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Federal Service for Financial  
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From:

**Novy kapital Ltd.**

103009, Moscow, Bryusov pereulok 8-10, bldg. 2

**Investitsionnaya initsiativa Ltd.**

103009, Moscow, Bryusov pereulok 8-10, bldg.2

**Vega Ltd.**

125040, Moscow, Pravdy 8, korp. 1

## COMPLAINT OF UNLAWFUL ACTIONS DURING THE DELIBERATIONS OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF INGOSSTRAKH

Novy kapital Ltd., Investitsionnaya initsiativa Ltd., and Vega Ltd. (hereinafter the "Complainants") own the shares of Ingosstrakh (registered office: Russian Federation, 115998 Moscow, Pyatnitskaya 12, bldg. 2, hereinafter the "Issuer"). The Issuer's registrar is Mezhhregionalny registratorsky tsentr (OAO MRC) (105062 Moscow, Podsosensky pereulok 26, bldg. 2).

At the same time the Complainants own a stake of 961,487,346 registered common shares representing 38.459% of the total number of issued and registered common shares of the Issuer, as documented by statements from the DEPO accounts as of 8 August 2008.

On 27 June 2008 with an interval until 23 July 2008 the annual general meeting of Ingosstrakh took place; the results thereof are specified in the minutes from the annual general meeting of Ingosstrakh shareholders No. 29 dated 7 August 2008, the content of which the Issuer published on the information website at [http://www.ingos.ru/ru/about/disclosure\\_info/facts/index.php?&&id4=3695](http://www.ingos.ru/ru/about/disclosure_info/facts/index.php?&&id4=3695) in the form of a notice on a substantial circumstance (a copy of a printout is attached).

The annual general meeting of the Issuer's shareholders had the following agenda:

1. Approval of the rules of procedure for the annual general meeting of Ingosstrakh
2. Approval of the annual report on Ingosstrakh's activity in 2007
3. Approval of Ingosstrakh's balance sheet and profit and loss account for 2007
4. Division of Ingosstrakh's profit, namely the payment (notification of) the dividend based on the results in 2007
5. Approval of the new wording of Ingosstrakh's Articles of Association
6. Election of members of Ingosstrakh's Board of Directors
7. Definition of the amount of remuneration for the members of the Board of Directors of Ingosstrakh for their term of office
8. Election of the members of Ingosstrakh's Supervisory Board
9. Approval of Ingosstrakh's auditor
10. Approval of contracts the execution of which is intended
11. Ingosstrakh's participation in industry networks.

The Complainants believe that the deliberations of the said annual general meeting of the Issuer on 27 June 2008 and 23 July 2008 involved a breach of the administrative right

stipulated in paragraph 2 of Article 15.19 and in Article 15.20 of KoAP of the Russian Federation, based on the following:

1) The Issuer breached the rules for general meetings of shareholders stipulated by the applicable law, called an interval in the deliberations for a period of 1 month, thereby creating an obstacle for the Complainants for the exercise of their rights to manage the company (Art. 15.20 KoAP RF).

When the annual general meeting of Ingosstrakh shareholders was held on 27 June 2008, an interval in the deliberations of the general meeting was called until 23 July 2008 following the vote on the items of the agenda from 1 to 3 inclusive upon the request of an Ingosstrakh shareholder.

However, applicable law does not provide for the possibility to call an interval in the deliberations of an annual general meeting upon a shareholder's request, or to discuss such question at all, regardless of the initiator of the decision.

