APPROVED by the General Meeting of Members of the Horse Breeding Development Association, Minutes No. 2 dated 9 July 2024.

[The original bears the Association's horse logo, a handwritten signature and its round Moscow seal. Binding holes and stitching are visible.]

REGULATIONS
ON THE TERRITORIAL UNIT OF THE HORSE BREEDING DEVELOPMENT ASSOCIATION

Moscow
2024

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1. General provisions

1.1. These Regulations determine the legal basis for the operation of a territorial unit of the Horse Breeding Development Association (hereinafter respectively the Territorial Unit and the Association). Their requirements are binding on all governing bodies and members of the Territorial Unit.
1.2. The Territorial Unit is an association of legal entities and fully legally capable citizens of the Russian Federation registered as individual entrepreneurs, established to represent and protect common interests, including professional interests, to achieve socially beneficial objectives and other non-commercial objectives consistent with federal law and stated in these Regulations, its Charter and the Association's Charter.

1.3. The Territorial Unit operates under the Constitution and Civil Code of the Russian Federation, Federal Law No. 7-FZ of 12 January 1996, On Non-Profit Organisations (hereinafter the Federal Law On Non-Profit Organisations), other federal laws and Russian regulatory legal acts, the Association's Charter, these Regulations and the Association's internal documents, including standards and rules of business or professional activity approved by the Association under Federal Law No. 315-FZ of 1 December 2007, On Self-Regulatory Organisations.

2. Legal status of the Territorial Unit

2.1. Territorial Units are established by decisions of the Association's General Meeting of Members in constituent entities of the Russian Federation: republics, krais, oblasts, federal cities, the autonomous oblast and autonomous okrugs.
A legal entity established before Territorial Unit status is assigned and entered in the Unified State Register of Legal Entities may receive that status if it meets the requirements of the Association's Charter and these Regulations.
In the case described in the second paragraph, the Association's General Meeting may decide to assign Territorial Unit status to that entity on condition of making a voluntary

property contribution or donation to the Association in the amount, within the time limits and at the frequency determined by its General Meeting. Status is then assigned no earlier than making that contribution or donation.
2.2. Only one Territorial Unit may operate in a constituent entity of the Russian Federation.
2.3. Association members may be founders of a Territorial Unit.
2.4. A Territorial Unit acquires legal-entity status upon its state registration in the Unified State Register of Legal Entities under Russian law.

2.5. Before establishing the Territorial Unit, founders request the Association's permission to include its name in the Unit's name and use its symbols as the basis of their own. Within 1 (one) month of the Unit's state registration they conclude an agreement with the Association on transfer of exclusive rights for their use.
Pre-existing registered legal entities applying for Territorial Unit status request the same permissions in their proposal and conclude such an agreement within 1 (one) month of the Association General Meeting's decision assigning the status.

2.6. The Territorial Unit pursues its charter objectives in its constituent entity of the Russian Federation.
2.7. It owns separate property transferred to it by members or acquired in its own name; may acquire property and non-property rights in its own name, incur liability, act as claimant and defendant, and take other actions consistent with Russian law.
2.8. Its members retain their independence and rights.

2.9. The Territorial Unit is not liable for its members' obligations. Members bear subsidiary liability for the Unit's obligations in the amount and under the procedure set by these Regulations and its Charter.
2.10. The Unit is liable for its own obligations with property subject to enforcement under Russian law.
2.11. Profit-making is not its primary objective, and profits are not distributed among members.

2.12. The Unit has a round seal bearing its full Russian name, other necessary seals, stamps, forms, symbols, official name, trademark and emblem, and other visual identification means.
It may have stamps and forms bearing its name. Its symbols shall contain the Association's name.
2.13. The Unit has its own official Internet website.
2.14. It shall have a separate balance sheet and/or budget estimate.
2.15. It is established for an unlimited period.
2.16. It may open accounts under the prescribed procedure in banks and other credit organisations in Russia and abroad, except in cases established by federal law.
2.17. The Unit and its members comply with requirements of business or professional standards and rules approved by the Association under Federal Law No. 315-FZ of 1 December 2007, On Self-Regulatory Organisations.
2.18. The Territorial Unit and its members are not members of the Association.

