

**WITNESS STATEMENT
OF TIMOTHY WILLIAM OSBORNE**

INTRODUCTION

1. My name is Timothy William Osborne. I was born on 22nd March 1951 in Kings Lynn, United Kingdom. I currently reside in the village of Cranham near Cheltenham in England, United Kingdom.
2. After gaining an LLB in 1972 at University College, London, I articulated at Lovell White & King (now Hogan Lovells International LLP) from 1974, qualifying as a solicitor in 1976 and practising with the same firm until 1978. In 1978, I joined Wiggin & Co, becoming partner in 1979, Managing Partner in 1984 and Senior Partner in 2001. In 2003, following the demerger of the firm, I became Senior Partner of Wiggin Osborne Fullerlove, a position I continue to hold today. My practice at Wiggin Osborne Fullerlove consists of advising international clients on corporate, commercial and tax matters.
3. On 31st March 2004 I was appointed to the board of GML Limited ("**GML**") a private company registered in Gibraltar. Since 7th April 2008 I have also been a member of the board of directors of GML's wholly owned subsidiaries Hulley Enterprises Limited ("**Hulley**") and Yukos Universal Limited ("**Yukos Universal**").
4. I have prepared this statement at the request of the lawyers of De Brauw Blackstone Westbroek N.V., who represent Hulley, Yukos Universal and Veteran Petroleum Limited (hereinafter "**VPL**" and, together with Hulley and Yukos Universal, "**HVY**") in proceedings against the Russian Federation pending before the Court of Appeal in The Hague. I understand that in those proceedings the Russian Federation has asserted that certain beneficiaries of the trusts that hold GML's shares have maintained *de facto* control of the majority shareholding in Yukos Oil Company ("**Yukos Oil**") held by HVY. I also understand that the Russian Federation has sought to portray the companies in which I am a director as "sham" companies. Those assertions are false. In this statement, I will elaborate on my position and work as a director of GML, Hulley and Yukos Universal; on my interaction with the trustees of the trusts¹ holding the shares in GML and their beneficiaries; and on certain allegations made by the Russian Federation on the basis of allegedly newly discovered documents.

¹ The trusts that together hold all shares in GML as of today are the Auriga Trust, the Draco Trust, the Mensa Trust, the Tucana Trust, the Pictor Trust, the Southern Cross Trust and the Palmus Trust. I shall refer to these as the "**Current Trusts**".

MY INVOLVEMENT WITH GML

5. I first encountered GML (then called Group Menatep Limited) late in 2003, when I was requested, as a solicitor at Wiggin Osborne Fullerlove, to provide legal advice. Following the death of Stephen Curtis, the then sole director of GML, in a helicopter accident in March 2004, I was asked whether I would be willing to act as the new sole director of GML. I initially turned down that offer for various reasons, in particular, as it would demand too much of my time and leave insufficient time for my practice at Wiggin Osborne Fullerlove. Subsequently, I was asked whether I would be willing to act as a director of GML alongside two other individuals, Nick Keeling, a solicitor based in Gibraltar², and Kevin Bromley, then a director of the corporate services provider IFG International in the Isle of Man. I subsequently accepted the role on that basis, initially for a one-year term. My appointment has since been renewed on several occasions and I remain a member of the board of GML.
6. GML is a private company organised under the laws of Gibraltar. It was incorporated on 5th September 1997 and has its registered office in Gibraltar. On 1 November 2005, the corporate name of the company was changed from 'Group Menatep Limited' to 'GML Limited'.³ As of today, all shares in GML are owned by the trustees of the Trusts.⁴ GML's management is vested in its board of directors, which at present comprises Rheino Redelinghuys (who resides in Guernsey), Yvette White (who resides in Gibraltar) and me. We are all British nationals.
7. When I joined the board of GML in 2004, GML was an internationally diversified holding company. GML had various direct and indirect subsidiaries involved in various industries. In addition, GML made portfolio investments in global financial and capital markets. The key areas of GML's investing activity were oil and gas, mineral fertilizers, banking and financial services, telecommunications and information technologies, and diversified portfolio investments.⁵ While GML's strategic investments were historically focused on Russia, GML also owned significant holdings and investments outside Russia. GML's direct ownership of Yukos Universal and indirect ownership of Hulley represented an important activity for GML, but it was certainly not the only activity. GML obtained revenue from its direct and indirect investments, both in Russia and outside Russia. Following the

² Mr Keeling acted as a director of GML via a corporate entity, Arton Consult Limited.

