

APPROVED
by decision of the Supervisory Board of the
Development Foundation
of the Khanty-Mansiysk
Autonomous Okrug – Ugra
Minutes of 11 October 2019 No. 119/19

CHARTER
OF THE DEVELOPMENT FOUNDATION OF THE KHANTY-
MANSIYSK AUTONOMOUS OKRUG – UGRA
(amended)

City of Khanty-Mansiysk
2019

1. General provisions

1.1. The Development Foundation of the Khanty-Mansiysk Autonomous Okrug – Ugra was created pursuant to the decree of the Government of the Khanty-Mansiysk Autonomous Okrug – Ugra dated December 1, 2008, No. 522-rp “On the establishment of the non-profit organization “Foundation for the Promotion of Investments in Small and Medium Enterprises in the Khanty-Mansiysk Autonomous Okrug – Ugra».

Based on the decree of the Government of the Khanty-Mansiysk Autonomous Okrug – Ugra dated August 9, 2013 No. 414-rp “On renaming the non-profit organization “Foundation for the Promotion of Investments in Small and Medium Enterprises in the Khanty-Mansiysk Autonomous Okrug – Ugra” and amending some of the decrees of the Government of the Khanty-Mansiysk Autonomous Okrug – Ugra” the Foundation for the Promotion of Investments in Small and Medium-Sized Enterprises in the Khanty-Mansiysk Autonomous Okrug – Ugra was renamed the Development Foundation of the Khanty-Mansiysk Autonomous Okrug – Ugra (hereinafter – the Foundation).

1.2. Full name of the Foundation: Development Foundation of the Khanty-Mansiysk Autonomous Okrug – Ugra.

The abbreviated name of the Foundation: Ugra Development Foundation.

1.3. The Foundation is a unitary non-profit organization, without membership, established on the basis of a voluntary asset contribution of the Khanty-Mansiysk Autonomous Okrug – Ugra and pursuing public, socially useful goals.

1.4. The founder of the Foundation is the Khanty-Mansiysk Autonomous Okrug – Ugra (hereinafter also the Founder, Ugra) represented by the Department of State Property Management of the Khanty-Mansiysk Autonomous Okrug – Ugra.

1.5. The Founder is not liable for the obligations of the Foundation, nor is the Foundation liable for the obligations of the Founder.

1.6. The Foundation was created for an indefinite duration.

1.7. The Foundation is a legal entity created in the legal form “foundation”, may acquire and exercise property and personal non-property rights on its own behalf, bear obligations, be a plaintiff or defendant in court.

1.8. Location of the Foundation: Russian Federation, Khanty-Mansiysk Autonomous Okrug – Ugra, the city of Khanty-Mansiysk.

1.9. The Foundation acts as a public foundation for the development of Ugra’s industry taking into account the specific requirements of the Russian

legislation on non-profit organizations, the Federal Law dated December 31, 2014 No. 488-ФЗ “On Industrial Policy in the Russian Federation”, the Law of the Khanty-Mansiysk Autonomous Okrug – Ugra dated March 31, 2016 No. 23-oz “On industrial policy in the Khanty-Mansiysk Autonomous Okrug – Ugra”.

1.10. The Foundation carries out the functions of a specialized organization of Ugra for investment encouragement and investor relations taking into account the requirements of the legislation of the Russian Federation on non-profit organizations and the legislation of Ugra in the field of investment activity.

1.11. The Foundation acts as a competence center in the field of agricultural cooperation of Ugra.

1.12. The Foundation acts as a competence center in the tourism sector of Ugra.

1.13. In its activities, the Foundation is governed by the laws of the Russian Federation, this Charter, and decisions of the Foundation’s governing bodies adopted within their competence.

1.14. The Foundation has a seal with its full name in Russian, an indication of its location, and may also have its own stamps and forms.

1.15. The Foundation has symbols in the form of an emblem, which is a graphic image located on a black background and consisting of four geometric figures: an inverted orange triangle is shown on top; to the left of the triangle adjacent to it – a white trapezoid is located downward at an angle of 45 degrees to the vertical; to the right of the trapezoid, adjacent to it, upward at a 45 degree angle to the vertical, there is a white; adjacent to the parallelogram from below, at a 45 degree angle to the vertical is a white trapezoid figure.

When the Foundation’s logo is presented on a white background, geometric shapes in white are painted black.