3. Subject and objectives of the Territorial Unit's activities

3.1. Its principal purpose is to unite legal entities and fully legally capable Russian citizens registered as

individual entrepreneurs engaged in breeding and keeping pedigree horses and other pedigree animals and their participation in performance trials (races), interested in developing Russian horse breeding and/or equestrian sport, to represent and protect common interests and coordinate joint activities, including:
3.1.1. Promoting Russian horse breeding and/or equestrian sport for competitiveness in domestic and foreign markets;
3.1.2. Popularising Russian horse breeding and/or equestrian sport for promotion in domestic and foreign markets;
3.1.3. Assisting representation and protection of Association and Unit members' interests before legislative and executive public authorities, courts, local self-government bodies, public associations, third parties and citizens.

3.2. The subject of the Unit's activities is achievement of clause 3.1 objectives. For that purpose it undertakes, under statutory procedures:
3.2.1. Introducing innovative technologies for breeding and performance trials (races) of pedigree horses and other pedigree animals participating in those trials;
3.2.2. Protecting members' sectoral interests at all levels of legislative, executive and judicial authority;
3.2.3. Creating an attractive investment climate in horse breeding and/or equestrian sport;
3.2.4. Introducing advanced foreign experience into horse breeding;
3.2.5. Introducing a system to improve specialists' qualifications;

3.2.6. Assisting development and implementation of a supplementary education system, developing and implementing specialist qualification-assessment systems and racecourse and horse certification;
3.2.7. Creating new jobs in horse breeding;
3.2.8. Developing databases of specialists, racecourses, horses, organisations and services in the sector;
3.2.9. Assisting members in coordinating selection and breeding work;
3.2.10. Participating in developing programmes to improve breeding stock quality, assisting members with breeding material, and financially supporting sectoral breeding developments;

3.2.11. Participating in developing and approving rules and methods for performance trials (races), examination and recording of pedigree horses and other pedigree animals participating in trials;
3.2.12. Standardising trial rules and methods for those horses and animals and assisting preparation of a trial (racing) calendar;
3.2.13. Monitoring compliance with trial rules and methods for pedigree horses and other pedigree trial animals; popularising Russian horse breeding and/or equestrian sport in domestic and foreign markets, including organising and holding exhibitions, cultural-business and entertainment events, and national and international competitions;
3.2.14. Combating doping and other means and methods of training that are harmful to health used for pedigree horses and other pedigree trial animals;
3.2.15. Participating in establishing laboratories for testing and microchipping pedigree horses and other pedigree trial animals;
3.2.16. Organising conferences, masterclasses, consultations and seminars on selection and breeding work, reproduction, breeding, veterinary care, rearing, training and performance trials (races) of pedigree horses and other pedigree trial animals;

3.2.17. Establishing and developing cooperation with other horse-breeding organisations, including international ones;
3.2.18. Assisting stable production and commercial links between Unit and Association members and enterprises and organisations directly influencing sectoral development;
3.2.19. Representing Russian horse breeding in international horse-breeding organisations to integrate it into the international industry;
3.2.20. Providing informational and advisory assistance to Unit and Association members;
3.2.21. Participating in developing and implementing programmes to stabilise and develop the horse-breeding sector;
3.2.22. Participating in consideration and decision-making on horse-breeding investment projects implemented with

interest-rate subsidies from federal, regional or local budgets under current Russian legislation;
3.2.23. Participating in development and adoption of government and non-government projects improving sectoral efficiency; exercising public oversight over timely receipt of budget funds provided for in budgets and executive allocation acts, under current Russian legislation;
3.2.24. Maintaining sector statistics on the state and development prospects of domestic and world horse-breeding markets;
3.2.25. Developing and maintaining a unified information-support system for pedigree horse breeding, including information and analytical centres;
3.2.26. Continuously monitoring the sector's economic operating conditions and informing public authorities and the population of the results;

