



JOINT STOCK COMPANY

ULYANOVSK REGION DEVELOPMENT CORPORATION

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CEO

On cooperation

We are pleased to know that your company is developing successfully in Russian Federation. Thus we hereby offer you to use economic potential of Ulyanovsk region for your company future development.

Let us offer you to consider Ulyanovsk region as a potential platform for production localization.

For placement and successful operation of the enterprise in the territory of the Ulyanovsk region the company will be provided with the administrative support at all levels of authority and at every stage of the project implementation.

Moreover your company will be provided with special tax incentives that help to save from 30 to 40 % of investment expenses.

Such resident-companies of Ulyanovsk region as MARS (USA), EFES (Turkey), TAKATA (Japan), LEGRAND (France), BRIDGESTONE (Japan), NEMAK (Mexico), HERMLE (Germany), SHAEFFLER (Germany), JOKEY (Germany), HEMPEL (Denmark) and other companies has already appreciated special economic conditions in the region.

The Your company activity will influence the industry of region a lot.

For the production placement your company will be provided with the prepared land plot of “Greenfield” type of a required area to with all the necessary transport and engineering communications on the territory of Industrial Zone “Zavolzhye”, Special Economic Zone “Ulyanovsk” or Industrial park “Dimitrovgrad” (attachment 1). As an alternative option for placement of the future enterprise of your company may be considered the prepared production facilities of “Brownfield” type selected in accordance with your technical requirements

While implementing the project on the territory of Ulyanovsk region Your company will be offered favourable conditions that cut investment expences from 30 up to 40% (attachement 2).

Surely logistic position of a land plot is one of the most important factors during implementation of any investment project. Ulyanovsk region is situated in the center of the Volga Federal District on the crossing of major highways what allows residents to obtain equal access to the customers in the western, southern and eastern parts of Russia.

Let me urge upon you the fact that the Ulyanovsk region is characterized by the free human labor recourses. The well-developed system of higher technical

education and secondary vocational education enables efficient training to meet the needs of the existing industrial facilities. The average salary equals to 290 USD per month.

Taking a chance, we would like to invite the management and technical experts of Your company to visit our region at any convenient time to explore the economic potential of the region.

In conclusion let me wish you success in your activity and express hope for future fruitful cooperation.

Attachment 1: Location map of ‘Cathmed Limited’ production on the territory of Industrial Zone “Zavolzhye”, Special Economic Zone (SEZ) or Industrial park “Dimitrovgrad”. – on 3 pages in 1 copy.

