did my best to help Mikhail Brudno get hired and so that happened.
8. In the following years, we worked together a lot. While I was rather scientific, Mikhail Brudno was more practical. Together, we became a very strong team. We developed various software products that were successful. One of our biggest successes was the creation of one of the first accounting tools available in the USSR. This software helped organisations to better manage and administer their processes, such as production, maintenance, reporting, supply chain and customer management. Also, we took part in developing another successful product called "Unison". Its application was very similar to Oracle's database management system. I enjoyed using my programming skills

to develop new solutions, and I enjoyed finding out how to use data efficiently and to analyse results in order to optimise various production and decision-making processes. I also took part in writing a teaching-methodological manual about how to use databases.

9. In late 1987, whilst looking for customers for our software products, I first came into contact with Mikhail Khodorkovsky's Centre for Scientific and Engineering Creativity of Youths (later called Centre for Inter-Sectoral Research and Technical Programs – known by its Russian acronym, 'Menatep'). The Centre was set up to carry out technical and scientific research. It attracted creatively thinking people and connected them with organisations that would then order their products or ask for certain products to be developed. For us, this Centre was similar to a marketplace where we were able to market and sell our products. The demand for software products at that time was huge, as organisations were only beginning to work with computers and databases.
10. After Mikhail Brudno and I had finished our first project with the Centre and while we were starting to prepare for a new project, I met Mikhail Khodorkovsky in person for the first time. Before, I had only been working with other Centre's employees. In my first meeting with Mikhail Khodorkovsky, we talked about our plans for the future. I explained to him that I no longer wanted to be an employee and would be glad to explore options to work together. He explained to me that he had big plans and ideas for future business ventures and that he needed a good team to achieve these plans. He said that he was impressed by my experience and skills and offered me a position as Head of the Contracts Department. I was very interested in this offer despite the fact that it meant having more responsibilities than I had before, while the proposed salary was almost the same as in my old job, whereas the future was much more uncertain. So, all in all, I was taking a risk. But I accepted it as I liked Mikhail Khodorkovsky, the development concept suited me, and I believed that I could achieve greater success at the new place. I started the new job at the end of 1987.

11. By the end of 1988 Mikhail Khodorkovsky and I became not only close colleague, but also friends. At that time, Mikhail Khodorkovsky, our partners and I decided to expand our mutual business and also move into banking market. We set up a commercial bank, which was ultimately named Bank Menatep. This opportunity became possible due to the changes introduced into the legislation, which allowed private parties to engage in banking activities. Before that time, the State held strict monopoly over the banking sector. Now, there was a chance for people and organisations to set up their own banks. By that time, in addition to the Centre, we set up number of cooperatives which we used for our business ventures. Cooperatives were in fact the first kind of privately-owned legal entities in the USSR. We thought that if we were able to establish a private commercial bank, this would not only allow us to explore a wholly new business opportunity, but also assist in developing further our existing businesses, as we could use the bank to finance these businesses' growth initiatives. In 1990, I became the President of Bank Menatep.
12. In the initial years after we had set up Bank Menatep, it was important for us, and in fact vital for the success of our bank, that we would be able to quickly grow our client base and business network. Russia's banking system was just starting to develop, and we had to gain an edge on our competitors. Mikhail Khodorkovsky was convinced that I should play an important role in this, as he thought that I had very good qualities in working with people and bringing talented people in to work with our team. Therefore, the various roles and responsibilities I would assume in my early years with Bank Menatep would often relate to the fields of Public Relations, Governmental Relations, lobbying, client management and human resources. I put a lot of effort into further developing my capabilities in these fields over time, by reading lots of books and extending my knowledge. Russian-language books on those topics were scarce, so I studied using English-language literature. And so, at a certain point of time I would say I had actually become one of Russia's first specialists in Public Relations (PR). I was also recognised for this. For instance, from 1991 I was regularly invited to

give lectures at Moscow International University, the first non-state university in the Soviet Union. I also wrote and published one of the first books on PR in Russia (“*Public Relations – who needs those?*”). It should be borne in mind that both PR and GR were fields already developed in the West, where big companies were aware of the importance of creating good human connections, of using marketing tools, working with the press, parliaments (regional and federal), and working with government people. In Russia, however, PR and GR were new concepts that required a different 'mindset' from what people had been used to in the USSR.

13. At Bank Menatep, my partners gave me all the freedom I needed to build this expertise and explore my potential. In 1989, I started a degree in Management and Marketing at the Moscow Plekhanov Institute of Economics, which I obtained in 1991. From 1989 to 1996, I held various high-level positions in Bank Menatep and associated companies. At the same time, I always had the freedom to also continue pursuing my scientific interests and continue teaching at university.
14. In 1996, I assumed the role of Vice-President of Yukos. In that capacity, I was largely responsible for managing the public relations of the company. This meant coordinating staff and organising and implementing strategy in respect of those relationships which were politically sensitive or would affect the public image of the company. I was also a member of the Yukos Board of Directors.
15. From 1997, I was also a shareholder, and subsequently a beneficiary of trusts holding shares, in Group Menatep Ltd. (“GML”), the parent company of Hulley and Yukos Universal which, together, held the majority shareholding in Yukos.
16. While I enjoyed working at Yukos, I also had a growing desire for a more significant role in Russian society. Given my background and expertise in the field of PR, I was convinced that I could employ all my capabilities in a better way by helping to develop a mature and open press in Russia. In September 1997, I was appointed First Deputy

General Director of the ITAR-TASS, the major news agency of Russia. At that time, I relinquished my job and board positions at Yukos.

