

[unofficial translation]

*APPROVED BY
Resolution of Supervisory Board of
15 November 2016
Minutes of the meeting No. 4*

*Chairman of the Board
_____/s/_____*

REGULATION ON SUPERVISORY BOARD

Section I. General provisions

1. This Regulation is prepared in accordance with Articles 12, 14-16 of the Law of Ukraine "On Financial Restructuring".
2. The Supervisory Board is a coordinating body on organization and conduct of the financial restructuring procedure carried out in accordance with the Law of Ukraine "On Financial Restructuring".
3. Activity of the Supervisory Board are regulated by the Law of Ukraine "On Financial Restructuring", other laws of Ukraine and this Regulation.
4. The Supervisory Board shall be established for the term of validity of the Law of Ukraine "On Financial Restructuring", but in any case until completion of all the financial restructuring procedures commenced within the term of validity of the Law.

Chapter II. The Supervisory Board

Chapter 1. Powers (functions) of the Supervisory Board

1. Powers (functions) of the Supervisory Board shall include:
 - 1.1. Approval of the regulation governing its activity;
 - 1.2. Establishment and formation of personal composition of the Secretariat;
 - 1.3. Preparing and approval of the Regulation on the Secretariat;
 - 1.4. Supervision of activity of the Secretariat and generalization of statements submitted by the Secretariat regarding progress and results of financial restructuring procedures;
 - 1.5. Establishment and formation of the personal composition of the Arbitration Committee;
 - 1.6. Approval and amending of the List of Arbitrators;
 - 1.7. Approval and amending of the arbitration rules and arbitration fees;
 - 1.8. Approval of guidelines and requirements to the documents necessary for conduct of the financial restructuring procedure, which are submitted to the Secretariat or

distributed by the Secretariat, as well as to the report on inspection of debtor's financial and commercial activity;

1.9. Preparing and approval of requirements to the independent experts;

1.10. Review of the Secretariat's reports on the following issues progress and results of a financial restructuring procedure, use of funds received from the entities envisaged by the Law for the purposes of financing activity of the Secretariat, proposals on improvement of conduct of a financial restructuring procedure;

1.11. Approval of the guidelines regarding conduct of a financial restructuring procedure.

2. Requirements for qualifications of the Chairman of the Secretariat, deputy chairman and employees of the Secretariat are prescribed in Appendix 1 to these Rules.

3. Requirements for qualifications of the personal composition of the Arbitration Committee are prescribed in Appendix 2 to these Rules

Chapter 2. Composition of the Supervisory Board

1. The Supervisory Board shall be composed of nine members of the Supervisory Board:

1.1. Chairman of the Supervisory Board;

1.2. Deputy Chairman of the Supervisory Board;

1.3. Members of the Supervisory Board.

2. The Supervisory Board shall be composed of one representative from the National Bank of Ukraine, one representative from the Ministry of Finance of Ukraine, one representative from the Ministry of Economic Development and Trade of Ukraine, and one representative from the Ministry of Justice of Ukraine, five members shall represent associations of financial market members, business associations, associations of experts of financial market (hereinafter 'civil society institutions'). Nominations of civil society institutions shall be discussed in a public meeting of the Financial Policy and Banking Committee of Verkhovna Rada of Ukraine, which by taking respective decision shall delegate such representatives to the Supervisory Board.

3. Any member of the Supervisory Board shall be appointed for the period of operation of the Supervisory Board.

4. Any member of the Supervisory Board representing a public body can be replaced under respective decision of a public body represented by him.

Chapter 3. Management of Activity of the Supervisory Board

1. The Supervisory Board shall operate in the form of meetings held when necessary, but not less than once per month.

2. Date, procedure and place of the next regular meeting shall be determined by vote at the current meeting of the Supervisory Board.

3. Members of the Supervisory Board shall take part in the meetings of the Supervisory Board in person. Representation under the power of attorney shall not be allowed.

4. A quorum for the meeting shall be constituted by no less than seven members of the Supervisory Board.

5. An extraordinary meeting of the Supervisory Board may be convened by the Chairman of the Supervisory Board at his own initiative or at the request of no less than four members of the Supervisory Board.

An extraordinary meeting of the Supervisory Board shall be convened by the Chairman of the Supervisory Board within 5 business days upon receipt of respective request from an initiator(-s) of the Supervisory Board's meeting.

A request to conduct an extraordinary meeting shall contain a list of questions to be included into agenda.

6. Notice on the Supervisory Board's meeting and its agenda shall be communicated to members of the Supervisory Board not later than 5 business days before the meeting takes place by any of the following means:

- communication of a notice via email;
- personal service of a notice.
- by written notice addressed to the government body or to a civil society institution that delegated this member of Supervisory Board to its composition.

A notice shall contain information about the date, time, place of the meeting and agenda.

7. A meeting of the Supervisory Board shall be conducted by its Chairman, and, in his absence, by one of the members of the Supervisory Board.

8. The Chairman of the Secretariat and/or other persons may be invited to the meeting of the Supervisory Board by its decision .