The provisions of FKCB No. 17/ps of 31 May 2002 "On approving proposals for additional requirements for the rules of preparation, convening and organising general meetings of shareholders" (p. 4.9.) anticipates the only possible case of a notice on the postponement of the general meeting: by no more than 2 hours, and only if the general meeting does not have quorum to be opened. In the case under review, the general meeting was opened while having a quorum required for all items on the agenda, the voting on items 1 through 3 took place, and the results of the vote concerning the first item on the agenda were taken down and announced. Calling an interval in the case under review breaches the rights and lawful interests of the Complainants for participation in the annual general meeting and voting on items on the agenda, and for managing the company's affairs, as voting on items 4 through 11 did not take place during the deliberations on 27 June 2008. Before the end of the deliberations on 27 June 2008 the Complainants inserted completed voting ballots concerning items 4 through 11 of the agenda, which expressed their position on the respective items of the agenda, in the ballot box. The vote-counting committee did not deny this during the deliberations on 23 July 2008. FSFM's inspectors, Alexey Alexandrovich Stakhovsky, deputy head of the Organisation Management and Securities Market Supervision department, and Denis Olegovich Detsina were present at both annual general meetings as observers and all of the aforementioned circumstances occurred in their presence. The Complainants also notified their position on the items on the agenda and the results of the voting to FSFM, sending it photocopies of the ballots with accompanying letters on 1 July 2008 (copies of letters are attached).

Later, an undisclosed person received a preliminary ruling of 2 July 2008, based on which 961,487,346 votes pertaining to the Complainants were not included in the vote count of the Ingosstrakh annual general meeting (a link to the said preliminary ruling is contained in the notice on a substantial circumstance filed by the Issuer on 8 August 2008). The case was initiated by an unknown party without informing the Complainants and is heard without the Complainants' participation while the court's decision in the case directly concerns our rights and lawful interests. According to the official information of the Arbitration Court in Moscow, which is publicly accessible on the website at <http://www.msk.arbitr.ru>, the Arbitration Court in Moscow is hearing no case involving the Complainants or the Issuer, as part of which preliminary rulings were issued in order to prevent the inclusion of the Complainants' votes in the results of the annual general meeting. In accordance with the standards of APK and the position of the Supreme Arbitration Court of the Russian Federation, all disputes between a shareholder and a public limited company fall under the jurisdiction of the Arbitration Court in the place of residence of the defendant; with respect to this the Complainants believe that the court decision based on which the preliminary ruling of

2 July 2008 is manifestly illegal, i.e., was issued in discord with the standard of territorial and material relevance, or is forged, which entails the illegality of all subsequent steps taken by third parties and based on the court decision and preliminary ruling. At the same time, the exclusively submitted preliminary ruling of 2 July 2008 is the basis for not including the Complainants' votes, which caused a breach of the shareholders' rights defined in Article 31 of the Act on PLCs.

In addition, if the unlawful interval in the deliberations of the annual general meeting was not called, the votes of the Complainants would be included in the results of the voting done on 27 June 2008. The interval in the deliberations of the general meeting called without giving serious grounds (the Complainants' question as to the causes for the interval was not answered at the time of the general meeting on 27 June 2008), during which an unknown court issued a preliminary ruling in an unidentified case without the Complainants being informed about it and participating in the case as persons with respect to whose rights and lawful interests the verdict was made, substantially breaches both the procedure for holding general meetings stipulated by applicable law and the Complainants' rights, as it deprived them of the possibility to elect their candidates for the members of the Board of Directors and vote on all items on the agenda in a way ensuring that their votes are included and have an impact on the results of the voting.

2) The Issuer breached the rules for publishing information defined by a FSFM ordinance of 10 October 2006 Ref. 06-117/pz-n "On approving proposals for the publication of information by securities issuers" in the part concerning the convening of the annual general meeting held on 23 July 2008, which constitutes a breach of the right stipulated in paragraph 2, Art. 15.19 KoAP RF.