³ GML was, incorporated on 5 September 1997 as Flaymon Limited before changing its name to Group Menatep Limited on 23 January 1998.

⁴ As of October 2003, the shares in GML were held by the Palmus Trust, the Auriga Trust, the Draco Trust, the Mensa Trust, the Tucana Trust, the Pictor Trust, the Pavo Trust and the Carina Trust (the "**Original Trusts**"). The Pavo Trust transferred its shares in GML to the Southern Cross Trust on 30th September 2005. GML repurchased the shares held by the Carina Trust on 23rd July 2007.

⁵ GML's subsidiaries in its key areas of activity included, among others, (i) Yukos Universal and Hulley (Isle of Man and Cyprus, respectively) (oil and gas); (ii) Chemical & Mining Universal Limited (Isle of Man) (Mineral fertilizers); (iii) Pecunia Universal Limited (Isle of Man) (Money market operations and financial instruments); (iv) Antel Holdings Limited (Gibraltar) (Telecommunications and information technology); (v) Menatep Limited (Gibraltar) (Banking and financial services); (vi) GM Investment & Co. Limited (Gibraltar) (Diversified portfolio investments); and (vii) Parringrove Limited (Ireland) (Real estate).

expropriation of Yukos Oil and the persecution of many people associated therewith, GML downsized its investments, withdrawing from investments in Russia in their entirety.

8. GML has an International Advisory Board which provides advice and recommendations on the vision and direction of GML to the latter's directors (including advice and recommendations on maintaining high quality policies and practices). The International Advisory Board is composed of distinguished experts and leaders in international business.
9. GML complies with the applicable corporate requirements of Gibraltar. GML prepares annual financial statements, which are audited by independent external auditors. The company's external auditor is Deloitte⁶ (which also audits Hulley and Yukos Universal). I understand that the Russian Federation raises all sorts of serious allegations of illegal activities, including money laundering against HVY, Yukos Oil and individuals associated with it. It is not clear to me whether those allegations are also made against GML and its officers. I can say that all these allegations are false and have no basis in reality. In accordance with the applicable regulations, Deloitte has full access to GML's books and records. GML duly submits its filings, in accordance with Gibraltar law, to the Gibraltar authorities, which, the same as Deloitte, have never raised any issues concerning any such illegal activities. Moreover, as no queries about such allegations were ever raised by the Gibraltar authorities, I can only assume that the Russian Federation has never attempted to alert the Gibraltar authorities regarding any alleged "illegal" activities of GML, or, if it has, those were summarily rejected as absolutely groundless and politically-motivated.
10. As I understand, in 2003 all of GML's shares were transferred to the Original Trusts and their ownership and control were vested in their trustees. The trustee of the Palmus Trust is Palmus Trust Company Limited and the trustee of the remaining Original Trusts (and for that matter Current Trusts) is Rysaffe Trustee Company (C.I.) Limited (jointly, the "**Trustees**"). Both are Guernsey registered and regulated trust companies providing fiduciary services that have been set up and are managed by Saffery Champness Registered Fiduciaries ("**Saffery**").
11. From the outset, Kelvin Hudson has acted as the principal Saffery's director in relation to the management and administration of both the Original and Current Trusts. I meet with him regularly, probably on average once a month. I keep Mr Hudson, as physical representative of the Trustees, which are GML's shareholders, regularly informed of important decisions taken by the board of GML and, in some cases, I seek his views on certain strategic and important decisions that GML's board intends to make in order to ensure that the views of the shareholders (the Trustees) are taken into account when the board makes its decision, in particular with respect to any settlement or other transaction whereby the board of GML would be "giving away" or compromising a potential entitlement

⁶ When I was first appointed as the director of GML, the company's external auditors were Ernst & Young, who were replaced later by Grant Thornton and, subsequently, by Deloitte who have produced GML's accounts since the year ended 31 December 2005.

of GML which would then affect the value of GML shares. When I do consult Mr Hudson, the most he ever volunteers with respect to a proposal is that the shareholders would not object to that course of action.