9. Decisions of the Supervisory Board shall be taken by simple majority of votes of its members taking part in the meeting by open vote, and shall be executed in the form of the minute.

In the event where there are an equivalent number of affirmative and negative votes the Chairman of the Supervisory Board shall have a casting vote.

10. Minutes of the meeting of the Supervisory Board must be prepared by the Secretary of the Supervisory Board not later than within 4 business days, and shall be signed by the Chairman of the Supervisory Board and by the Secretary.

11. A copy of the minutes of the meeting of the Supervisory Board shall be sent by means of electronic communication by the Secretary of the Supervisory Board to all members of the Supervisory Board, the Chairman and the Vice Chairman of the Secretariat not later than on the fourth business day following the meeting of the Supervisory Board.

12. Decisions on questions not included into agenda can be approved at the meeting of Supervisory Board if no member of Supervisory Board present at the meeting objects to putting these questions on vote.

13. The Secretary of the Supervisory Board shall keep minutes during the meeting of the Supervisory Board, which shall specify:

- reference number of minutes;
- date, time and place of the meeting of the Supervisory Board;
- participants of the meeting;
- presence of quorum;
- agenda of the meeting;
- question under consideration;
- speaker and persons who addressed the issue;
- draft decisions put on vote and results of voting with names of members of the Supervisory Board who cast affirmative, negative vote (or abstained from voting) on each question;
- content of the adopted decisions.

14. Any member of the Supervisory Board shall abstain from voting on any matter in which such member may have an actual conflict of interest, and all members shall avoid any actual or apparent conflicts of interest in the conduct of their duties.

Chapter 4. Chairman of the Supervisory Board

1. Chairman of the Supervisory Board shall be elected by members of the Supervisory Board at the meeting the Supervisory Board from among its members for the period of operation of the Supervisory Board by simple majority of votes of its members by open vote.

2. The Chairman of the Supervisory Board shall have the following powers:

- 2.1. Manages meetings of the Supervisory Board;
- 2.2. Coordinates activity of the members of the Supervisory Board regarding performance of tasks assigned to them;
- 2.3. Convenes meetings of the Supervisory Board and presides during the meetings;
- 2.4. Signs approved documents, decisions, including extracts from minutes of the Supervisory Board, letters, as well as letter, applications, requests, answers to the questions which fall within the competence of the Supervisory Board;
- 2.5. Represents the Supervisory Board before bodies of state administration, institutions, organizations and mass media;
- 2.6. Exercises other powers for the purpose of performance by the Supervisory Board of its powers.

3. In case of absence for whatever reasons of the Chairman of the Supervisory Board at the meeting of the Supervisory Board, his duties shall be performed by the Deputy Chairman of the Supervisory Board
4. The Deputy Chairman of the Supervisory Board shall be elected by simple majority of members present at the meeting of the members of the Supervisory Board during which the Chairman of Supervisory Board was elected.
5. In the event the Chairman of the Supervisory Board fails to participate in more than three sequential meetings of the Supervisory Board, the members of the Supervisory Board shall elect by a simple majority of votes a new Chairman of the Supervisory Board from among the current members of the Supervisory Board.
6. The Chairman of the Supervisory Board may resign from his office voluntarily, but he may continue to work in the Supervisory Board as its member.

Chapter 5. Secretary of the Supervisory Board

1. The Secretary of the Supervisory Board shall be elected by members of the Supervisory Board at the meeting the Supervisory Board from among its members for the period of operation of the Supervisory Board by simple majority of votes of its members by open vote.
2. The Secretary of the Supervisory Board shall perform the following functions:
 - 2.1. Arranges preparation, conduct and keeping minutes of meetings of the Supervisory Board;
 - 2.2. Prepares materials for the meetings of the Supervisory Board;
 - 2.3. Upon request of the Chairman of the Supervisory Board informs all the members of the Supervisory Board on the regular and extraordinary meetings of the Supervisory Board;
 - 2.4. Arranges provision of extracts from minutes of meetings of the Supervisory Board upon requests of members of the Supervisory Board;
 - 2.5. Arranges the safe keeping of minutes of meetings of the Supervisory Board and documents of the Supervisory Board. Safe keeping of minutes and documents of the Supervisory Board shall be arranged by the Secretariat according to the established procedure;
 - 2.6. Performs other powers and orders of the Chairman of the Supervisory Board relating to management of activity of the Supervisory Board.

