THE REPUBLIC OF TATARSTAN IS ONE OF THE MOST ECONOMICALLY DEVELOPED REGIONS IN THE RUSSIAN FEDERATION

The center of the largest industrial region 800 km east of Moscow

<table>
<thead>
<tr>
<th>Territory</th>
<th>67 800 KM²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population</td>
<td>3.8 MLN</td>
</tr>
<tr>
<td>GRP</td>
<td>21.76 BLN USD</td>
</tr>
<tr>
<td>Industrial output</td>
<td>20.21 BLN USD</td>
</tr>
</tbody>
</table>
1 PLACE

Republic of Tatarstan - in Russian Federation investment climate national ranking

Agency for strategic Initiatives, 2015, 2016
SEZ “ALABUGA” provides an excellent set of conditions for investors who intend to establish new production in Russia.

- Located in one of the biggest industrial centers of Russia
- Low cost land plots
- Attractive tax and customs preferences
- Developed industrial infrastructure
- Strong governmental support
- Decreased bureaucracy
- Proven track record – many global companies have already established production in the SEZ
SEZ “ALABUGA”

(according to the Agreement issued on January, 18th of 2006 between the Ministry of economic development of Russia, Tatarstan Republic Government and Yelabuga municipal district)
INVESTMENT INCENTIVES AND PREFERENCES
(for 10 years since tax base introduction)

<table>
<thead>
<tr>
<th></th>
<th>TAX RATE FOR NON-RESIDENTS</th>
<th>TAX RATE FOR SEZ RESIDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Property tax</strong></td>
<td>2.2%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Land tax</strong></td>
<td>1.5%</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Transport tax</strong>*</td>
<td>0.1–4$</td>
<td>0$</td>
</tr>
</tbody>
</table>

*tax rate per 1 hp
## CORPORATE INCOME TAX
(paid since the first profit)

<table>
<thead>
<tr>
<th>PERIOD</th>
<th>TAX RATE FOR NON-RESIDENTS</th>
<th>TAX RATE FOR SEZ RESIDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>First 5 years</td>
<td>20%</td>
<td>2%</td>
</tr>
<tr>
<td>Second 5 years</td>
<td>20%</td>
<td>7%</td>
</tr>
<tr>
<td>Till 2055</td>
<td>20%</td>
<td>15.5%</td>
</tr>
</tbody>
</table>
### INSURANCE CONTRIBUTIONS

For residents, carrying out innovation activities

<table>
<thead>
<tr>
<th>YEAR</th>
<th>TAX RATE FOR NON-RESIDENTS</th>
<th>TAX RATE FOR SEZ RESIDENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-2017</td>
<td>30%</td>
<td>14%</td>
</tr>
<tr>
<td>2018</td>
<td>34%</td>
<td>21%</td>
</tr>
<tr>
<td>2019</td>
<td>34%</td>
<td>28%</td>
</tr>
</tbody>
</table>
FREE CUSTOMS ZONE

Foreign countries → SEZ “Alabuga” → Russian Federation

Import equipment

0% VAT

IMPORT DUTY
Governmental investments until 2023 will rise up to $2.67 bln USD more than $846.4 mln USD has already been invested.
INDUSTRIAL INFRASTRUCTURE

Land plots with an access to:

- Inner-site roads
- Inner-site roads
- Gas
- Electricity
- Heating
- Water
- Sewerage
- Storm sewage
- Drainage
- IP Phone
- High-speed Internet
FREE CONNECTION TO UTILITY LINES

connection cost to electricity lines:

MOSCOW – $500,000 USD per 1 MW
TATARSTAN – $100,000 USD per 1 MW
SEZ “ALABUGA” – $0 USD per 1 MW
RENT AND PURCHASE

LAND PLOT

land plot rent at average: $ 0.05 USD per 1 m² /year

10 ha | $ 5 000 USD per year

land plot purchase at average: $ 0.15 USD per 1 m²

10 ha | $ 15 000 USD
READY INDUSTRIAL PREMISES ON THE TERRITORY OF THE SEZ "ALABUGA"
Industrial park

