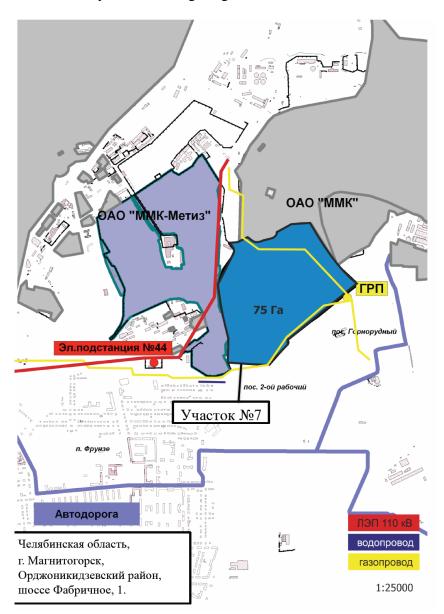
Plot of Land No. 7 Cheliabinskaya Oblast, Magnitogorsk



Vacant industrial land, ha:

<u>75.0</u>

SITE BRIEF:

General Information; Location; Contacts

Transport accessibility

Infrastructure

Preferences

General Information; Location; Contacts

| | Site characteristics | Description |
|----|----------------------|--|
| 1. | Cadastral number | Demarcation of the land plot for cadastral |

| | | purposes is possible upon preparation of urban |
|-----|---|--|
| | | planning documentation related to the Site. |
| | | Documentation may be prepared for account of |
| | | potential investors. |
| 2. | Location | * |
| ۷. | Location | Cheliabinskaya Oblast, Magnitogorsk, |
| | | Ordzhonikidze District |
| 3. | Location description | The Site territory is adjacent to Verkhneuralskoe |
| | | highway close to Lokomotiv |
| 4. | Land use category | Populated land, territory with favourable |
| | | development prospects |
| 5. | Site in brief | Permitted use of the territory shall be defined |
| | | upon preparation of area planning documentation, |
| | | with specification of new territorial zones, town- |
| | | planning regulations and permitted use |
| | | parameters |
| 6. | Type of ownership (private, public, public-private) | Municipal |
| | | |
| 7 | Management assurance as similar (MC) | Magnite county Administration Department of |
| 7. | Management company or similar (MC) | Magnitogorsk Administration, Department of |
| | | Investment Projects and Foreign Affairs |
| 8. | MC Address (postal, electronic, web-site) | 455044, Cheliabinskaya Oblast, Magnitogorsk, |
| | | Prospekt Lenina, 72 |
| | | Tel: (3519) 49-85-82, Fax: (3519) 498-498*1017 |
| | | e-mail: <u>invest@magnitog.ru</u> |
| | | www.magnitog.ru |
| 9. | MC contact responsible for relations with potential | Leonid L. Kolesnikov, Chief Specialist, |
| | residents/investors (full name, title, phone number and | Department of Investment Projects and Foreign |
| | e-mail) | Affairs, Magnitogorsk Administration |
| | | (3519) 498-498 (extension number 1362), |
| | | kolesnikov@magnitog.ru |
| 10. | Site Development Concept (web-site, if any) (yes/no) | No |
| 11. | Site business lines (major projects, SME projects, | Any type of projects |
| | mixed-type projects) | J Jr - r -J |
| 12. | V1 1 0 | Construction of administrative, industrial, |
| | , .r | storage, trade and other facilities subject to |
| | | observance of technical standards, town-planning |
| | | regulations, fire protection and sanitary norms |
| | | 105 stations, the protection and bankary norms |

Transport accessibility

| | Characteristics | Current status | Projections |
|----|--|----------------------------|-------------|
| 1. | Distance to the nearest town | The Site is within the | - |
| | | boundaries of Magnitogorsk | |
| | | Urban District | |
| 2. | Distance to the regional centre | 297 km to Cheliabinsk | - |
| 3. | Distance to Moscow | 1689 km | - |
| 4. | Distance to the nearest highway | Ul. Sulfidnaya, 1 km | - |
| 5. | Any road connecting the Site with the nearest highway: | Natural road, 1 km | - |
| | distance and road condition | | |
| 6. | Any motor roads across the Site (yes/no) | No | - |
| 7. | Any connections to railways (yes/no) | Yes | - |
| 8. | Any offloading rail terminal facilities (yes/no) | No | - |

| | Characteristics | Current status | Projections |
|----|---|----------------------------|-------------|
| 9. | Distance to the nearest international airport | 21 km to Magnitogorsk | - |
| | | international airport | |
| 10 | Distance to the nearest river port | 347 km to Ufa river port | - |
| 11 | Distance to the nearest sea port | 1655 km to Olia commercial | - |
| | | seaport (Astrakhan) | |