12. I sometimes accompany Mr Hudson, at his request, to meetings that he schedules once or twice per year to update some of the first beneficiaries⁷ of the Current Trusts on the performance of the trust assets, which include the shares in GML. At such occasions, I only give information about GML's performance and I do not attend the meetings where Mr Hudson would discuss with the beneficiaries matters not relevant to GML. Apart from those meetings, I have met some of the beneficiaries of the Trusts over the years, but such meetings have been few and far between. I do not take instructions from any beneficiary, whether during or outside those meetings. I know this is true for my fellow directors as well. The allegation by the Russian Federation that the beneficiaries "control" GML is made up and false.

MY INVOLVEMENT WITH YUKOS UNIVERSAL AND HULLEY

13. I became a member of the board of directors of Hulley and of the board of directors of Yukos Universal on 7th April 2008. The board of Hulley is currently composed of four members - Christos Michael, Gavriella Lazaridou and Eleni Erotocritou (who all reside in Cyprus) and me. The board of directors of Yukos Universal is currently formed of three directors - Craig Brown and Declan Kenny (who both reside in the Isle of Man) and me.
14. Before I joined the boards of Hulley and Yukos Universal I had a good understanding of how the companies were managed owing to them being subsidiaries of GML. Hulley's and Yukos Universal's principal function was to hold shares in Yukos Oil (and now to continue litigation seeking redress for the expropriation of their investments). Both companies are managed by their respective boards of directors and comply with the applicable corporate and legal requirements in Cyprus and Isle of Man, respectively. In particular, my co-directors, who are resident in Cyprus and Isle of Man respectively, are familiar with those local requirements and make sure that those are observed at any given time and I adhere to their views on such matters. As a director of Hulley and Yukos Universal - and also as director of GML - I have always been adamant that the companies in the GML group meet international compliance requirements that affect the group as a whole and which require a consistent approach (for instance, those relating to the Common Reporting Standards or the Foreign Account Tax Compliance Act (FATCA)).
15. In accordance with applicable laws, both Hulley and Yukos Universal prepare and file annual financial statements, which are audited by independent external auditors. As mentioned

⁷ This term is defined in the Trust Deeds of the Current Trusts. The Russian Federation pejoratively refers to some of the first beneficiaries (as well as some other individuals unrelated to the Current Trusts) as "Yukos Oligarchs".

above, the companies' external auditor is Deloitte. I understand that the Russian Federation raises numerous serious allegations of illegal activities, including money laundering, against HVY. As a director of Hulley and Yukos Universal, I wholly refute those allegations, these allegations are false and have no basis in reality. In accordance with the applicable regulations, Deloitte has full access to the companies' books and records. Hulley and Yukos Universal duly submit their filings to the relevant authorities, which, the same as Deloitte, have never raised any issues concerning any such illegal activities either. Moreover, as no queries about such allegations were ever raised by the Cypriot and Isle of Man authorities, I can only assume that the Russian Federation has never attempted to alert the authorities of these countries regarding any alleged "illegal" activities of Hulley and Yukos Universal, or, if it has, those were summarily rejected as absolutely groundless and politically-motivated.

SPECIFIC ALLEGATIONS BROUGHT BY THE RUSSIAN FEDERATION IN THE CURRENT PROCEEDINGS

16. I understand that in the proceedings before the Court of Appeal of The Hague, the Russian Federation alleges that the beneficiaries of the Current Trusts make all major decisions concerning HVY's business activities and that GML's board and the Trustees do not play any meaningful role in this respect. This is nonsense. Decisions concerning Yukos Universal and Hulley have been and are made by their boards of directors. With regard to GML, decisions are made by its board of directors. The beneficiaries of the Trusts did not and do not make any decisions with regard to Hulley, Yukos Universal or GML, let alone control them, nor do they try to assert any control or influence.
17. I will now turn specifically to the documents which the Russian Federation argues "prove" that the first beneficiaries of the Trusts make all serious decisions concerning HVY's business activities and that GML's board and the Trustees do not play any meaningful role in this respect. I have been personally involved in the events related to those documents and can testify that the documents do not at all support the Russian Federation's assertions, and their content and context is misrepresented by the Russian Federation in its submissions.

