

APPROVED by
General Meeting of Founders
Minutes № 2 dd October 15, 2020

PROVISION ON EXECUTIVE DIRECTOR

**Association of producers of solid fuel from wood waste and wood working industries
“Russian Pellet Union”**

**Moscow
2020**

1. GENERAL TERMS

- 1.1. The Provision on Executive Director of the Association of producers of solid fuel from wood waste and wood working industries "Russian Pellet Union" hereinafter referred to as Association) was developed according to the Charter of Association, other internal documents of the Association as well as the current legislation of the Russian Federation
- 1.2. The present Provision establishes the legal status, competence, order of election and termination from the appointment, business arrangements of the Executive Director of the Association.
- 1.3. The Executive Director administers the day-to-day operations of the Association according to the present Provision, the Charter of the Association, other internal documents of the Association as well as the legislation of the Russian Federation.

2. COMPETENCE OF EXECUTIVE DIRECTOR OF ASSOCIATION

- 2.1. The Executive Director is subordinated to the Supervisory Board.
- 2.2. The Executive Director performs legally significant and relevant actions on behalf of the Association, except those referred to the competence of the General Meeting and the Supervisory Board, including:
 - 2.2.1. convenes the reporting Meeting, arranges the reporting and extraordinary Meeting, organizes the keeping and maintaining of the minutes of the Meeting;
 - 2.2.2. acts without a power of attorney on behalf of the Association when representing its interests in relations with individuals and legal entities as well as with the state governing bodies including the conclusion of contracts, excluding the transactions that require the preliminary approval of the governing board;
 - 2.2.3. closes transactions that require the preliminary approval of the governing board provided that such preliminary approval is obtained;
 - 2.2.4. develops a staff schedule, recruits the staff, issues the orders and gives instructions obligatory for fulfilment by the employees, concludes the labour contracts with them, approves the job descriptions and other local acts regulating their labour activity;
 - 2.2.5. organizes day-to-day operation, controls the implementation of the decisions of the managerial bodies and observance of the financial discipline;
 - 2.2.6. signs the required accounting, financial and other economic documents;
 - 2.2.7. performs other actions within the scope of his powers determined by the present Charter and current legislation.

3. ASSIGNMENT AND TERMINATION PROCEDURE OF EXECUTIVE DIRECTOR

- 3.1. The Executive Director is elected by the General Meeting of members, by a supermajority of two-thirds of votes of the members of the Association present at the General Meeting for the term of 5 (five) years. The Executive Director can be pre-term re-elected
- 3.2. The working conditions and the size of remuneration of the Executive Director are determined by the labour contract. The Chairman of the Supervisory Board signs the labour contract with the Executive Director on behalf of the Association on the base of the resolution of the General Meeting of the members of Association.
- 3.3. Powers of the Executive Director can be terminated earlier by the resolution of the General Meeting of members of the Association accepted according to the cl.3.1 of the Provision, as well as upon the initiative of the Supervisory Board of Association.
- 3.4. Powers of the Executive Director can be terminated upon his wish expressed in the application of the Executive Director and in other cases specified by the labour legislation of the Russian Federation.

- 3.5. In case of receiving of an application of the Executive Director of the preterm termination of powers and impossibility (refusal) to perform the obligations until the appointment of a new Executive Director by the General Meeting of members of the Association, the Supervisory Board has the right to appoint an acting Executive Director until the appointment of a new Executive Director by the General Meeting of members of the Association.
- 3.6. Simultaneously with the resolution of raising an issue of the preterm termination of powers of the Executive Director to the General Meeting of members of the Association the Supervisory Board shall make a decision about inclusion of the issue of appointment of a new Executive Director into the agenda of the General Meeting of members of the Association according to the procedure established by the Charter of the Association.
- 3.7. The decision of the convention of the General Meeting of members of the Association for the issue of the preterm termination of powers of the Executive Director is made by the majority of the Supervisory Board.

