

APPROVED

*by the decision of
the Supervisory Board
of December 20, 2016
Minutes of the meeting No. 6*

Chairman of the Board
_____ *Shklyar S.V.*

**REGULATION on the Secretariat established to implement the Law of
Ukraine “On Financial Restructuring” (hereinafter referred to as the
“Secretariat”)**

Section I. General Provisions

1. This Regulation on the Secretariat (hereinafter referred to as the “Regulation”) is developed in accordance with Articles 12, 14-16, 18, 19, 22, 23, 25, and 27 of the Law of Ukraine “On Financial Restructuring”.

2. The Secretariat handles administrative, organizational, analytical, informational work with regards to the financial restructuring procedure and procedure of dispute settlement in arbitration court that is carried out in accordance with the Law of Ukraine “On Financial Restructuring” (hereinafter referred to as the “Law”) and The Rules of Arbitration approved by the Supervisory Board with the aim of implementing the Law (hereinafter referred to as the “Rules of Arbitration”).

3. The Secretariat is established by the Supervisory Board formed pursuant to the Law of Ukraine “On Financial Restructuring” (hereinafter referred to as the “Supervisory Board”) and acts in conjunction with the Association “Independent Association of Banks of Ukraine” (hereinafter referred to as the “IABU Association”) (without the status of the legal entity). In the course of its operation the Secretariat is responsible and reports to the Supervisory Board.

4. The Secretariat is bound in the course of its operation by the Law, the Rules of Arbitration, other legal acts of Ukraine in force and this Regulation.

5. Material and technical, administrative and organizational support for the activities of the Secretariat is provided by the IABU Association in accordance with the Law and the Memorandum on the Technical Assistance/Cooperation between the Supervisory Board and the IABU Association entered into on December 20, 2016.

Section II.

The Secretariat

Chapter 1. Tasks and Functions of the Secretariat

The main tasks of the Secretariat are:

1. resolving of all administrative and procedural issues related to the financial restructuring procedure in accordance with the requirements of the Law;
2. providing technical and administrative support of dispute resolution in the arbitration court in accordance with the Rules of Arbitration;
3. preparing and providing reports to the Supervisory Board about the process and results of the financial restructuring procedure;
4. ensuring the storage of minutes of meetings of the Supervisory Board and the documents of the Supervisory Board as well as the storage of the materials of the cases and decisions of the arbitration court obtained as a result of dispute resolution in accordance with the Law and the Rules of Arbitration;
5. filing and distributing information regarding the financial restructuring procedure to the parties participating in the financial restructuring procedure;
6. elaboration of recommendations regarding the carrying out of the financial restructuring procedure, including regarding the documents necessary for carrying out of the financial restructuring procedure;
7. developing and managing own website where the Secretariat will post information in accordance with the requirements of the Law including the list of arbitrators approved by the Supervisory Board;
8. The Secretariat does not directly participate in negotiations regarding the restructuring between the debtor and the involved creditors.
9. Pursuant to it's authorized tasks, the Secretariat will perform the following functions in the course of the financial restructuring:

receiving an application from the debtor on the restructuring and registering it provided that no proceeding was initiated against this debtor in case of bankruptcy or no rehabilitation procedure has started against the debtor prior to initiation of the case of bankruptcy;

verifying compliance of the application and consent for restructuring with the requirements of Article 18 of the Law and no later than on the following working day after the registration of the application deciding on the commencement of the financial restructuring procedure;

leaving the application on restructuring without consideration and returning it to the debtor if it does not comply with the requirements of the Law;

no later than on the following working day after the commencement of the financial restructuring procedure posting the notice on the commencement of the

financial restructuring procedure on its own website that shall comply with the requirements of part 3 of Article 19 of the Law;

no later than on the following working day after the commencement of the financial restructuring procedure sending to all the creditors and related parties of the debtors identified in the annexes to the application on restructuring a notice on the commencement of the financial restructuring procedure;

determining a date, time, location of the first meeting of the involved creditors that shall take place no earlier than in seven working days and no later than in the course of ten days after the commencement date of the financial restructuring procedure; no later than on the following working day after the registration of the application sending to the creditors identified in the annexes to the application on restructuring a notice which defines the date, time, location of the first meeting of the involved creditors and contact details of the Secretariat and the debtor;