17. Political developments in Russia at the time unfortunately forced me to resign from ITAR-TASS not long after I was appointed. In September 1998 Yevgeny Primakov became Prime Minister and he asked me to step down from my position. I resigned from ITAR-TASS in October 1998 and resumed my role at Yukos as First Deputy Chairman of the Yukos-Moscow Board. Upon my return to Yukos, the responsibilities that I had previously assumed in the company were now being performed by Vasily Shakhnovsky, as concerns federal matters, and Mikhail Trushin, as concerns regional matters. As a result, my role in Yukos became more limited and I was mainly involved in consulting. From 1998-2000, I was the First Deputy Chairman of the Yukos-Moscow Board. In 2001, I was elected first Deputy Chairman of the Yukos Board of Directors.
18. Around that time, I increased my involvement with Jewish organisations in Russia. It was a topic close to my heart, as I had personally experienced that in Russian society Jewish people – sometimes explicitly, but more often discreetly – faced specific challenges, hostility and hurdles merely because of their religious beliefs. In 1998, I became the Chairman (lay leader) of the Jewish Congress of Russian Orthodox Organisations and spent much of my time involved with Jewish life in Russia and with Jewish philanthropy. In February 2001, I again resigned from my board responsibilities at Yukos as I was to be appointed President of the Russian Jewish Congress ("RJC") in May 2001. I resigned from the RJC towards the end of 2001 in order to actively enter mainstream Russian politics as a senator, in order to maximise my contribution to the creation and development of democracy in Russia. I have always set myself the goal of helping to guide Russia along the European path of development, the foundations of which are humanism, liberalism and democracy.
19. I was elected senator for Mordovia in the Federation Council (Russia's upper house) and served in that capacity from December 2001 to March

2003. In February 2002, I was appointed Deputy Chairman of the International Affairs Committee of the Federation Council.

20. In March 2003, I joined Open Russia Foundation as Deputy Chairman of its Supervisory Board, having helped to found that organisation together with Mikhail Khodorkovsky in 2001. Open Russia was established as an interregional non-profit organisation and was devoted to the principles of freedom and democracy and active in the creation of democratic institutions and the implementation of civil society in Russia. Its programs were diversified across education and scientific research, public health, leadership and cultural development.
21. In April 2003, Yukos announced the beginning of a large-scale support program for the Russian State University for the Humanities ("RSUH") founded in 1991. In June 2003, I was elected and appointed RSUH Rector. Having consulted with Vladimir Filippov, the then Minister of Education, I started to study for a Doctorate of Humanities. To that end, I left Russia in July 2003 and arrived in Tel Aviv in August 2003 for a 3-month sabbatical to write my dissertation. This was shortly after Platon Lebedev had been arrested. Mikhail Khodorkovsky was arrested in October 2003. I have not returned to Russia since. I have acquired Israeli citizenship whilst also retaining my Russian citizenship.
22. Following the arrest of Mikhail Khodorkovsky, the Minister of Education asked me to resign from my position as RSUH Rector. At first, I refused. However, the Minister told me that the University would be dismantled unless it appointed a new rector. While the University voted to retain me as rector, I felt that I had to resign to protect the University. I did so in November 2003. In January 2004, I resigned from Open Russia.

3 SOCIAL AND POLITICAL ACTIVITIES

23. Together with Mikhail Khodorkovsky, who, as I have already explained is not only a close business colleague but also a long-standing friend

who shares my commitment to the development of greater freedom, business transparency and democratic values in Russia, I have for a long time been involved in striving for the establishment of a civil society in Russia.

24. The establishment of Open Russia, in which I participated with Mikhail Khodorkovsky, is just one example of that commitment. We gave Open Russia related work the highest priority. We believed that in a society where the difference between rich and poor is so substantial, it is important to contribute to the development of civil society, social policy and education and, already in 2002, Mikhail Khodorkovsky was dedicating a significant amount of his time to social policy work. As it turns out, his work as Chairman of Open Russia and as an executive of Yukos provided the perfect training for such work as he travelled extensively across the remote regions of Russia, met with a countless variation of people and employees of the company, students of local universities, journalists and young activists and, as an inevitable result, raised his own profile.
25. Mikhail Khodorkovsky and I were also involved in supporting and funding political parties, with the aim of developing a democratic Russia. I remained involved in these causes even after I left Russia, supporting opposition political candidates and political parties who are able to bring fresh ideas to Russian politics.
26. My own support for and involvement with political causes and candidates in Russia have contributed significantly to the Russian authorities' targeting me for political persecution, including by inventing the absurd criminal charges that they have made against me and which prevent me from returning to Russia. I will discuss these charges below in more detail.
27. Since moving to Israel, I have continued and expanded my social and philanthropic work. The Nadav Foundation, which I co-founded in 2004, supports initiatives designed to advance understanding of Jewish Peoplehood and aimed at building a meaningful and pluralistic Jewish

