

CHARTER
of the Union of Industrialists and Entrepreneurs of Turkmenistan

I. General Provisions

1.1. “Union of Industrialists and Entrepreneurs of Turkmenistan”, hereinafter referred to as “Union” is public association , based by membership of public organization for protection of common interest of united citizens – entrepreneurs of Turkmenistan, as well as organized in voluntary , self- governing basis of united work for achievement of Articles’ goals.

New full name of organization is:

“Türkmenistanyň Senagatçylyk we telekeçiler birleşmesi” jemgyýetçilik guramasy - in Turkmen language

Общественная организация «Союз промышленников и предпринимателей Туркменистана» - in Russian language

Public organization “Union of Industrialists and Entrepreneurs of Turkmenistan” – in English language

The organization’s abbreviated name is:

TSTB- in Turkmen

СППТ – in Russian

TUIE – in English

The Union works on the basis of Constitution of Turkmenistan, Civil Code of Turkmenistan, Laws of Turkmenistan “On Public unions”, “On the Union Industrialists and Entrepreneurs of Turkmenistan” and other legal acts of Turkmenistan.

1.2. The Union is a non-entrepreneurial legal person

1.3. The Association is a legal person, uses rights and is responsible, provided by Legislation of Turkmenistan for public organizations.

1.4. The Union claims property and non-property rights under personal name, can take responsibility, lay before the court as plaintiff and defendant. Union bargains as per Legislation of Turkmenistan in interest of achievement of Articles’ aims.

1.5. The Union has segregated property that belongs to it in a propriety rights, is responsible for this property on its obligations. The Union has segregated property and independent balance, foreign currency account and manats account in banks, a stamp with own name. The Union has right to have its own symbols, proper state registration and accounting as per established Legislation of Turkmenistan.

1.6. The Union conducts its activity based on principles of voluntary, equality of his members, self –government and legal principle. The Union defines free its internal structure, kinds and methods of activity within legislation.

1.7. The Union cooperates with public authorities, state organizations, international organizations and public organizations on the questions of its activity.

1.8. The Union is public organization; the main authority of the Union is in: Turkmenistan, c. Ashgabat, Archabil etrap, Hero of Turkmenistan Atamurad Niyazov avenue, house 174.

1.9. According to the applied legislation, rights of the Union as a legal person come into existence from the moment of its state registration in the Adalat Ministry (of Justice) of Turkmenistan and entering into the Unified state Register of legal persons.

1.10. Activity of Union is transparent, and information of its foundation documents and policy documents is public.

II. General objects, main tasks and activity of Union.

2.1. The main objectives of the association are the following:

- 1) promote the development of economic and market relations;
- 2) to create a modern industrial and business infrastructure, develop the private sector;
- 3) to create new jobs, improve the maintenance of the population with job and entrepreneurial activity;

2.2. The main tasks of the association are:

- 1) protect the rights and legal interests of its members;
- 2) promote the creation of industrial and other production structures, technoparks, technopolis, joint-incubator systems, production and technical centers, centers of innovative works and individual market structures;
- 3) promote the development of entrepreneurship in the agricultural sector and the agro-industrial complex;
- 4) promote tourism opportunities in Turkmenistan;
- 5) support the production and entry into a market of new technologies and products for export and substitution product of import.
- 6) promote the training of employees for business entities, including for small and medium-sized businesses, with the re-training and advanced training, including professional training and organize the training of specialists in Turkmenistan and abroad;
- 7) facilitate the participation of members of the association of subjects of entrepreneurship to the foreign economic activities, regional cooperation, including the improvement of export opportunities;
- 8) create value of members of the association on the especially important issues of economic and social development of the society and state;
- 9) ensure the participation in the procurement the goods (works, services) of members of the association by the government;

2.3. Works of Association:

1. The Union carries out the following works in accordance with the objectives and tasks set out in the Articles of Association:

- 1) Acting on behalf of the members of the union without power of attorney in relation to the state government and administrative organizations, local government authorities, other legal entities in and beyond Turkmenistan;
- 2) participates in the preparation of government organizations decisions in the prescribed manner and to the extent the legislation of Turkmenistan;
- 3) makes public expert analysis for development aims of the private sector of the state;