In accordance with the decision of the Board of Directors specified in minutes no. 28 of 5 June 2008 (the notice on a substantial circumstance is published on the Internet at [http://www.ingos.ru/ru/about/disclosure\\_info/facts/index.php?&id4=3605](http://www.ingos.ru/ru/about/disclosure_info/facts/index.php?&id4=3605), a printout of the notice is attached), the Board of Directors called the annual general meeting of Ingosstrakh shareholders to be held on 27 June 2008 in the manner defined in Article 65 of Act No. 208-F3 of 26 December 1995 "On Public Limited Companies". Precisely this date is specified in minutes no. 28 from the meeting of the Board of Directors of Ingosstrakh dated 5 June 2008 and was given as the date of the annual general meeting of Ingosstrakh shareholders. The Board of Directors did not define any other date for when to convene the annual general meeting of the defendant's shareholders. Also, while holding the annual general meeting of shareholders on 27 June 2008, an interval in the deliberations was called until 23 July 2008 upon request of a shareholder participating in the deliberations. A resolution on the question as a procedural matter was adopted at the annual general meeting of shareholders on 27 June 2008 as a result of an open vote by a simple majority of votes, and its results were announced immediately at the deliberations of 27 June 2008 at the time between the voting on the third and fourth items of the agenda. The information on the interval in the deliberations of the annual general meeting was also published in *Rossiyskaya gazeta* no. 139 (4696) on 1 July 2008. The meeting of the Board of Directors did not take place due to the interval in the deliberations of the annual general meeting and their renewal on 23 July 2008, the agenda was not approved, the method of informing the shareholders about the deliberations of 23 July 2008 was not determined, the date of compilation of the list of persons entitled to participate in the annual general meeting of 23 July 2008 was not determined, and the date of the annual general meeting of 23 July 2008 was not announced in the News department of the information website.

The notice about the annual general meeting of shareholders to be held on 23 July 2008 published in *Rossiyskaya gazeta* on 1 July 2008 does not meet the requirements defined by Article 52 of the Act on PLCs and paragraph 3.1. of the FKCB Ordinance No. 17/ps, namely:

- It does not specify the form of the general meeting of shareholders (a meeting or a remote vote);
- It does not specify the date of compilation of the list of persons entitled to participate in the general meeting;
- It does not specify the agenda of the general meeting of shareholders;
- It does not specify the method of the provision of information (materials) that are to be submitted in the course of the preparations for the general meeting, or the address where one can familiarise oneself with them;
- It does not specify the time of commencement of the registration of the persons participating in the deliberations.

The publication of the information on calling an interval in the deliberations of the annual general meeting in *Rossiyskaya gazeta* of 1 July 2008 does not contain the above mandatory requirements for a notice on a general meeting.

In accordance with section 1) of Paragraph 6.2.1 of the FSFM Ordinance No. 06-117/pz-n dated 10 October 2006, the notice on the resolutions of the general meetings must be published in the form of a notice on a substantial circumstance. In the reviewed case, the annual general meeting of shareholders of 27 June 2008 adopted the following two resolutions the results of which were announced immediately during the deliberations of the general meeting: on the first item of the agenda, “Approval of the rules of procedure for the annual general meeting of Ingosstrakh” and on the procedural matter – calling an interval until 23 July 2008. However, in discord with Section 1) of Paragraph 6.2.1, neither of the above resolutions was published in the manner prescribed by the FSFM Ordinance No. 06-117/pz-n. As the annual general meeting adopted the resolution on calling an interval in the deliberations of the general meeting, the Issuer was obligated to specify the said resolution in the minutes from the meeting and to publish it before the renewal of the annual general meeting on 23 July 2008. As the fact that an interval until 23 July 2008 was called was only published after the deliberations of 23 July 2008, this did not ensure the shareholder’s right for receiving timely information on the company’s activity.

**Thus the Issuer did not publish the information on the annual general meeting of shareholders of 23 July 2008 in generally accessible information sources defined by FSFM (the News department, information website); nor did it publish the resolution adopted at the annual general meeting of 27 June 2008, thereby breaching the right defined in paragraph 2 of Article 15.19 KoAP RF.**

3) When holding the annual general meeting of shareholders and determining its results in terms of item 1 on the agenda, the applicable law was breached, as a result of which the Complainants’ rights for managing the PLC’s matters were restricted.

