

**CHARTER**  
**of Public Joint Stock Company**  
**"National Joint-Stock Company**  
**"Naftogaz of Ukraine"**  
**General Provisions**

1. National Joint-Stock Company "Naftogaz of Ukraine" (the "Company") was established pursuant to [Decree No. 151 of the President of Ukraine "On Reform of the Oil and Gas Sector of Ukraine" dated 25 February 1998](#).

2. The Company is a public joint stock company.

3. Name of the Company:

full name in Ukrainian: публічне акціонерне товариство "Національна акціонерна компанія "Нафтогаз України";

full name in English: PUBLIC JOINT STOCK COMPANY "NATIONAL JOINT-STOCK COMPANY "NAFTOGAZ OF UKRAINE";

abbreviated name in Ukrainian: Національна акціонерна компанія "Нафтогаз України";

abbreviated name in English: NATIONAL JOINT-STOCK COMPANY "NAFTOGAZ OF UKRAINE".

4. Registered address of the Company: 6 Bohdana Khmelnytskoho Street, Kyiv, 01601, Ukraine.

**Purpose, Businesses and Objectives of the Company**

5. The purpose of the Company's operations shall be to conduct business to generate profit, to promote restructuring of the oil, gas and oil refining industries, to enhance Ukraine's energy security, to secure efficient operation and development of the oil and gas sector, and better satisfaction of the consumers' needs for raw materials, and fuel and energy resources.

6. The businesses and objectives of the Company's operations shall be:

1) production of oil and natural gas, and coalbed methane;

2) natural gas and coalbed methane supply;

3) natural gas and coalbed methane supply for unregulated prices;

4) crude oil, liquefied natural gas and gas condensate supply;

5) construction and operation of transit cross-border transportation systems for crude oil, petroleum products, and natural gas;

6) concentration of finance for investment projects, and building up efficient cooperation between the legal entities where the Company is a shareholder (or founder or participant);

7) development of a comprehensive technical and economic development strategy for the

Company and the legal entities where the Company is a shareholder (or founder or participant);

8) implementation of a comprehensive technical policy covering, without limitation, health and safety, fire safety, prevention of accidents, organization and coordination of research and development as well as design and construction works related to the Company's operations, and works related to manufacturing and introduction of new equipment and machinery, development and implementation of advanced technologies in the petroleum and natural gas production, storage, transportation, treatment, refining and distribution;

9) supervision over operations of the legal entities where the Company is a shareholder (or founder or participant), compliance with the laws and regulations on combating terrorism, over facilities security arrangements and actual situation, preservation of assets and stock, economic and information security, health, safety and environment, fire safety, prevention of accidents, compliance with process regulations, safety rules etc., as well as over efficient use of property vested in them;

10) ensuring implementation of investment projects in the oil and gas sector;

11) regulation of investment policies of the legal entities in which the Company is a shareholder (or founder or participant);

12) organization and execution of oil and gas exploration works and geothermal exploration works, and development of oil, gas and gas condensate fields;

13) participation in international projects in the oil and gas sector;

14) sound development of oil, gas and gas condensate resources using advanced field exploration and development techniques, and innovative processes for refining and extraction of valuable components contained in them;

15) development, operation and repairs of line pipe and equipment of main oil pipelines, main gas pipelines, underground gas storages facilities, gas condensate pipelines and distribution gas pipelines;

16) design and evaluation of field development projects, well drilling projects, and projects for construction, reconstruction and technical re-equipment of the legal entities where the Company is a shareholder (or founder or participant);

17) performance of functions of the oil and gas sector standardization organization;

18) creation of own petrol stations and NGV gas stations chain;

19) gas distribution network development to provide gas to consumers, in particular household consumers;

20) development and introduction of innovative technologies for oil, gas and gas condensate production, treatment and refining;

21) environmental protection and sound resource management, deployment of energy-efficient measures and technologies, including in oil, gas and gas condensate exploration, production, treatment, refining and transportation;

22) procurement, trade and commerce acting as principal, trader or agent or otherwise;

23) publishing, printing services;

24) design, construction, operation and repairs of petroleum pipeline transportation facilities;

25) procuring improved operational reliability, efficiency and safety of the oil and gas sector assets;

26) development of long-term forecasts and projects of state dedicated and sector scientific and technical, economic, energy efficiency, and environment protection development programs for the

oil and gas sector and programs for introduction of alternative energy sources, formation of social infrastructure;

27) performance of work and provision of services according to energy service agreements.

The Company may also, in pursuance of its objectives set forth herein, engage in any other business activities in accordance with applicable laws.

The Company shall obtain a special permit or a license authorizing to engage in any type of business for which any such authorization is required by applicable laws.

### **Legal Status of the Company**

7. The Company shall be duly organized and incorporated from the date of its state registration.

8. The Company shall conduct its business in accordance with the [Constitution](#) and laws of Ukraine, official Acts of the President of Ukraine and Resolutions of the Verkhovna Rada of Ukraine adopted pursuant to the Constitution and laws of Ukraine, Acts of the Cabinet of Ministers of Ukraine, other legal acts, and this Charter.