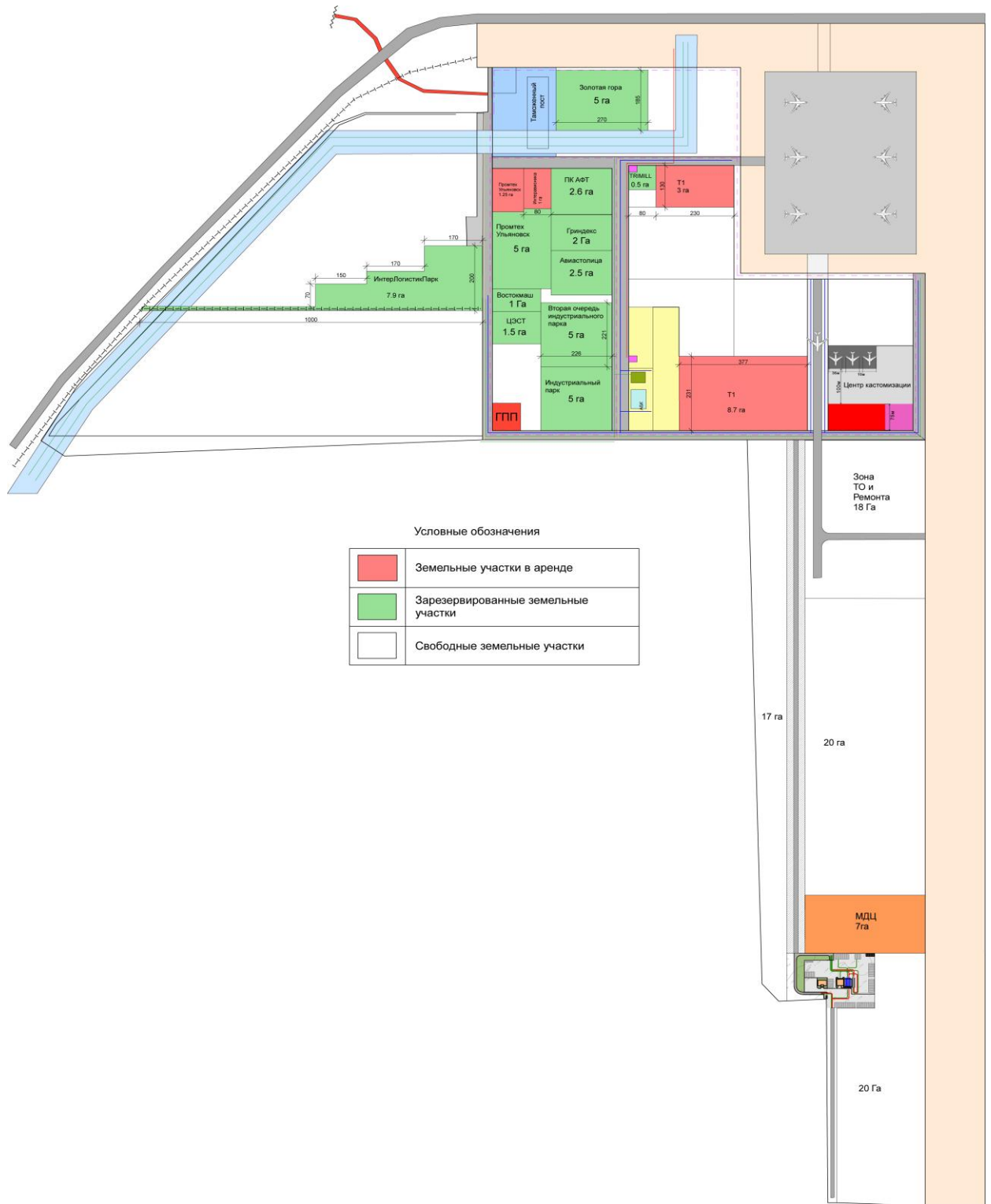
Attachment 2: Special tax incentives for companies implementing investment projects on the territory of Industrial Zone “Zavolzhye”, Special Economic Zone (SEZ) or Industrial park “Dimitrovgrad”.– on 1 page in 1 copy.

