

INFORMATION ON CLAIM ADMINISTRATION OF ZARUBEZHNEFT JSC

In 2019, Zarubezhneft JSC took part, as a defendant, in two court cases on claims associated with labor relations (on recovery of wages and on compensation for moral damage) for the total amount of 3,240,223 RUB. The plaintiffs' claims were denied in full.

In addition, the Moscow Arbitration Court is considering four court cases raised by applications of Zarubezhneft JSC to challenge the decisions of the Federal Tax Service Inspectorate No. 1 for Moscow dated November 14, 2018 on the additional assessment of property tax for the period from Q1 through Q4 2016, for the total amount of 17,401,016 RUB, filed in connection with changes in the cadastral value of immovable property. These cases have not been considered or decided upon yet.

The results of certain large-scale court cases involving Zarubezhneft Group subsidiaries in 2019 should also be noted, as follows:

- The Moscow Arbitration Court denied the claims of Gazstroyemekhanisatsiya LLC to Zarubezhneftstroyontazh LLC (defendant) for recovery of losses in the amount of 31,734,017.74 RUB under a construction contract (case No. A40-45179/2019 (A40)), by the decision dated June 7, 2019 as left unchanged by Resolution 9 of the Arbitration Appeal Court dated September 6, 2019. The decision has come into force.

- By the decision of the Arbitration Court of the Murmansk Region, dated December 18, 2019, AMNGR JSC claims as to invalidate Decision No. 2 dated May 25, 2018 of the Murmansk Region Federal Tax Service Interdistrict Inspectorate, adopted based on the field tax audit for 2014–2015, were partially satisfied. Against the total amount of 35,366,594.41 RUB of additionally assessed taxes plus fines and penalties, contested by AMNGR JSC, AMNGR JSC claims were satisfied in the amount of 24,865,656.23 RUB.

The legal disputes regarding the corporate relations involving BH Group Subsidiaries should be noted as ongoing since 2013.

In 2019, in particular, the District Commercial Court and the Main Court of Banja Luka considered court cases on eight lawsuits filed by minority shareholders (legal entities and individuals) against Nestro Petrol A.D. and Neftegazincor LLC for forced redemption of shares, as well as on setting the redemption price of shares of Modriča Motor Oil Plant A.D. (claims totaling 2,592,722.08 KM).

Four court cases have been considered as of the date. In three of the above cases, in the total amount of 1,925,371.46 KM, the court denied the claims of the minority shareholders

in full, while in one case amounting to 45,878 KM the claims of the minority shareholder were satisfied. The remaining cases are pending and no decision has been taken on them.

The reason for such lawsuits was the fact that at the time of their filing, Nestro Petrol A.D. and Neftegazincor LLC (as affiliates) jointly owned more than 90% of the shares of Modriča Motor Oil Plant A.D.

Legal subdivisions of the Subsidiaries defend the interests of Zarubezhneft JSC through both judicial and extrajudicial procedures. The arising court cases with their participation are mainly related to the ordinary course of business and pose no significant risk to the financial and economic activities of Zarubezhneft Group of Companies.