controlling the provision by the debtor of the information to the involved creditors in accordance with Article 19, part 2 of the Law no later than in seven working days before the first meeting of the involved creditors;

in case of receiving from the debtor within two working days before the holding of the first meeting of the involved creditors of a notice on amendments to the list of the involved creditors, the Secretariat shall no later than on the following working day from the day of receipt of such notice:

inform all the involved creditors about such amendments;

update the notice on the commencement of the financial restructuring procedure, posted on its website;

send to such involved creditor the information specified in part 1 and part 2 of Article 19 of the Law;

receive a copy of the standstill agreement if it has been concluded by the debtor and one or more involved creditors;

receive the original of the minutes of the meeting of the involved creditors on issues defined in part 1 of Article 23 of the Law;

upon receiving from the debtor or involved creditors of a notice on holding a meeting of the involved creditors, shall set, taking into account suggestions identified in the notice, the location, time and date of such meeting, which shall take place no earlier than in the course of five working days from the date of sending the notice to the Secretariat;

receive from the debtor a plan of restructuring with copies in accordance with the number of the involved creditors. The Secretariat shall send such plan and notice on holding of the meeting for approval to all the involved creditors no later than in 10 working days before the suggested date of the meeting. The plan of restructuring may be sent in electronic form with scanned signature and seals, and sending to the creditors may be carried out by e-mail;

receive from the debtor a notice on signing of the plan of restructuring;

receive from the debtor or the involved creditors a notice or an application on the occurrence of one of the events that in accordance with the provisions of the Law terminate the financial restructuring procedure, shall register such a notice or an application and publish it no later than on the following working day on the official website of the Secretariat;

receive from the involved creditors that are financial institutions a decision on the termination of the financial restructuring procedure and no later than on the next working day publish it on the official website of the Secretariat;

in case of occurrence of one of the events that constitute a ground for termination of the financial restructuring procedure in accordance with Article 27 of the Law in the course of one working day upon receiving information on such event, shall publish information on the termination of the financial restructuring procedure on the official website of the Secretariat and separately inform the debtor and the involved creditors about it in an official notice;

perform other functions stipulated by the Law and the Rules of Arbitration.

Chapter 2. The Composition of the Secretariat

1. The personal composition of the Secretariat is approved by the decision of the Supervisory Board.

2. The Secretariat consists of:

- the Head of the Secretariat;
- the Deputy Head of the Secretariat;
- members of the Secretariat.

3. The composition of the Secretariat shall be sufficient for the performance of functions and tasks that the Secretariat is entrusted with.

4. The Secretariat consists of individual entrepreneurs who provide services on the basis of civil law agreements concluded with the IABU Association.

5. The Head of the Secretariat, the Deputy Head of the Secretariat and members of the Secretariat in the course of performing their duties under the civil law agreements concluded with the IABU Association are required to do all the actions necessary for the avoidance of any existing conflict or alleged conflict of interest.

Chapter 3. The Head of the Secretariat

1. The Head of the Secretariat manages the Secretariat and is responsible for its activities, performance of its tasks and functions.

2. The Head of the Secretariat and his Deputy are the administrative and executive body of the Secretariat.

3. The Head of the Secretariat (hereinafter referred to as the “Head of the Secretariat”) and his Deputy are elected by the Supervisory Board in the course of an open competitive selection.

4. The Head of the Secretariat shall comply with the qualification requirements approved by Annex No. 1 to the Rules of Activities of the Supervisory Board (approved by the decision of the Supervisory Board dated November 15, 2016, protocol No. 4).