3.2.27. Working with legislative and executive authorities on draft regulatory legal acts affecting the domestic sectoral market;
3.2.28. Participating in development and review of research developments, norms and standards governing various aspects of horse breeding and/or equestrian sport, and monitoring compliance;
3.2.29. Ensuring information transparency in all Unit activities and policies in the interests of Unit and Association members;
3.2.30. Developing and implementing a social-protection programme for horse-breeding specialists;
3.2.31. Developing and implementing a support programme for veterans of the sector and organising charitable actions and events in horse breeding and/or equestrian sport.
3.3. The Unit may cooperate with all interested legal entities and individuals, including individual entrepreneurs, towards its charter objectives.
3.4. Activities listed in federal laws may be undertaken only under a special permit (licence). If licence conditions require a particular activity to be exclusive, the Unit may not carry out other activities during the licence term, except

activities provided for by the licence and activities ancillary to them.
3.5. The Territorial Unit may engage in business and other income-generating activities only insofar as they serve and correspond to the objectives for which it was established.
These comprise profit-making production of goods and services consistent with its objectives, acquisition and disposal of securities and property and non-property rights, participation in business companies, and participation in limited partnerships as a limited partner.
Under Civil Code Article 50(5), property of 12,000 (twelve thousand) rubles has been constituted from voluntary contributions by members (founders) for income-generating activities.

3.6. The Unit may conduct vocational-training and supplementary education programmes. For educational activities, it establishes a specialised educational structural unit, governed by regulations developed and approved by the Territorial Unit.
3.7. A legal entity holding Territorial Unit status may lose that status for:
3.7.1. Non-participation in Association activities;
3.7.2. Activities discrediting the Association and its members;
3.7.3. Failure to implement Association governing-body decisions within their competence;
3.7.4. Failure or improper performance of duties or assumed obligations to the Association, or obstructing its work by actions or omissions;
3.7.5. Failure to perform other duties under these Regulations, the Association's Charter and internal documents.

4. Rights and duties of the Territorial Unit

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4.1. To achieve its objectives, the Unit may:
4.1.1. Represent and protect members' rights and legally protected interests;
4.1.2. Own, use and dispose of its property and acquire property and non-property rights;
4.1.3. Incur obligations and act as claimant and defendant in Russia and abroad;
4.1.4. Enter contracts and undertake transactions and other legal acts with state and municipal bodies, public organisations, commercial and non-profit organisations, banks and other institutions and organisations, and individual citizens within its constituent entity;
4.1.5. Plan activities and determine development prospects within its constituent entity;
4.1.6. Determine procedures for selling tickets, services and products within its constituent entity;
4.1.7. Develop and use information resources while ensuring compliance with Russian statutory requirements;

4.1.8. Conduct business and other income-generating activities only to serve and correspond to its founding objectives;
4.1.9. Freely disseminate information about Unit and Association activities;
4.1.10. Independently determine procedures and forms of work organisation and remuneration of staff and engaged specialists;
4.1.11. Attract financial and material resources, including grants from state and municipal bodies, public, commercial and non-profit organisations, banks and other institutions and organisations, and individual citizens for horse-breeding development;
4.1.12. Propose to constituent-entity public authorities and local self-government bodies adoption of regional laws and regulatory legal acts on formulation and implementation of state horse-breeding policy;
4.1.13. Participate within its constituent entity, under the prescribed procedure, in drafting and discussing laws and regulatory legal acts and other acts of public and local self-government bodies and developing strategic

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planning documents on formulation and implementation of state horse-breeding policy;
4.1.14. Challenge in its own name, under the applicable procedure, acts, decisions and/or actions or omissions of its constituent entity's public and local self-government authorities that infringe, or threaten, legally protected rights and interests of the Unit or its members;
4.1.15. Participate in developing and implementing federal state educational standards in horse breeding within its constituent entity;
4.1.16. Participate in drafting horse-breeding professional standards within its constituent entity;
4.1.17. Send representatives, under procedures established by federal laws and Russian regulatory legal acts, constituent-entity laws and regulatory legal acts and local self-government regulatory acts, to public councils, standing or temporary working groups and commissions on horse breeding established under executive and legislative authorities and local self-government bodies in its constituent entity;