identity. The Nadav Foundation also initiated the establishment of the Research Centre for Russian and East European Jewry at the Hebrew University in Jerusalem, which fosters research and academic dialogue on the history and culture of Russian and Eastern European Jewry. I also sat on the Board of Governors of the Jewish Agency for Israel and the Board of Trustees of Keren-Hayesod-United Israel Appeal, the Hebrew University of Jerusalem and Tel Aviv University, as well as Chairing the International Board of Governors of Beit Hatfutsot (The Museum of the Jewish People). Also, I support numerous social and healthcare projects.

28. Over the years, certainly influenced by my experiences in the Yukos case, I have also developed a strong commitment to promoting values of freedom, specifically a free press, open civil society and democracy. For instance, I invested substantially in the Haaretz newspaper, considered to be the leading quality daily newspaper in Israel, which required financial support given the challenging business environment for traditional daily newspapers in the age of free news sources on the internet.

4 HOW I EXPERIENCED THE RUSSIAN FEDERATION'S ATTACK ON YUKOS

29. Now, almost 16 years after the Russian State started its attack on Yukos, it is clear to me that the assault on Yukos was motivated by a mix of political and economic objectives, namely to remove Mikhail Khodorkovsky as a potential political threat; to punish and make an example of him, me and other Yukos leaders who were perceived as a threat by the Putin regime to the increasingly undemocratic status quo in Russia and who supported politicians and political parties in opposition to the Kremlin; and to expropriate Yukos without compensation. An additional objective was to deprive support of those forces, including the media and independent institutions, which were

able to influence public opinion and resist the monopolisation of power in Russia. These objectives were inextricably intertwined.

30. I have personal experience of the political nature of the attack. It unfolded as follows: first, rumours were generated that Mikhail Khodorkovsky would be targeted if he did not toe the Kremlin line; then there were inside tips to this effect from the Presidential Administration; then threats; and then the opening of a criminal case and the start of detentions and prosecutions.
31. In keeping with this, I received several warnings from different persons before the attacks began. In mid-Spring 2003, for example, Mikhail Lesin, the then Media Minister, phoned and I met him for lunch in the centre of Moscow. I remember the meeting well. He told me that the decision had been taken to seize Yukos, and that “they” would not stop at anything in order to achieve that end, including arresting Khodorkovsky. When I asked Mikhail Lesin who he meant by “they”, he referred to Igor Sechin and Victor Ivanov, Deputy Chiefs of Staff of the Presidential Administration. I understood Mikhail Lesin to be a spokesperson for this group of people. The message was clear: Mikhail Khodorkovsky should stop at once all opposition and criticism of President Putin and his Administration; otherwise he could lose everything, including his liberty.
32. Mikhail Lesin also explained to me on the same occasion that he had recently prepared a report for President Putin which showed that Khodorkovsky was the second Russian citizen, just after President Putin, with the most extensive media coverage in Russia but that Mikhail Khodorkovsky was ahead of President Putin in certain foreign media, i.e. received wider coverage. President Putin had apparently been furious with this.
33. In my witness statement submitted in the course of the arbitration proceedings in The Hague, I explained that “I was informed by a certain person, whose name I prefer not to disclose, for fear of reprisals against him, that Igor Sechin said in his presence... that [Khodorkovsky] should

be arrested”. This man was Oleg Tabakov, the famous Soviet and Russian film and theatre actor, artistic director and director of the Chekhov Moscow Art Theatre (MAT) (one of the leading theatres in Russia). I was then a member of the board of trustees of this theatre. To my deepest regret, Mr Tabakov passed away about a year ago, and there is now no reason to keep concealing his name.

34. Similarly, Roman Abramovich told me that President Putin had said that he would like to see Mikhail Khodorkovsky's bottom on a prison bench.
35. Moreover, several members of the Federation Council warned me that Mikhail Khodorkovsky could face problems should he stay in Russia.
36. With hindsight it may have been naïve, but at the time we did not pay enough attention to these warnings, as we simply could not imagine the sheer force of the state apparatus with which the Putin regime would a little later start to attack Yukos and ourselves. We did not expect the brutality, boldness and the absolute disregard to the rule of law and human rights which the Putin regime would soon show.
37. On July 2, 2003, the Russian authorities arrested my business partner and close friend Platon Lebedev. Two days later, on July 4, 2003, Mikhail Khodorkovsky and I were interrogated as witnesses at the Prosecutor General's Office. At that time, we still thought that the Russian Federation was just acting tough trying to intimidate us to give up our political aspirations. Neither of us had any idea that Platon Lebedev's arrest was just the opening of a full-blown premeditated attack on Yukos and persons associated with it. The interrogation with the prosecutor did not change this perception. The interrogation was not particularly alarming as the prosecutor's questions were absurd. For many hours, I was asked incoherent questions that were unrelated to any of my own actions. I had no idea what the investigator was aiming at, let alone that he was considering me as a potential suspect. Anyway, I answered all questions to the best of my knowledge and left the

prosecutor's office without realising that soon I was to become target of a criminal investigation.