Infrastructure

| | Characteristics | Current status | Projections |
|----|--|---|-------------|
| Ar | ea of the Site | | · · |
| 1. | Total area of the Site (ha) | 75.0 | |
| 2. | Vacant plots of industrial land (ha) | <u>75.0</u> | |
| Ut | ilities | | |
| 3. | Availability of utilities. Distance from the Site to utilities (km); available load of: - electric mains - heat supply system - gas supply system - water supply network - sewerage system (Comment in detail on technological potential of the utilities. Specify if additional construction/reconstruction of the utilities is required.) | Yes, 0.3 km; available capacity – 2 MW; Yes, 0.5 km; Yes, 0.6 km to the network, pipeline diameter – 426 mm; No, 1.2 km to the network, DN 400 mm; no reserve capacity; hookup is possible upon network reconstruction; No | |
| W | orkforce | | |
| 4. | Transport service between the Site and the settlements | Yes | |
| 5. | Total workforce estimates within a 50-km radius of the Site (people, thousand) | 247.39 – able-bodied population, 179.89 – gainfully employed population | |
| 6. | Approximate number of unoccupied able-bodied population (people, thousand) | 1.36 – unemployed, 67.5 – voluntary unoccupied population | |
| So | cial infrastructure in 30-minute proximity to the Site | | |
| 7. | Hospitals (yes/no, proximity to the nearest one) | Yes, 10 km | |
| 8. | Shops (yes/no, proximity) | Yes, in close proximity | |
| 9. | Housing for the Site staff (yes/no, proximity) | Yes, 5 km | |
| 10 | Hotels for the Site staff (yes/no, proximity) | Yes, 10 km | |

Preferences to Residents In terms of initial costs

| | J | | |
|---|-------------|--|-----------|
| ſ | Preferences | Statutory document and approving authority | Statutory |

| | | | document validity |
|---|--|---|-------------------|
| 1 | Subsidies on SME projects | Draft Resolution by the Cheliabinskaya Oblast Administration "On Procedure of Providing in 2013-2015 Subsidies (Grants) to Small Innovative Companies of Cheliabinskaya Oblast" | 2013-2015 |
| 2 | Subsidies on lease payments to acquire fixed assets | • | 2015-2017 |
| 3 | Guarantees on fixed-asset loans to SMEs (surety bonds provided by the regional Guarantee Fund to SMEs and related to bank guarantees issued by commercial | Cheliabinskaya Oblast" | Since 2009 |
| | banks) | Decree by the Ministry of Economic Development of Cheliabinskaya Oblast No. 32 dd. 07.03.2012 "On Approval of the Revised Articles of Association of Cheliabinskaya Oblast SME Crediting Fund" | Since 2012 |
| 4 | Other preferences (specify) Subsidies to entrepreneurs on entrepreneurship projects: - Female and family businesses - to reimburse capital expenditures; - Handicrafts; - Domestic, inbound tourism. Subsidies to entrepreneurs to reimburse fees under surety contracts | Resolution by the Chelyabinskaya Oblast Administration No. 594-P dd. 19.11.2014 "On Sate Program on SME Comprehensive Support and Development in Chelyabinskaya Oblast for 2015- 2017"; Resolution by the Chelyabinskaya Oblast Administration No. 368-P dd. 20.07.2015 "On Procedure of Providing Subsidies to SMEs in 2015" | 2015-2017 |
| | Allocating sites with the supporting infrastructure to investors | Law of Cheliabinskaya Oblast No. 175-ZO dd. 28.08.2003 "On Promoting Investment Activities i Cheliabinskaya Oblast" | Since 2003 |
| | Subsidies to SMEs to reimburse capita expenditures | • | 2014-2017 |
| | Subsidies to youth entrepreneurs on entrepreneurship projects | Municipal Program on SME Development in Magnitogorsk for 2014-2017 | 2014-2017 |
| 5 | Subsidies to SMEs to reimburse capita expenditures | Municipal Program on SME Development in Magnitogorsk for 2014-2017 | 2014-2017 |