4.1.18. Participate under federal statutory procedures in formulating and implementing state horse-breeding policy within its constituent entity;
4.1.19. Advance initiatives on public life and proposals to regional public authorities and other bodies and organisations within its constituent entity;
4.1.20. Request and receive from regional public authorities and other bodies and organisations, under Russian statutory procedures, information necessary for its objectives;
4.1.21. Lease or hire out its property;
4.1.22. Acquire, lease, hire and alienate movable and immovable property and acquire and dispose of securities;
4.1.23. Consider submissions to the Unit, including members' submissions;
4.1.24. Provide information and organisational-technical support for horse-breeding activities within its constituent entity;

4.1.25. Exercise other powers consistent with Russian law and the objectives of the Unit and Association.
4.2. The Unit shall:
4.2.1. Conduct collective negotiations and conclude agreements on agreed terms governing horse breeding and related economic relations within its constituent entity, under procedures established by current Russian legislation, its Charter, the Association's Charter, these Regulations, Association internal documents, decisions of the Association's General Meeting and Supervisory Board, and the Association Director's orders and instructions;
4.2.2. Perform the concluded agreements insofar as they concern the Unit's duties;
4.2.3. Provide members with information and texts of agreements concluded by the Unit;
4.2.4. Provide trade unions and their branches, executive authorities and local self-government bodies of its constituent entity with available horse-breeding information;

4.2.5. Monitor members' performance of agreements concluded by the Unit and Association on horse breeding and related economic relations;
4.2.6. Keep a member register and notify the Association in writing of changes within 3 (three) working days;
4.2.7. Promote the Association's prestige and status through charter activities and disseminate information about its activities;
4.2.8. Implement decisions of the Association's General Meeting and Supervisory Board, orders and instructions of its Director and Internal Auditor;
4.2.9. Keep reporting and financial documentation required by Russian law and the Association and submit it to the relevant state authorities and/or Association within deadlines set by regulatory legal acts, Association internal documents and its Director and Internal Auditor;
4.2.10. Conduct marketing, social and other research in its operating territory on the Association's instructions;

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4.2.11. On withdrawal from the Association (loss of Territorial Unit status), change its name to exclude “Horse Breeding Development Association” or “ARK”, amend its Charter and designs of seals, stamps, forms, emblems, coats of arms, heraldic signs, flags and anthems to remove provisions and symbols indicating Association links;
4.2.12. Perform other duties under these Regulations, its Charter, the Association's Charter and internal documents, including business or professional standards and rules approved under Federal Law No. 315-FZ of 1 December 2007, On Self-Regulatory Organisations.

5. Membership of the Territorial Unit. Admission and withdrawal conditions and procedures. Members' rights and duties

5.1. Membership is voluntary.
5.2. Members are the Unit's founders after its state registration and other legal entities and fully legally capable Russian citizens registered as individual entrepreneurs, engaged in activities consistent with Unit and Association founding objectives, who have paid the admission contribution and comply with the Unit's Charter, these Regulations and the Association's Charter.
5.3. The Unit's Supervisory Board admits new members and excludes existing members.
5.4. Admission is based on an application for individual entrepreneurs, and an application plus a competent-body decision for legal entities, addressed to the Unit's Director.
5.5. Applications are considered at the first Supervisory Board meeting following submission.

5.6. Applicants shall pay the admission contribution within 1 (one) month of notification of admission.
5.7. Members have equal rights and duties.
5.8. They retain independence and rights.
5.9. The Unit is open to new members.
5.10. A member may withdraw at its discretion.
5.11. Members pay admission, membership and earmarked contributions. Amounts and payment methods are determined by the Unit's General Meeting.
5.12. Members may:

5.12.1. Participate in Unit governance, including the General Meeting, elect and be elected to any governing body, submit proposals on Unit activities and participate in considering them and taking decisions under these Regulations and the Unit's Charter;
5.12.2. Obtain information and inspect accounting and other documentation in cases and under procedures established by Russian law, these Regulations and the Unit's Charter;
5.12.3. Challenge governing-body decisions having civil-law consequences in statutory cases and procedures;
5.12.4. Acting on behalf of the Unit under Civil Code Article 182(1), claim compensation for losses caused to the Unit and/or Association under Civil Code Article 53.1;
5.12.5. Acting on behalf of the Unit under Civil Code Article 182(1), challenge its transactions under Civil Code Article 174 or laws on corporations of particular legal forms and demand the consequences of their invalidity, as well as

the consequences of nullity of the Unit's void transactions;
5.12.6. Use its services free of charge on equal terms with other members;
5.12.7. Withdraw at any time by a free-form application to the Director;
5.12.8. Freely participate in all Unit activities and events and in the implementation of specific projects and programmes developed and financed by it;
5.12.9. Obtain protection of lawful rights and request representation of common member interests before public and local self-government authorities, courts and public associations and in relations with legal entities and individuals, including foreign ones;
5.12.10. Obtain information about Unit activities by a request to its Supervisory Board.