9. The Company shall maintain separate books, current and other bank accounts, as well as shall have a corporate seal bearing its name, identification code and image of the Small State Coat of Arms of Ukraine, shall have a trademark, stamps, letterheads and other corporate identity elements.

10. The Company shall have the right to acquire property and personal non-property rights, to assume and to perform obligations, and to execute transactions in accordance with applicable laws and this Charter. The Company shall have the right to issue securities in accordance with applicable laws.

11. The Company is a full shareholder (or founder or participant) of companies, whose shares/corporate rights are transferred to the Company's share capital, as well as those founded by the Company or whose shares/corporate rights are acquired by the Company in another way. The Company shall exercise all rights and duties of the shareholder (or founder or participant) according to the law. Companies' shares/corporate rights transferred to the Company can be alienated or pledged in any way exclusively by resolution of the general shareholders' meeting (the "general meeting"), except for cases when such alienation or pledge is prohibited by law.

12. In accordance with requirements of [Article 7 of the Law of Ukraine "On Pipeline Transport"](#), fixed assets and shares of the Company, its subsidiaries and companies founded by them are not subject to alienation and pledge except for cases envisaged by law.

Reorganization (merger, takeover, demerger, spin-off, transformation) of the Company, its subsidiaries that are engaged in activities of transportation through main pipelines and storage in underground gas storage facilities, is carried out by decision of the Cabinet of Ministers of Ukraine with the sole purpose and to meet the obligations assumed by Ukraine under [the Law Ukraine "On Ratification of the Protocol on Ukraine's accession to the Treaty establishing the Energy Community"](#).

Privatization of the Company, its subsidiaries that are engaged in activities of transportation through main pipelines and storage in underground gas storage facilities, as well as enterprises, institutions and organizations created as a result of their reorganization is prohibited.

Alienation of fixed assets, shares and stakes in the share capital of state companies, which are engaged in activities of transportation through main pipelines and storage in underground gas storage facilities, enterprises, institutions and organizations created as a result of their reorganization, moving them from one balance sheet to another, granting a concession, renting out, leasing, pledging, transferring management, transferring to the authorized capital of other legal

entities and executing other transactions, which could lead to the alienation of fixed assets, shares and stakes in the share capital of these companies, as well as fixed assets and shares of the Company, subsidiaries and companies founded by it, are prohibited, except for cases where the result of such actions is the transfer of fixed assets, shares and stakes in the share capital of such companies only to a public institution, a public company or a joint-stock company, whose 100 percent of shares is state-owned; creation of public enterprises or joint-stock companies, whose 100 percent of shares and stakes in the share capital is state-owned.

The prohibition in this paragraph shall not apply to:

transferring management and/or granting a concession or renting out of property that is state-owned, part of transmission systems and underground gas storage facilities, on term paid basis without alienation right to perform functions of operator of the Single Gas Transportation System of Ukraine. The mentioned transfer of property is carried out solely for the purpose and to meet the obligations assumed by Ukraine pursuant to [the Law Ukraine "On Ratification of the Protocol on Ukraine's accession to the Treaty establishing the Energy Community"](#) on the basis of the Treaty and under conditions approved by the Cabinet of Ministers of Ukraine, taking into consideration the principles of ensuring the state economic security;

alienation of fixed assets of the Company, its subsidiaries and companies founded by it that are not used in activities of transportation through main pipelines and storage in underground gas storage facilities, which is carried out in consultation with the Cabinet of Ministers of Ukraine.

Bankruptcy proceedings with respect to the Company, its subsidiaries and companies founded by it, as well as companies established as a result of reorganization (merger, takeover, demerger, spin-off, transformation) may not be initiated.

13. The Company shall be liable for its obligations to the extent of the property owned by it.

The Company shall not be liable for its obligations with public property transferred to the Company for economic management, use or management.

The Company shall not be liable for the obligations of the shareholders and legal entities where it is a shareholder (or founder or participant).

The shareholders shall not be liable for the obligations of the Company, and shall bear the risk of losses as a result of the Company's operations only to the extent of their shares.

14. The Company shall have the right to duly establish its branches, representative offices and other separate business units, and to be a founder and/or shareholder of legal entities, both in and outside Ukraine.

### **Shareholders of the Company**

15. The founder and the only Shareholder of the Company shall be the State. The Cabinet of Ministers of Ukraine determines a central body of executive power to manage Company's shares.

16. The rights attaching to each Company's common share shall be identical, and the Shareholder shall have, without limitation, the right to:

1) participate in the management of the Company;

2) be distributed dividends;

3) be distributed, in the event of the Company liquidation, a portion of the Company's assets or their value; and

4) obtain information on the Company's business.

17. The Shareholder shall have the pre-emption right to purchase shares privately placed as provided for in applicable laws.

18. The Shareholder shall have other rights as provided for in applicable laws and this Charter.

19. At the request of the Shareholder, the Company shall provide the documents and information as provided for in applicable laws for the Shareholder's review.

