***Approved by:***

***General Meeting of Shareholders of JSC «BMKB-AGROMASH»***

***Minutes №\_\_\_***

***of ”13”January 2017,***

***Chairman of meeting***

***\_\_\_\_\_\_\_\_\_\_\_\_\_ ( \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ )***

***signature full name***

***PROVISIONS ON THE EXECUTIVE***

***BODY OF THE JOINT-STOCK COMPANY***

***"BMKB-AGROMASH»***

***(with changes)***

1. **GENERAL PROVISIONS**
2. This Regulation defines status and regulates the work of Executive body (Director General) of «ВМКВ-AGROMASH» JSC, order of appointment, as well as its rights and obligations. By decision of General meeting of shareholders, the powers of Executive body may be transferred under the contract, including on a competitive basis, to a commercial organization (management organization) or an individual entrepreneur (Manager). Terms of the contract are determined by Supervisory Board.
3. Regulation is developed in accordance with Law of the Republic of Uzbekistan "on joint-stock companies and protection of shareholders 'rights" and Charter of «ВМКВ-AGROMASH» JSC.

II. **PROCEDURE OF EXECUTIVE BODY FORMATION OF THE JOINT-STOCK COMPANY**

2.1 Current activities of the Company are managed by sole Executive body, General Director. General Director forms Executive office within budget of administrative and economic expenses, approved business plan.

2.2 Head of Executive body of the joint-stock company is appointed by Supervisory Board of the Company.

In accordance with the decision of Supervisory Board the General Director may be appointed on the competitive basis with involvement of foreign managers.

In accordance with decision of Supervisory Board of the Company, the appointment of General Director is carried out, as a rule, on the basis of competitive selection, in which foreign managers can participate.

2.3 At considering and approving the candidacy of Director General, decision is made by Supervisory Board by a majority of votes.

2.4 Candidate for General Director position is obliged to inform members of Supervisory Board about facts of bringing him to criminal, administrative and other responsibility.

Presenting a candidate for position of General Director, the Chairman of Supervisory Board informs about the terms of Contract, amount of remuneration for management activities and consent of candidate to conclude the Contract, confirmed by a personal statement of the candidate.

2.5 General Director can be either a shareholder or a third party who is a specialist familiar with the Company's activity.

2.6 After approval by Supervisory Board of the proposed candidacy of head of the Executive body, the Contract for performance of duties as General Director is concluded with him.

2.6 Contract with the General Director is concluded for a period of one year with an annual decision on possibility of its extension or termination.

The contract with General Director is concluded for a period of one year with an annual decision on possibility of its extension or termination.

The agreement shall be signed on behalf of Company by Chairman of Supervisory Board or by a person authorized by Supervisory Board of the Company. The agreement concluded with General Director of the Company shall provide for their obligations to improve the efficiency of Company's activities and the frequency of their reports to General meeting of shareholders and Supervisory Board of the Company on implementation of annual business plan of the Company.

2.7 General Director of joint-stock company for violation of the Company Charter and terms of the Contract can be revoked from his position with the simultaneous termination of Contract. Decision on revocation of General Director, the joint-stock company and termination of Contract with him is made by Supervisory Board by a majority vote of those present.

2.8 Supervisory Board has the right to early termination of agreement with Director General of the Company in case of gross violations or failure to comply with approved parameters of annual business plan of the Company.

2.9 In case of early termination of the contract with General Director of the Company associated with dismissal at his own request or for health reasons, his powers are temporarily performed by first Deputy General Director, until the appointment of General Director by decision of the Supervisory Board.

**III. COMPETENCE OF EXECUTIVE BODY OF THE JOINT-STOCK COMPANY**

3.1 General Director independently resolves all issues of the Company's activity, except for issues referred to exclusive competence of General meeting or Supervisory Board. He has the right to dispose of funds and property of the Company within limits defined by Charter and decisions of General meeting and employment contract (Contract) concluded with him.

3.2 Competence of General Director of the Company includes all issues of management of current activities of the Company, except for issues within competence of General meeting of shareholders or Supervisory Board of the Company.

3.3 General Director of the Company organizes implementation of decisions of General meeting of shareholders and Supervisory Board of the Company, performs administrative activities for Company management, determines and approves the internal regulations; General Director is responsible for staffing the Company.

3.4 Financial stimulation of General Director of the Company is carried out depending on the efficiency of Company on the basis of decision of General meeting of shareholders.

Amount of remuneration of General Director is directly dependent on efficiency of the Company and must be determined by the agreement.

3.5 General Director shall represent the Company in court on behalf of Company and in relations with state bodies, legal entities and individuals. He has the right to challenge in Court or state arbitration in accordance with procedure established by law the actions of citizens, legal entities, state bodies and officials who violate the rights of Company.

3.6 Competence of General Director also includes development of prospectuses in case of decision to issue additional shares.

General Director should analyze the distribution of shares among shareholders, the company's stock market, the state of securities market as a whole, make his assumptions on new securities issues at a meeting of Supervisory Board. It is mandatory to attract strategic foreign investors to shareholders (except in cases established by law) who participate in the management of the Company, production of competitive products and ensuring its export to foreign markets.