5.13. Members shall:
5.13.1. Participate in forming Unit property in the required amount, manner and time limits established by the Civil Code, other federal laws, these Regulations and the Unit's Charter;
5.13.2. Not disclose confidential information about the Unit and/or Association;
5.13.3. Participate in corporate decisions necessary for lawful continued operation where their participation is needed;
5.13.4. Not act or omit to act deliberately to harm the Unit and/or Association;
5.13.5. Not act or omit to act in a way substantially obstructing or making impossible achievement of Unit and/or Association founding objectives;
5.13.6. Pay contributions prescribed by these Regulations and the Unit's Charter;
5.13.7. Assist the Unit and Association in their activities and actively assist in implementing their programmes and achieving their objectives;

5.13.8. Comply with Russian law, these Regulations and both Charters and implement competent decisions of Unit and Association governing bodies;
5.13.9. Perform assumed obligations to the Unit and Association;
5.13.10. Supply information necessary for Unit and Association work, except information constituting an Association member's trade secret;
5.13.11. Comply with Association business or professional standards and rules approved under Federal Law No. 315-FZ of 1 December 2007, On Self-Regulatory Organisations.
5.14. Membership ends through:
5.14.1. Voluntary withdrawal;
5.14.2. Supervisory Board exclusion under clause 5.16.
5.15. On termination of membership, property contributed to the Unit by the person whose membership has ended, including admission, membership and earmarked contributions, is not returned.

5.16. A member may be excluded for:
5.16.1. Non-participation in Unit and/or Association activities;
5.16.2. Activities discrediting the Unit and/or Association and their members;
5.16.3. Failure to implement competent governing-body decisions of the Unit and/or Association;
5.16.4. Failure or improper performance of duties or assumed obligations to the Unit and/or Association, or obstructing their work by actions or omissions;
5.16.5. Failure to perform other duties under these Regulations, the Unit's Charter or Association internal documents, including business or professional standards and rules approved under Federal Law No. 315-FZ of 1 December 2007, On Self-Regulatory Organisations.

5.17. A Supervisory Board exclusion decision may be appealed to the Unit's General Meeting of Members.

6. Governing bodies of the Territorial Unit

6.1. The governing bodies are:
6.1.1. General Meeting of Members - the highest governing body;
6.1.2. Supervisory Board - the collegial governing body;
6.1.3. Director - the sole executive body;
6.1.4. Internal Auditor (Revizor) - the control and internal-audit body.

7. General Meeting of Members of the Territorial Unit

7.1. The highest governing body is the General Meeting, whose principal function is ensuring adherence to the objectives for which the Unit was established.
7.2. It is convened as necessary, but at least once a year.
7.3. Preparation and conduct procedures are determined by internal documents approved by General Meeting decisions.
7.4. Its exclusive competence comprises:
7.4.1. Determining priority activities and principles of forming and using property;
7.4.2. Amending the Unit's Charter;
7.4.3. Determining member admission and exclusion procedures;
7.4.4. Electing members of the Unit's Supervisory Board to the Unit's Supervisory Board and terminating members' powers early;

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7.4.5. Electing the Director and terminating the Director's powers early;
7.4.6. Electing the Internal Auditor and terminating the Auditor's powers early;
7.4.7. Approving a specialised audit organisation or an external auditor;
7.4.8. Approving annual reports and accounting (financial) statements;
7.4.9. Deciding on establishment of other legal entities, participation in them, establishment of branches and opening representative offices;
7.4.10. Deciding on reorganisation and liquidation, appointing a liquidation commission (liquidator) and approving the liquidation balance sheet;
7.4.11. Deciding on procedures for determining contribution amounts and payment methods under these Regulations and the Unit's Charter;
7.4.12. Considering and approving reports of the Supervisory Board, Director and Internal Auditor;