A PLUS PARK ALABUGA

36 Ha
land plot area

200 000 sq.m
total area of the complex

186 000 sq.m
production-warehouse facilities

14 000 sq.m
Administrative buildings

4
buildings
A PLUS PARK ALABUGA
Development stages

Readiness 2017

1. 16 000 m² — 3rd Q. 2015
2. 38 640 m² — 2nd Q. 2017
3. 38 640 m² — 2nd Q. 2018
4. 100 000 m² — 1st Q. 2019

Current status
under construction
Industrial park
SYNERGY
24 500 sq.m
Rental space
CUSTOMS INFRASTRUCTURE

- Customs post operates only for the SEZ “Alabuga” residents
- 99% E-declaration
- Customs clearance within 3 hours
BUSINESS INFRASTRUCTURE
B+ CLASS OFFICE CENTRE
WITH ALL THE NECESSARY SERVICES NEEDED FOR EVERYDAY WORK:

- Office premises
- Conference halls
- Meeting rooms
- Exhibition hall
- Canteen-restaurant
- Insurance companies
- Customs brokers
- Gym
FLIGHTS

a day to Moscow and back

Flight time

1 h 30 minutes

Drive from airport

40 minutes
KAMA INDUSTRIAL CENTRE

1 000 000 PEOPLE
THE WORK FORCE
(Naberezhnye Chelny, Nizhnekamsk, Yelabuga, Mendeleevsk)

29 UNIVERSITIES AND INSTITUTES
28 COLLEGES
20 200 NEW SPECIALISTS

Average monthly wage (including income tax):

BLUE COLLARS
$ 400 USD

WHITE COLLARS
$ 600 USD

The level of average wage in Kazan is 45% to Moscow level (according to PWC research)
EVERY YEAR WE TRAIN IN KAMA CLUSTER FOR SEZ "ALABUGA"

800 TECHNICAL EMPLOYEES
9 out of 15 Russian largest cities are located within 1000 km area.
# Cargo Transportation Scheme

<table>
<thead>
<tr>
<th>Route</th>
<th>Distance</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Novorossiysk - st. Tikhonovo</td>
<td>1,580 km</td>
<td>1,580 USD</td>
</tr>
<tr>
<td>St. Petersburg - Art. Tikhonovo</td>
<td>2,461 km</td>
<td>1,240 USD</td>
</tr>
<tr>
<td>Ust-Luga - Art. Tikhonovo</td>
<td>1,763 km</td>
<td>1,330 USD</td>
</tr>
<tr>
<td>Vladivostok - Art. Tikhonovo</td>
<td>2,219 km</td>
<td>2,120 USD</td>
</tr>
<tr>
<td>Novorossiysk – Naberezhnye Chelny</td>
<td>2,715 km</td>
<td>2,715 USD</td>
</tr>
<tr>
<td>St. Petersburg - Naberezhnye Chelny</td>
<td>2,461 km</td>
<td>2,140 USD</td>
</tr>
<tr>
<td>Ust-Luga - Naberezhnye Chelny</td>
<td>1,763 km</td>
<td>2,140 USD</td>
</tr>
</tbody>
</table>

- Prices include cost platform and container rent
- Prices don't include cost of container rent
Free zones of the year 2016

**WINNER:**
EUROPE 2015, 2016
LARGE TENANTS

**HIGHLY COMMENDED:**
GLOBAL 2016
LARGE TENANTS
MAP OF THE SEZ “ALABUGA”

1st stage

2nd stage

3rd stage

4 000 HA
FORD SOLLERS
ELABUGA

Production of LCV Ford Transit, SUV Ford Explorer, Ford Kuga, MPV Ford Galaxy and Ford S-Max, gasoline engines