Chapter 6. Members of the Supervisory Board

1. Members of the Supervisory Board shall be entitled within the time limits fixed by these Rules to receive information and materials on the questions included into agenda of the Supervisory Board.
2. Members of the Supervisory Board shall take part in its work on a pro bono basis.
3. Grounds for termination of powers of a member of the Supervisory Board:

- 3.1. Restriction of dispositive legal capacity or conviction for acquisitive crimes from the moment of occurrence of respective circumstance;
 - 3.2. Submission of a written request for termination of membership in the Supervisory Board on his own initiative;
 - 3.3. Death, recognition as legally incompetent, having limited dispositive legal capacity, missing, and deceased;
 - 3.4. Impossibility to perform duties of a member of the Supervisory Board due to medical reasons;
 - 3.5. In the event a member of the Supervisory Board fails to participate in more than three sequential meetings of the Supervisory Board without reasonable excuses.
 - 3.5. Adoption by a public body of a decision on withdrawal of a member from the Supervisory Board;
 - 3.6. In other cases envisaged by the laws of Ukraine.
4. In the event of termination of the functions of a member of the Supervisory Board under the reasons prescribed in subparagraphs 3.1-3.5 of paragraph 3 of this Chapter, the Supervisory Board shall immediately submit to the public body which delegated this member or to the Financial Policy and Banking Committee of Verkhovna Rada of Ukraine a request for his substitution.

Section III

Procedure for approval, introduction of amendments and supplements to this Regulation

1. Regulation on the Supervisory Board and amendments thereto shall be approved by a decision of the Supervisory Board according to the procedure provided for in chapter 3, Section II of this Regulation.
2. The Regulation and amendments thereto shall come into force on the date of their approval by the Supervisory Board.
3. Introduction of amendments to the Regulation may be initiated by no less than four members of the Supervisory Board.
4. Decisions of the Supervisory Board and documents of the Supervisory Board shall remain deposited during the term of validity of the Law of Ukraine "On Financial Restructuring" plus 5 years.

Section IV

Information exchange and confidentiality

1. Members of the Supervisory Board shall not disclose any data, information, documents and reports related to financial restructuring procedures and determined by their owners as confidential.

2. The members of the Supervisory Board shall have access to data and reports on the restructuring process as provided by the Secretariat.

Section V

Procedure for informing society on the Supervisory Board's activity

1. The Regulation on the Supervisory Board, the Regulation on Secretariat, the Arbitration Rules, the List of Arbitrators, arbitration fees, recommendations and requirements to documents necessary for conduct of a financial restructuring procedure, requirements to independent experts and report on inspection of financial and commercial activity of a debtor, generalized statements shall be published on the Secretariat's official website.

2. In terms of interaction with any mass media, the official information on activities of the Supervisory Board can be provided by the Chairman of the Supervisory Board or a member of the Supervisory Board (speaker) authorized thereto by decision of the Supervisory Board. In doing so, the speaker in interaction with mass media shall be only guided by approved decisions of the Supervisory Board.

Qualification requirements for the Chairman of the Secretariat, Deputy Chairman, and personnel (employees) of the Secretariat

1. To establish that persons qualifying with the following requirements shall be entitled to be employed with the Secretariat under the labor agreement (contract):
 - Ukrainian citizenship;
 - complete higher education (master, specialist) in the fields of "Economics and Entrepreneurship", "Finance", "Accounting and Audit", "Law", "Management", "International Economics";
 - good command of state language;
 - not less than 5 years' experience in the relevant field;
 - computer literacy.
2. To establish that persons qualifying the following requirements shall be entitled to be employed with the Secretariat for the positions of the Chairman and the Deputy Chairman of the Secretariat, based on the labor agreement (contract):
 - satisfying requirements specified in paragraph 1 of this Appendix;
 - not less than 10 years of working experience in the relevant field;
 - good command of English- for the Chairman of the Secretariat;
 - holding the positions not lower than the head of department within the last 2 years.

Qualification requirements for the personal composition of the Arbitration Committee

1. The Arbitration Committee shall consist of the Chairman and two Deputies.
2. The Chairman of the Arbitration Committee may be appointed as an expert in the field of international commercial arbitration qualifying with the following requirements:
 - completed higher education (master, specialist) in the fields of "Law", "International Law" or who has obtained the relevant degree in the international institute of higher education;
 - good command of state language (good command of English will be considered as a preference);
 - not less than 10 years of working experience in the relevant field;
 - excellent reputation and high moral character.
3. One of the deputies of the Arbitration Committee may be appointed as a person qualifying with the following requirements:
 - completed higher education (master, specialist) in the fields of "Law", "International Law" or who has obtained relevant degree in the international higher education institute;
 - good command of state language (good command of English will be considered as a preference);
 - not less than 5 years of working experience (experience in the sphere of international commercial arbitration is an advantage);
 - excellent reputation and high moral character.
4. One of the deputies of the Arbitration Committee may be appointed as a person qualifying with the following requirements:
 - completed higher education (master, specialist) in the fields of "Law", "International Law" or who has obtained relevant degree in the international higher education institute;
 - good command of state language (good command of English will be considered as a preference);
 - not less than 5 years of working experience in the capacity of auditor, insolvency manager, bank manager, head of the legal department of a bank or in another financial institution, practicing lawyer in the sphere of banking law;

- excellent reputation and high moral character.
5. The Supervisory Board by its decision shall adopt the order and requirements of appointment of the members of the Arbitration Committee.
 6. The Arbitration Committee shall be established for the term of validity of the Law of Ukraine "On Financial Restructuring," but in any case until completion of all the financial restructuring procedures commenced within the term of validity of the Law.