The GML bonus letter

18. I understand that the Russian Federation refers to the letter I sent to Bruce Misamore on 15th April 2011. Mr Misamore, the former CFO of Yukos Oil, at the time was a director of the Stichting Administratiekantoor Yukos International and of the Stichting Administratiekantoor Financial Performance Holdings (the "**Foundations**"). On the basis of this letter, the Russian Federation asserts that (1) Mr Brudno conducted negotiations on behalf of GML and/or HVY with respect to a multimillion dollar business transaction, and (2) the fact that I did not mention the Trustees in the letter, shows that the beneficiaries of

the Trusts freely circumvent the Trustees and directly close deals with third parties on behalf of HVY. These assertions are untrue.

19. From the outset, I must point out that the decision to use some of GML's funds as a bonus to reward the directors of the Foundations was taken solely by GML's board. That decision did not require the Trustees' approval before being made. Nevertheless, I would like to provide some more context to the letter. On 15 December 2010, I attended a meeting in Tel Aviv, organised and chaired by Mr Hudson, in which some of the first beneficiaries of the Current Trusts were informed about the performance of their respective trust's assets. One of the first beneficiaries that attended that meeting was Mr Brudno. I gave an update on the performance of GML and its activities and then I left the meeting.
20. While Mr Hudson continued his meetings with some other first beneficiaries, Mr Brudno told me that he had recently met Mr Misamore. Mr Misamore and Mr Brudno worked closely at the time when both held senior executive positions with Yukos Oil in Moscow. Mr Brudno explained that they discussed the possibility of rewarding the directors of the Foundations with a bonus for their dedication and continued efforts - for the benefit of all of Yukos Oil's former shareholders - to protect former assets of Yukos Oil from the Russian Federation and its allies. I thought this was a good idea, as it would reward the directors of the Foundations for their sustained efforts, under difficult circumstances, and provide an incentive to maintain those efforts. GML as indirect former majority shareholder of Yukos Oil, would be the main beneficiary of those efforts. Therefore, I found it to be natural for it to bear the burden of paying such a reward. I did not think it to be appropriate to ask VPL, which is a pension fund set up for the benefit of the former Yukos employees, to share this burden, and approaching all minority shareholders was simply not practical. We discussed the possibility that GML could set aside a percentage of the distributions it received from the Foundations to fund a bonus pool. I intended to propose this to my fellow board members. Although this was a decision to be made by GML's board without requiring shareholders' consent, I decided to seek the opinion of Mr Hudson on the matter, as the representative of GML's shareholders.
21. That evening, while still in Tel Aviv, I had dinner with Mr Hudson, and I mentioned that Mr Brudno and I had come up with the idea of creating a bonus pool to reward the directors of the Foundations. I explained to Mr Hudson that I thought it would be appropriate to reward and incentivise the Foundations' directors. As such, I wanted to propose to the GML board that 10% of any distributions eventually received by GML from the Foundations be set aside as a bonus pool for the benefit of the Foundations' directors. Whilst the board of GML did not require Mr Hudson's approval to implement this proposal, as this fell under the authority of the directors of GML, we did have some discussion about whether setting aside 10% of any distributions received by GML was appropriate. Mr Hudson commented that he would not be opposed to such an arrangement.

22. I subsequently discussed the proposal with my fellow board members. We decided that it was in the interest of GML to reward the directors of the Foundations for their sustained efforts and incentivise them to continue their fight to preserve the assets of Yukos Oil for the benefit of its former shareholders. The decision to create this bonus pool was made solely by GML's board, not by Mr Brudno, who merely presented me with the idea, which was suggested to him by Mr Misamore.
23. Far from "circumventing" the trustee, as alleged by the Russian Federation, Mr Hudson was very much aware of the decision the board of GML intended to take and did not oppose it. The fact that the Trustees are not mentioned in the GML letter sent by me to Mr Misamore is the natural consequence of the fact that the letter had nothing to do with the Trusts or the Trustees but dealt solely with GML's affairs.