Production capacity

- **85,000** vehicles per year
- **185,000** engines per year

Investment volume

- **$753.6** mln USD
AIR LIQUIDE ALABUGA

Production of technical gases (oxygen, nitrogen, hydrogen-oxygen mixture)

Production capacity

80 mln m³ per year

Investment volume

$54.3 mln USD
ROCKWOOL VOLGA
Production of firesafe insulation materials

Production capacity 110 000 tons per year

Investment volume $170.6 mln USD
P-D TATNEFT-ALABUGA FIBERGLASS

Production of fiberglass and fiberglass-based goods

Production capacity: 24,195 tons per year
Investment volume: $158.1 mln USD
POLYMATIZ
Production of nonwoven fabric and other polymer goods

Production capacity: 17,000 tons per year
Investment volume: $55 mln USD
BELAYA DACHA
ALABUGA
Processing of vegetable products

Production capacity
9,600 tons per year

Investment volume
$17 mln USD
SARIA BIO-INDUSTRIES VOLGA

Production of meat-bone flour and technical fat

Production capacity: 24,500 tons per year

Investment volume: 23 mln USD
KASTAMONU INTEGRATED WOOD INDUSTRY

Production of medium density fiberboard and MDF - based goods

Production capacity: 837,200 m³ per year

Investment volume: $447 mln USD
HAYAT KIMYA
Production of household and sanitary paper products

Production capacity: 65,000 tons per year
Investment volume: $151 mln USD
**SISECAM**
**SAINT-GOBAIN**
Production of float glass, mirrors and coated glass

<table>
<thead>
<tr>
<th>Production capacity</th>
<th>Investment volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>250 000 tons per year glass</td>
<td>$209.5 mln USD</td>
</tr>
<tr>
<td>4.5 mln m² per year coated glass</td>
<td></td>
</tr>
<tr>
<td>4.5 mln m² per year mirrors</td>
<td></td>
</tr>
</tbody>
</table>
SISECAM
Production of automotive glass

<table>
<thead>
<tr>
<th>Production capacity</th>
<th>Investment volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4 mln sets per year</td>
<td>$ 111.5 mln USD</td>
</tr>
</tbody>
</table>
ALABUGA-FIBER
Production of carbon fiber

Production capacity
1500 tons per year

Investment volume
$142.5 mln USD
INTERSKOL-ALABUGA
Production of electrical tools

Production capacity
1.25 mln units per year

Investment volume
$55 mln USD
RMA RUS
Production of steel ball valves for oil and gas extraction industry

Production capacity: 11,000 units of product per year
Investment volume: $56 mln USD
ARMSTRONG BUILDING PRODUCTS
Production of mineral fiber ceiling

Production capacity
- 22 mln m² per year

Investment volume
- $100.5 mln USD
COSKUNÖZ-ALABUGA
Production of car body parts

Production capacity:
6 mln units per year

Investment volume:
$74 mln USD
3M VOLGA
Production of adhesive tapes, industrial adhesives, abrasive materials, glass microspheres

Production capacity
256
korrosion
protection agents
kl per year

Investment volume
$62
mln USD
HAVI LOGISTICS

YELABUGA

Storage and processing of processed foods for McDonald’s

Investment volume

$19.3 mln USD
HUHTAMAKI FOODSERVICE ALABUGA
Production of disposable tableware

Production capacity: 641 mln units per year
Investment volume: $6.2 mln USD
DIZAYN-RUS
Production of polyethylene and polypropylene plastic pipes

Production capacity: 23 300 tons per year
Investment volume: $31.3 mln USD
KORIB
Production of car batteries

Production capacity

1.5 mln car batteries

Investment volume

$29.5 mln USD
SHANDONG YUANDA STEEL

Production of cold rolled steel coil, galvanized steel coil and coated steel

Production capacity: 500,000 tons per year
Investment volume: $68 mln USD
A-STAR
Production of wheat based starch