1.16. The Foundation is entitled, as and when required, to open bank accounts for keeping funds and performing all types of settlement, credit, cash and other financial transactions provided for in the legislation of the Russian Federation.

1.17. The Foundation is part of the infrastructure for the promotion of industrial activities and provides support to industry stakeholders.

1.18. The Foundation must comply with the laws of the Russian Federation and this Charter. The Foundation must, according to the established procedure, maintain accounting records, submit accounting and statistical reports, ensure timely payment of salaries, safe conditions and labor protection

of the Foundation's employees.

1.19. The Foundation carries out its work in collaboration with federal executive authorities, executive bodies of state authority (regional public authorities), local self-government bodies, associations of entrepreneurs, other state and non-state bodies and organizations, business entities and their associations. When interacting with federal ministries, institutions, organizations, "financial institutions", "development institutions", as necessary, exercises the functions of an applicant.

2. Branches and representative offices of the Foundation

2.1. The Foundation has the right to set up branches and open representative offices on the territory of the Russian Federation.

2.2. Branches and representative offices are the property of the Foundation.

2.3. Heads of branches and representative offices are appointed by the Director General of the Foundation as agreed upon with the Supervisory Board of the Foundation and act in compliance with a power of attorney issued by the Director General of the Foundation.

2.4. The branches and representative offices of the Foundation operate on behalf of the Foundation. The Foundation is responsible for the activities of its branches and representative offices.

3. Goals, scope and types of the Foundation's activities

3.1. The Foundation does not pursue the generation of profit as a main goal of its activity.

The Foundation has the right to carry out entrepreneurial activities and income-generating activities specified in clause 3.3.14. of this Charter, corresponding to the statutory goals and necessary to achieve socially useful goals for which the Foundation was set up. To carry out entrepreneurial activities, the Foundation has the right to create business entities or participate in them.

3.2. **The objectives** of the Foundation are:

3.2.1. The promotion of the socio-economic development of Ugra.

3.2.2. The formation of a diversified competitive economy of Ugra based on cluster development, innovation and lean technologies.

3.2.3. The creation of a favorable investment climate in Ugra.

3.2.4. The enhancement of Ugra's investment attractiveness including

through the promotion of high-tech innovative regional projects.

3.2.5. Promoting of investment activities in Ugra including joint investment activities.

3.2.6. Promotion of the implementation of Ugra's industrial policy.

3.2.7. Promotion of public-private partnerships in Ugra.

3.2.8. Facilitation to the improvement of the state and municipal administration system in Ugra, including the development of project management and modern management technologies and competencies.

3.2.9. Implementation of organizational support measures aimed at creation and/or development of infrastructure for supporting agricultural cooperatives and small businesses, assistance in the implementation of Ugra's state programs and activities aimed at the development and support of agricultural cooperation in Ugra.

3.2.10. Implementation of measures aimed at the creation and/or development of tourism infrastructure projects, assistance in promoting tourism in Ugra.

3.3. **The scope and types of activities** of the Foundation aimed at achieving the statutory goals are:

3.3.1. Participation in the development and implementation of the strategy of socio-economic development of Ugra, including its industrial and spatial development.

3.3.2. Participation in addressing the objectives of Ugra's socio-economic development.

3.3.3. Development of recommendations and participation in activities to improve the investment climate of Ugra.

3.3.4. Development of recommendations and participation in activities to create a favorable environment for doing business in Ugra, including by eliminating unnecessary administrative barriers and by increasing the availability of utilities, transportation and financial infrastructure.

3.3.5. Pre-project study of investment proposals, development of concepts, models, feasibility studies, business plans, project initiatives, project passports, implementation schedules, project documents and other documentation for priority investment, innovative, industrial, infrastructural and socially significant projects of Ugra, including with the involvement of external organizations.

3.3.6. Assistance in the implementation of investment, innovative, industrial, infrastructural and socially significant projects of Ugra, including the

development of the terms for public-private partnership, search and attraction of investors (funding).

3.3.7. Participation in the implementation of investment, innovative, industrial, infrastructural and socially significant projects of Ugra, including on the basis of an investment partnership agreement and / or as a participant of project activities.

Implementation of investment projects provided for by the state programs of Ugra, independently and/or through legal entities created by the Foundation in accordance with its established procedure.

