



STATE OF NEW YORK  
OFFICE OF THE STATE COMPTROLLER  
THOMAS P. DiNAPOLI



CITY OF NEW YORK  
OFFICE OF THE CITY COMPTROLLER  
SCOTT M. STRINGER

June 27, 2014

Mr. Matthew Hammond  
Managing Director and Chief Financial Officer  
Mail RU Group Limited  
C/O Trident Trust Co (Bvi) Ltd.  
Road Town, British Virgin Islands

Dear Mr. Hammond:

As the Comptrollers of New York State and New York City, we are Trustees of the New York State Common Retirement Fund and the New York City Pension Funds (Funds), respectively, and are responsible for overseeing the Funds' investments for the benefit of more than 1.7 million current and retired public employees and their beneficiaries. The Funds' portfolios include holdings in your company, and it is in respect to those investments that we are writing you.

We understand that Mail.RU currently holds a 52% interest in the Russian company, VKontakte (VK.com), a social network service provider in Europe, and we assume that you are aware of the growing controversy surrounding VK.com's hosting of sites advocating and depicting violence against members of the Russian gay community. A number of recent media reports have described a group calling itself "Occupy Pedophilia" that uses VK.com to lure gay men and teens to apartments in a number of Russian cities where they are then subjected to violent assault and torture. It is further reported that videos of these assaults are then posted on VK.com.

In addition to violating international norms of human rights, such postings would violate VK.com's "Terms of Service," specifically, Section 5.3, which states:

"When using the site, the User is prohibited from,

(5.3.2) misleading other users as to his/her identity, age, or relations with other persons or entities;

(5.3.3) distorting information his/her identity, age, or relations with other persons or entities;

(5.3.4) loading, storing, publishing, disseminating, making available, or otherwise making use of any information which :

- Contains threats, discredits, insults, defiles honor, dignity, or business reputation or violates the privacy of other Users or third parties....,
- Propagandizes and/or contributes to racial, religious, ethnic hatred or hostility, propagandizes fascism or racial superiority,
- Contains extremist materials,
- Propagandizes criminal activity or contains advice, instructions or guides to criminal activities,
- Contains restricted information, including but not limited to, government and trade secrets, information on the private lives of third persons,
- Or infringes on the rights and interests of individuals and legal entities or requirements of Russian legislation.”

We are informed that VK.com’s press officer told the *Guardian* newspaper in February 2014 that the offending sites would be blocked; nonetheless, it has been reported that a significant number of these postings are still on VK.com.

Criticism of VK.com’s failure to enforce its Terms of Service and the resulting association with the abhorrent behavior described above has been increasing in momentum over the past several months and creates the risk of serious reputational harm to Mail RU Group Limited as a 52% interest holder of VK.com. As fiduciaries we are concerned about the potential for a negative impact on the Funds’ investments in your company. Therefore, we ask that you inform us of the efforts your company has undertaken, or will undertake, to investigate public reports of the conduct described above and, if such reports are accurate, to mitigate risks arising from your association with and majority ownership of VK.com. We appreciate your time and attention to this important matter and look forward to hearing from you as soon as possible.

Yours truly,

Thomas P. DiNapoli  
Comptroller  
State of New York

Scott Stringer  
Comptroller  
City of New York