20. The Shareholder shall:

1) comply with the Charter and other Company regulations;

2) fulfil the resolutions of the Company's general shareholders' meeting or other corporate bodies of the Company;

3) perform its obligations owed to the Company, including obligations related to the contributions into the Company;

4) pay for the shares in the amounts, in the form and on the terms as required by applicable laws and/or this Charter;

5) not disclose any commercial secrets or confidential information about the Company's affairs;

6) not interfere with the day-to-day business operations of the Company, shall be granted access to the information and the documents provided for in applicable laws as required by, and in accordance with, applicable laws.

21. The Shareholder shall have other obligations as provided for in applicable laws.

22. The Shareholder's standing as at the relevant date shall be evidenced by a securities account statement.

### **Company's Property**

23. The property of the Company shall comprise fixed assets, working capital, shares in business companies, as well as other valuables carried in the Company's books.

24. The Company's property shall be formed by:

1) any property contributed by the founder;

2) loans and borrowings;

3) revenues generated from the Company's business;

4) dividends distributed to the Company as a shareholder;

5) products manufactured by the Company in the course of its business;

6) cash, interests and rights, securities, and other assets contributed as payment for the shares;

7) proceeds from the sale of securities;

8) revenues generated from the business conducted by legal entities where the Company is shareholder (or founder or participant); and

9) any other property duly acquired.

25. The Company shall exercise its ownership rights by, at its sole discretion, possessing, using, or disposing of, its property, and shall perform any acts in relation thereto that are not in conflict with applicable laws and the purpose of the Company. The Company shall bear the risk of accidental loss or damage in respect of the property owned by it.

26. The Company shall use the state-owned property which is not subject to privatization as provided for in applicable laws. Any state-owned property which is used or managed by the Company shall be carried in its books as its assets, provided, however, that no such property shall be transferred in any way, unless authorised by the resolution of the Company's general shareholders' meeting. Any write-off or transfer of the state-owned property shall be in accordance with applicable laws.

27. Any shares contributed to the Company's share capital or purchased by the Company in accordance with applicable laws shall be the Company's property. The state-owned property used or managed by the Company shall not be carried in the Company's share capital and shall be used as prescribed in clause 26 of this Charter.

### **Share Capital of the Company**

28. The Company's share capital was contributed by the State in the form of the shares, other assets, and cash.

29. The Company's share capital shall be one hundred sixty billion four hundred fifty million four hundred eighty one thousand Ukrainian Hryvnias (UAH 160,450,481,000.00).

30. The Company's share capital shall be divided into one hundred sixty million four hundred fifty thousand four hundred eighty one (160,450,481) common registered shares, each having nominal value of 1,000 Ukrainian Hryvnias.

31. The Company's share capital may be increased by resolution of the Company's general shareholders' meeting, provided that all existing shares are fully paid for at a price not lower than their nominal value. Any resolution to increase the share capital shall be approved in accordance with applicable laws and the Charter. The Company's share capital shall be increased by increasing nominal value of the existing shares, or by offering or placement of new shares of the existing nominal value.

32. Any resolution to reduce the Company's share capital shall be approved in accordance with applicable laws and the Charter. The Company's share capital shall be reduced by reducing nominal value of the existing shares, or by cancellation of the shares already redeemed by the Company and reduction of the total number of the shares.

### **Shares of the Company**

33. A Company's share shall certify the Shareholder's corporate rights in respect of the Company.

34. The Company shall offer or place common registered shares as provided for in applicable laws.

35. The Shareholder owning 100 per cent of the Company's shares shall not transfer its shares, unless the resolution to privatize the Company's shares is duly approved.

36. The Company's shares shall be sold at the market value, unless otherwise is provided in applicable laws.

37. Payment for the Company's shares may be made in cash or, if so agreed upon between the Company and the Shareholder (investor), in the form of interests or rights having monetary value, securities (unless applicable laws provide otherwise) or other assets.

38. The Company is entitled to offer or place notes, bonds or other securities in accordance with the laws and the Charter. Any resolution authorising offering or placement of securities for an

amount exceeding 25 per cent of the Company's total assets shall be approved by the Company's general shareholders meeting.

39. The Company's shares shall exist in electronic form.

### **Profits and Recovery of Losses**

40. The Company may allocate any profits, if so resolved by the Company's general shareholders' meeting, to a dividend fund or any other fund.

41. The Company's after-tax profits shall be allocated in accordance with finance plan (budget) approved by the Company's general shareholders meeting.

42. For the purpose of covering any Company's losses, the reserve capital shall be set aside. Such reserve capital shall be equal to 15 per cent of the Company's share capital. The reserve capital shall be set aside by way of annual allocations of 5 per cent of the Company's net profits until the required amount is achieved. If the reserve capital is disbursed in full or in part, that it shall be replenished in accordance with this clause.

43. Any losses incurred by the Company in the course of its business operations shall be recovered from reserve capital; if the amount of reserve capital is insufficient, the losses shall be recovered as provided for in the Charter.