3.3.8. Participation in the formation of project portfolios.

3.3.9. Participation in the formation of state programs.

3.3.10. Information consultation and organizational assistance on a “one-stop-shop” basis for entities engaged in investment activities in the territory of Ugra or interested in carrying out such activities.

3.3.11. Creation of incentives for setting up highly efficient and innovative productive facilities.

3.3.12. Participation in the creation and development of modern industrial infrastructure, infrastructure for support of industrial activities in Ugra.

3.3.13. Provision of incentives to industry stakeholders in line with Ugra’s industrial policy objectives.

3.3.14. Provision of financial support – in any form consistent with the legislation of the Russian Federation including in the form of loans, grants, contributions to equity capital, through participation in investment partnership agreements – to entities implementing industrial projects in Ugra, including high-tech innovative projects.

Financial support in the form of leasing (financial lease) can be provided through a subsidiary company specializing in this type of service.

Financial support for industry stakeholders’ projects is provided by the Foundation through budgetary subsidies.

3.3.15. Provision of other support measures, as provided for in the legislation on industrial policy, to entities implementing industrial projects in Ugra, including information and advisory support, property support, support for their scientific, innovative, research and development activities in the field of industry, support for the development of their human resources.

3.3.16. Preliminary selection of land plots in Ugra, promising from the investment and industrial development perspective.

3.3.17. Development of concepts, development models, master plans for

industrial clusters, industrial sites and industrial parks.

3.3.18. Formation and promotion of industrial clusters, industrial sites, industrial parks including the provision of information and advice to interested parties on issues related to deployment of productive facilities.

3.3.19. Attraction of participants, investors, raising funds for the creation and functioning of industrial clusters, industrial sites, industrial parks.

3.3.20. Performance of functions of the single national operator for the development of industrial sites and industrial parks.

3.3.21. Infrastructure development for industrial clusters, industrial sites and industrial parks.

3.3.22. Creation, operation and management of infrastructure facilities ensuring the functioning of industrial clusters, industrial sites, industrial parks.

3.3.23. Creation, operation and management of shared facilities of industrial sites and industrial (industrial) parks.

3.3.24. Development of documents on the creation of industrial clusters, industrial sites, industrial parks, design and construction of infrastructure facilities using both owned and borrowed funds.

3.3.25. Information, advisory and organizational assistance to residents of industrial clusters, industrial sites, industrial parks when they deploy new or existing facilities, including when providing access to infrastructure and shared facilities.

3.3.26. Promotion of the implementation of lean production principles and technologies.

3.3.27. Preparation and holding as organizer and/or participant of forums, conferences, exhibitions, science to practice competitions, workshops, round tables and trainings, including with the participation of representatives of executive authorities of Ugra and invited experts.

3.3.28. Assessment of existing regulatory legal acts and those under development, preparation of proposals for the improvement of the legal framework of Ugra.

3.3.29. Preparation of draft guidance documents and regulatory legal acts to be recommended for the adoption by the executive authorities of Ugra.

3.3.30. Assessment, summation, analysis of public and expert opinions, market behavior (goods, works, services).

3.3.31. Preparation of analytical and presentation materials.

3.3.32. Promotion of state policy aimed at support and development of agricultural cooperation in Ugra, participation in the development and

implementation of state programs of Ugra aimed at the development and support for agricultural cooperation in Ugra.

3.3.33. Advisory and information assistance to agricultural cooperatives and small businesses including when they use state support measures.

3.3.34. Organization of interaction between agricultural cooperatives and public authorities of Ugra, local self-government bodies, regional institutions for support of small and medium-sized entrepreneurship development and sectoral financial institutions in order to provide favorable conditions for creating new productive assets for cooperative organizations.

3.3.35. Conducting and promotion of exhibitions, fairs and other events of regional, interregional and international level, including those aimed at popularizing regional goods and helping to sell agricultural products.

3.3.36. Promotion of state policy aimed at support and development of tourism in Ugra, participation in the development and implementation of state programs of Ugra aimed at the development and support of tourism in Ugra.

3.3.37. Provision of information and advisory support on project activities in the tourism sector of Ugra, including on the engagement of federal and regional support measures for small and medium-sized enterprises, non-profit organizations and individuals.