38. However, already in the second half of June 2003 I realised that the situation changed. I received a message from the lawyers representing Alexey Pichugin, who worked within the Yukos Security Division and who was arrested in June 2003 on charges of organising murders and attempted murders. At the time Pichugin's lawyers contacted me, I was aware of his arrest, but I did not know what the exact charges were. Pichugin's lawyers informed me that in the course of Pichugin's interrogation the investigators asked him a lot of questions about me. Pichugin's lawyers also explained that Pichugin did not remember the specific questions and his specific answers, and that he felt he was given some sort of psychotropic drug.
39. I asked Pichugin's lawyers whether I could use this information to make some enquiries, and they agreed. When I contacted some connections to find out more about what was going on, I encountered full secrecy which prevented me from getting to the bottom of things. Nevertheless, I managed to find out that the true reason behind Pichugin's arrest was to fabricate criminal charges against me.
40. Based on this information I discussed with Mikhail Khodorkovsky what we should do if the Russian Federation would start to attack us personally. He said that he was not too worried about that, as he was convinced that whatever the Russian authorities might accuse him of, he would still have the right to a fair and open trial, and he would have an opportunity to present to the court and the public evidence of illegality and absurdity of any criminal charges against him. As I explained above, at that time, I had the opportunity to study for a doctorate in the humanities, and I decided – after discussing this with Mikhail Khodorkovsky - to leave Russia for a sabbatical in Israel for what was supposed to be a few months. The defence of my dissertation was scheduled to take place on 3 November 2003 at the Institute of Philosophy of The Russian Academy of Sciences.

41. Mikhail Khodorkovsky was arrested on October 25, 2003. At that time, I was in Israel. I continued to actively support the political opposition to President Putin in the run-up to the 2004 presidential elections. I openly put my financial support behind liberal parties and movements. Shortly after I publicly announced, in January 2004, my decision to financially support Irina Khakamada, the only representative of Russia's democratic forces running for the Presidency in the upcoming elections, the Prosecutor General's Office brought *in absentia* charges against me for tax evasion and embezzlement. In July 2004, also *in absentia*, I was charged with murder, attempted murder and conspiracy to commit murder. In July 2005, while in the United States at the invitation of United States Congress in order to testify before the Helsinki Commission with regard to the "Yukos Affair", additional murder and attempted murder charges were brought against me. All these charges are entirely unfounded and politically motivated. Relying on these fabricated charges, the Russian authorities sought to obtain my extradition from Israel. Israel's Ministry of Justice refused to extradite me to Russia. In a judgment of the Israeli Supreme Court sitting as the High Court of Justice dated May 14, 2008, the Court affirmed the Ministry of Justice's decision not to extradite me on the basis that there was no evidence connecting me to the crimes, I was accused of committing by the Russian authorities. Yet, on August 1, 2008, Russian court convicted and sentenced me *in absentia* to life imprisonment in a "show trial" that violated multiple provisions of both Russian law and the European Convention on Human Rights. A few years later, on June 24, 2013, I was once again convicted and sentenced *in absentia* by Russian court in yet another show trial, this time to 6 years imprisonment for alleged embezzlement.
42. The political nature of the charges brought against me have been repeatedly confirmed by various international organisations and states' authorities:
 - The Russian authorities attempted to obtain legal assistance from the Swiss authorities. After vetting the allegations against me and

the circumstances of my case, the Swiss Federal Tribunal ruled on August 13, 2007, that Switzerland could not comply with the Russian request for mutual legal assistance. It was decided that all of the facts of the case, taken together, "*clearly corroborate the suspicion that criminal proceedings have indeed been used as an instrument by the power in place, with the goal of bringing to heel the class of rich 'oligarchs' and side-lining potential or declared political adversaries.*"¹

- As I already mentioned above, the Russian Federation also sought to obtain my extradition from Israel. On 28 August 2006, the Ministry of Justice of Israel informed the Russian authorities that Israel could not grant the extradition request, stating that the evidence produced by the Russian authorities was inadequate. The Russian authorities produced further "evidence" to the Israeli authorities, but on October 23, 2007, Israel reiterated its position that the evidence was insufficient to order my extradition. By judgment of May 14, 2008, the Israeli Supreme Court upheld the Ministry of Justice's decision, observing that "*in the evidence that was produced in the extradition request there was not a single piece of direct evidence linking Nevzlin to involvement in those acts [with which I was charged].*" The court went on to find that "*examination of the evidence revealed that it was hearsay, which did not even justify the making [by the Ministry of Justice] of a petition to the Court to order Nevzlin's extradition.*"²
- The United States of America has also vetted the cases against me initiated by the Russian Federation. Notwithstanding the Russian Federation's charges, the United States have granted me two unrestricted 10-year visas, first in 2005 and then again in 2015. During my visit to the USA in 2005 the American authorities refused Russian Federation's request to order my extradition.

¹ Appendix 1.

² Appendix 2.