4. OBLIGATIONS OF EXECUTIVE DIRECTOR

- 4.1. The Executive Director is obliged to observe the interests of the Association in regard of the objectives of its activity and has no right to use the opportunities related to the performing of his professional duties or allow the use of such opportunities for the purposes contradicting the purposes specified in the Charter of the Association.
- 4.2. The Executive Director is obliged to avoid the situations when the personal interest (material or other) of the members of the Association participating in the management bodies of the Association influences or can influence the performing of their professional duties and (or) causes the arising of contradiction between the personal interest and legal interests of the Association or the threat of arising of such contradiction that can lead to the damage of the legal interests of the Association and/or its members.
- 4.3. If the Executive Director presupposes the commitment of actions that are not directly provided by the Charter of the Association he is obliged to inform the Supervisory Board of the Association about his possible interest in these actions and perform the specified actions only after its positive decision (approval).
- 4.4. The Executive Director has no right:
 - to acquire securities, the emittents or debtors of which are the members of the Association, their subsidiaries or affiliated companies;
 - to conclude any property insurance contracts, loan agreements, guarantee agreements with the members of the Association, their subsidiaries or affiliated companies;
 - to conduct entrepreneurial activity as a sole entrepreneur being the subject of self-regulation of the Association;
 - to establish the commercial partnerships and societies conducting entrepreneurial activity being the subject of self-regulation of the Association, to become a participant of such commercial partnerships and societies;
 - to be a member of management bodies of the members of the Association, their subsidiaries and affiliated companies, to be an employee in the staff of the specified organizations.
- 4.5. Along with the obligations specified in the Charter of the Association and in the labour contract the Executive Director performs the following job duties:
 - manages the current financial and economic and executive and administrative (administrative) activity of the Association according to the Charter of the Association, opens a current account and other accounts in banks, has the prime authority to sign financial documents, disposes the property and funds of the Association within the established limits, concludes contracts, agreements, including labor contracts on behalf of the Association, and makes other transactions within his powers;
 - develops and provides the fulfilment of a plan of events and annual budget of the Association;

- organizes bookkeeping and accounting, document management, archive storage of documents, order of storage and turnover of property and material values of the Association;
- keeps the Register of the members of the Association;
- provides the fulfilment of the resolutions of the General Meeting of members of the Association, the Supervisory Board, other bodies of the Association according to their competence;
- provides the preparation and execution of events of the Association;
- is responsible for the technical organization and carrying out of the planned and extraordinary General Meetings of the members of the Association;
- directly participates in the operation of the management bodies of the Association according to their job duties;
- performs the interaction among the members of the Association, takes measures to settle the conflicts among the members of the Association;
- compiles the job descriptions, develops the staff schedule, structure and other regulatory documents regulating the working conditions and distribution of duties of the employees of the Association;
- recruits according to the approved staff schedule and fires the employees of the Association, uses incentives and sanctions to them;
- provides the observance of the labour legislation and labour discipline, rules and safety requirements, fire prevention and sanitary norms by the employees of the Association;
- provides record management and organization of work of the management bodies of the Association;
- provides the collection of entry fees and other fees (membership fees, target contributions) determined by the General Meeting of the Association and files complaints to the Control committee of the Association due to the non-payment of the fees by the members of the Association and other violations;
- commits other actions on resolutions and instructions of the General Meeting of members of the Association, the Supervisory Board of the Association as an executive body of the legal entity according to the legislation of the Russian Federation, the Charter and internal documents of the Association.

5. RIGHTS OF EXECUTIVE DIRECTOR

5.1. The Executive Director has the right:

- to participate in all meetings of the Supervisory Board of the Association, the General Meeting of members of the Association;
- to appoint by his order the acting Executive Director for the period of his absence for more than two days due to the business trip, vacation or illness specifying the list of powers of the appointed employee as agreed with the Chairman of the Supervisory Board;
- to give bonuses to the employees according to the results of their work;
- make proposals to the management bodies of the Association for improvement of work of the Association.

6. RESPONSIBILITY OF EXECUTIVE DIRECTOR

6.1. The Executive Director bears responsibility established by the legislation of the Russian Federation and the internal documents of the Association to the Supervisory Board of the Association, the General Meeting of the Association, the members of the Association:

- for the quality and results of work of the Association, for organization and reliability of the accounting and control in the Association;

- for the consequences of the solely made decisions outside the scope of his powers, for use of the opportunities of the Association in the other purposes non provided by the Charter of the Association;
- for disclosure of the information he became aware of that refers to the confidential information or the commercial secret of the Association.

6.2. The labour contract with the Executive Director can provide the possibility of risk insurance related to the fulfilment of the functions of single executive body at the expense of the Association.