3.3.38. Participation in the development and support of tourism projects.

3.3.39. Organization and implementation of events aimed at the promotion of regional tourism products.

3.3.40. Creation (participation in the creation) of a tourist information and communication platform for efficient information exchange and a single database of Ugra's tourist potential.

3.3.41. Participation in the creation of a unified network of tourist information centers of Ugra.

3.3.42. Participation in the implementation of federal and regional programs in the field of tourism.

3.3.43. Participation in events in the field of tourism at the All-Russian and interregional levels.

3.3.44. Interaction with industry-specific Russian public organizations in the field of tourism, including the Association of Tour Operators (ATOR), the Russian Union of Travel Industry (RUTI).

3.3.45. Market research in the field of tourism and the study of public opinion.

3.3.46. In the course of carrying out its statutory activities, the Foundation

has the right to engage, on a reimbursable basis, in compliance with the legislation of the Russian Federation, external experts, auditors, appraisers, consultants, specialists. Either organizations or individuals may act as counterparties of the Foundation.

3.3.47. To achieve the goals defined by this charter, the Foundation has the right to make transactions, in the manner required by the legislation of the Russian Federation, with organizations and individuals, including, but not limited to those of loan, purchase, sale, exchange, contract, transportation, lease, order, commission, storage, simple partnerships, surety, pledge, to participate in tenders, participate in economic partnerships, purchase bonds and securities of industrial entities, act as a founder (participant) of other organizations, innovative enterprises, to make asset contributions; to perform the functions of a customer.

4. Assets of the Foundation

4.1. The Foundation has its own separate assets, recorded on its independent balance sheet.

4.2. The property transferred to the Foundation by the Founder is the property of the Foundation. The Founder of the Foundation does not have property rights in relation to the Foundation it has set up.

4.3. The assets of the Foundation consist of fixed and current assets, including movable and immovable property, goods and raw materials, cash, securities, intellectual property, copyright, and other assets, the value of which is reflected on the balance sheet of the Foundation.

The assets of the Foundation belong to it by right of ownership.

4.4. The assets of the Foundation are formed by:

4.4.1. Contributions of the founder of the Foundation;

4.4.2. Income from the activities of the Foundation and from the use of its assets;

4.4.3. Contributions and donations from legal entities and individuals;

4.4.4. Other sources not prohibited by law.

4.5. Contributions and donations can be made in monetary form or in kind (in the form of land plots, premises, equipment, intellectual property, property rights, rights of usage, other property).

4.6. The Foundation uses its assets for the purposes defined by this charter.

4.7 The Foundation is under an obligation to publish annually in the

information and telecommunication network Internet reports on the use of its assets in accordance with applicable law.

4.8. The Foundation is liable for its obligations with its property that may be subject to enforcement under the legislation of the Russian Federation.

4.9. The Foundation maintains operational, accounting and statistical accounting and reporting in accordance with the procedure set by legal and other regulatory acts for organizations of the relevant organizational and legal forms.

4.10. The following funds may be formed by the Foundation at the expense of net profit: consumption fund, accumulation fund, development fund, with the procedure for the formation and use of these funds to be determined by the internal acts of the Foundation.

5. Management of the Foundation

5.1. The supreme collegial management body of the Foundation is the Supervisory Board.

5.2. The Supervisory Board is formed by the Government of the Khanty-Mansiysk Autonomous Okrug – Ugra for an indefinite period.

5.3. The Supervisory Board shall consist of no fewer than 3 members and no more than 9 members.

5.4. The Supervisory Board operates on a pro-bono basis. Members of the Supervisory Board are not paid any remuneration for the performance of their functions.

5.5. The Supervisory Board is headed by a chairperson elected by a majority of the Supervisory Board members' votes for an indefinite period.

5.6. In the absence of the chairperson at a meeting of the Supervisory Board, their functions are assigned to a member of the Supervisory Board elected by a majority of the Supervisory Board members present at the meeting.

5.7. The Supervisory Board meets as and when necessary, but at least once every quarter.

Meetings of the Supervisory Board are convened upon request from:

- Member of the Board of Trustees;
- Member of the Supervisory Board;
- Member of the Expert Council;
- Member of the Audit Committee;
- Director General.

The request to convene a meeting of the Supervisory Board is sent to the chairperson of the Supervisory Board and the Director General.