- In 2016, INTERPOL deleted the 'Red Notice' that the Russian Federation had issued against me, after having found that the proceedings against me were "*predominantly politically motivated*".³
- On 11 October 2018, European Court of Human Rights ("ECtHR") decided to communicate my complaint against the Russian Federation in relation to the numerous violations of my human rights during the course of the criminal investigation conducted by the Russian authorities and the first show criminal trial in Russia (see below).

43. Despite the international criticism that their charges against me caused, the Russian authorities proceeded with their two show trials against me. While there is much more to say about each of the many politically motivated charges that were brought against me, for the purposes of this statement I will limit myself to pointing out how all of the charges and resulting convictions follow the same pattern.

Murder show trial

44. I will first address the murder show trial. This show trial focused on charges of murder and attempted murder in six different cases. According to the prosecution's theory, I had "commissioned" murders in all of those six cases through Mr Pichugin, who allegedly hired third persons to oversee and carry out the murders.
45. These charges were entirely made up. To falsely accuse an individual of the gravest of crimes, and then convict him with the assistance of the fully controlled and dependent judiciary, is one of the worst and the most terrible things a state can do to a person. The people who know me or understand how the Russian "justice" system operates today and Mr Putin operate realise that the Russian Federation mounted its bogus charges against me because it wanted to destroy Yukos. But people who are less familiar with the Yukos case and me often harbour doubts. In

³ Appendix 3.

this sense, the Russian Federation was very successful with its strategy. Once such extreme accusations are thrown by a state at a person, it takes long time and enormous effort to explain to the world what is really happening. Moreover, I have to spend very significant funds to pay my legal costs, having to defend myself for 15 years against made-up charges and having had to fight various extradition requests by the Russian Federation. And when it comes to many other victims of the attack on Yukos, such as Alexey Pichugin, Vasily Aleksanyan, Svetlana Bakhmina and Antonio Valdes Seibatdalov (Valdes-Garcia) and others, it is not only their reputation that was damaged by false accusations, but their lives and lives of their family members.

46. The Russian Federation was so bent on achieving its premeditated outcome that it did not even care about the complete lack of evidence. There are no documents, letters, phone records, blood traces, hairs, fibres, fingerprints, surveillance evidence or other evidence that would link me to any of the alleged crimes. Likewise, there are of course no witnesses who would have observed any conduct or heard any inculpatory statements by me in relation to any of the charged incidents. While the only logical outcome given the complete lack of incriminating evidence would have been an acquittal, the Russian court nevertheless found me guilty of the alleged crimes. My conviction was based entirely on *double- or triple-hearsay witness testimony*, most of which was given by convicted criminals who, many years after the alleged events took place, claimed to “have recalled” that someone told them what that someone had heard from yet another person saying about me. Later on, those “witnesses” confessed that they had been coerced by the Russian law-enforcement officers into making false statements against me. On top of that, large parts of the hearsay testimony merely consisted of 'opinion testimony' from people who were *speculating* about my alleged 'motives' to commit the crimes of which I was charged. This testimony and the resulting conviction defied any common sense.

47. I will give just a few examples. The trial judge accepted the following reasoning presented by the prosecution: I allegedly oversaw the Yukos Security Division; Mr Pichugin worked within the Yukos Security Division; Mr Pichugin allegedly hired third persons to commit crimes; so, I must have ordered Mr Pichugin to do whatever he did. This reasoning is absurd in many aspects. First, I was never involved with Yukos' Security Division, nor did I ever have any operational control over it. The Security Division was run by Mr M.I. Shestopalov, and there was strict adherence to the chain of command. As a result, I could never have been able to give Pichugin any instructions. Second, I never had any social relationship with Pichugin. The diary of my meetings kept by my former secretary, who produced it to the investigators when she was interrogated, revealed that I had met Pichugin only once in 1995, whereas the crimes I was charged with were committed in 1998 - 2002. Mr Pichugin testified in a sworn statement that he knew me only superficially from company events. The prosecution did not present any evidence of any relationship between us. Third, half of the alleged crimes occurred when I was not even working with Yukos; I worked at ITAR-TASS. Last but not least, the evidence in the Pichugin case is hollow and largely based on "sudden recollections" by jailhouse confessors that they were guilty of the alleged crimes and that Mr Pichugin, whom none of these men had ever met or spoken to, was behind the commission of the crimes. Notably, four of these witnesses subsequently admitted that they had been coerced by the Russian investigators into naming Pichugin and me, and that their evidence was untrue.
48. Besides the logical inconsistencies in the accusations against me and lack of any evidence, my trial was tainted by several severe violations of basic procedural safeguards and fundamental human rights. To give just a few examples of the violations: the court did not give my chosen counsel access to the case file which allegedly contained the evidence against me; my chosen counsel was disregarded and a lawyer was appointed during pre-trial procedures who never spoke to me and who waived my right to jury trial and made no pre-trial motions on my

behalf; my chosen lawyers were not allowed to conduct any forensic examinations; the so-called “evidence” that the prosecutors had unlawfully obtained was allowed; attempts by my lawyer to cross-examine witnesses were repeatedly cut off. In 2008, I submitted a complaint about these violations to the ECtHR. My case has now been communicated and is pending. A recent communication by the ECtHR, which includes an accurate summary of my complaints, is attached to this statement.