44. Any resolution to distribute dividends, and the amount of such dividends on common shares, shall be approved by the general shareholders' meeting. Supervisory Board of the Company shall determine the procedure and the effective dividend payment date for each dividend payment. The Company shall notify the Shareholder of the effective date, amount, procedure and timing for dividend payment by registered mail or by any other means allowing confirmation of sending such notice, and its sending date.

### **Corporate Bodies of the Company**

45. The Company's corporate bodies shall be:

- 1) the general shareholders' meeting (the "**General Meeting**");
- 2) the supervisory board (the "**Supervisory Board**"); and
- 3) the executive board (the "**Executive Board**").

### **General Meeting**

46. The highest governing body of the Company shall be the General Meeting.

47. The Company shall convene the General Meeting annually (i.e., annual general meeting). The annual General Meeting shall be held on or before 30 April of the year immediately following the reference year. Except for the annual General Meeting, any other General Meeting shall be extraordinary.

48. The following matters shall be reserved exclusively to the General Meeting:

- 1) determination of main directions of the Company's business, adoption of the Company's strategy and mission;
- 2) approval of agreement with Supervisory Board on approval of the Company's performance indicators, and appointment of a person authorized to sign such agreement on behalf of the Shareholder;
- 3) amendments to the Company's Charter;
- 4) approval of cancellation of the redeemed Company's shares;

- 5) approval of change of the Company's type;
  - 6) approval of the Company's share offering or placement;
  - 7) approval of increase of the Company's share capital;
  - 8) approval of reduction of the Company's share capital;
  - 9) approval of the share split or consolidation;
  - 10) approval of Regulations on the General Meeting, Rules of Procedure of Supervisory Board, and Rules of Procedure of Executive Board, or any amendments thereto;
  - 11) approval of the annual report of the Company;
  - 12) allocation or distribution of the Company's profits or losses, subject to applicable laws;
  - 13) approval of buy-out by the Company of its outstanding shares;
  - 14) approval of the amount of the annual dividends;
  - 15) appointment of Supervisory Board members in accordance with procedure provided in the legislation, approval of the terms and conditions of the civil-law agreements to be entered into with them, determination of their remuneration, appointment of a person authorized to execute the civil-law agreements with the Supervisory Board members;
  - 16) approval of removal of the Supervisory Board members, except as otherwise provided for in applicable laws;
  - 17) appointment and removal of the Chief Executive Officer and Executive Board members (upon submissions by the Nomination and Remuneration Committee);
  - 18) approval of suspending of the Chief Executive Officer or any Executive Board member from office, and appointment of acting Chief Executive Officer;
  - 19) approval of any material transaction, if the market value of the property, works and/or services covered by such transaction is in excess of 10 per cent of the Company's total assets as reflected in its latest annual financial statements;
  - 20) approval of any interested transaction, in cases provided for in the law or internal regulations of the Company;
  - 21) approval of spin-off or termination of the Company, approval of liquidation of the Company, appointment of the liquidation (termination) commission, approval of the liquidation proceedings and timing, approval of the terms and conditions for distribution of the assets remaining after satisfaction of the creditors' claims, and approval of the liquidation (distribution) balance sheet;
  - 22) approval of the resolution following consideration of reports of the Supervisory Board and the Executive Board, and evaluation of performance of Supervisory Board and Executive Board;
  - 23) approval of the Company's principles (code) of corporate governance;
  - 24) appointment of the Company's liquidation (termination) commission;
  - 25) approval of the Company's business plan, including finance plan (budget) and investment plan;
  - 26) approval of acquisition, alienation or encumbrance of shares/corporate rights in share capitals of the business companies (except for those that cannot be alienated in accordance with this Charter or the law);
  - 27) resolving on other matters reserved exclusively to the General Meeting in accordance with applicable laws or the Charter.
49. The authority to resolve on any matter reserved exclusively to the General Meeting shall not be

delegated to any other corporate body of the Company.

50. The agenda for the annual General Meeting shall always include the matters listed under sub-clauses 11, 12 and 22 of clause 48 of this Charter and other matters as provided by law.

51. The right to participate in the General Meeting shall have the shareholders or their representatives. The Supervisory Board members or the Executive Board members which are not the Company shareholders shall have the right to participate in the General Meeting in advisory capacity.

52. The power of attorney authorising to participate in, and vote at, the General Meeting shall be certified by a notary or other official acting as a notary or depository.

53. The Shareholder shall have the right to appoint its permanent or temporary representative. The Shareholder shall have the right to replace its representative at any time by notice to the Executive Board.

54. One voting share shall entitle the Shareholder to one vote on each matter put to vote at the General Meeting.

55. The extraordinary General Meeting shall be convened by Supervisory Board:

1) at its sole discretion; or

2) at the request of the Executive Board; or

3) at the request of the Shareholder.

56. The extraordinary General Meeting shall be held within 45 days after the date when respective request to convene such meeting was received by the Company.