5.8. The date of the meeting of the Supervisory Board is appointed by the chairperson of the Supervisory Board, and in their absence – by the Director General.

5.9. The chairperson of the Supervisory Board (in their absence – the Director General) shall, within five working days from the date of the receipt of the request to convene a meeting of the Supervisory Board, consider this request and take a decision either to hold the meeting or to refuse to do so.

5.10. A meeting of the Supervisory Board is authorized to make decisions if more than half of its members are present at the meeting. Decisions are taken by a majority vote of those present, unless otherwise provided for herein. Each member of the Supervisory Board has one vote. The Supervisory Board members vote openly, filling the ballot cards.

5.11. Decisions on issues placed by article 29 of the Federal Law of 12.01.1996 No. 7-FZ “On Non-Profit Organizations” under the exclusive competence of the Supervisory Board as the highest management body are taken by a qualified majority (2/3 of votes) of the Supervisory Board members present at the meeting.

5.12. A decision of the Supervisory Board may be adopted without a meeting by absentee voting (by circulation), with the exception of decisions on issues placed by article 29 of the Federal Law of 12.01.1996 No. 7-FZ “On Non-Profit Organizations” under the exclusive competence of the Supervisory Board.

Such voting can be carried out by exchange of documents by post, telephone, electronic or other communication, ensuring the authenticity of the messages being sent and received and their documentary confirmation.

Voting by correspondence is carried out by Supervisory Board members by filling questionnaires to be attached to the voting report.

A meeting of the Supervisory Board, held by correspondence, is valid if questionnaires have been received from at least half of the Supervisory Board members no later than the date and time when the receipt of voting questionnaires closes.

In voting by correspondence, a decision shall be considered adopted if a majority of the members of the Supervisory Board who have sent the questionnaires have voted in favor thereof.

5.13. The Supervisory Board appoints a secretary, who ensures the management of document flow, takes minutes of Supervisory Board meetings.

5.14. The request to convene a meeting, the agenda and materials on issues of the Supervisory Board meeting must be sent to its members no later than 5 working days before the date of the Supervisory Board meeting.

Prior to the voting by correspondence, no later than 5 working days before the end of the voting procedure, information on the proposed agenda, the of the voting procedure closure is circulated to all Supervisory Board members, the opportunity is provided to all Supervisory Board members to familiarize themselves with all the necessary information and materials, to make proposals for the inclusion of additional questions in the agenda.

In case of any changes to the agenda, all members of the Supervisory Board must be informed about such changes prior to the beginning of the voting.

5.15. The minutes of a Supervisory Board meeting are signed by the chairperson of the Supervisory Board (or, in case of their absence, by the person chairing the meeting) and the secretary of the Supervisory Board. A Supervisory Board member's special opinion may be incorporated in the minutes at their request.

The correspondence voting report shall indicate:

- the date until which the questionnaires were accepted with the information on the voting by the Supervisory Board members;
- information on the persons who took part in the vote;
- voting results on each item on the agenda;
- information on the persons who counted the votes;
- information on the persons who signed the voting report.

5.16. The following falls within the competence of the Supervisory Board:

5.16.1. Determination of the Foundation's priority activity areas, the principles of the formation and use of its assets, adoption of the Foundation's development strategy.

5.16.2. Approval of the new version of the Foundation's Charter and amendments as may be made thereto.

5.16.3. Formation (appointment) of the sole executive body of the Foundation and early termination of its powers, the appointment and early termination of the powers of the members of the Audit Committee of the Foundation.

5.16.4. Approval of the Director General's participation in the management bodies of other organizations, and other part-time work.

5.16.5. Approval of the regulations on the Foundation's management bodies including the regulation on the Director General which regulates, among

other matters, the conditions of remuneration, guarantees and compensations, and work and rest schedule of the Director General.

5.16.6. Adoption of decisions on the setting up by the Foundation of other legal entities, on the Foundation's participation in other organizations, the determination of a list and the value of assets contributed to the equity (share) capital of a business entity or as an asset contribution to a non-profit organization, adoption of decisions on change in ownership interest, encumbrance of shares, decisions on cessation of membership (as a participant, founder, member) in organizations.

5.16.7. Approval of the annual report and accounting (financial) statements of the Foundation.

5.16.8. Approval of the financial plan and amendments as may be made thereto, the annual financial performance report.

5.16.9. Approval of investment policy statement.

5.16.10. Approval of transactions made by the Foundation in cases provided for by law, including approval of related-party transactions.