7.4.13. Deciding the amount of subsidiary liability for the Unit's obligations;
7.4.14. Approving regulations on branches and representative offices;
7.4.15. Determining priority activities and principles of forming and using property;
7.4.16. Considering an excluded person's complaint that the Supervisory Board's exclusion decision is unfounded and deciding that complaint.
7.5. The General Meeting may decide any Unit activity question.
7.6. It has a quorum when more than half of Unit members attend.
7.7. Ordinary decisions are adopted by a simple majority of votes of members present. Decisions within the exclusive competence under clause 7.4

are adopted by a qualified majority of 2/3 of votes of Unit members present.
7.8. Exclusive General Meeting matters may not be assigned to the Supervisory Board, Director or Internal Auditor.
7.9. The General Meeting takes place with members in joint attendance (in-person form) to discuss the agenda and vote.
Meetings may be by videoconference, or individual members may participate by videoconference when necessary; this shall be recorded in the minutes.
The in-person meeting may also be attended without voting rights by Unit and Association Supervisory Board members, their Directors and Internal Auditors, heads of Unit branches and representative offices, other Unit and Association employees and invited persons.

7.10. Each member shall be notified of the date, place and agenda of the in-person General Meeting at least 10 (ten) days in advance.
7.11. If no quorum exists, the date of a new General Meeting with the same agenda is announced no later than 30 (thirty) days later.
7.12. Decisions are recorded in minutes prepared no later than 2 (two) days after the meeting and signed by the presiding person and secretary, who are responsible for correctness.

[Translator's note to 7.11: the Russian wording does not clearly distinguish whether the 30-day limit applies to announcing the new meeting date or holding that meeting. No authoritative interpretation is supplied; the original wording remains unchanged.]

7.13. Decisions may be taken without a meeting by absentee voting (polling), except exclusive matters under clause 7.4. Documents may be exchanged by post, telegraph, teletype, telephone, electronic or other communications ensuring message authenticity and documentary confirmation.
7.14. All members shall be informed of the proposed absentee-voting agenda at least 3 (three) days before voting starts. They may inspect all necessary information and materials beforehand and propose additional agenda items; all members shall be informed of additions before voting starts. The voting procedure ends within 3 (three) days.
7.15. Absentee-voting minutes shall state the deadline for receipt of voting documents, participating members, results for each agenda item, vote counters and signatories.

8. Supervisory Board of the Territorial Unit

8.1. Between General Meetings, a collegial governing body, the Supervisory Board, is formed.
8.2. It is elected by the General Meeting for 5 (five) years and is accountable to it.
8.3. Its size is determined by the General Meeting but shall be at least 2 (two) members.
8.4. It meets as necessary but at least once a year.

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8.5. The Unit's Director and the Association's Director are members of the Unit's Supervisory Board. It also includes at least 2 (two) members of the Association's Supervisory Board. Other Association employees may also be included.
8.6. Its competence includes:
8.6.1. Organising and supervising implementation of General Meeting decisions;
8.6.2. Convening the General Meeting, approving its agenda and determining its date, place, time and procedure;
8.6.3. Supervising the Director and considering and approving the Director's reports;
8.6.4. Approving and amending the financial plan;
8.6.5. Approving (adopting) internal documents except those within the General Meeting's exclusive competence;

8.6.6. Developing activity programmes and plans and submitting them to the General Meeting for approval;
8.6.7. Maintaining the member register, admitting and excluding members;
8.6.8. Pre-approving the annual report and annual balance sheet before General Meeting approval;
8.6.9. Disposing of property and funds;
8.6.10. Considering members' proposals and applications;
8.6.11. Deciding other Unit activity matters except the General Meeting's exclusive competence.

8.7. The Supervisory Board may take decisions if more than half its members attend.
8.8. Decisions are by simple majority of votes of members present.
8.9. Meetings may be in joint attendance (in person) or by absentee voting (polling), as decided by the Board's Chair.
Meetings or individual participation may be by videoconference; this is separately recorded in the minutes.
In-person meetings may also be attended without voting rights by the Association's and Unit's Internal Auditors, heads of Unit branches and representative offices, other Unit and Association employees and invited persons.
8.10. The Unit's Director shall notify Board members at least 5 (five) days before the meeting.

