

APPROVED

By the decision of the extraordinary General Meeting
of Shareholders
of the JSC «BIOKIMYO»
of June 25, 2021

Sh.Abdujabbarov, Chairman of the General Meeting

PROVISION
On the Management Board
of the Joint-Stock Company «BIOKIMYO»

(new edition)

Yangiyul city – 2021

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1. GENERAL PROVISIONS

1.1. This Regulation of the joint-stock company "BIOKIMYO" (hereinafter - the Company) determines the status and regulates the work of the Board, the procedure for appointing its members, as well as the rights and duties of each member.

1.2. This Regulation was developed in accordance with the Law of the Republic of Uzbekistan "On Joint Stock Companies and Protection of Shareholders Rights" in the version of the Law of the Republic of Uzbekistan of May 6, 2014 No. 370 (hereinafter referred to as the Law), "Corporate Governance Code" (hereinafter referred to as the "Code ") Approved by the minutes of the meeting of the Commission on increasing the efficiency of joint-stock companies and improving the corporate governance system of December 31, 2015 No. 9 and the Company's Charter.

1.3. The Management Board of the Company carries out its activities in accordance with this provision "On the Management Board" approved by the Charter and by the decision of the General Meeting of Shareholders of the Company.

2. Procedure for the formation of the Management Board of the Company

2.1. The quantitative composition of the Management Board is established in the Company's Charter.

2.2. The decision on the election (appointment) of the Chairman of the Management Board is made in accordance with the decision of the General Meeting on the basis of competitive selection, in which foreign managers can also take part. The composition of the Management Board of the Company is elected (appointed) in accordance with the decision of the Supervisory Board. Nomination and approval of candidates to the chairman of the board at the general meeting is carried out on the basis of the conditions and procedure specified in the Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 356 of April 26, 2019;

Board members must have higher education or many years of work experience in the relevant industry, qualifications or experience in production, marketing, finance, personnel, projects, planning.

To know the normative-legal acts issued by the current law, decrees, decisions and other state bodies.

Have three years of experience in management bodies.

2.3. When electing (appointing) candidates for members of the Board, they are adopted by a decision of the Supervisory Board, by a simple majority vote.

2.4. The election (appointment) of candidatures for membership in the Management Board of the Company by the Supervisory Board is carried out in a personal order. A candidate for members of the Management Board is obliged to inform the members of the Supervisory Board of the facts of his involvement in criminal, administrative and other responsibilities.

When submitting a candidate to the Management Board, the Chairman of the Supervisory Board shall inform about the terms of the contract, the amount of remuneration for management activities and the consent of the candidate for the conclusion of the contract, confirmed by the candidate's personal application.

2.5. Candidates to the members of the Management Board of the Company may attend the meeting of the Supervisory Board when considering their candidacies.

2.6. After the election (appointment) by the Supervisory Board of nominations proposed to the Board of Directors with each candidate to the members of the Management Board, including the Chairman, a contract is concluded for the performance of the duties for the respective position for a period of one year, each year a decision is made to extend the term of the contract or the possibility of its cancellation.

2.7. In the concluded contract with the Chairman of the Management Board of the company, their obligations to increase the efficiency of the company's activities and the

frequency of their reports to the General Meeting of Shareholders and the Company's Supervisory Board on the implementation of the company's annual business plan should be provided for. The size of the remuneration of the members of the Management Board of the company is directly dependent on the effectiveness of the company's activities and must be determined by the contract. In case of breach of the terms of the contract made with the members of the Management Board of the Company, which rudely violates the Charter of the company or by its actions (inaction), the Company's Supervisory Board has the right to terminate (cancel) the contract ahead of schedule. The Supervisory Board has the right to terminate the contract concluded with the Chairman of the Company ahead of schedule if it has committed gross violations or destroyed the fulfillment of the approved parameters of the Company's annual business plan.

3. COMPETENCE AND COMPOSITION OF THE COMPANY'S MANAGEMENT BOARD

3.1. The competence of the Company's Management Board includes all issues related to the management of the day-to-day operations of the Company, exceptions are matters within the authority of the General Meeting of Shareholders or the Supervisory Board.