5.16.11. Approval of a transaction (including a loan, pledge, surety, transfer of assets to discretionary management) or several interrelated transactions related to the acquisition, alienation or the possibility of alienation, directly or indirectly, of the Foundation's assets whose value exceeds 10 (ten) percent of the book value of its assets determined by the financial statements as of the last reporting date.

5.16.12. Nominations for election to the position of the single-person executive body, to the board of directors (supervisory board), the audit committees of business entities, management bodies and the audit committee of a non-profit organization in which the Foundation participates.

5.16.13. Approval of the procedures, rules, regulations governing the main activities of the Foundation.

5.16.14. Approval of the audit organization or individual auditor of the Foundation.

5.16.15. Appointment of members of the Foundation's Board of Trustees and termination of their membership.

5.16.16. Creation and dissolution of branches, opening and closing of representative offices of the Foundation, approval of their by-laws.

5.16.17. Approval of the structure and staffing list of the Foundation.

5.16.18. Approval of the Foundation's documents establishing the remuneration system, incentives, guarantees and compensations, except for the

terms of remuneration, guarantees and compensations, work and rest schedule of the Director General.

5.16.19. Approval of the terms and conditions of the employment contract with the Director General, Deputy Directors General, Chief Accountant of the Foundation.

5.16.20. Adoption (change) of performance indicators of the Director General of the Foundation for incentive payments, and adoption of decisions on their achievement.

5.16.21. Adoption of decisions on incentive payments to the Director General for a definite period of time.

5.16.22. Election of the Chairperson of the Supervisory Board.

5.16.23. Adoption of decisions on the establishment, order of activity and composition of advisory, coordination bodies set up by the Foundation. Approval of regulations on these bodies.

5.16.24. Approval, upon submission by the Director General, of the constituent documents, structure and staffing schedule of the organizations set up by the Foundation.

5.16.25. Appointment of an unscheduled audit.

5.16.26. Making decisions on the placement by the Foundation of bonds and other securities.

5.16.27. Designation and approval of the Foundation's expenses.

5.16.28. Approval of the procedure for the provision by the Foundation of financial support to business entities implementing industrial projects in Ugra.

5.16.29. Approval of the procedure and conditions for the financing by the Foundation of industrial projects in Ugra.

5.16.30. Approval of the procedure and conditions for the expert assessment by the Foundation of industrial programs and projects in Ugra to be financed by the Foundation.

5.16.31. Approval of the register of investment projects to be implemented with the Foundation's financial participation.

5.16.32. Approval of performance indicators of the Foundation.

5.16.33. Approval of the report on the achievement of the performance indicators of the Foundation.

5.17. The Expert Council is a collegial management body of the Foundation established for the purpose of making decisions on the provision of funds to entities implementing industrial projects in Ugra.

5.18. The Expert Council members are appointed by the Government of the Khanty-Mansiysk Autonomous Okrug – Ugra for an indefinite period. The Expert Council may not be made up of fewer than 7 members.

The Expert Council may include representatives of executive public authorities of Ugra, members of the Supervisory Board, employees of the Foundation and other persons as specialists in the Foundation's field of activity including investment, innovation, research, technical, industrial and technological activity.

5.19. The Expert Council operates on a pro bono basis. No remuneration is paid to members of the Expert Council for performing their assigned functions.

5.20. The Expert Council is headed by a Chairperson elected by a majority vote of the Expert Council members for an indefinite period.

5.21. If the Chairperson of the Expert Council is absent from a meeting, their functions are assigned to a member of the Expert Council elected by a majority vote of the Expert Council members who participate in the meeting.

5.22. The Expert Council meets as and when necessary.

5.23. The Expert Council acts on the basis of the Foundation's Charter, the Regulation on the Expert Council, and other internal acts of the Foundation.

5.24. The Expert Council is authorized to make decisions in case at least half of its members participate in the meeting. Decisions are made by a majority vote of the Expert Council members participating in the meeting.

5.25. The Expert Council has the right to make a decision by absentee voting (by circulation) unless otherwise provided for by the Regulation on the Expert Council.

5.26. The decisions of the Expert Council are documented in the minutes which is signed by its Chairperson or, in the absence of the Chairperson, by the person to whom their functions are entrusted.