Payments to Messrs. Misamore and De Guillenschmidt

24. Mr Misamore and Mr De Guillenschmidt (former Dean and Professor Emeritus at Paris Descartes University, honorary member of the French Conseil d'Etat) were then both members of the board of directors of the Foundations. Accordingly, the 2011 bonus letter applied to them as well. I understand that the Russian Federation claims that some of the first beneficiaries of the Current Trusts used the bonus arrangement of the bonus letter to 'bribe' members of VPL's Voting Committee and consequently, direct and control the decisions of VPL. The Russian Federations allegations are again ridiculous.
25. First, as I have already explained, the bonus pool referred to in the letter of 15th April 2011 does not constitute any sort of illicit "kickback agreement" but was intended to reward and incentivise all five directors of the Foundations (including Messrs. Misamore and De Guillenschmidt) for their service as directors of the Foundations. VPL's Voting Committee had nothing to do with it.
26. Moreover, the only purpose of the Voting Committee was to decide how VPL should vote on the Yukos Oil shares owned by VPL at any Yukos Oil general meeting. However, Yukos Oil was liquidated and ceased to exist in November 2007. No votes in general meetings and/or otherwise by shareholders have been possible since that date. Thus, the Voting Committee became obsolete as of November 2007.
27. The bonus arrangement was agreed on in 2011. Yukos Oil had ceased to exist for all relevant purposes for a number of years at that time. This clearly shows the allegations made by the Russian Federation make no sense whatsoever.

Statements made by Mr Godfrey in his 2016 deposition regarding the settlement between the Foundations and Rosneft

28. I understand that the Russian Federation refers to an excerpt of a deposition record of Mr David Godfrey, one of the directors of the Foundations. According to the Russian Federation, this excerpt allegedly demonstrates that the first beneficiaries of the Current Trusts personally, and not the Trustees, essentially concluded multimillion-dollar business transactions on HVY's behalf.
29. I should point out from the outset that the Foundations are Dutch non-profit legal entities (*stichting*) that do not have shareholders or members and are certainly not assets of GML or HVY. As with any other *stichting*, the Foundations are governed and represented by boards of directors that are responsible for their administration. Neither GML nor HVY have any control over them. The Trustees have no control over them either, and that is even more true for the beneficiaries of the Current Trusts. As far as I am aware, all decisions concerning the Foundations are made solely by their boards of directors.
30. Given their independence, it is entirely up to the directors of the Foundations to decide with whom they want to speak and about what. That does not mean that anyone they speak to, exercises 'control' over the Foundations. Regarding the settlement with Rosneft: that was an important phase in the history of the Foundations. After a very long and intense legal battle with Rosneft in many jurisdictions, it had come to light that Rosneft's legal team, assisted by agents of the Russian Federation, had corrupted the Armenian judiciary. They had fabricated entire Armenian court judgments with the purpose of subsequently relying on those judgments in proceedings before the Dutch courts. When the Dutch court allowed the Yukos parties to present evidence of Rosneft's corruption, Rosneft became willing to enter into a settlement agreement and have the case withdrawn before judgment was rendered. I know all this, because my opinion on the settlement was also sought by members of the board of the Foundations. I do not find it strange that Mr Godfrey approached Mr Brudno to seek his views on the proposed settlement: this was a major decision for which the Foundation's board sought the advice and opinion from a number of people. It was ultimately the board of the Foundation that took the decision to agree on the settlement. The settlement was not concluded on HVY's behalf, HVY was not a party, and HVY did not determine the terms of the settlement; nor did GML, the Trustees, or any of the beneficiaries of the Current Trusts.

Mr Wolf's involvement in the negotiation of an attempted settlement with Promneftstroy

31. I understand that on the basis of certain excerpts from a deposition given, and documents disclosed by Mr Eric Wolf, the Russian Federation argues that some emails sent to or by Mr Wolf prove that Mr Leonid Nevzlin, one of the first beneficiaries of certain of the Current Trusts, personally instructed Mr Wolf as an agent to negotiate a settlement with a third party,

Promneftstroy, on behalf of GML and HVY. The Russian Federation claims that this demonstrates that the beneficiaries of the Current Trusts circumvent the Trustees and the boards of GML and HVY. Once again this is misleading and untrue.