3.2. The competence of the Management Board includes:

Organization of implementation of decisions of general meetings of shareholders and the Supervisory Board;

Approval of internal regulatory documents of the company, with the exception of issues referred to the competence of the general meeting of shareholders or the Supervisory Board of the company;

To determine the long-term outlook for the development strategy and the tasks of the company, to develop a long-term development strategy for a period of more than five years and, for its approval, the convening of the supervisory board of the general meeting;

Develops the business plan of the company;

To prepare on a regular basis a report on the measures taken by the company to achieve the development strategy for consideration at a meeting of the supervisory board;

As a strategic goal of the company ensuring financial stability leading to an increase in the prices of shares, increasing labor productivity and competitiveness of products, note the growth in production, energy efficiency and export indicators, modernization of production capacities, technical and technological updates;

Establish the procedure for voting of their representatives on behalf of the society at a meeting of the governing bodies of the members of the company;

Improves qualification of the Company's officials through their participation in training courses, seminars and other events;

Approval of the realized value of the products;

Drawing up agreements on the removal of, as well as alienation of immovable property, securities, production equipment, motor vehicles;

Submitting a proposal to the Supervisory Board for the preparation of recommendations on the distribution of the company's profit;

Resolution of issues brought by the Chairman of the Board;

make bulk purchase and conclusion of the deals within the framework of Law of the Republic Uzbekistan "About state bulk purchase" ZRU-472 from April 9 2018

Resolve other issues in accordance with legislation, the corporate governance code and this Charter.

3.3. The quantitative composition of the Board is established on the basis of repeated fulfillment by one employee of the tasks of the board, reduction of the administration apparatus, elimination of repeating links in the management of production and from the principles of reducing the costs of the Board associated with it.

3.4. The Management Board consists of the Chairman and also the main structural services, branches and heads of branches of the Management Board.

3.5. The material remuneration of the Chairman of the Management Board and the members of the Company is determined by the performance indicators of the Company.

3.6. The Chairman of the Management Board of the Company in accordance with this Charter has the right to submit proposals on additional candidacies to the Management Board of the Company in connection with changes in the activities of the Company.

4. Chairman of the Management Board of the Company

4.1. The Chairman of the Management Board of the Company organizes the meetings of the Company's Management Board, he signs all documents on behalf of the Company, and signs the minutes of the meetings of the Management Board of the Company, according to the taken decisions, carries out work on behalf of the Company without power of attorney.

4.2. The Chairman of the Management Board of the Company has the following powers:

Ensuring stable and efficient operation of the Company within its Powers, directs its current activities without a power of attorney acts on behalf of the Company, including, protection of its interests;

Signs documents on behalf of the company;

Conclusion of agreements, contracts on behalf of the company;

Appointment of heads of branches and representative offices of the Company,

Approves the staffing and makes corresponding changes to them, draws up the employment of employees of the company, concludes labor contracts with them and terminates them, applies measures to their employees to encourage them or disciplinary punishment, ensures compliance by employees with labor and executive discipline;

Issues powers of attorney for carrying out activities on behalf of the Company

Opens settlement and other accounts in banks;

Issues orders and gives instructions binding on all employees of the Company;

Distribution of obligations among deputies and approval of job descriptions of employees;

Insurance of business risks of the Company and responsibility of executive bodies.

Ensuring cooperation based on the principles of trust, respect, accountability and control among shareholders, management and supervisory bodies

Approve the internal regulatory documentation of the Company not included in the authority of the General Meeting of Shareholders of the Company, the Supervisory Board or the Management Board;

Provides the daily activities of the Company and solves issues that are not within the competence of the General Meeting of Shareholders and the Company's Supervisory Board;

4.3. The Chairman of the Management Board shall:

Ensure the implementation of decisions of the General Meeting of Shareholders and the Supervisory Board;

Provide the Company with qualified personnel, take measures for the best use of knowledge, qualifications, experience and abilities of employees;

Ensure observance of social guarantees of employees and protection of their work;

Ensure compliance with the requirements of legislation in the Company's activities by the Company and its employees;

Improve qualification of the Company's officials through their participation in training courses, seminars and other events;

Ensuring the organization, due status and reliability of accounting and reporting in the company, including with the purpose of declaring the transformation into international financial reporting standards, announcement in due time in legislative documents.

Once a year, at the General Meeting of Shareholders, submission of an annual report on the measures taken to achieve the development strategy;

Quarterly report to the Supervisory Board on the status of implementation of the annual business plan of the Company and measures taken to achieve the development strategy of the Company;

reports quarterly to the Supervisory Board on the status of implementation of the annual business plan of the Company and the measures taken to achieve the development strategy of the company, on the results of measures based on the effectiveness of work, on the development of localization of production and industrial cooperation in the company;

Control of timely submission to relevant authorities, shareholders, creditors and media and publication of information of the annual financial activities of the Company and other report;

Ensuring the protection of the rights granted to the shareholders under the law;

Within the framework of approved administrative and other expenses, acquisition of property and expenses;

Ensuring the fulfillment of obligations under contracts;

Other obligations under the legislation and the Charter of the Company.

