

APPROVED

by the Supervisory Board decision

20 December 2016

Minutes No. 6

Chairman of the Board

\_\_\_\_\_ S.V. Shklyar

**QUALIFICATION REQUIREMENTS TO INDEPENDENT EXPERTS,  
which issue opinions on the prospects of operations  
of the borrower according to Article 11 of Law of Ukraine No 1414-VIII  
"On Financial Restructuring"**

These Qualification Requirements to Independent Experts have been drafted in accordance with Article 14 of Law of Ukraine No 1414-VIII "On Financial Restructuring" (the "**Law**") and subject to the scope of work to be performed by an independent expert (the "**Independent Expert**").

According to section 18 of Article 1 of the Law, "*independent expert* is an individual, individual entrepreneur or a legal entity, which is not connected with a borrower and/or a lender, complies with requirements established by the supervisory board, is elected by the lenders' meeting, audits financial and economic operations of the borrower, and issues the opinion based on results of such audit".

According to para. 2 of section 1 of Article 23 of the Law, upon commencement of the financial restructuring procedure the lenders concerned shall decide on engaging an Independent Expert to audit financial and economic operations of the borrower and of the related persons (if necessary and if there is an appropriate decision of the involved creditors on the engagement of such related persons to the analysis).

Considering the level of sophistication of a particular restructuring procedure, the lenders concerned may decide to engage an individual, individual entrepreneur or a legal entity as an Independent Expert.

An individual or individual entrepreneur, as the Independent Expert shall comply with the following requirements:

1. Possess such knowledge and degree, professional skills, duty-specific competence and expertise as required to properly act as the Independent Expert, specifically to have a college/university degree, at least 5-year expertise for the most recent period in corporate accounting, audit, corporate finances, corporate economics, management, law, as engineer, banking, credit analysis, credit risk management, non-performing loan restructuring;
2. Be fluent in the national language;
3. Have impeccable business reputation, including on the market of audit, consulting services, law, expertise;

4. Be impartial and independent-minded;
5. Not be connected, or have a conflict of interest with the borrower and his lenders.

Possession of a scientific degree, certificate of a licensed appraiser, certificate authorizing to audit corporate operations, fluency in English is an advantage.

If a legal entity, the Independent Expert shall comply with the following requirements:

1. Have, following practices: law, audit, consulting, business-modeling, etc;
2. Have a number of at least 5 qualified specialists in finances, tax, corporate economics, banking, credit analysis, credit risk management, non-performing loan restructuring, law, who shall comply with the qualification requirements established for the individuals as Independent experts;
3. Provide details of an individual expert or a group of individual experts who will be actually engaged in audit of financial and economic operations of the borrower;
4. Possess impeccable business reputation;
5. Not be connected, or have a conflict of interest with the borrower and his lenders.

Competitive selection procedure.

Any lender concerned or a borrower may submit a list(s) of individuals/legal entities nominated to compete as potential Individual Experts. Having obtained such list(s), lenders shall approve a consolidated list of candidates, subject to the lenders' joint interest, a potential conflict of interest and confidentiality considerations. Specific detailed requirements to a potential expert's professional background and expertise in previous projects shall be drafted by the lenders subject to the specific aspects of each particular restructuring.

In addition to the independent expert of the (coordinating committee of financial institutions) involved creditors, each (bank) creditor may appoint an advisor for such bank, solely at the (bank's) creditor`s costs.

The coordinating committee of financial institutions shall approve the conditions and terms for competitive selection, which will be sent to the candidates specified in the consolidated list, including a request for proposal of services to be provided by a potential Independent Expert. The proposal shall specify, as minimum: the scope of work, timing, the proposed team and experience of its members, the budget, and requirements to disclosure of potentially conflicting matters.

A decision on engagement of the Independent expert shall be made by the involved creditors as a result of consideration of proposals in accordance with paragraph 2 of Article 23 of the Law.