Embezzlement show trial

49. On 24 June 2013, the Russian court rendered a second verdict against me, this time 6 years imprisonment for alleged 'embezzlement' in connection with a stock swap transaction that had occurred 15 years earlier. This second case was just another show trial. The stock swap in question was performed by a former Yukos subsidiary called VNK. It was vetted and approved at VNK Board meetings at which representatives of the Russian state, which was a minority shareholder in VNK, had been present. I personally had no involvement in this transaction, as I was still working at ITAR-TASS at the time. Not a single witness testified to the contrary throughout the trial. Those who were involved in the transaction testified uniformly that I had *not* been involved. The only piece of evidence in the case file that the prosecutor used against me was an email from Mikhail Khodorkovsky that referred to me being consulted on public relations aspects of the transaction. However, when my lawyers sought to call Khodorkovsky – who, at the time, was serving a sentence in Russian prison – as a witness to explain that one document out of thousands in the file, the trial judge refused this request. On top of all of that, it became evident during the trial that the stock swap in question never led to the embezzlement of any property of VNK, nor was it economically harmful to VNK. For me, the conviction in this case was therefore yet another piece of evidence that the Russian authorities were running a politically motivated campaign of which I was a primary target.

50. In the course of the second trial I also encountered various violations of Russian Law and my human rights which were largely similar to those that characterised the first trial. These violations demonstrate a systemic lack of independence of the Russian law-enforcement and investigative authorities, as well as the courts, from the politically motivated orders from the Kremlin. I will list the most egregious violations:

- I asked to call two key witnesses, Mikhail Khodorkovsky and Platon Lebedev. Both were then serving sentences in Russian prisons. The trial judge refused to call either of them, stating simply that they were 'not needed'.
- My defence team was cut-off from attempts to confront or cross-examine the witnesses for the prosecution.
- The trial judge repeatedly prohibited my defence team from putting exonerating evidence on the record.
- Neither the charges nor the verdict actually described a valid crime under Russian (or any other) law.

5 WHY THE CASE AGAINST THE RUSSIAN FEDERATION IS IMPORTANT TO ME

51. There are various reasons why the case of HVY against the Russian Federation, which is currently pending before the Court of Appeal in The Hague, is of great importance to me.

52. I have been subjected for more than 15 years to the Russian Federation's relentless campaign against me personally and against my former partners and people who worked at or with Yukos. During this time, I have come to accept that the current Russian regime will most likely continue pressing fabricated charges against me and my former partners in an attempt to distract from the egregious manner in which it dismantled Yukos. While my former partners and I are in a position to defend ourselves against the Russian Federation's ludicrous claims,

there have been many victims who were unable to escape the ruthless brutality of the Russian State.

53. Among the many innocent victims who have fallen prey to the Russian Federation's campaign, for me personally one stands out: Alexey Pichugin. He has been in jail for almost 16 years, being used as a pawn by the Russian authorities in their attempts to get to me. Until today, Alexey Pichugin has resisted the immense and inhumane pressure put on him by the authorities to give false testimony against me in exchange for a more lenient sentence or even release from jail. He withstood this pressure, which I greatly admire yet at the same time it is impossible to comprehend the sacrifice he is making every single day. Alexey Pichugin's ordeal cannot be accepted or forgotten. Hence, I do literally everything in my power to ensure that justice will finally be done and that Alexey Pichugin will be released.
54. For me, this is the main reason why I support HVY's case against the Russian Federation. This case has shown to the world what the Russian Federation and President Putin have done to get away with seizing Yukos and bringing perceived political adversaries down. Through this case the Putin regime and the Russian Federation stood trial for their actions in front of an independent tribunal. The case is a continuous reminder of despicable acts of government brutality affecting the lives and liberty of many innocent people. There are countless well-documented examples – such as reports by international organisations, published case-law by courts in various jurisdictions and findings of governments around the world that refused to cooperate with the requests for legal assistance submitted by the Russian Federation. In my view, the Russian regime should not be allowed to get away with its outrageous crimes. These crimes are continuing, they are not merely past acts, as Mr Pichugin's ordeal shows.
55. When, following the arbitrations, the final awards were rendered, the Russian Federation's illegal attack on Yukos and its many violations of law and fundamental human rights had finally been exposed and acknowledged by an independent international arbitration tribunal

composed of some of the world's most reputable legal practitioners. Countless pieces of evidence had been submitted and studied, witnesses had been cross-examined and experts had delivered their findings, and the clear conclusion unanimously reached by the Tribunal was that the Russian Federation had mounted a politically motivated and illegal attack on Yukos. After the Final Awards were delivered, anyone affected by the “Yukos Affair” could finally point to those unmistakable findings by international tribunal – which helped tremendously in setting the record straight and in debunking the Russian authorities' falsehoods. The Final Awards were a powerful tool unreservedly condemning the crimes committed by the Russian Federation and its authorities.