- 4) participates in the preparation of normative legal acts of Turkmenistan on the issues included in its competence;
- 5) analyses the conditions of the business, including small and medium-sized businesses, makes a proposal for incentive measures for its development in Turkmenistan;
- 6) including participation in the development and public research work, participates in state programs of development of scientific and innovative entrepreneurial works;
- 7) participates in state programs on separation from of State and privatization of state estates;
- 8) carries out works for the establishment of new industrial and other production structures, technoparks, technopolis, Joint-incubator systems, production and technical centers, innovative works centers and individual market structures, etc.;
- 9) carries disputes between the members of Association prior to consideration by the court;
- 10) creates a data base containing a specific information including legal, economic, statistical and including foreign practice;
- 11) using information technology, provides consulting services and legal assistance to members of the Association of business entities, and foreign business entities;
- 12) contributes to the creation of conditions for the active production, investment and foreign economic activity;
- 13) participates in the preparation and carrying out of exhibitions, trade fairs, seminars, conferences, forums and other public events, including in abroad, ensures the participation of members of the association to these events;
- 14) In accordance with the legislation of Turkmenistan, builds and develops relationships with international organizations, public associations of industrialists and entrepreneurs of foreign countries and other legal entities;
- 15) within the framework of its authority, carries out other work in accordance with the legislation of Turkmenistan;

III. Members of Union, their rights and obligations

3.1. Members of the Union have equal rights and equal obligations.

3.2. Member of the Union can be individual persons and legal persons of Turkmenistan, foreign registered persons as per legislation of Turkmenistan in rightful principles who do entrepreneurial activity.

3.3. Individual persons to be taken into Union membership by means of written statement. Taking into membership is carried from Management.

It can be made regional departments (branches and representative offices) of Union in places additionally for taking into membership.

3.4. Members of the Union have rights to:

- participate in activity of governing body in the order due course, including participation through its representatives;
- get necessary information about Union's activity, its governing and monitoring bodies;
- participate in activity of consulting and other bodies of Union;
- participate in Union formation on the questions of economic policy and definition of the major activity;

- submit proposal to governing bodies of Union in an order established by these Articles and other documents of Union, to consider development of Union activity and to make a decision on its;
- make contributions for finance activities of Union or separated activities;
- draw beyond Union membership voluntary;
- comply with laws specified by these Articles as per legislation of Turkmenistan;

3.5. Union's members shall:

- execute the rules of these Articles, decisions of governing bodies of Union, to respect and to support views of the most of members, to participate in interact aims and subjects of Union actively;
- supply non-confidential data to Union, that is necessary for performance of its aims and objects;
- pay membership fee during the fixed period by conferences' decisions.
- not to disclose the information that is connected with the activity of the enterprise of the Union;
- not to perform violation of ethics of mutual relations, that can cause material and moral damage to Union.

3.6. Members of Union can be excluded out of membership due to non-payment of membership fees, contrary to activity of aims of Union, and also actions that can be reason of material and moral damage to Union.

3.7. Excluding out of membership of Union is performed by Conference. The decision of excluding of membership can be appealed in the court.

IV. Organizational structure and governing bodies of Union

4.1. Union governing bodies:

- Conference;
- Management;
- Governing;

4.2. Supreme governing body of Union is Conference, which is convened by Management not less than once a year. Special extraordinary Conference can be called by demand of Management, auditing committee or by demand in a written form of the 10th part of Union members with the perception of agenda.

Conference is convened not later than 2 weeks before the convene date, by publication in Union organ or by telephone or by Internet.

The agenda project of conference is developed by Management and approved by Union Chairman. To put into agenda project of Conference received suggestions and comments empowered, on the initiative of Management or by demand of 10th part of members of Union and not later than 10 days before Conference.

Conference is competent in the case if half of elected delegates participate in it. The standard representatives of Conference delegates are specified by Union Management.

4.3. the decision of following questions relate extremely to the competence of the Conference:

- Determination of priority direction of Union activity;
- Approval of Union Articles and amendments and additions (changing of legal address is not including);
- discussion of long-term plans and programmes of Union and approval of them;

- Election of members of Management and board of auditors of Union for 4 –year term, and earlier suspension of their power;
- Approval of the regulation about the Expert Commission;
- Discussion of statements of Management and of Expert Commission and their approvals;
- Approval of membership fees and order of its payment;
- Withdrawal from Union;
- Election of editorial, mandatory, audit commissions of Conference and its secretary;
- Liquidation and re-registration of Union.