Production capacity
172,000 tons per year

Investment volume
$150 mln USD

the amount of wheat processing
EAST BALT YELABUGA
Production of baked goods

Production capacity

115 mln pieces per year

Investment volume

$ 20.8 mln USD
DRYLOCK TECHNOLOGIES
Production of hygienic products

Production capacity: 433 mln pieces per year
Investment volume: $36.6 mln USD
SEZ “ALABUGA” MEDIUM-TERM STRATEGY

As of November, 1st, 2016:

- **53** Resident-companies
- **$ 4,5 BLN USD** Total resident investments
- **5 605** Jobs
- **$ 846,4 MLN USD** of governmental investments

To-be in 2023:

- **120** Residents-companies
- **$ 12 BLN USD** Investment volume
- **16 000** Jobs
SOCIAL INFRASTRUCTURE
INTERNATIONAL DIPLOMA

SCHOOL
10 classes for 10 children

BOARDING SCHOOL
20 rooms for 40 children
Alabuga International School
Tatarstan
Russian Federation

Has earned CIS Membership by demonstrating its alignment with the CIS Code of Ethics and Principles, and through its leadership in international education, sharing knowledge, embracing diverse perspectives, and challenging itself to continuously improve.

Jane Larson
Executive Director

Greg Horne
Director of School Support & Excellence

Shaping the future of international education
NEARBY CITY-NABEREZHNYE CHELNY

20 km away from the SEZ “Alabuga”, population of 522,000 people.
NEARBY TOWN - YELABUGA

10 km away from the SEZ “Alabuga”, population of 84,000 people.
THANK YOU FOR YOUR KIND ATTENTION!

+7 (85557) 5-90-30

invest@alabuga.ru

www.alabuga.ru
**THE SEZ “ALABUGA”**

in the structure of special economic zones (out of 24 zones)*

- **69%**
  - $4.3 BLN USD of the revenues

- **45%**
  - $245.1 MLN USD of tax payments (without VAT)

- **56%**
  - $2.8 BLN USD of residents’ investments
RESIDENT TO - BE STEPS
3 MONTHS

1. Registration of a legal entity, preparation of a business-plan and foundation documents
2. Project Presentation for Expert Council (Kazan)
3. Project presentation for Supervisory Board of the SEZ «Alabuga» (Kazan)
4. Agreement signing and getting the resident certificate
SERVICES

Exploitational:
- heat supply
- electricity supply
- water supply
- drainage
- waste management, dumping, payments on environmental impact
- maintenance of fire extinguishing systems and smoke exhaust systems
- maintenance of electrical systems, water supply, heating, sewage
- maintenance of air conditioning and ventilation
- maintenance of elevators
- carrying out maintenance of the building and the managing company territory
- technical supervision
- maintenance of utilities and roads
- machinery services
- passenger transportation
- transport and logistics services
- electrotechnical laboratory

Housekeeping:
- maintenance and cleaning of the rented premises and managing company territory, disinfection
- protection of the building
- office space rent
- snow and ice cleaning and removal
- conducting tenders
- legal services
- outside windows wash
- ensuring the proper state of the external facade of the building

Constructional:
- geodesy services
- technical customer
- construction and commissioning technical supervision
## COST
OF ELECTRICITY (HIGH VOLTAGE)
FOR SEZ “ALABUGA” RESIDENTS IN 2016

<table>
<thead>
<tr>
<th>№</th>
<th>Power supply reliability category</th>
<th>Measure</th>
<th>In 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>First category power supply reliability</td>
<td>RUB per kWh</td>
<td>3,35</td>
</tr>
<tr>
<td>2</td>
<td>Second and Third category power supply reliability</td>
<td>RUB per kWh</td>
<td>3,10</td>
</tr>
</tbody>
</table>