8.11. Meeting decisions are recorded in minutes prepared no later than 2 (two) days after the meeting and signed by the presiding person and meeting secretary, who are responsible for correctness.
Absentee decisions are recorded within 2 (two) days after receipt of ballots ends, in minutes signed by the Board Chair with all submitted ballots attached. Questions put to absentee voting shall match the wording in the minutes.

9. Director of the Territorial Unit

9.1. The Director is the sole executive body, elected by the General Meeting by a qualified majority of 2/3 of votes of Unit members present for 5 (five) years, and accountable to the Supervisory Board.
9.2. Without a power of attorney, the Director acts for the Unit, represents it before public and local self-government bodies, legal entities, citizens and others in Russia and abroad, undertakes transactions, concludes contracts, issues powers of attorney and orders, and performs other legally significant and actual actions, except General Meeting and Supervisory Board competences, including:

9.2.1. Organising implementation of General Meeting and Supervisory Board decisions and activity programmes and projects;
9.2.2. Preparing necessary materials and organising General Meeting and Supervisory Board meetings;
9.2.3. Providing general management of organisations created by the Unit and coordinating branches and representative offices;
9.2.4. Determining and approving the staffing schedule and the structure of working bodies;
9.2.5. Preparing materials and organising round tables, conferences and other Unit and/or Association events;
9.2.6. Disposing of Unit property and funds within powers given by the General Meeting;
9.2.7. Opening bank accounts with the right of first signature on financial documents;
9.2.8. Issuing orders and administrative documents within the Director's

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powers and binding instructions to all Unit employees;
9.2.9. Appointing deputy directors, branch heads, chief accountant and other employees and concluding employment contracts under the RF Labour Code;
9.2.10. Implementing decisions of the Association's General Meeting and Supervisory Board and orders and instructions of its Director and Internal Auditor;
9.2.11. Performing functions not within other Unit bodies' competence.
9.3. The Director's rights and duties in current management are determined by Russian law, these Regulations and both Charters.

9.4. Deputy directors act for the Unit before public and local self-government bodies, legal entities and individuals and undertake legal acts within powers of attorney issued by the Director.
Branch heads act under the Director's power of attorney.
9.5. During temporary absence (leave, business travel, illness, etc.), duties are assigned under a Unit order to a deputy director or another person under Russian law.

10. Internal Auditor and external audit of the Territorial Unit

10.1. The Internal Auditor oversees financial and economic activities and is elected by the General Meeting for 5 (five) years.
10.2. Governing-body members and staff employees may not serve as the Unit's Internal Auditor.

10.3. The Internal Auditor performs annual scheduled reviews of financial and economic activity. Unscheduled reviews may be commissioned by the General Meeting. The Auditor may require officials to provide all necessary materials, accounting and other documents. Using documents supplied by Unit bodies and review results, the Auditor prepares a report and submits it to the General Meeting.
10.4. The Auditor's decisions are documented in writing.
10.5. The Unit may contract a specialised audit organisation to examine and confirm annual financial statements (external audit). The external auditor is approved by the General Meeting.

11. Property and financial and economic activities of the Territorial Unit

11.1. Under Russian law, the Unit may own buildings, structures, housing stock, equipment, inventory, money in rubles and foreign currency, securities and other property needed for activities under these Regulations and its Charter. It may own land or hold other land rights under Russian law.
11.2. It may undertake any transactions with its property consistent with Russian law, these Regulations and its Charter.
11.3. Property transferred [to the Territorial Unit] by its members is the property of the Territorial Unit.

[Translator's note to 11.3: the Russian source prints “Территориальным подразделением его членами”, with two instrumental-case phrases identifying a transferor rather than a clear recipient. The bracketed recipient is an inference from 2.7 and context, not the printed wording. The Russian original has not been amended. This is neither an officially approved correction nor a legal conclusion.]