4.4. Specific rights and obligations of the Chairman of the Management Board of the company are discussed with him in the contract.

5. MEETINGS OF THE MANAGEMENT BOARD

5.1. Meetings of the Company's Management Board are held as required, but not less than once a month. Matters submitted by the Management Board to a resolution of the Supervisory Board or the General Meeting of Shareholders shall be discussed at a meeting of the Company's Management Board without fail. The point of view of the Company's Management Board at the Supervisory Board and the General Meeting of Shareholders is reported and defended by the Chairman of the Management Board or his authorized member of the Management Board.

5.2. Meetings of the Management Board of the Company are held by the Chairman of the Management Board or one of his deputies on the basis of the issues under consideration.

5.3. Meetings of the Management Board of the Company are convened by its Chairman with notification of other members of the Management Board.

5.4. The Management Board of the Company is considered to be authorized in case of quorum of the meeting of the Management Board of the Company. Quorum for holding a meeting of the Management Board is valid, if at least 60 (sixty) percent of elected members of the Management Board participate in the meeting.

5.5. If the law does not provide for another rule, at the meeting of the Supervisory Board the decision is made by a majority of those present at the meeting.

5.6. When resolving issues at a meeting of the Management Board of the Company, each member of the Management Board of the Company has one vote. The transfer of the vote of one member of the Company's Management Board to another member of the Management Board is not allowed. In the event of a tie in the decision of the members of the Management Board, the Chairman of the Management Board shall have the casting vote.

5.7. The minutes is kept at the meeting of the Company's Management Board. The minutes of the meeting of the Management Board shall be drawn up no later than three days after the meeting. The minutes of the meeting indicates the following.

- the place and time of the meeting;
- persons present at the meeting;
- agenda of the meeting;
- Issues put to vote, results of voting on them;
- decisions taken.

5.8. The minutes of the meeting of the Board of Directors of the Company is signed by the Chairman of the Board, he is responsible for the correctness of the protocol. An extract from

the minutes of the meeting of the Management Board of the Company's Board is signed by the Chairman of the Management Board, he is responsible for the reliability of the protocol.

6. Rights and duties of the members of the Management Board

6.1. Members of the Management Board operate within the competence defined by the job description, the terms of the labor contract concluded with them, decisions of the General Meeting of Shareholders, the Supervisory Board of the Company and instructions of the Chairman of the Management Board.

6.2. The specific rights and duties of the members of the Management Board (including the Chairman of the Management Board) are stipulated in the contract drawn up with them in accordance with the legislation, the Corporate Governance Code, the Company's Charter and these Regulations.

6.3. The distribution of obligations among members of the Management Board is carried out by the Chairman of the Management Board for each member of the Management Board specifically. The amount of remuneration for each member of the Board, taking into account the effectiveness of the work, the amount of material compensation is established by the Supervisory Board of the shareholders.

6.4. The members of the Management Board are obliged to fulfill their duties in good faith, as well as in the manner that they consider best in the interests of the Company;

6.5. Representatives of the Management Board who participate as representatives of shareholders do not have the right to vote in matters related to the election of members of the management board.

6.6. Members of the Management Board do not have the right, directly or indirectly, to receive remuneration for influencing the adoption of certain decisions by the Supervisory Board.

6.7. Members of the Management Board shall not have the right to use the Company's capabilities (property or non-property rights, business opportunities, information on the activities and plans of the Company) for personal enrichment purposes.

7. Responsibility of the members of the Management Board of the Company

7.1. Members of the Management Board of the Company in the exercise of their rights and their obligations must act in the interests of the Company and are liable in the prescribed manner.

A board member is required to disclose interest in any matter or transaction involving government-owned businesses

7.2. If several persons bear responsibility, their liability to the Company is solidary.

7.3. At the same time, members of the Management Board who did not take part in voting or voted against the decision that caused the Company to incur losses are not liable.

7.4. The Company or a shareholder (shareholders) owning in aggregate at least one percent of the Company's outstanding ordinary shares has the right to apply to the court with a claim against the members of the Management Board for compensation of losses caused to the company.

7.5. The powers of a member of the company's Management Board may be terminated by a court decision, with the prohibition to hold a managerial position in business companies for a period of at least one year, if the court finds him guilty of causing property damage to the company.

7.6. A member of the Board may be held liable for damage caused to the society as a result of providing misleading information, or knowingly false information or a proposal to conclude and (or) make decisions about concluding a major transaction and (or) transactions with affiliates with the receipt of profit (income) by them or their affiliates.