Tariff rates without VAT
<table>
<thead>
<tr>
<th>№</th>
<th>Resource</th>
<th>Measure</th>
<th>First half-year 2017</th>
<th>Second half-year 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Heating</td>
<td>RUB per Gcal</td>
<td>1635.09</td>
<td>1703.76</td>
</tr>
<tr>
<td>2</td>
<td>Water</td>
<td>RUB per m³</td>
<td>28.30</td>
<td>29.48</td>
</tr>
<tr>
<td>3</td>
<td>Sewerage</td>
<td>RUB per m³</td>
<td>51.29</td>
<td>53.34</td>
</tr>
<tr>
<td>4</td>
<td>Storm sewerage</td>
<td>RUB per m³</td>
<td>27.73</td>
<td>26.16</td>
</tr>
</tbody>
</table>
## TARIFF RATES FOR GAS ON 2017

Average tariff rates without VAT

<table>
<thead>
<tr>
<th>№</th>
<th>Gas consumption</th>
<th>Measure</th>
<th>First half-year 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>More than 500 million m³ per year</td>
<td>RUB per 1000 m³</td>
<td>4 510,19</td>
</tr>
<tr>
<td>2</td>
<td>From 100 to 500 inclusive</td>
<td>RUB per 1000 m³</td>
<td>4 627,22</td>
</tr>
<tr>
<td>3</td>
<td>From 10 to 100 inclusive</td>
<td>RUB per 1000 m³</td>
<td>4 895,17</td>
</tr>
<tr>
<td>4</td>
<td>From 1 to 10 inclusive</td>
<td>RUB per 1000 m³</td>
<td>5 083,80</td>
</tr>
<tr>
<td>5</td>
<td>From 0.1 to 1 inclusive</td>
<td>RUB per 1000 m³</td>
<td>5 090,73</td>
</tr>
<tr>
<td>6</td>
<td>From 0.01 to 0.1 inclusive</td>
<td>RUB per 1000 m³</td>
<td>5 372</td>
</tr>
<tr>
<td>7</td>
<td>To 0.01 inclusive</td>
<td>RUB per 1000 m³</td>
<td>5 394,84</td>
</tr>
</tbody>
</table>
# NECESSARY PERMISSIONS FOR BUILDING AND LAUNCHING FACTORY

<table>
<thead>
<tr>
<th>Type of work</th>
<th>The timeline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design according to Russian standards</td>
<td>6-9 months</td>
</tr>
<tr>
<td>State examination</td>
<td>2-3 months</td>
</tr>
<tr>
<td>Construction permit</td>
<td>2 weeks</td>
</tr>
<tr>
<td>Building development</td>
<td>1-1.5 years</td>
</tr>
<tr>
<td>Installation and commissioning of the equipment</td>
<td>6-9 months (in parallel with construction)</td>
</tr>
<tr>
<td>Statement of conformity of design documentation and technical rules</td>
<td>RUB per 1000 m³</td>
</tr>
<tr>
<td>Permission to launch</td>
<td>2 weeks</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>2-3 years</strong></td>
</tr>
</tbody>
</table>
SUPPORT PROGRAM
PROJECT FINANCING INVESTMENT

 IMPORT SUBSTITUTION

 INTEREST RATE
 up to 11.2%

 INVESTMENT PROJECTS SIZE
 1 – 20 bln rub.

Ministry of Economy of the Republic of Tatarstan supports enterprises and organizations while obtaining loan under this program.

