

Bill of Particulars (Conviction) of Mikhailovsky GOK shares fraud (3 March 2006)

Extracts:

Pages 94-95 of the Conviction, extracted from Volume 26, pages 35-38 of the Case:

Witness testimony of Mr Sagaydak Y.P., as of 10 August 2005:

“I have been working in ZAO “Renaissance Capital – Financial Advisor”, as a Deputy General Director, approximately since April 1999 up until now. I am responsible for supervision of economic security issues of the company, establishing and maintaining the relationship with governmental bodies and dealing with overall organizational issues related to the current financial activity of the company. ZAO “Renaissance Capital – Financial Advisor” is an investment company attracting sizable investments into the Russian economy, carrying out broker-dealer services in the Russian stock market.

The General Director (the President) of the company is Mr Oleg Vladimirovich Kiselev. He was appointed to this position in February 2004. I did not know Mr Kiselev O.V. before his appointment. The Chairman of the Board, major shareholder and de-facto managing executive of the company is Mr Stephen Jennings, a citizen of New Zealand.

Prior to the appointment of Mr Kiselev O.V., Mr Igor Aipetovich Sagiryan had been occupying this position since the beginning of 1999. Mr Sagiryan is a good acquaintance of mine, I know him approximately since late 1998. We had been introduced to each other by a common friend of ours and since then we have established friendly relations. Mr Sagyrian offered me a position in the company and since April 1999 I became a Deputy General Director of ZAO “Renaissance Capital – Financial Advisor”.

Around 2002 Mr Sagyrian introduced me to his good acquaintance - Mr Dmitry Vladislavovich Klyuyev, recommending him as an expert in tax matters and tax legislation. At that time I was requested to arrange for a tax rebate for a company: ZAO “Northern Investment Company” (ZAO Severnaya Investizionnaya Companiya), which in prior years paid large taxes. This company was just bought by ZAO “Renaissance Capital – Financial Advisor” from Mr George Soros. In connection with this, there was a decision made to engage Mr Klyuyev D.V. as a tax advisor, who had had skills in arranging tax rebates thru the Russian court system. As a result, this project was successfully accomplished in 6 or 8 months by obtaining all required courts’ orders for such tax rebate in relation to earlier paid taxes by this ZAO “Northern Investment Company”.

During the following two years I maintained good friendly relations with Mr Klyuyev D.V., regularly, as a case might be occurring, consulting with him on audit and tax issues, but no further large scale projects were done with him up until now.

Mr Klyuyev regularly came by to our office; on such occasions I met with him. Around mid 2004 I introduced him to Mr Oleg Kiselev - the new General Director of ZAO “Renaissance Capital – Financial Advisor”. By the time of introduction Mr Kiselev had been occupying his position for several months; however, he didn’t know Mr Klyuyev from the past.

Approximately in the beginning of October 2004 both Mr Kiselev and Mr Klyuyev together with other large clients of ZAO “Renaissance Capital – Financial Advisor” went to a sponsored trip to Austria. Mr Klyev was invited to this trip as a perspective client of our company. After this trip Mr Kiselev and Mr Klyuyev got to know each other better and started to maintain business

relations with each other. I am not aware of what kind of business matters they discussed together, as they did not inform me about such matters.

Around mid January 2005, after the New Year holidays, I met Mr Klyuyev, who told me that recently, under direct request from Mr Kiselev, he arranged for an arrest of all Mickhailovsky GOK shares in issue thru courts' decisions and bailiffs. To his surprise, this matter became publically known thru a number of press publications and a criminal case was initiated to investigate this matter. It was a bad news for me, as I understood that this matter might affect our company - ZAO "Renaissance Capital – Financial Advisor", simply based on the fact that Mr Kiselev was the President of the company. Immediately I went to see the Chairman of the company and de-facto managing executive Mr Stephen Jennings to inform him about it. As far as I understood, immediately after there was a nasty conversation on this matter between Mr Stephen Jennings and Mr Kiselev, as the latter came to see me after that telling me that I should have approached him first with my concerns and not Mr Stephen Jennings. He also told me that it was not a matter of my concern and it has been now resolved.

Then around April 2005, I learned from the media publications that there were a few arrests made under the above stated criminal case. I tried again to approach Mr Kiselev with the conversation on this matter, but he abruptly told me not to be engaged in this matter, as he did not envisage any complications for the company out of it. Since then I have never spoken with Mr Kiselev on this matter.

Around end of March 2005, Mr Klyuyev left Russia. Right before that we met. He was depressed and disappointed with the current situation he got involved himself into. Since his departure he periodically called me and inquired on any developments, however, I could not tell him anything."