32. The allegations refer to attempted settlement negotiations between one of the Foundations, GML and Promneftstroy. In October 2014, I was approached by Mr Wolf (who had worked with Mr Nevzlin for a long time). Mr Wolf asked me whether he could act as a facilitator to try to reach a settlement agreement with Promneftstroy and proposed that in order to facilitate bringing the disputes between the parties to a close, GML would become a party to such settlement agreement. I (and not Mr Nevzlin) authorised Mr Wolf to find out whether there was a middle ground between the parties and, if there was, to present any settlement proposal to GML. As I understand it, Mr Wolf sought and obtained similar authorisation from the Foundation. I know that Mr Wolf subsequently was in direct contact with Mr Deitz of Promneftstroy.
33. These negotiations continued to go back and forth for some time, but no agreement could be reached. During the negotiations, Mr Wolf reported directly to Mr Godfrey (the aforementioned director of the Foundation) and me. He obtained Mr Godfrey's views regarding any settlement proposals involving payments being made to Promneftstroy directly from the Foundation in exchange for the release of Promneftstroy's claims against the funds held by the Foundation's subsidiaries, as well as my views, on behalf of GML, on any proposed settlement involving payments to be made to Promneftstroy by GML from its funds (or from funds expected to be received from the Foundation). Mr Wolf did not have the authority to conclude any deal on behalf of GML (or the Foundation, for that matter), neither did he attempt to do so. In fact, when Mr Wolf and a broker on Promneftstroy's side (an Israeli businessman by the name of Adi Federman) formulated a settlement proposal, this proposal was submitted to the boards of the Foundation and GML for consideration. The board of directors of the Foundation had its own views on the settlement proposal, which were in fact different from GML's views. No settlement was ever reached with Promneftstroy, and the dispute has now been resolved entirely in favour of the Foundation by the Dutch Supreme Court.
34. As with respect to other significant matters relating to GML's affairs, I at all times informed Mr Hudson of the developments and told him about the different settlement proposals.

THE RUSSIAN FEDERATION'S APPROACH TO THE CURRENT PROCEEDINGS

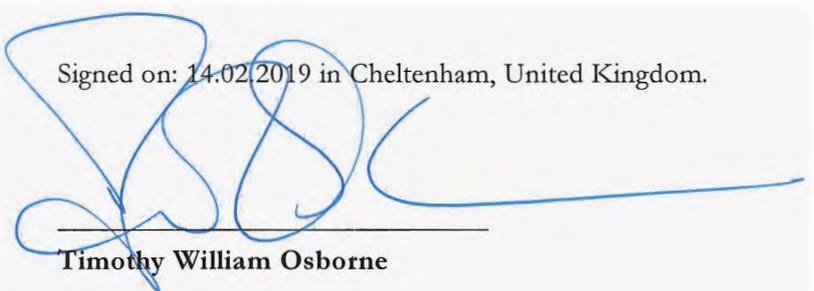
35. All allegations raised by the Russian Federation in the current proceedings are no more than a smoke screen designed to avoid any responsibility for the most atrocious acts which led to the destruction of Yukos Oil and the expropriation of HVY's investment. Despite almost 16 years of investigation by the Russian authorities and 14 years of arbitrations and litigation in this case, the Russian Federation now comes with only three supposed examples of alleged

inappropriate conduct, while completely misrepresenting the facts and the evidence, which, even if viewed as the Russian Federation wants those to be seen, do not support any of the claims advanced by it.

36. In August 2006 the Russian Federation's authorities opened a criminal investigation against me personally on suspicion of misappropriation and embezzlement of the assets of Yukos Oil. This investigation has become a part of the Criminal Case No. 18/41-03 and is still ongoing today. Thirteen years later I still have not been charged with any criminal offence. The exact details of those suspicions remain unknown to me as no indictment has ever been filed, and all my efforts to ascertain those with the assistance of specialist lawyers, two Members of the United Kingdom Parliament, the Law Society of England and Wales, the Foreign and Commonwealth Office and the United Kingdom Embassy in Moscow were unsuccessful and left without a meaningful response from the authorities of the Russian Federation.

I believe that the facts stated in this witness statement are true.

Signed on: 14.02.2019 in Cheltenham, United Kingdom.



Timothy William Osborne