56. In my opinion, the setting aside of the Awards was a serious blow to justice and a major release of pressure on the Russian Federation. I am not a lawyer, yet I sincerely hope the Awards will be restored, since their essence is of very significant importance to achieving justice. A State was held responsible and accountable for an unprecedented abuse of power. Justice was done and was seen to be done.
57. Reinstating the Awards is also important to me on a more personal level. For so many years, the Russian authorities had smeared me and my former partners' names with countless false accusations, all against the backdrop of ever-repeated allegations of massive tax evasion allegedly perpetrated by Yukos. One should not underestimate the effect of those relentless accusations and the associated propaganda by a powerful state. They did and still do affect the way people with only a superficial knowledge of events perceive us. The campaign of harassment and attacks continues. The Awards were a powerful defence; they made it clear that the accusations are baseless and helped in restoring my former partners' and my reputation. When the Awards were set aside (albeit on jurisdictional grounds, and not on the merits), this outcome only emboldened the Russian authorities to renew its allegations against us. I hope that reinstating the Awards will finally put an end to the Russian Federation's relentless campaign against us as it

would no longer be able to rely on its false allegations that serious crimes have been committed by us and by Yukos.

58. In addition to the above-mentioned reasons for supporting the case against the Russian Federation, I also believe that the Russian Federation should pay back what it stole from Yukos' shareholders. The Russian Federation stole and expropriated a company that was extraordinarily successful and on the verge of merging with Sibneft to become one of the world's major oil companies. Yukos had a lot of potential and very good prospects for further growth. The Russian Federation destroyed all of this, expropriating Yukos' valuable assets and shifting them to State-owned companies. Every day, the Putin regime, Putin personally and his close entourage are benefitting from the fruits of crime. It is only fair that the Russian Federation be ordered to compensate the shareholders for the property that was taken from them.
59. I do not know whether, if the Awards are reinstated, the claimants will ever be able to recoup any of their losses and costs from the Russian Federation and if so, whether the trustees will pay out any funds to beneficiaries of the trusts. I explained above that other reasons have led me to strongly support the case against the Russian Federation throughout time than the prospect of receiving financial benefits. Nevertheless, should this be the case, then I will be happy to use these funds for the social and philanthropic activities I have been involved with for decades, including giving financial support to those who have become victims of the Russian Federation's relentless campaign – such as Alexey Pichugin and many, many others – and continuing to work towards establishing free and democratic society in Russia. I think that this is what the Putin regime truly fears the most and tries to avoid by continuing to resist the arbitral Awards in this case – an economic boost to the campaign supporting democratic changes in Russia.

6 MY RELATIONSHIP WITH THE PARTIES IN THE PROCEEDINGS BEFORE THE COURT OF APPEAL IN THE HAGUE, AND MY RESPONSE TO CERTAIN

UNSUBSTANTIATED ACCUSATIONS BY THE RUSSIAN FEDERATION

60. I understand from De Brauw lawyers that in the court proceedings before the Court of Appeal in The Hague, the Russian Federation is alleging that until today, my former business associates and I have continued to be the (indirect) owners and to exert control over the appellant companies Hulley, Veteran and Yukos Universal.
61. This allegation is complete and utter nonsense. I am neither owner or co-owner of the appellants, nor do I exercise any control over them.
62. First of all, one of the appellants, Veteran, is a pension fund. I never was in any way whatsoever involved with Veteran, neither as a shareholder (direct or indirect) nor in any other sense. This already shows how ridiculous the Russian Federation's allegation is.
63. Second, as regards the other two appellants, Yukos Universal and Hulley: from 1997 until 2003, I was a shareholder in GML, the parent company of Hulley and Yukos Universal, which together held the majority shareholding in Yukos. However, I never controlled these companies in any sense, as they had their own boards of management. Moreover, by 2003, all my rights in GML shares were transferred to a trust set up in Guernsey. In around 2001 and 2002, some of my partners were diagnosed with potentially very grave illnesses. This caused us to start considering possible scenarios where members of our families, most of whom were never involved with any of our businesses, could inherit our interests in GML. In such case they would have to make decisions that could potentially affect GML's businesses. Also, our heirs would possibly have had to turn to some advisers, who might have been unprofessional and take advantage of the situation for their own benefit. My partners and I engaged an international law firm, with whom we discussed our concerns. The advice we received was to set up a trust structure, which would be owned and controlled by a renowned, independent and professional trust company. We then agreed to follow this advice.