5. The main duties of the Head of the Secretariat are the following:

- organization of the work of the Secretariat, general management of the Secretariat, provision of timely and due performance of the tasks and functions that the Secretariat is entrusted with; distribution of functions and volume of work between the people who provide services required for the performance by the Secretariat of its functions; elaboration together with the IABU Association of a draft budget of the Secretariat, amendments to the approved budget in case of need and submitting it for approval by the Supervisory Board;

- raising with the IABU Association of a necessity to bear the costs not stipulated in the budget to ensure uninterrupted operation of the Secretariat as provided by the approved budget; reporting on the utilization of the equipment and material assets to the IABU Association and the Supervisory Board; facilitation of the preparation by the Secretariat of analytical and reference materials for the Supervisory Board;

- organization of the circulation of documents, formation of files, storage of the documents’ library and preparation of its transfer to a person responsible for managing the archives, ensuring compliance with the unified requirements for the preparation of the documents and organizing work with them in the system of the electronic circulation of the documents, approval of the Order of Circulation of the Documents and naming of the files;

- ensuring the approval of an internal legal document that will limit the access to the information obtained by the Secretariat in the course of its activities and regulate the circulation and disclosure of such information solely between people who will be managing the activities of the Secretariat on the basis of the relevant documents or the parties that participate in the procedures and have the right to get such information in accordance with the Law or the Rules of Arbitration. The access to any documents and confidential information provided to the Secretariat or the arbitrator by the parties in the course of the financial restructuring procedure or the arbitration shall be absolutely prohibited for: (i) the Supervisory Board except for cases stipulated by the Law when it is necessary for the performance of functions of the Supervisory Board; (ii) the executive organ of the IABU and employees of the structural units and branches of the IABU; (iii) other persons who have legal grounds to obtain access to such information and/or are directly responsible for the processing of such information;

- informing the Supervisory Board about the activities of the Secretariat;

- submitting for consideration by the Supervisory Board of suggestions regarding improvement of work of the Supervisory Board, provided it falls within the competence of the Supervisory Board, as well as amending this Regulation;

- resolving the issues of operational and economic activities of the Secretariat.

In case the Head of the Secretariat is unable to fulfil his/her duties, such duties shall be fulfilled by the Deputy.

Chapter III Financing of the Secretariat and basis for its activities

1. The economic and organizational basis of the work of the Secretariat is formed at the expense of the funds obtained from the business entities (including non-residents), individuals, international financial organizations as financial aid, grants, gifts and other proceeds.

2. The Supervisory Board exercises control over the use of funds (budget) of the Secretariat.

3. The Secretariat jointly with the IABU Association submits relevant reports and other information related to the financing of the Secretariat in the order determined by the Supervisory Board.

4. The Supervisory Board takes into account the financing budget allocated for the operation of the Secretariat and decides on the level of remuneration for the services of the Head of the Secretariat, the Deputy and the members of the Secretariat.

Chapter IV Procedure of approval, introducing amendments to this Regulation

1. The Head of the Secretariat raises with the Supervisory Board the necessity of amendments to this Regulation and prepares the relevant draft of the amendments.

2. The decision on amendments to this Regulation is taken by the Supervisory Board in accordance with the procedure defined by Chapter 3 Part II of the Rules of the Activities of the Supervisory Board.

Chapter V Exchange of information and confidentiality

1. All persons who provide services required for the performance of functions of the Secretariat on the basis of civil law agreements concluded with the IABU Association are prohibited from disclosing any data or information, the content of the documents and reports related to the financial restructuring procedure and defined by their owner as confidential, as well as any information or documents to which the persons who provide services required for the performance of functions of

the Secretariat have gained access in the course of arbitration in accordance with the Rules of Arbitration excluding cases stipulated by the Law.

2. All persons who provide services required for the performance of functions of the Secretariat on the basis of civil law agreements concluded with the IABU Association are also required to enter into a non-disclosure agreement with the IABU Association.

Chapter VI The procedure for informing the public about activities of the Secretariat

1. The Secretariat publishes on its own website information and documents in accordance with the requirements of the Law of Ukraine “On Financial Restructuring”.

2. In case of interaction with the mass media the Head of the Secretariat may provide the official information on the activities of the Secretariat. At the same time, no information that is related to the financial restructuring procedure, defined by its owner as confidential, as well as any information and documents obtained by the Secretariat in the course of the dispute resolution procedure in the arbitration court in accordance with the Rules of Arbitration may be disclosed.

Chapter VII Procedure of termination of the activities of the Secretariat

1. The Secretariat acts while the Law of Ukraine “On Financial Restructuring” remains in force but in any event until it finishes all the financial restructuring procedures initiated while this Law was in force.