57. A written notice convening the General Meeting and the agenda (or amendments to the agenda) for such General Meeting shall be sent to the Shareholder by registered mail or any other means allowing confirmation of sending such notice and its sending date.

58. The notice convening the General Meeting shall contain the information required by applicable laws.

59. Hence the Company has a sole Shareholder, [provisions of articles 33 to 48 of the Law of Ukraine On Joint Stock Companies](#) setting forth procedure for convening and holding the General Meetings shall not apply.

60. The powers of the General Meeting set forth in clause 48 of the Charter shall be exercised by the Shareholder solely. Resolution of the Shareholder on the matters reserved to the General Meeting shall be issued in writing and adopted under the simplified procedure without approval from relevant ministries. Resolution of the sole Shareholder, the State of Ukraine represented by central executive body determined by the Cabinet of Ministers of Ukraine shall be issued in the form of order. Such resolution of the sole Shareholder shall have the status of the minutes of General Meeting. Cumulative vote shall not apply for the purposes of appointment of the Supervisory Board members.

### **Supervisory Board**

61. The Supervisory Board shall be a governing body responsible for the protection of the Company's shareholders' rights, and shall supervise and regulate the actions of the Executive Board, all within the Supervisory Board's authority as determined in this Charter and applicable laws.

62. The Supervisory Board shall act on the basis of the Rules of Procedure of Supervisory Board.

63. The Supervisory Board member shall act in the interests of the Company, and not in the

interests of a person or body which nominated, approved or appointed such Supervisory Board member.

64. No Supervisory Board member shall be a member of the Company's Executive Board and/or other corporate body at the same time.

65. The number of the Supervisory Board members shall be determined by the General Meeting, but shall not be less than five members. Further, majority of the Supervisory Board members shall meet the independence criteria as set forth in the Rules of Procedure of Supervisory Board (the "Independent Director").

66. The General Meeting shall appoint the Supervisory Board members. The Chairman of the Supervisory Board shall be appointed by the Supervisory Board members from among the Supervisory Board members by a simple majority vote of the appointed Supervisory Board members.

67. The Supervisory Board members shall be appointed from among capable individuals for the period established by the General Meeting of the Company, if otherwise is not provided by law. Any person may be re-appointed as the Supervisory Board member more than once.

68. The General Meeting may resolve to remove all or any Supervisory Board member before lapse of their term of office.

69. A Supervisory Board member may be terminated on the basis of the Supervisory Board resolution, without resolution of the General Meeting, upon occurrence of any of the following events:

- 1) in the event of resignation, by a two-week written notice to the Company; or
- 2) inability to perform the duties of the Supervisory Board member, including for the reason of ill health (in the event of systemic absences from the Supervisory Board meetings); or
- 3) in the event if a sentence or a judgement takes effect convicting the Supervisory Board member and therefore preventing him/her from performing the duties of the Supervisory Board member; or
- 4) in the event of the Supervisory Board member's death or declaration of his/her incapacity or limited incapacity or missing or dead.

70. The following matters shall be reserved to the Supervisory Board:

- 1) approval, all within the Supervisory Board's authority, of all rules of procedure and regulations applicable to the Company's affairs, other than required to be approved by the General Meeting;
- 2) preparation and prior approval of the agenda for, and notice convening, the General Meeting, approval of the date for the General Meeting, resolutions on whether to include any proposals into the agenda, other than convening the extraordinary General Meeting at the request of the shareholders, and approval of proposed resolution on the matters in the agenda;
- 3) resolution on whether to hold a regular or an extraordinary General Meeting as provided for in the Charter, or in the events provided for in applicable laws;
- 4) approval of offering or placement by the Company of the securities other than the shares for the amount below or equal to 25% of the Company's total assets as reflected in its latest annual financial statements;
- 5) approval of buy-out by the Company of its outstanding securities other than the shares;
- 6) approval of the market value of the assets, if so required by applicable laws;
- 7) approval of the terms and conditions of contracts to be entered into with the Chief Executive Officer and Executive Board members, determination of their remuneration, and appointment of the person authorized to execute such agreements;