4.4. Chairman of Union is the head of Conference, if other was not established by Conference.

4.5. Types of voting (open or secret) are determined by Conference decision. Counting is done by members of audit commission of chosen Conference on the proposal of Chairman. Members of Management cannot serve as members of audit commission. Decision of Articles' changing is taking by three-fourth majority vote of presence and in other questions the decision is taking by two-third majority vote of presence.

4.6. Management is a permanent acting collegial body of Union; it submits reports of Conference and provides common guidance of Union activity in the periods between Conferences. Chairman, deputy Chairman and members of Management serve as members of Management. The Management's size is not over 9(nine) persons.

4.7. Union Management:

- convenes ordinary and extraordinary Conference, includes agenda project in it, suggestions on development priority for Union;
 - makes decision on preterm election for the remaining period of the Chairman and deputy of Chairman of Union from members of Management that are lately approved during extraordinary Conference;
 - discusses important questions of economy development and makes decisions and statements as the result of discussion;
 - manages of property and financial resources of Union, makes decisions on transferring the right and authority in disposal of property and financial resources, bargainsf interested separated members of Union are not included) to Union Chairman;
 - hears and deals with information of Union budget execution;
 - Makes decision of development of branches and Union representatives, approves Statements on them, and makes decisions of its liquidation;
 - makes decisions of development of consulting body of Union;
 - -represents Union in state organizations, public associations and international organizations, makes decisions of making contracts and agreements;
 - takes into Union membership and keeps their account;
 - approves budget and annual report of Union and recommends for approval by Conference the membership fees sum and the order of its payment;
 - approves the Statement on Union body by recommendations of Union Chairman; by this it specified the structure, position, power and order of work;
 - performs other power that does not come within competence of Union Conference;
- Management can assign to execute work or certain tasks, connected with Union activity to any of members of Union; and also to assign to be of interest of Union to the other party.

4.8. Union Chairman convenes Management Meeting as required, but at least once every six months. Extraordinary meeting of Union is convened by Chairman's proposal, audit commission and on request of not less than two-third members of Management.

4.9. Management Chairman informs members of agenda, place and time of Management Meeting not later than 3 days before meeting.

4.10. Management Chairman is Union Chairman and leads the work of Union.

4.11. Union Chairman

- organizes Union and Management activity in whole;
- coordinates activity of all Union departments and structures;
- represents Union in state organizations, public organizations, international organizations;
- acts on behalf Union without power of attorney , gives power of attorney on behalf Union;
- manages the funds of Union within its competent and as per approved budget;
- approves staffing table and month salary of employees of Union body, employs and dismisses employees of Union body, approves their obligations, issues orders and assignments;
- makes agreement and bargains, signs financial documents, contracts, agreements on behalf of Union;
- opens settlement accounts and other accounts in banks;
- issues orders and assignments within his competence;
- performs other execution work.

4.12. In the case if Union Chairman is temporary absent his obligations performs Deputy Chairman. The decision of assigning function of Chairman to Deputy Chairman is made by Chairman or by Management decision. In the case if there is no possibility to issue an order in the specified form, so Deputy Chairman has right to take independent decision by himself to be responsible as Chairman during Chairman's temporary absence.

4.13. Audit commission performs control on financial –economic activity of Union. Audit commission submits report to Conference and works as per statement of it, approved at union Conference.

4.14. Audit commission of Union inspects financial-economic activity at least once a year and submits the results for consideration and approval of Conference. Audit commission performs above-plan revision on the instruction of Conference, on management's request or by less than two-third part of total members of Union or on its own motion.

4.15. Management's members and Union body employees cannot be members of Audit commission.

V. Union property

5.1. Buildings, facilities, dwelling stocks, transportation, equipment, supplies, cultural and educational properties and wellness properties, funds, stocks and other securities and other properties that are necessary for financial support of statutory goals can be Union property.

5.2. as per statutory goals publishing house and mass media that were proposed or bought at own expenses can be Union property.

5.3. Union is responsible for its property. It can be established deduction at this property as per acting legislation. Union members are not responsible for Union's obligations, and Union is not responsible for its members' obligations.