During the general meeting of 27 June 2008, the first item on the agenda was the “Approval of the rules of procedure for the annual general meeting of Ingosstrakh” on which all shareholders present at the general meeting owning 72.6304% of the total number of votes and including the Complainants voted. The results of this vote were determined and announced immediately during the deliberations in accordance with the rules of procedure for the annual general meeting of shareholders, under which the “*results of the vote on the item ‘Approval of the rules of procedure for the general meeting of Ingosstrakh shareholders’ shall be announced before the commencement of the vote concerning the 2<sup>nd</sup> item on the*

*agenda.*” The results of the vote reflected namely the Complainants’ votes (the Complainants voted “for”). Also, as indicated in the minutes from the annual general meeting of shareholders, shareholders controlling 2,462,148,538 votes, representing 98.4859% of the total number of votes, participated in the vote on the item of the agenda; the plaintiffs’ 961,487,346 votes were not included in accordance with the preliminary ruling of 2 July 2008. This can mean only one thing: and it is also stated directly in the minutes from the annual general meeting after the renewal of the annual general meeting on 23 July 2008 – the structure of shareholders participating in the annual general meeting on 27 June 2008 and on 23 July 2008 changed. When the deliberations were renewed following the interval, additional shareholders controlling 25.8555% of all voting shares participated in them (98.4859% - 72.6304% = 25.8555% of votes), they had to vote on the items 1 through 3 of the agenda (precisely these items of the agenda were voted on at the annual general meeting of 27 June 2008), and the results of the vote including the positions of the additionally voting shareholders had to be determined and announced on 23 July 2008 in accordance with the rules of procedure of Ingosstrakh’s general meeting. But this did not happen at the annual general meeting of 23 July 2008. The deliberations of 23 July 2008 started with a vote on item 4 of the agenda. There was no repeated vote on item 1 of the agenda, nor was there any determination and notification of the results of the vote. FSFM inspectors present at the Issuer’s annual general meeting of shareholders monitored the deliberations and can confirm the aforesaid.

Thus the minutes from the annual general meeting contain non-credible information concerning the vote on the first item of the agenda, specifically:

- The Complainants’ votes are not included in the results of the vote, although the Complainants voted on the item on 27 June 2008, their votes were included and the results announced. The Complainants’ votes could not be included, as the prohibitive preliminary ruling is dated 2 July 2008, i.e., chronologically only after the determination and announcement of the results of the vote on the first item on the agenda (the results of the vote were announced on 27 June 2008);

- When renewing the annual general meeting on 23 July 2008, the additionally participating shareholders controlling 25.8555% of votes did not vote on the said agenda item and the vote-counting committee did not repeatedly determine or announce the results of the vote on the first item on the agenda, regardless of the fact that, in line with the rules of procedure for the Issuer’s general meeting of shareholders the results of the votes on the said item must be determined and announced before the transition to the second item of the agenda.

This constitutes a breach of the right stipulated by Article 15.20 KoAP RF.

4) When counting the results for all items of the agenda of the annual general meeting the vote-counting committee illegally did not include the votes belonging to the Complainants, thus effectively restricting their possibility of exercising their right for managing the company; this constitutes the objective aspect of the breach of the administrative right stipulated in Article 15.20 KoAP RF.

As indicated in the notice on a substantial circumstance dated 8 August 2008 concerning the resolution adopted at the defendant’s annual general meeting of shareholders, when counting the votes, no votes belonging to the Complainants concerning any of the items of the agenda were included in the results of the vote because the vote-counting committee received the preliminary ruling of 2 July 2008. As stated above, the Complainants assume that the court decision based on which the aforementioned preliminary ruling was issued is manifestly illegal (if it is a court decision actually issued by a court at all, which the Complainants doubt) because it was issued in breach of all APK standards regarding the

jurisdiction of courts, superiority, and informing the persons participating in the proceedings as well as the participation in the proceedings of third parties whose rights and lawful interests the court decision in the cases concerns or may concern. The procedure where the vote-counting committee determined the results of the vote while respecting the said preliminary ruling (while the preliminary ruling was not forwarded to the court investigation service in breach of the provisions of the act on proceedings but was provided immediately to the Issuer's vote-counting committee) is illegal and breaches the rights of the Complainants as securities market investors and results ultimately in restricting the Complainants' rights for managing the Issuer's matters.

5) When holding the annual general meeting there was a breach of the provisions of Article 47 of the Act on PLCs, whereby the Complainants were deprived of their rights to manage the Issuer's matters within the term defined by the Act on PLCs.