10 authorized banks are involved in the implementation of the program:

- OJSC «Sberbank Russia»
- OJSC «ROSSELKHOZBANK»
- OJSC «ALFA-BANK»
- OJSC BANK VTB
- PJSC «Promsvazbank»
- OJSC «Gazprombank»
- OJSC «The Bank of Moscow»
- PJSC «Otkritie» Financial Corporation Bank
- International investment bank
- Eurasian Development Bank
STATE SUPPORT OF THE IMPORT SUBSTITUTION ENTERPRISES

PERCENT COMPENSATION SCHEME ON CREDITS IN RUBLES

Enterprises:

- Automobile industry
- Civil aircraft industry
- Cable and electrical industry
- Light industry
- Timber industry complex
- Machine-building for food and processing industries
- Oil-and-gas machine industry
- Conventional arms, ammunition, special chemistry
- Radioelectronic industry
- Agricultural machinery industry
- Machine-tool manufacture
- Road-building machinery
- Shipbuilding industry
- Transport machine building
- Heavy engineering industry
- Pharmaceutical and medical industry
- Chemical industry
- Non-ferrous metallurgy
- Ferrous metallurgy
- Power machine building

Ministry of Industry and Trade of the Russian Federation compensate for

2/3

of the key rate of the CB of the RF on credits, obtained in rubles
POLYMERS PRODUCED
WITHIN 400 KM FROM THE SEZ “ALABUGA”

KAZANORGSINTEZ
— LDPE/HDPE 771599 MT Univation Technology
— PC 65000 MT Asahi Kasei Chemicals Technology
— LLDPE 14,4000 MT Imhausen Germany Technology
— EVA 12000 MT

NEFTEHIMSJEVILEN
— LDPE 14,4000 MT
— EVA 12000 MT
— Imhausen Germany Technology

AMMONIY
— Nitrogen fertilizers
— Ammonium nitrate
— Ammonia
— Urea
— Methanol
— Technical gases
— Melamine (projected)

NIZHNEKAMSKNEFTEKHIM
— PP 200000 MT Spheripol Technology
— GPPS/HIPS 84000 MT Fina
— LLDPE 160000 MT (2010) Sphereline (Basell)
— ABS 104000 MT(2010) Polimery Europa
— EPS 80000 MT LG Technology

UFAKHIMPROM
— PC - 10 000 MT(from 2008)

KAUSTIK
— PVC - 120 000 MT

NIZHNEKAMSKTECHUGLEROD
— Carbon Black - 85 000 MT
— Yokogawa Technology

ELASTOKAM
— PU systems 20000 MT
— Elastogram Technology

SALAVATNEFTORGSINTEZ
— LDPE 70000 MT Chevron Phillips Technology
— GPPS/HIPS 70000 MT
— EPS 50000 MT

POLYMERS PRODUCED WITHIN 400 KM FROM THE SEZ “ALABUGA”

NEFIS COSMETICS
— Oleic acid
— Stearic acid

— PC  10 000 MT(from 2008)

KAUSTIK
— PVC - 120 000 MT
MOST MAJOR RUSSIAN CARMAKERS
LOCATED WITHIN 500 KM FROM THE SEZ "ALABUGA"

- **GAZ**
  - 123,000 trucks
  - 67,000 cars
  - 40,000 buses

- **VOLKSWAGEN**
  - 100,000 cars

- **PAZ**
  - 14,000 buses

- **UAZ**
  - 120,000 cars

- **AVTOVAZ**
  - 776,000 cars

- **GM-AVTOVAZ**
  - 50,000 cars

- **KAMAZ**
  - 70,000 trucks

- **IZH**
  - 220,000 cars

- **IZHEVSK**
  - 88,000 cars

- **MIASS**
  - 11,000 trucks

- **URALAZ**
  - 4,000 cars

- **NEFAZ**
  - 220,000 trucks

- **ISUZU**
  - 1,000 buses

- **FORD SOLLERS**
  - 75,000 cars

- **FORD SOLLERS**
  - 35,000 cars

- **CASE NEW HOLLAND**
  - 120,000 cars

- **IZH AVTOVAZ**
  - 50,000 cars

- **AVTOVAZ**
  - 75,000 cars

- **PAZ**
  - 4,000 cars

- **URALAZ**
  - 10,000 buses

- **FORD SOLLERS**
  - 220,000 trucks

- **URALAZ**
  - 35,000 cars