5.4. The sources of assets formation of Union are:

- Members fees and its size are set by Conference;
 - Voluntary fees and donation assets;
 - earmarking funding, revenues (like grant) from legal persons, including organizations except budget and foreign non-profit organizations;
 - transfer of funds form the activity of commercial organizations founded by Union, including from production of symbols and attribute of Union of civil legal bargain;
 - Monetary resources received from advertising, publishing and typing business and sale of informational production of Union;
 - monetary resources received from educational activity, reading lectures, seminars, conferences, exhibitions, contests, lotteries, auctions, films screening and other activities.
- Union profit is used for achievement of Articles' goals and cannot be redistributed among the Union members.

5.5. Union sets the following donations:

- Entry fee
- Annual member fee

All the members of Union are fee payers. The size of donations and the order of its payment is set by Conference taking into consideration the degree of membership of Union and other valid conditions. By termination or coming out of membership of Union paid fees are not returned.

5.6. Union property is a Union ownership. Every member of Union has partial right on Union property.

Union does not respond for state obligations and debts, as well as state does not respond for Union's obligations and debts.

VI. Rights and responsibilities of the Association

6.1. Rights of the Association:

The Association has the rights necessary to achieve the objectives, tasks and activities in accordance with the Charter of the Association.

The Association has the right to the following:

1) represent their rights and to defend them, acting on behalf of the members of the association and is without power of attorney in relation to the state government and administrative organizations, local government authorities, other legal entities in Turkmenistan and beyond;

2) initiate on the social and political life; make proposals to government agencies on these matters;

3) participate in the elections and present candidates for elective positions;

4) carry out on entrepreneurial operation including capital investment prescribed in the Charter in accordance with the legislation of Turkmenistan;

5) stand seized of own property of the Association, use and authorize it in accordance with the legislation of Turkmenistan;

6) in accordance with the legislation of Turkmenistan to establish the following:

- a) the representations and branches of the Association in Turkmenistan and in abroad;
- b) enterprises, organizations and institutions, including credit institutions, higher and secondary special educational institutions to improve their qualifications and re-training;
- 7) establish means of mass media, carry out publishing and advertising work in accordance with established procedure the legislation of Turkmenistan;
- 8) participate in the basic capital of other legal entities, participate in shared construction, together with members of the Association;
- 9) identify the methods of its activities, staffing list of the Association, approve the system and the number, types of wages and bonuses of employees of the Association in accordance with the legislation of Turkmenistan;

6.2. Entrepreneurial activities of the Association

The Association may carry out entrepreneurial work provided for in the Charter are used to achieve the goals envisaged in the Charter only and not subject to re-distribution of the profits of the Association between the members of the Association.

Entrepreneurial activities of the Association carried out according to the legislation of Turkmenistan.

6.3. Obligations of Association

The Association undertakes to comply with the legislation of Turkmenistan, including the law on public associations, licensing legislation during the execution of licensed types of work, generally accepted principles and rules of international law and the rules in the sphere of their activities, as well as the provisions provided for in the Charter of the Association.

VII. The order of reorganization and liquidation of Union.

7.1. Union can be reorganized by separation or union, division and partition by Conference's decision in the order and in conditions provided by Legislation of Turkmenistan.

7.2. Union stops its activity and liquidates itself by the decision of Conference as per these Articles or by Court's decision.

7.3. In the case if Union liquidation by Conference or by body that makes decision of liquidation of Union so forms liquidation commission. From the moment of formation of liquidation commission power of management and Union property transfer to it.

7.4. Liquidation commission notifies in printed publications about Union liquidation and receiving within 2 months of creditors' claims. Every creditor is notified of the Union liquidation in a written form.

7.5. Upon the expiry of the term that was set for the reception of claims, the Liquidation commission makes intermediate balance that is formalized by protocol, approved by founding member Union or by body that makes a decision of its liquidation

7.6. Liquidation commission pays cash to creditors that appear from the moment of approval of liquidation balance sheet. After making calculations with debtors, liquidation commission makes liquidation balance, approved in the established order in these Articles.

7.7. After making calculations with Union budget, Union employees, Banks and other debtors, the rest of property and funds are shared among eligible persons that are identified by these Articles.

The decision of liquidation commission of using rest of property is published after liquidation of Union.

7.8. All the documents are passed for safekeeping to archive bodies of Turkmenistan after liquidation of Union in accordance with the established procedure.

VIII. Summarizing rules

8.1. These Articles and all changes and additions to it, come into force from the moment of State registration.

8.2. All questions and legal relationship that are not in these Articles will be controlled and decided as per acting Legislation.

8.3. These Articles is made in Turkmen language.