Pursuant to Section 3 of Paragraph 1 of Article 47 of the Act on PLCs, the annual general meeting shall take place within the term defined by the Articles of Association, but no earlier than 2 months and no later than 6 months after the end of the financial year. This norm is imperative and is subject to comprehensive application together with the norm stipulated in Section 2 of Paragraph 1 of Article 47 of the Act on PLCs, which stipulates the **obligation of the company to hold annual general meetings of shareholders. The company's obligation to hold an annual general meeting within the defined term (by 30 June of each year) is complemented by the shareholders' right to participate in the annual general meeting of shareholders, elect the members of the Board of Directors, members of the Supervisory Board, and approve the company's auditor within the defined term.**

The fact that the Issuer did not observe the statutory obligation to hold an annual general meeting of shareholders within the term defined by the law constitutes a breach of Article 47 of the Act on PLCs, breaches the rights of the Complainants' as the issuer's shareholders to participate in the management of the Issuer's matters defined in Article 31 of the Act on PLCs, and constitutes an objective breach of the administrative right laid down in Article 15.20 APK RF.

Thus, the annual general meeting of Ingosstrakh involved the following breaches of administrative law:

- 1) A breach of the obligation to publish information in the securities market defined by the law in Paragraph 2 of Article 15.19 KoAP RF, which consists in the Issuer's failure to disclose information about the annual general meeting of shareholders to be held on 23 July 2008;
- 2) Blocking the exercise of investors' rights in the management of a company under Article 15.20 KoAP RF on the part of the Issuer and registrar, who fulfils the tasks of the vote-counting committee at the annual general meeting of shareholders, which is manifested in the calling of an illegal interval in the deliberations of the general meeting and in a repeated counting of votes on the first item of the agenda without including the Complainants' votes, in not including the Complainants' votes with respect to all items on the agenda on the basis of a manifestly illegal court decision, and in a breach of the term for holding an annual general meeting.

In accordance with Paragraph 7 of the Federal Act on the Protection of Investors' Rights and Lawful Interests in the Securities Market, investors' complaints and notices are subject to assessment by the FSFM within two weeks after filing.

Based on the aforesaid, in accordance with Article 7 of the Federal Act on the Protection of Investors' Rights and Lawful Interests in the Securities Market, I am hereby

**ASKING:**

1. For an inspection to be carried out at Ingosstrakh and at MRC, focusing on the observance of RF's legislation on PLCs in securities markets when organising the annual general meetings of Ingosstrakh shareholders on 27 June 2008 and on 23 July 2008 and when determining their results.
2. For administrative proceedings to be instituted against Ingosstrakh and MRC and for said companies to be held responsible for the breach of rights defined in Paragraph 2 of Article 15.19 and in Article 15.20 KoAP RF.

Attachments:

- 1) Statement from DEPO account for Vega as of 8 August 2008 (copy),
- 2) Statement from DEPO account for Novy kapital as of 8 August 2008 (copy),
- 3) Statement from DEPO account for Investitsionnaya initsiativa as of 8 August 2008 (copy),
- 4) Printout of Ingosstrakh's notice on a substantial circumstance dated 8 August 2008 concerning the resolutions of the annual general meeting of shareholders (copy),
- 5) Complaint of Novy kapital with FSFM dated 1 July 2008 (copy),
- 6) Complaint of Vega with FSFM dated 1 July 2008 (copy),
- 7) Complaint of Investitsionnaya initsiativa with FSFM dated 1 July 2008 (copy),
- 8) Printout of a notice on a substantial circumstance concerning the date of the annual general meeting of shareholders dated 6 June 2008 (copy)
- 9) Notice published in *Rossiyskaya gazeta* No. 139 (4696) dated 1 July 2008 (copy),
- 10) Representative's powers of attorney (originals, 3 documents).

Representative of Vega s.r.o.

Novy kapital s.r.o.

Investitsionnaya initsiativa s.r.o.

[signature] N. A. Vasiljeva