11.4. Property is formed from:
11.4.1. Regular (annual) and one-off receipts from members;
11.4.2. Voluntary property contributions and donations;
11.4.3. Proceeds from goods, works and services;

11.4.4. Dividends (income, interest) from shares, bonds, other securities and deposits;
11.4.5. Receipts from information services where disclosure may be charged for;
11.4.6. Receipts from educational services connected with members' business, commercial or professional interests;
11.4.7. Receipts from selling information materials connected with members' business, commercial or professional interests;
11.4.8. Income from Unit property;
11.4.9. Income from bank deposits;
11.4.10. Other sources not prohibited by law.
11.5. Contribution types are admission, membership and earmarked contributions.
11.6. The General Meeting sets procedures for determining amounts and payment methods.

11.7. Admission contributions are payable within 1 (one) month after notification of admission. Membership contributions are payable within 1 (one) month after the financial year ends. Earmarked-contribution deadlines are set by the General Meeting deciding those contributions.
11.8. A member may obtain activity information and inspect accounting and other documents by written requests to the Director. The Director shall consider and respond within 1 (one) month of receipt.
11.9. The Unit keeps operational, accounting and statistical records under Russian law.
11.10. The financial year runs from 1 January to 31 December inclusive.
11.11. The Unit is responsible under the prescribed procedure for preservation of management and financial-

economic documents, personnel records and other documents and ensures transfer of scientifically and historically significant documents to central archives for state preservation.

12. Amendments to the Territorial Unit's Charter

12.1. The Charter may be amended by the General Meeting. Amendments are approved by a qualified majority of 2/3 of votes of members present.
12.2. The amended Charter is subject to state registration under the statutory procedure and acquires legal force upon that registration.

13. Reorganisation and liquidation of the Territorial Unit

13.1. The Unit may be reorganised under the Civil Code, the Federal Law On Non-Profit Organisations and other federal laws.
13.2. Members may decide to transform it into a public organisation, an autonomous non-profit organisation or a foundation.
13.3. Reorganisation is decided by the General Meeting by a qualified majority of 2/3 of votes of members present.
13.4. The Unit may be liquidated on grounds and under procedures in the Civil Code, the Federal Law On Non-Profit Organisations and other federal laws.
13.5. Liquidation and appointment of a liquidation commission (liquidator) are decided by the General Meeting by a qualified majority of 2/3 of votes of members present, or by a court.
13.6. The General Meeting or court deciding liquidation appoints a liquidation

commission (liquidator) and sets liquidation procedures and deadlines under current law.
13.7. On appointment, management powers pass to that commission (liquidator), which represents the Unit in court.
13.8. It publishes a liquidation notice and creditor-claim procedure and deadline in media publishing state-registration information on legal entities. The claim period shall be at least 2 months from publication.
13.9. It identifies creditors, collects receivables and notifies creditors of liquidation in writing.

13.10. After the claim deadline, the commission prepares an interim liquidation balance sheet listing Unit property, creditor claims and consideration results. It is approved by the General Meeting by a qualified majority of 2/3 of votes of members present or by the body deciding liquidation.
13.11. If available money is insufficient to satisfy creditors' claims, property subject to enforcement is sold by auction, except items worth no more than 100,000 (one hundred thousand) rubles according to the approved interim balance sheet, for which auction is not required.
13.12. If the Unit's property is insufficient to satisfy creditors' claims or the entity shows insolvency signs, the commission shall apply to the Russian commercial (arbitrazh) court for bankruptcy if the entity may be declared insolvent (bankrupt).
13.13. Payments to creditors are made by the commission

in the priority order under Civil Code Article 64, in accordance with the interim liquidation balance sheet from the date of its approval.
13.14. After settlement with creditors, the commission prepares a liquidation balance sheet approved by the General Meeting by a qualified majority of 2/3 of votes of members present or by the body deciding liquidation.
13.15. Property remaining after satisfaction of creditors' claims is applied under these Regulations and the Unit's Charter to its founding objectives and/or charitable purposes.
13.16. Liquidation is complete and the Unit ceases to exist after the entry is made in the Unified State Register of Legal Entities.

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Russian original

Numbered, stitched and sealed: 28 sheets.
09 July 2024
O. V. Zhavoronkova

[The original binding-certification page bears a handwritten signature, the round seal of the Horse Breeding Development Association, Moscow, and visible binding threads. It records 28 sheets; that number has not been changed to the PDF's 29-page count.]

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