- 8) appointment of the Company's auditor, determination of the terms and conditions of agreement to be entered into with such auditor, and determination of consideration for its services;
- 9) resolution on the matters pertaining to the Company's participation in any business company, association, or to the establishment of any other legal entity;
- 10) resolution on the matters reserved to the Supervisory Board by applicable laws, in the event of merger, acquisition, split-off, spin-off or transformation of the Company;
- 11) approval of interested transactions, in cases provided for in the law or internal regulations of the Company;
- 12) determination of likelihood of the Company's insolvency as a result of incurring or discharging any liabilities, including as a result of dividend payment or shares buy-out;
- 13) appointment of the valuator for the Company's assets, approval of the terms and conditions of agreement to be entered into with such valuator, and determination of consideration for its services;
- 14) appointment (replacement) of the depository providing additional services to the Company, approval of the terms and conditions of agreement to be entered into with such depository, and determination of consideration for its services;
- 15) establishment of the Supervisory Board committees, approval of the regulations of such committees, and approval of the list of matters to be submitted for the research into, and elaboration of, by any such committee;
- 16) appointment or removal of Corporate Secretary;
- 17) procurement of risk management and internal control, Risk Management Officer appointment or removal, and approval of Risk Management Officer regulation and risk management program;
- 18) appointment or removal of Compliance Officer, Anti-Corruption Officer, Chief Audit Executive, and approval of regulations thereof;
- 19) approval of anti-corruption and compliance programs;
- 20) pre-approval of draft annual accounts to be approved at the General Meeting;
- 21) annual evaluation of its performance and preparation of annual report of the Supervisory Board;
- 22) resolution of any other matter reserved to the Supervisory Board as provided for in this Charter and applicable laws.
71. The Supervisory Board shall have the right to resolve on any other matter (other than reserved exclusively to the General Meeting), as may be necessary for the efficient performance of its duties and business continuity of the Company.
72. Matters reserved to the Supervisory Board shall not be resolved by any Company's corporate body unless otherwise provided by law.
73. Chairman of the Supervisory Board shall manage the Board proceedings, shall convene the Supervisory Board meetings, shall take chair at such meetings, and shall perform other duties as provided for in this Charter and in the Rules of Procedure of the Supervisory Board.
74. A Supervisory Board member shall have the right to obtain any information and documents (other than information comprising state secret, which shall only be obtained subject to respective secret clearance) pertaining to the Company's affairs, if a Supervisory Board member determines, at its sole discretion, that such information or document is required for the performance of its functions in its capacity as Supervisory Board member;
75. The Chief Executive Officer and any other officers of the Company's corporate bodies shall make available to the Supervisory Board member any relevant information (documents) during two-

day period after the date of receipt of his written request by the Company.

76. Supervisory Board shall organise its proceedings in the form of meetings which shall be held as necessary, but in any event at least every three months.

77. Supervisory Board meeting shall be convened on the initiative of the Chairman or a Supervisory Board member, or at the request of the shareholder, the Executive Board or an Executive Board member.

78. Supervisory Board meeting shall be valid if more than half of its members, including Chairman and Deputy Chairman, and including at least two Independent Directors, are present at such meeting.

79. Chairman of the Supervisory Board and Supervisory Board members each shall have one vote. No interested Supervisory Board member shall be entitled to vote in respect of an interested transaction to be executed by the Company.

80. The Supervisory Board resolutions require to be approved by a simple majority vote. In a tie vote the Chairman of the Supervisory Board shall have a casting vote.

81. The Supervisory Board may establish permanent or temporary committees. Establishment and operations, and appointment of members to any such committee shall be determined by the Rules of Procedure of the Supervisory Board and respective committee regulation. Supervisory Board shall establish the following permanent committees: Audit Committee, Nomination and Remuneration Committee, and Ethics Committee.

### **Executive Board**

82. Executive Board, a collegiate executive body of the Company, shall be responsible for the management of the Company's day-to-day affairs.

83. Executive Board shall act on the basis of the Rules of Procedure of the Executive Board.

84. Executive Board shall account to the Supervisory Board, and shall procure implementation of its decisions and resolutions.

85. Number of the Executive Board members shall be determined by the General Meeting.

86. An Executive Board member shall be appointed from among capable individuals who are not the Supervisory Board members.

87. Executive Board and Chief Executive Officer shall be appointed by the General Meeting upon submissions by the Nomination and Remuneration Committee. Appointments to the Executive Board shall be determined by the resolution of the General Meeting. Any person may be re-appointed to the Executive Board more than once.

88. Executive Board shall be authorised to resolve on any and all matters pertaining to the management of the Company's day-to-day affairs, other than the matters reserved exclusively to the General Meeting, to the Supervisory Board or any other corporate body in accordance with this Charter.

89. In particular, the following matters shall be reserved to the Executive Board:

- 1) implementation of plans and resolutions of the General Meeting and the Supervisory Board;
- 2) administration of the Company's cash and assets, subject to any limits as determined in this Charter or other Company regulations (rules and orders etc.);
- 3) preparation and prior consideration of any matters to be discussed at the General Meeting or at the Supervisory Board meeting, preparation of respective materials required for consideration of such matters, and procurement of implementation of decisions and resolutions of the General Meeting and/or the Supervisory Board;

4) resolution on any matters pertaining to management of legal entities where the Company is shareholder (or founder or participant), including branches, representative offices, other separate business units. For any subsidiary established by the Company, any Executive Board resolution shall be deemed a resolution of its highest governing body, i.e. the founder, and shall be binding upon its sole or collegiate executive body. For a business company where the Company is the sole shareholder (or founder or participant), Company's Executive Board resolutions are the basis for executing the resolution of the General Shareholders (Participants) Meeting of such companies bearing the signature of the Chief Executive Officer. For a business company where the Company is not a sole shareholder (or founder or participant), Company's Executive Board resolutions are the basis for executing the instruction to the Company's representative to vote at the General Shareholders (Founders, Participants) Meeting of such companies;

5) approval of financial plan (budget) and business plan of any legal entity where the Company is a sole shareholder (or founder or participant);

6) approval of investment plan of any legal entity where the Company is a sole shareholder (or founder or participant).