In terms of operating costs

| | Preferences | Statutory document and approving authority | Statutory document validity |
|---|------------------------------|---|-----------------------------------|
| 6 | Sectoral subsidies – support | Law of Cheliabinskaya Oblast No. 433-ZO dd. | Since 2005 |

| | 24.11.2005.((2) | |
|---|--|------------|
| for producers from specific sectors of economy (subsidies to residents to effect rental | 24.11.2005 "On Amendments to the Law of Cheliabinskaya Oblast "On Promoting Innovative Activities in Cheliabinskaya Oblast" | |
| payments) | Law of Cheliabinskaya Oblast No. 154-ZO dd. 23.06.2011 "On Reduction of Corporate Tax Rate for | Since 2011 |
| | Specific Categories of Taxpayers" | Since 2013 |
| | Resolution by the Cheliabinskaya Oblast Administration No. 69-P dd. 06.03.2013 "On Accreditation of Innovative Technological Parks Operating in Cheliabinskaya Oblast" | 2015-2017 |
| | Resolution by the Chelyabinskaya Oblast Administration No. 594-P dd. 19.11.2014 "On Sate Program on SME Comprehensive Support and Development in Chelyabinskaya Oblast for 2015-2017"; Resolution by the Chelyabinskaya Oblast Administration No. 368-P dd. 20.07.2015 "On Procedure of Providing Subsidies to SMEs in 2015" | 2013 2017 |
| | Preferences for agricultural producers | |
| | Resolution by the Cheliabinskaya Oblast Administration No. 396-P dd. 16.11.2011 "On Regional Targeted Program on Social Rural | 2012 2012 |
| | Development in Cheliabinskaya Oblast for 2012-2013" | 2012-2013 |
| | Resolution by the Cheliabinskaya Oblast Administration No. 65-P dd. 26.02.2013 "On Procedure of Granting in 2013-2015 Subsidies to Partially Reimburse Interest Payments under the Loans from Russian Credit Institutions and Agricultural Credit Consumer Cooperatives, and on Considering Some Resolutions by the Cheliabinskaya Oblast Administration as Invalid" | 2013-2015 |
| | Resolution by the Cheliabinskaya Oblast Administration No. 119-P dd. 30.04.2008 "On Procedure of Granting Subsidies to Support Crop Husbandry" | Since 2008 |
| | Resolution by the Cheliabinskaya Oblast Administration No. 126-P dd. 29.04.2011 "On Procedure of Granting Subsidies on State Support for Livestock Breeding" | Since 2011 |
| | Resolution by the Cheliabinskaya Oblast Administration No. 74-P dd. 20.03.2013 "On Amendments to Resolution by the Cheliabinskaya Oblast Administration No. 75-P dd. 16.03.2011 "On Procedure of Granting Subsidies on Obtaining of Elite Seeds and Seeds of High Performance" | Since 2013 |

| | | Resolution by the Cheliabinskaya Oblast Administration No. 729-P dd. 28.12.2012 "On Procedure of Granting in 2013-2015 Subsidies on the Creation and Development of Peasant/Farmer Enterprises" Resolution by the Cheliabinskaya Oblast Administration No. 727-P dd. 28.12.2012 "On Procedure of Granting in 2013-2015 Subsidies to Agricultural Consumer Cooperatives to Partially Reimburse Expenses Related to Milk Sale and Milk Collection and Delivery for Further Processing and Sale" | 2013-2015 |
|---|--|--|------------|
| | | Resolution by the Cheliabinskaya Oblast Administration No. 728-P dd. 28.12.2012 "On Procedure of Granting Subsidies in 2013-2015 to Partially Reimburse Peasant/Farmer Enterprises' Expenses, Including Individual Entrepreneurs, Related to Registration of Property Rights to the Land Plots Used by Them and Pertaining to Agricultural Lands" | |
| 7 | Export subsidies (partial subsidizing of expenses incurred in arranging exhibitions, interest rate subsidies on loans) | Resolution by the Chelyabinskaya Oblast Administration No. 594-P dd. 19.11.2014 "On Sate Program on SME Comprehensive Support and Development in Chelyabinskaya Oblast for 2015-2017"; Resolution by the Chelyabinskaya Oblast Administration No. 368-P dd. 20.07.2015 "On Procedure of Providing Subsidies to SMEs in 2015" | 2015-2017 |
| 8 | Profit tax relief | Law of Cheliabinskaya Oblast No. 175-ZO dd. 28.08.2003 "On Promoting Investment Activities in Cheliabinskaya Oblast" | Since 2003 |
| | | Law of Cheliabinskaya Oblast No. 154-ZO dd. 23.06.2011 "On Reduction of Corporate Tax Rate for Specific Categories of Taxpayers"; Resolution by the Cheliabinskaya Oblast Administration No. 332-P dd. 28.09.2011 "On the Procedure of Making the List of Priority Investment Projects of Cheliabinskaya Oblast" | Since 2011 |
| | | Resolution by the Cheliabinskaya Oblast Administration No. 124-P dd. 25.03.2013 "On Amendments to Resolution by the Cheliabinskaya Oblast Administration No. 332-P dd. 28.09.2011" | Since 2013 |
| 9 | Property tax relief | Law of Cheliabinskaya Oblast No. 175-ZO dd. 28.08.2003 "On Promoting Investment Activities in Cheliabinskaya Oblast"; Law of Cheliabinskaya Oblast No. 189-ZO dd. 27.11.2003 "On Corporate Property Tax" | Since 2003 |
| | | Law of Cheliabinskaya Oblast No. 155-ZO dd. | Since 2011 |