5.27. The following falls within the competence of the Expert Board:

5.27.1. Consideration of the results of expert assessments of industrial projects and making decisions on the provision of financial support by the Foundation;

5.27.2. Determination or change of the amount, interest rate of financial support for the selected projects, the requirements to the recipient, the procedure and schedule for the return of financial support, as well as making decisions on the termination of financing and early repayment of the funds provided;

5.27.3. Approval of the type and amount of the security for the obligation to repay the funding provided, approval of changes to the type and amount of security for the obligation to repay the funding provided as part of financial support;

5.27.4. Making decisions on the restructuring of debts owed to the Foundation, on writing off uncollectible receivables under financial support agreements;

5.27.5. Consideration of other matters regarding the application of incentive measures in the field industry.

5.28. The Director General is the one-person executive body of the Foundation.

5.29. The Director General is appointed and dismissed by the Supervisory Board.

The Director General is appointed for a term no longer than three years.

5.30. The rights and obligations of the Director General, the procedure for exercising his powers to manage the Foundation are determined by the current legislation, the provisions of this Charter, the Regulation on the Director General, and the employment contract concluded between the Foundation and the Director General.

An employment contract with the Director General is signed on behalf of the Foundation by the Chairperson of the Supervisory Board or a person designated by the Supervisory Board.

5.31. The following falls within the Director General's competence:

5.31.1. Management of the current financial and operating activities of the Foundation.

5.31.2. Making decisions on matters outside the competence of the Supervisory Board.

5.31.3. Making transactions within the competence of the Foundation in accordance with the financial plan of the Foundation.

5.31.4. Participation in the management of organizations to which the Foundation is a member.

5.31.5. Adoption of internal acts of the Foundation.

5.31.6. Approval of the structure and staffing schedule of the Foundation.

5.31.7. Approval of constituent documents of organizations set up by the Foundation, their organizational structure and staffing schedule.

5.31.8. Employment and dismissal, encouragement and punishment of the Foundation employees.

Conclusion of employment agreements and collective employment agreements on behalf of the Foundation. Definition of employment duties of the Foundation employees.

5.32. Director General:

5.32.1. Ensures the implementation of the Supervisory Board's decisions;

5.32.2. Acts on behalf of the Foundation without a power of attorney, represents the interests of the Foundation in relations with third parties.

5.32.3. Issues instructions and gives directions binding on the employees of the Foundation.

5.32.4. Issues powers of attorney on behalf of the Foundation.

5.32.5. Ensures timely reporting on the financial and operating activities of the Foundation.

5.32.6. Ensures efficient interaction among units and employees of the Foundation.

5.32.7. Ensures proper execution of all transactions made by the Foundation, the maintenance of all documentation necessary for the Foundation's activities, appropriate spending of the Foundation's funds, safety and proper use of the Foundation's property.

5.32.8. Determines the procedure, scope and conditions for the performance of Director General's duties during his/her temporary absence.

5.33. Director General's powers may be terminated early by a decision of the Supervisory Board, in the instances provided for by labor law and the employment contract with the Director General.

6. Control and supervision of the activities of the Fund

6.1. The activities of the Foundation shall be supervised by the Board of Trustees and the Audit Committee.

6.2. The Board of Trustees is the oversight body of the Foundation.

The members of the Board of Trustees are appointed by the Supervisory Board of the Foundation for an indefinite period. The Board of Trustees shall be made up of at least 3 members.

6.3. The Board of Trustees operates on a pro bono basis; no remuneration is paid to the members of the Board of Trustees for performing their assigned functions. The Board of Trustees has the right to adopt the rules of procedure for the Board of Trustees determining its standard operating procedures.

6.4. The Board of Trustees is headed by a Chairperson elected by a majority vote of the members of the Board of Trustees for an indefinite period.

6.5. If the Chairperson of the Board of Trustees is absent from a meeting, their functions are assigned to a member of the Board of Trustees elected by a majority vote of the Board of Trustees members who participate in the meeting.

6.6. Meetings of the Board of Trustees are convened by its Chairperson or at the initiative of a member of the Board of Trustees as necessary, but at least once a year.

6.7. The Board of Trustees is authorized to make decisions if more than half of its members are present at the meeting. Decisions are taken by a majority vote of those present, unless otherwise provided for herein. Each member of the Board of Trustees has one vote. The Board of Trustees members vote openly, filling the ballot cards.

