

STEPS TO ACQUIRE THE STRATEGIC PROJECT STATUS

STEP 1. INITIATOR FILES AN APPLICATION (1 DAY)

The initiator shall file an application with the Committee in a free form, together with the strategic investment project summary. The application shall state the initiator's commitments regarding the proposed investment project..

The application shall be accompanied by a set of documents supporting the compliance of the proposed investment project and/or the initiator's activities with the eligibility criteria of a strategic investment project (partner).

To be recognised as a strategic investment project, the investment project shall meet the following eligibility criteria:

1. the project will help improve economic and cultural conditions for Saint Petersburg citizens;
2. the project will enhance investment appeal of Saint Petersburg;
3. the project will contribute to development of one of the priority industries of Saint Petersburg: investment market, industry, tourism (including hotel construction), science, healthcare, culture and education, physical culture and sports, information technologies and innovations, finance, transport and transit, logistics, and other industries;
4. the project will facilitate development of certain Saint Petersburg areas in general and/or particular municipal utilities clusters.

A strategic investment project shall also meet all of the following requirements:

1. economic efficiency of the strategic investment project taking account of its payoff period and profitability;
2. aggregate investment of at least RUB 1.5 billion in the development of healthcare, education, culture, physical culture and sports, science and innovation, or hotel construction, at least RUB 3 billion in the development of the industrial or logistics sector, and at least RUB 15 billion in other investment projects;
3. use of science-intensive, energy saving, resource saving or other highly efficient technologies for industrial production projects.

To be recognised as a strategic partner, the entity shall meet the following eligibility criteria:

1. the entity has good performance results in Saint Petersburg;
2. the entity's performance helps enhance the image of Saint Petersburg as a city attractive for life, work and rest, as an international business centre and

- a centre of tourism, science, culture, education, banking, innovation, industry, transport and transit, and logistics;
3. the entity brings noticeable social and economic efficiency, including for Saint Petersburg's budget.

List of documents to accompany an application:

1. Notarised copies of incorporation documents
2. Copy of the document confirming the authority of the initiator's CEO
3. Description of the proposed investment project highlighting its compliance with the eligibility criteria for a strategic investment project
4. Preliminary investment business case developed in line with the minimum requirements to the scope and content of the preliminary investment business case approved by Resolution of the Investments and Strategic Projects Committee No. 73 of 15 June 2009 On Measures for Implementation of Resolution of the St Petersburg Government No. 440 dated 28 April 2009
5. Auditor's opinion on the initiator's accounting statements for the last three years
6. Guarantee letters on extension of loans to investors to finance the proposed investment project
7. Written confirmation of whether the initiator:
 - 7.1. Has outstanding tax payments to budgets of all levels
 - 7.2. Is/has been a party to court proceedings over the initiator's property in the last five years
 - 7.3. Is/has been involved in bankruptcy proceedings in the last five years
 - 7.4. Is engaged in investment projects worth at least three billion roubles or more, which were completed during the last five years or are still pending

**STEP 2. APPLICATION REGISTRATION
ON THE RECEIVING DATE (1 DAY)**

The Investment Committee registers the application on its receiving date.

Discussion results shall be documented in writing as the Committee's positive or negative opinion on whether the project meets the eligibility criteria and requirements to a strategic investment project and/or a strategic investor.

If the opinion is negative, the Committee shall inform the initiator that the submitted documents do not meet the eligibility criteria and requirements to a strategic investment project and/or a strategic investor and shall suspend the discussion of the initiator's application

If the opinion is positive, the Committee shall, within seven business days, prepare a draft resolution of the St Petersburg Government on a strategic investment

project and/or a strategic investor. Such project shall be approved under the applicable procedure.

STEP 3. APPEAL CONSIDERATION (5 DAYS)

The Investment Committee reviews it within five working days from the day, following the appeal registration date.

The Committee will record the initiator's application on the filing date and discuss it within three business days from the date following the date of record. Total application discussion period may be extended, but not more than for five business days.

STEP 4. INITIATOR IS INFORMED WHETHER THE SUBMITTED DOCUMENTS ARE/ARE NOT ADEQUATE (3 DAYS)

The Committee shall discuss the application and the available documents and decide either:

- to consider the submitted documents as adequate for performing assessment in accordance with the procedure set out by the Committee;
- to suspend the discussion of the application due to inadequacy of the submitted documents.

STEP 5. OPTION 1: ASSESSMENT AND EXPERT OPINION (2 MONTHS)

If the Committee decides to consider the submitted documents as adequate for assessment, it shall perform the assessment within two months after such decision.

The submitted documents will be assessed in accordance with the Regulations On Assessment of Documents to Identify Grounds for Deciding on a St Petersburg Strategic Investment Project and/or Strategic Investor, and Recognising an Entity as St Petersburg's Strategic Partner, approved by Resolution of the Investments and Strategic Projects Committee No. 73 dated 15 June 2009.

STEP 5. OPTION 2: APPLICATION DISCUSSION SUSPENDED DUE TO INADEQUACY OF THE SUBMITTED DOCUMENTS (2 MONTHS)

If the application discussion is suspended due to inadequacy of the submitted documents, the initiator shall be granted two months to provide more documents. Upon expiry of the suspension period, if the initiator fails to provide additional documents the Committee shall discontinue the application discussion and notify the initiator thereof in writing.

**STEP 6. INITIATOR IS NOTIFIED OF THE EXPERT OPINION
(5 BUSINESS DAYS FROM THE OPINION DATE)**

Discussion results shall be documented in writing as the Committee's positive or negative opinion on whether the project meets the eligibility criteria and requirements to a strategic investment project and/or a strategic investor.

If the opinion is negative, the Committee shall inform the initiator that the submitted documents do not meet the eligibility criteria and requirements to a strategic investment project and/or a strategic investor and shall suspend the discussion of the initiator's application

If the opinion is positive, the Committee shall, within seven business days, prepare a draft resolution of the St Petersburg Government on a strategic investment project and/or a strategic investor. Such project shall be approved under the applicable procedure

**STEP 7. DRAFT RESOLUTION OF THE ST PETERSBURG GOVERNMENT
ON THE STRATEGIC INVESTMENT PROJECT AND/OR STRATEGIC
INVESTOR IS PREPARED (7 BUSINESS DAYS)**

Draft Resolution of the St Petersburg Government on the strategic investment project shall specify the name of the strategic investment project. Draft Resolution may also include a summary of the strategic investment project, period and procedure of its implementation, and a reference to the strategic investor status.