7) approval of reorganization and liquidation of subsidiaries (business companies) established by the Company, appointment of the reorganisation and termination commissions;

8) amendments to, and approval of, charters of subsidiaries (business companies) established by the Company;

9) resolution on any matters pertaining to organization of business, finance, accounting, reporting and securities transactions.

10) resolution on establishment and liquidation of branches, representative offices and other separate business units, and approval of regulations thereof.

11) appointment or removal of the Financial Controller, approval of regulations thereof;

12) performance of other duties vested in the Executive Board as provided for in the resolution of the General Meeting or Supervisory Board of the Company.

90. Head of Executive Board shall be the Chief Executive Officer, who shall:

1) issue executive orders and instructions pertaining to the Company's affairs;

2) represent the Company, without power of attorney, before governmental authorities, local self-governance authorities, legal entities and individuals, both in and outside Ukraine;

3) issue powers of attorney authorising to do any and all legal acts on behalf of the Company;

4) hire and dismiss the Company's employees, grant incentives or impose sanctions, and take decision to hold them financially liable;

5) execute collective agreement on behalf of the Company;

6) distribute powers among Executive Board members, including the signatory power among other Executive Board members in respect of executive orders and other executive documents of the Company in accordance with their roles and responsibilities;

7) appoint and dismiss heads of branches, representative offices, other separate business units or subsidiaries (business companies) established by the Company;

8) without power of attorney, execute agreements (contracts) and enter into other transactions for and on behalf of the Company, without power of attorney;

9) approve staff schedule of the Company;

10) approve the Company divisions regulations;

11) convene the Executive Board meetings, take chair at such meetings, and organise record-keeping at each Executive Board meeting;

12) organize records-keeping of army reservists and mobilization training;

13) appoint an officer, subject to approval by the respective governmental authorities, which is citizen of Ukraine, as a Head of security and secret service responsible for organization and taking measures in respect of protection of state secret;

14) exercise other powers as provided for in applicable laws, this Charter or vested in him by the resolutions of the Executive Board, the General Meeting or the Supervisory Board.

91. The Executive Board meeting shall be valid if majority of its members are present at such meeting.

92. Chief Executive Officer and Executive Board members each shall have one vote.

93. The Executive Board resolutions require to be approved by a simple majority vote of the Executive Board members participating in the meeting. In a tie vote the Chief Executive Officer shall have a casting vote. The minutes of the Executive Board meeting shall be signed by the Chief Executive Officer, or a person which assumed the duties of the Chief Executive Officer, and secretary of the Executive Board.

### **Other corporate bodies and functions of the Company**

94. The following functions or officers may be established or appointed in the Company:

1) Corporate Secretary;

2) Risk Management Officer;

3) Chief Compliance Officer (CCO);

4) an officer responsible for implementation and enforcement of anti-corruption program (the "Anti-Corruption Officer");

5) Financial Controller (controllers); and

6) Internal Audit.

### **Corporate Secretary**

95. The Supervisory Board shall appoint the Corporate Secretary. The Corporate Secretary shall not be a Supervisory Board member and shall not be entitled to vote at the Supervisory Board meetings. The Corporate Secretary shall be in charge of, and responsible for, the operations of the Office of Corporate Secretary.

96. The Corporate Secretary shall, among others:

1) be responsible for the interaction between the Company bodies and the shareholders and investors, and legal entities where the Company is the shareholder (or founder or participant);

2) procure compliance by the Company's bodies and officers with corporate governance principles and requirements as provided for in applicable laws and Company regulations;

3) monitor compliance of the Company's Charter and regulations with applicable laws, as well as their consistency, prepare amendments to the Charter and regulations of the Company;

4) procure preparing and holding of the General Meetings, the Supervisory Board and Board committees meetings;

5) perform duties related to organizing and holding the Supervisory Board and Board committees meetings (including sending notices convening the Supervisory Board and Board committees

meeting and the agenda therefor; coordination of preparing and sending documents related to the Supervisory Board and Board committees affairs);

6) procure delivery of timely, true and accurate information about the Company to the Company's corporate bodies and shareholders, consult officers of the Company in respect of corporate governance;

7) organize disclosure of the Company's issuer information required to be disclosed by applicable laws;

8) maintain and keep the minutes of the General Meetings, the Supervisory Board and Board committees meetings;

9) procure communication with the shareholders, including explanation to the shareholders of their rights, review of the shareholders' claims in respect of infringement of their rights;

10) supervise implementation of the Supervisory Board resolutions;

11) prepare the Supervisory Board annual action plan;

12) interact with other corporate bodies of the Company;

13) procure that relevant Company's body make required decisions in respect of legal entities where the Company is the shareholder (or founder or participant);

14) procure efficient participation of the Company's authorized representatives in the meetings of governing bodies of the Company's legal entities where the Company is a shareholder (or founder or participant); and

15) perform other duties in accordance with the Corporate Secretary regulation.