6.8. The minutes of the Board of Trustees meeting are signed by the Chairperson of the Board of Trustees (or, in case of their absence, by the person chairing the meeting).

6.9. The following falls within the competence of the Board of Trustees:

6.9.1. Oversight of the Foundation's activities;

6.9.2. Oversight of the adoption of decisions by the Foundation's other bodies and control of their fulfilment;

6.9.3. Supervision of the use of the Foundation's funds;

6.9.4. Supervision of the Foundation's compliance with legislation;

6.9.5. Consideration of reports on the activities of the Foundation.

6.10. To perform the functions assigned to the Board of Trustees, its members are entitled to familiarize themselves with all the documents of the Foundation, to receive clarifications from the employees and officers of the Foundation.

6.11. The financial and operating activities of the Foundation are controlled by the Audit Committee of at least 3 members elected by the Supervisory Board for a term of 3 years, with no remuneration paid for the performance of their assigned functions.

6.12. When electing the Audit Committee, the Supervisory Board of the Foundation appoints the Audit Committee chairperson.

6.13. The powers of individual members or the entire Audit Committee may be terminated early by a decision of the Supervisory Board.

6.14. The audit of the financial and operating activities of the Foundation is conducted on the basis of the Foundation's operating results for the year. Subject to a decision of the Supervisory Board, the Board of Trustees or at the

request from the Founder of the Foundation, unscheduled audits may be carried out.

6.15. The following falls under the competence of the Audit Committee:

6.15.1. Audit of the Foundation's financial records, accounting statements, conclusions of the asset inventory committee, review of the above mentioned documents against primary accounting data.

6.15.2. Analysis of the correctness and completeness of accounting, tax, managerial and statistical accounting.

6.15.3. Analysis of the financial position of the Foundation, its solvency, liquidity of assets, debt to equity identification of room for the improvement of the Foundation's economic position, development of recommendations for the management bodies of the Foundation.

6.15.4. Review of the timeliness and accuracy of payments to suppliers of products and services, payments to the budget and extrabudgetary funds, settlement of other liabilities.

6.15.5. Confirmation of the reliability of the data included in the annual reports of the Foundation, accounting (financial) statements, reporting documents for tax and statistical authorities, public administration bodies.

6.15.6. Verification of the legality of contracts concluded by the Director General on behalf of the Foundation.

6.15.7. Verification of the legality of decisions made by the Supervisory Board, the Director General, their compliance with the Charter of the Foundation.

6.15.8. Other matters related to the financial and operating activities of the Foundation.

6.16. The Audit Committee has the right:

6.16.1. to demand a personal explanation from members of the Supervisory Board, Expert Council, Director General, employees of the Foundation on matters within the competence of the Audit Committee;

6.16.2. to bring up before the governing bodies of the Foundation the question of the responsibility of the Foundation's employees, including its officials, in case of their violation of the Charter, internal acts of the Foundation;

6.16.3. to involve in its activity specialists not employed by the Foundation, including on a contractual basis.

6.17. The Audit Committee conducts an audit of financial and operating activities, prepares a report on the results of the audit to be signed by more than half of the elected members of the Audit Committee. The report shall be sent to

the Supervisory Board no later than June 30 of the year following the reporting year.

6.18. The report of the Audit Committee reflects the conclusions and proposals on the draft resolution of the Supervisory Board regarding the approval of the annual report and the accounting (financial) statements of the Foundation.

6.19. The Foundation may engage, subject to a decision of the Supervisory Board, an audit organization or an individual auditor to audit the financial and operating activities and reporting.

7. Liquidation of the Foundation

7.1. The decision on the liquidation of the Foundation may only be made by a court at the request of parties concerned in cases provided for by law.

7.2. In the event of liquidation of the Foundation, its property remaining after the satisfaction of creditors' claims shall be returned to the Founder.

7.3. Upon liquidation of the Foundation, its permanent records of scientific and historical significance shall be transferred to the archives for state storage; records on the personnel (orders, personal files and record cards, personal accounts, etc.) are transferred for storage to a relevant archive agency at the location of the Foundation. Transfer and organization of documents is the responsibility of the Foundation and is to be done at its expense in accordance with the requirements of archival authorities.