3.7 At conducting business activities, General Director concludes contracts and transactions with government agencies and enterprises, as well as with other legal entities and individuals.

3.8 General Director carries out administrative and administrative activities to manage the Company, determines and approves internal regulations.

Functions of General Director include staffing of the Company.

3.9 General Director makes estimated cost annually approved by Supervisory Board in framework of developed business plan.

3.10 General Director has the right:

to act on behalf of the Company without a power of attorney, represent its interests in relations with other organizations and bodies;

to open settlement and other accounts in banks for storage of funds and implementation of all types of settlements, credit and cash transactions of the Company;

to make transactions, except for transactions, which are within exclusive competence of General meeting of shareholders and Supervisory Board;

to conclude agreements, contracts including labor contracts;

to issue powers of attorney and to correspond;

to approve staff list of the Company's employees, conclude and terminate employment contracts with employees;

to act on behalf of the Company in collective bargaining and conclude a collective agreement with employees;

- on issues within his competence and issue orders and give instructions that are mandatory for all employees of the Company;

- in agreement with Supervisory Board to carry out incentives for employees of the Company;

- require employees of the Company to comply with internal regulations, other rules and regulations in force in the Company, as well as the terms of employment contract. In case of violation of labor discipline by the Company's employees, apply disciplinary measures to Company's employees;

- at the conclusion of employment contract with employee of the Company to determine for him the volume and composition of information constituting official and commercial secrets of the Company;

3.11 Duties of the General Director:

to manage the Company's day-to-day operations within his competence, with exception of matters within the exclusive competence of General meeting of shareholders and Supervisory Board, ensuring its efficient and sustainable operation;

to organize execution of decisions of General meeting of shareholders and Supervisory Board of the Company;

to submit quarterly reports on implementation of annual business plan, as well as reports on the state of affairs related to his competence to General meeting of shareholders and Supervisory Board of the Company within the terms established in the constituent documents;

to manage development of programs and business plans for Company development, organize and monitor their implementation. To develop and submit for approval Supervisory Board short-term (annual) and General meeting of shareholders medium-term (to 3 years) business plans with a long-term strategy approved by the General meeting of shareholders; to ensure the fulfillment of contractual obligations;

to ensure profit in amount necessary for development of production and social sphere;

to ensure compliance with law in the Company's activities;

to ensure organization, proper condition and reliability of accounting and reporting in the Company, timely submission of annual report and other financial statements to relevant authorities, as well as information on the Company's activities sent to shareholders, creditors and other recipients of information. Ensure timely payment of taxes in manner and amounts determined by law;

to freely provide documents on financial and economic activities of the Company at request of audit Commission of the Company, auditor of the Company;

to ensure completeness and timeliness of state statistical reporting to relevant authorities;

to control work and ensure effective interaction of production units, workshops and other structural units of the Company;

to keep information constituting the Company's trade secret, if the scope of its duties does not include transfer of such information to third parties. The list of information constituting the Company's trade secret shall be determined by Supervisory Board;

to keep information constituting official or commercial secrets by employees of the Company;

to sign documents on behalf of Company;

to provide Company with qualified personnel, on better use of knowledge, skills, experience and abilities of employees and qualification of officers of Company through participation in training courses, seminars and other activities to maintain labor and technological discipline, observance of social guarantees and protection of employees;

to ensure participation of representatives of employer in collective bargaining. Act as an employer in collective agreements. Fulfill obligations under the collective agreement;

to coordinate with Supervisory Board long business trips and time of use of vacations. To inform the Supervisory Board about the person performing his duties during his absence;

to ensure compliance with all the rights of shareholders to receive information provided by current legislation, participate in General meetings of shareholders, accrual and payment of dividends;

to perform other duties related to implementation of his competence.

3.12 Non-performance or improper performance of duties by Director General or non-use of rights may serve as a basis for early termination of Agreement on initiative of the Company.

3.13 General Director is responsible for damage caused to the Company by his guilty actions (or inaction) in manner prescribed by Labor Code of the Republic of Uzbekistan and other legislative acts.

Losses which are classified as normal production and economic risk shall not be subject to indemnification.

3.14 For other disciplinary violations, General Director shall be liable in accordance with labor legislation of the Republic of Uzbekistan. Penalties are imposed by Supervisory Board of the Company.

3.15 Duties of General Director include organization of General Meeting of shareholders and informing shareholders about status of the company, conducted in accordance with internal regulations.

3.16 Specific rights and obligations of General Director are stipulated in the Contract.

Termination of the Contract is possible by agreement of the parties and unilaterally by any party in case of violation by opposite party of conditions stipulated in the Contract or for health reasons.

**IV. WORKING PROCEDURE OF GENERAL DIRECTOR OF THE JOINT-STOCK COMPANY**

4.1 General Director reports to General meeting of shareholders and Supervisory Board and organizes implementation of their decisions. Decisions of General meeting and Supervisory Board are binding for General Director.