| _ | | | |
|----|--|---|------------|
| | | 23.06.2011 "On Amendments to the Law of Cheliabinskaya Oblast "On Corporate property Tax"; Resolution by the Cheliabinskaya Oblast Administration No. 332-P dd. 28.09.2011 "On Procedure of Making the List of Priority Investment Projects of Cheliabinskaya Oblast" Resolution by the Cheliabinskaya Oblast Administration No. 124-P dd. 25.03.2013 "On Amendments to Resolution by the Cheliabinskaya Oblast Administration No. 332-P dd. 28.09.2011" | Since 2013 |
| 10 | Other reliefs and preferences | | |
| | (specify) Subsidies to entrepreneurs on entrepreneurship projects: - Female and family businesses – to reimburs capital expenditures; - Handicrafts; | Resolution by the Chelyabinskaya Oblast Administration No. 594-P dd. 19.11.2014 "On Sate Program on SME Comprehensive Support and Development in Chelyabinskaya Oblast for 2015-2017"; Resolution by the Chelyabinskaya Oblast Administration No. 368-P dd. 20.07.2015 "On Procedure of Providing Subsidies to SMEs in 2015" | 2015-2017 |
| | - Domestic, inbound tourism. | | |
| | Subsidies to entrepreneurs to reimburse fees under surety contracts. | | |
| | Providing investors with the benefits of exploitation of the land publicly owned by | Law of Cheliabinskaya Oblast No. 175-ZO dd. 28.08.2003 "On Promoting Investment Activities in Cheliabinskaya Oblast" | |
| | Cheliabinskaya Oblast | Resolution by the Cheliabinskaya Oblast Administration No. 211-P dd. 11.10.2006 "On Defining the Indices of Utilization Type and Social Significance for the Land Plots Publicly Owned by Cheliabinskaya Oblast" | |
| | Providing investors with guarantees by Cheliabinskaya | Law of Cheliabinskaya Oblast No. 71-ZO dd. 18.12.2014 "On Regional Budget for 2015 and the 2016-2017 Planning Period" (Annexes 8 and 9) | 2015-2017 |
| | Oblast | Resolution by the Cheliabinskaya Oblast Administration No. 212-P dd. 27.10.2010 "On the List of Documents Required for Extending a Regional State Guarantee"; Resolution by the Cheliabinskaya Oblast Administration No. 289-P dd. 10.12.2010 "On the List of Documents Required for Extending a Regional State Bond Issue Guarantee" | Since 2010 |
| | | Resolution by the Cheliabinskaya Oblast Administration No. 177-P dd. 15.06.2011 "On Tender | |

| Procedures to Select Investment Projects of Investors Eligible for State Guarantees of Cheliabinskaya Oblast, and on Amendments to Resolution by the Cheliabinskaya Oblast Administration No. 212-P dd. 27.10.2010" |
|---|
|---|

- * SME financial support is subject to:
- State registration and **priority business lines in Cheliabinskaya Oblast**;
- Absence of overdue debts related to budgetary funds provided on a repayable basis and tax payments to the budgets of all levels and to public extra-budgetary funds;
- Permanent jobs as at the date of subsidy application, job preservation in the current fiscal year and/or creation of new permanent jobs;
- Increased/preserved tax deductions to the budgets of all levels in the current fiscal year;
- Average monthly pay of SME employees no lower than subsistence level defined for able-bodied population of Cheliabinskaya Oblast.

Subsidies cannot exceed the projected annual tax deductions to the budgets of all levels and to public extra-budgetary funds.

SME support priorities include:

- 1) Manufacturing industries (except for excise goods);
- 2) Handicrafts;
- 3) Innovative activities;
- 4) Agriculture, fishery, fish farming;
- 5) Healthcare (medical treatment institutions, medical practice, veterinary medicine, other healthcare activities), education and social services;
- 6) Domestic, inbound tourism