General director



S.Vasin

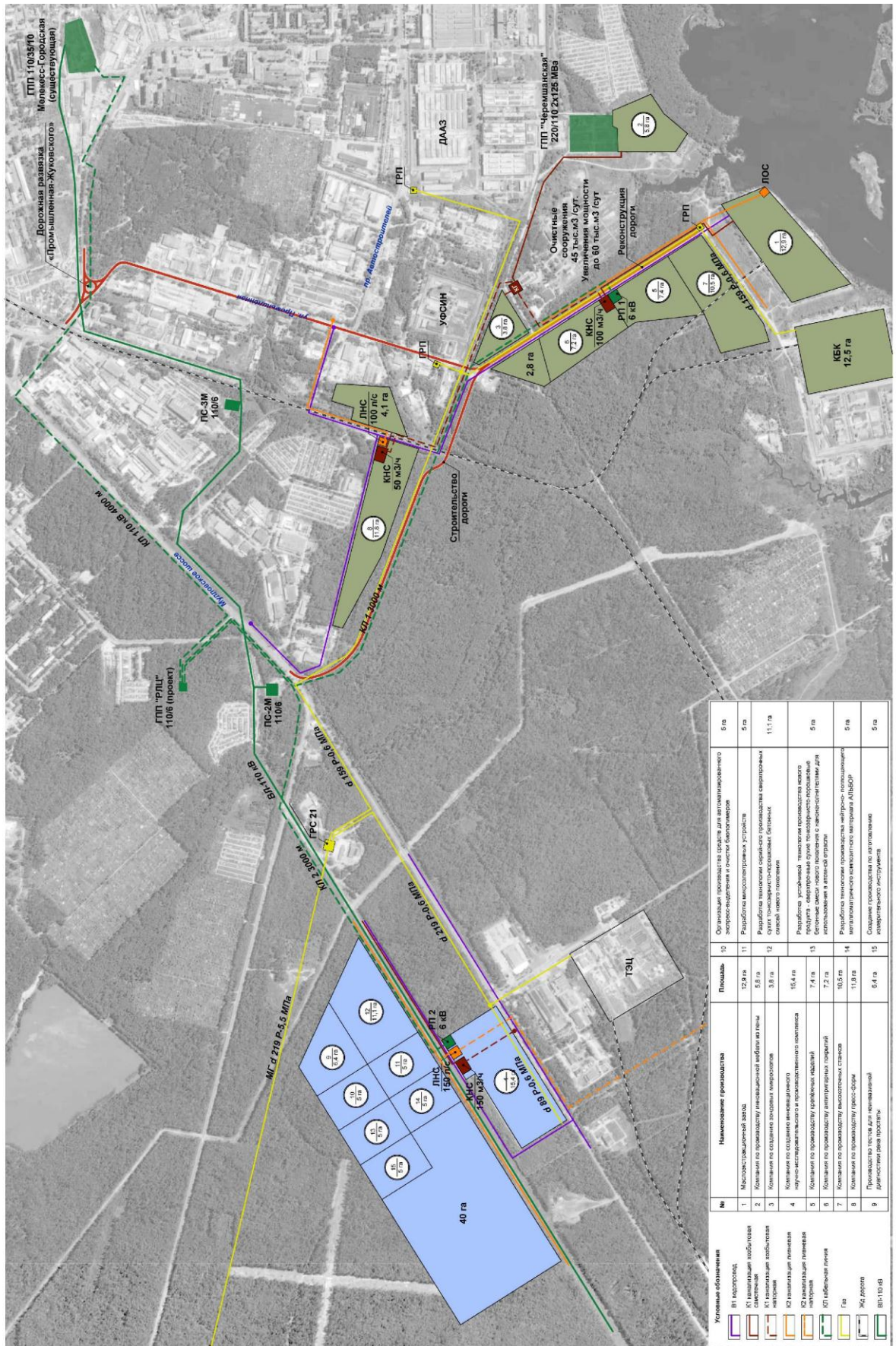
Location map of Special Economic Zone



All the land plots on the territory of the Special Economic Zone may be purchased or rented at a low price (4 456 rub per Ha per year and 13 368 rub per Ha per year respectively). All necessary infrastructure building and networks connection are financed from Russian federal or regional budgets.

Location map of Industrial park "Dimitrovgrad"

Схема размещения объектов инфраструктуры ИП «Димитровград»



Attachment 2

Special tax incentives for companies implementing investment projects in the territory of Industrial Zone “Zavolzhye”

15.5% - tax rate for the corporate profit (in the part to be paid to the regional budget) for a term of 15 years from the moment of the beginning of the tax base;

0% - tax rate for the corporate property tax for a term of 10 years from the moment of the beginning of the tax base;

1.1% - tax rate for the corporate property tax - for a term of 5 years from the day following the expiry date of the right to use tax rate of 0 per cent;

0% - tax rate for the transport tax - for a term of 10 years from the from the moment of putting a plant into operation;

0% - tax rate for the land tax - for 8 years from the moment of putting a plant into operation.

Special tax incentives for companies implementing investment projects in the territory of Special Economic Zone.

2% - tax rate for the corporate profit for a term of 10 years;

0% - tax rate for the land tax - for a term of 10 years;

0% - tax rate for the transport tax - for a term of 10 years;

0% - tax rate for the corporate property tax - for a term of 15 years.

Moreover, for 15 years Your company will be entirely exempted from payment of the VAT for services provided on the territory of SEZ. Free customs zone regime provides an opportunity to bring into the territory of the Special Economic Zones foreign goods without payment of customs duties and VAT.

Special tax incentives for companies implementing investment projects in the territory of Industrial park “Dimitrovgrad”

Tax incentives for companies implementing investment projects in the potential Territory of Priority Development “Dimitrovgrad”

0-5 % - tax rate for the corporate profit for for the 1st year, for the next years – no more than 10%;

0% - tax rate for the land tax;

0% - tax rate for the transport tax;

0% - tax rate for the corporate property tax;

7,6% - insurance premiums in the state budget funds.

Tax incentives are acting during the existence of the Territory of Priority Development. In the monocity (the single-industry city Dimitrovgrad) Territory of Priority Development Status acts 10 years, with a possible extension for another 5 years.

Moreover for the residents of Industrial park “Dimitrovgrad” acts preferential crediting system according to Monocity Development Fund Program:

- Form of financing - equity participation / loan;
- The share of funding - 40% of the total cost of the project;
- The amount of the Fund - more than 100 million rubles, but not more than 1 billion rubles;
- Annual interest rate - 5%;
- The maximum funding period - 8 years.