4.2 The General meeting of shareholders has the right:

to require the General Director to provide a report on his / her work and any documents related to the Company's activities;

to provide the General Director with additional rights that do not contradict the Charter, in exceptional cases.

4.3 Supervisory Board ensures monitoring of General Director’s activities.

4.4 Audit Commission shall audit the financial and economic activities of Executive body on behalf of General meeting of shareholders, Supervisory Board of the Company, on its own initiative or at the request of shareholders who are owners of 5% of the Company's ordinary shares.

4.5 The point of view of Executive body, the Company at Supervisory Board and General meeting of shareholders is reported and defended by Director General.

4.6 For each past year, the General Director shall prepare a detailed report on company's operations and balance sheet for submission to Supervisory Board and annual General meeting for consideration and approval. Report should contain the following main articles:

Status of authorized Fund, with a separate reflection in liability of those parts of it that are paid in cash and property contributed for shares, as well as the reserve Fund.

Total income and expense for reporting period.

Costs for remuneration of labor to employees of Company and other expenses for management.

Account of cash assets of the Company and its reserves.

Account of the Company's debts and debts to the company.

Profit and loss accounts.

Net profit account and its approximate distribution.

Executive body shall confirm the accuracy of balance sheet by an independent auditor appointed by Supervisory Board and Audit Commission of the Company.

4.7 General Director shall ensure publication of annual report, including list of affiliates, as well as information on transactions with affiliates within ten days after annual General meeting of shareholders. Annual financial statements based on IFRS and international auditing standards are also published within the time limits established by law.

4.8 The Executive body shall ensure publication of information subject to mandatory disclosure on the Company's website and in other sources provided for by law, with translation into English, Russian and other languages convenient for shareholders and other interested parties, including foreign investors;

4.9 Published rationale for the proposed distribution of net profit, dividend, to assess their compliance with Company's dividend policy and, if necessary, explanations and economic justification of volume the direction of a certain part of net profit for Company development.

4.10 Company's website publishes information about Executive body and assessment of its performance, structure of the Company's share capital (shareholders with a share of more than 20%).

4.11 Executive body ensures implementation of necessary quantitative and qualitative criteria to monitor the achievement of goals outlined in each of the Company's development plans. The Company's business risks and the Executive body's liability are insured.

4.12 General Director promotes application of management methods successfully tested in foreign practice, including ISO, SWOT, GAP analysis and other approaches, special software products, etc.

4.13 Company is obliged to attract strategic foreign investors to shareholders (except for the cases established by legislation) who are involved in management of the Company, production of competitive products and ensuring its export to foreign markets.

1. **RESPONSIBILITY OF THE GENERAL DIRECTOR**

**OF THE JOINT-STOCK COMPANY**

5.1 General Director performs his duties on the basis of Charter provisions, decisions of General meeting of shareholders and Supervisory Board of the Company. In case of non-fulfillment or negligent fulfillment of obligations under the Contract, illegal orders, exceeding the limit of power, inaction and violation of both the Charter and resolutions of the General meetings of shareholders, he shall be personally liable to the General meeting of shareholders.

General Director of the joint-stock company is liable, including criminal liability, in accordance with current legislation of the Republic of Uzbekistan.

5.2 If General Director is financially interested in transaction, one of the parties of which is a joint-stock company, he is obliged to inform Supervisory Board about his interest until the decision is made.

5.3 General Director shall not use the rights granted to him by his official position for the purposes and interests of legal entities and individuals with whom they are in employment relations.

5.4 General Director of the joint-stock company shall not personally benefit from disposal of property of the joint-stock company.

5.5 General Director of the joint-stock company during his work has no right to establish or take part in the establishment of enterprises competing with the company or whose activities create difficulties with the sale of products and in the provision of services to the joint-stock company. The General Director is obliged to suspend his participation in similar enterprises upon appointment to a position in a joint-stock company and to inform the Supervisory Board of the joint-stock company about this suspension. Violation of this condition is the basis for termination of the employment Contract with the Director General.

Participation of the Company's officials in the management and control bodies of other legal entities is not allowed without permission of Supervisory Board of the Company

5.6 Company or shareholder (s) owning not less than one percent of placed ordinary shares of the Company has the right to apply to court with a claim to Director General of the Company for compensation of losses caused to the Company.

5.7 Members of Supervisory Board, Executive body of the Company who did not participate in voting or voted against the decision that caused losses to the Company shall not be liable, except for the cases established for persons who conducted study of transaction with an affiliate, who are responsible for accuracy of conclusions on the transaction.

Affiliate of the Company, whose guilt has been proved by the court, is obliged to compensate damage caused, costs related to consideration of transaction with an affiliate of the Company and claim in court.

5.8 The powers of General Director of the Company may be terminated by Court decision, with a ban on holding a senior position in business companies for a period of not less than one year, if the Court finds him guilty of causing property damage to the Company.

5.9 General Director of the Company may be held liable for the damage caused to Company by the providing of information, misleading or false information or offers to conclusion and (or) making decisions on conclusion of large transactions and (or) transactions with affiliated entities with purpose of reception by them or them affiliated persons of profit (income).