64. By the end 2003, all of our shares in GML had been transferred into trusts. They have since been owned by the trustees of the trusts, who act completely independently from my former partners and me. Our contacts with the trustees are limited to regular update meetings during which the trustees inform us of the status of the assets held in the trusts. I have never intervened with any of the decisions taken by the trustees, nor have I tried to influence any of their decisions or to circumvent them in any manner.
65. I have been shown email correspondence to which I was copied which, as De Brauw lawyers have explained to me, the Russian Federation submitted to the Court of Appeal in The Hague, alleging that my former partners and I '*de facto*' control the appellants. This allegation is false and has no basis in this email correspondence. Mr Eric Wolf is a person with whom I have been working for a very long time. In 2014, an Israeli businessman, whom I knew previously, Mr Adi Federman contacted Mr Wolf and me. He said that he could help facilitate a settlement between the Dutch Yukos Foundations and OOO Promneftstroy. I was aware of the ongoing litigation between the Foundations and OOO Promneftstroy, from Mr Tim Osborne⁴ and from the Russian press. Although I had considerable reservations about Mr Federman's ability to facilitate a deal between the parties, I preferred not to discard a possibility to assist the parties to legal proceedings to reach a settlement. I thought it was not appropriate for me to take a decision on whether or not this attempt should be taken seriously. I thought that the decision was one to be made by the Foundations. I asked Mr Wolf to assist me to deal with this matter (as the e-mails show), knowing that Mr Wolf would liaise with the Foundations and, if necessary, with GML, which I understand he has done. As far as I am aware, Mr Federman was not able to facilitate a settlement and no deal was concluded between the Foundations and/or GML and Promneftstroy. The allegation that my partners or I circumvented the trustees by asking

⁴ Mr. Tim Osborne is one of the directors of GML. From time to time, he joins meetings with the trustees in order to provide information to the beneficiaries of trusts about the current affairs of this company and court proceedings that may affect those.

Mr Wolf to coordinate between a potential intermediary and the parties involved in the litigation in the Netherlands is simply ridiculous.

66. De Brauw lawyers informed me that besides the false allegations of ownership and control over HVY and/or GML, the Russian Federation also tries to blacken my name in a different context.
67. First, De Brauw lawyers showed me a witness statement by Mr Yevgeny Rybin, which the Russian Federation submitted to the Court of Appeal in The Hague.
68. I am also informed by De Brauw lawyers that Rybin claims in his witness statement that the Moscow Criminal [*sic*] Court found in 2006 that I had ordered Mr Pichugin to have Rybin killed, in retaliation for legal proceedings involving a company called East Petroleum Handles. ("EPH") and Rybin's efforts '*to expose Yukos's crimes*'. As I said before, the allegations against me (and against Mr Pichugin) were completely fabricated. I find it extraordinary that the Russian Federation chose to rely on Rybin's statement, who, in turn, relies on a press report as the only source of his knowledge. The Russian Federation is too embarrassed to submit the actual Russian judgment issued by Russian court to the review of the Court of Appeal in The Hague in light of the way the show trial against Mr Pichugin was conducted, the blatant violations both of Russian law and of basic human rights in the course of that trial and, most of all, the absence of any incriminating evidence against me.
69. Second, De Brauw lawyers explained to me that the Russian Federation alleges, based on the book '*Sale of the century: the inside story of the second Russian revolution*' by Chrystia Freeland, that I 'admitted' that there was some kind of secret conspiracy in relation to the Loans-for-Shares auctions in Russia in 1995, which prevented competition and precluded third parties from participating in those auctions. This allegation is false. The Russian Federation completely ignores the fact that each and every Loans-for-Shares auction was open to all. Even if there had been a non-compete agreements between certain persons, it

did in no way limit the possibility for other parties to participate as well. Everybody who wanted to participate could participate. The very fact that there was another consortium, comprised of three major Russian banks, that competed in auctions in relation to the shares in Yukos in December 1995 is the best evidence that the Russian Federation's allegation is a pure invention.

70. Third, De Brauw lawyers informed me that the Russian Federation alleges, on the basis of an article published in The Sunday Times on 14 May 2006, that I personally made GBP 37 million available for a media campaign that was intended to deliberately spread false information to discredit the Russian Federation and its functionaries. This allegation is once again completely made up. I do not recall seeing this press article before. I do not know on which sources it was based and I strongly dispute its account. I never financed any campaign that was aimed at spreading false information, neither about the Russian Federation, nor its functionaries, nor about anyone else.
71. In my experience, the one party in this entire affair that had made a conscious choice to do nothing else but to fabricate and spread false information and accusations is the Russian Federation itself. The whole world knows that the Russian Federation regularly disseminates false information and even created 'troll factory' specifically for this purpose. Mikhail Khodorkovsky and I were (and still are) committed to working together to build a civil society in Russia. The arrest of Mikhail Khodorkovsky and other people connected with Yukos and the theft of Yukos itself were nothing more than a politically and economically motivated attack. The first objective of this attack was to remove Mikhail Khodorkovsky and others, including myself, whom the Putin regime perceived as a direct threat to it due to their (and my) involvement in the development of a democratic civil society in Russia. The second objective was to expropriate Yukos without compensation for personal gain.
72. I have come at a point in my life where I hope to be able to make a mark on history by supporting and promoting the forces that seek to

change Russia for the better. The Russian Federation is trying to portray me as some kind of greedy criminal. Upholding the rule of law, setting the record straight in these proceedings and correcting the wrongs caused by the Russian Federation is what matters most to me. As I have stated above, should HVY subsequently manage to recover at least some of their losses and costs, and if this ultimately leads to any dividend payments by GML to the trusts, and, as a possible last step, payments by the trustees to beneficiaries, such as myself, then I will gladly use significant part of these funds to support democracy and civil society in Russia with even stronger force.

Signed on 15/02/2019

In Hertzliya, Israel

/signature/

Leonid Borisovich Nevzlin