### **Risk Management Officer**

97. Supervisory Board shall appoint Risk Management Officer accountable to the Supervisory Board and responsible for development and implementation of risk management program. The Risk Management Officer's authorities and proceedings shall be as set forth in the Risk Management Officer regulation to be approved by the Supervisory Board.

### **Chief Compliance Officer**

98. Supervisory Board shall appoint Chief Compliance Officer accountable to the Supervisory Board and responsible for development and implementation of compliance program. The Chief Compliance Officer's authorities and proceedings shall be as set forth in the Chief Compliance Officer regulation to be approved by the Supervisory Board.

### **Anti-Corruption Officer**

99. Company shall appoint Anti-Corruption Officer responsible for development and implementation of anti-corruption program and having legal status as set forth in applicable laws. The Anti-Corruption Officer's authorities shall be as set forth in applicable laws and the Company's anti-corruption program.

### **Financial Controller**

100. Executive Board shall appoint Financial Controller accountable to the Executive Board and authorised to participate in preparation of financial plans and budgets and control execution thereof. The Financial Controller's authorities and proceedings shall be as set forth in the Financial Controller regulation to be approved by the Executive Board.

### **Internal Audit**

101. Supervisory Board shall establish the Internal Audit to assist the audit committee. The Chief Audit Executive shall be appointed by the Supervisory Board. The Internal Audit shall be

accountable to the Supervisory Board.

Internal Audit shall act on the basis of the Internal Audit regulation.

Internal Audit shall conduct reviews of the Company's financial and operational performance for the fiscal year, and ad-hoc reviews of the Company's financial and operational affairs if so requested by the General Meeting, the Supervisory Board, the Executive Board, the shareholder or on its own initiative.

Internal Audit shall have the right to obtain any information, financial accounts, books and records, and other documents from any corporate body or officer of the Company as required for proper performance of its duties, within three days after its written request.

Internal Audit shall report the findings of such reviews to the Supervisory Board.

Internal Audit shall prepare, based on the findings of review of the Company's financial and operational performance for the fiscal year, its report:

containing confirmation that the financial accounts for the respective period are true, accurate and complete; and

identifying violations of the laws in the course of business; and non-compliances with the approved accounting and reporting policies and regulations.

### **Labour Collective of the Company**

102. The labour collective of the Company shall comprise all employees who contribute their labour to the Company on the basis of employment agreement (contract) or other document governing the employment relationship between the employees and the Company.

103. The Company shall have the right to engage Ukrainian or foreign professionals, and to determine, at its discretion, terms, amount and types of remuneration in accordance with applicable laws.

104. Terms of employment and remuneration of the Company's labour collective members, as well as their social benefits shall be as provided for in applicable laws. Terms of employment and remuneration of any foreign citizens, as well as their social benefits shall be as provided for in respective agreements.

105. Relationship between the Company's corporate bodies and the labour collective shall be governed by the collective agreement.

106. The labour collective of the Company shall:

- 1) consider and approve draft collective agreement;
- 2) hear the information on fulfilment of the collective agreement by the parties;
- 3) participate in determination of financial and morale incentives for productive labour, as well as incentives encouraging innovation and inventive work; and
- 4) resolve on other social development matters jointly with the Company's corporate bodies.

107. The powers of the Company's labour collective shall be exercised by the general meeting (conference) of the labour collective.

108. General meeting (conference) of labour collective shall be held at least once a year. Number of representatives of the labour collective at the general meeting (conference) of labour collective shall be determined by joint decision of the Chief Executive Officer and trade-union body or any

other representative body of the labour collective.

109. General meeting (conference) of labour collective shall be valid if at least two thirds of all Company employees or their proxies are present at such meeting.

110. The method of voting shall be determined by the general meeting (conference) of labour collective.

111. During the period between the general meetings (conferences) of labour collective, the labour collective shall be represented before the Company's corporate bodies, by an elected trade-union body or any other representative body authorized by the general meeting (conference) of labour collective.

### **Accounting and Reporting**

112. The Company shall maintain financial accounts and records of its operations, and shall compile statistical statements and administrative data and file them as provided for in the applicable laws. Statistical statements in monetary units shall be based on accounting records and shall be filed as and when due with the state statistics authorities.

113. Financial performance of the Company shall be determined based on annual accounting report and execution of finance plan (budget) for current year.

114. The Company and its officers shall be responsible, in accordance with the applicable laws, for compliance of the data contained in the Company's annual report and balance-sheet with actual condition of the Company.

115. Annual report shall be approved by the General shareholders' Meeting.

116. The fiscal year of the Company shall coincide with a calendar year.

117. The Company may apply additional types of accounting as required for its operations in accordance with applicable laws.

### **Amendments to the Charter**

118. Amendments to the Charter shall be reserved exclusively to the General Meeting.

119. The amendments to the Charter shall be subject to state registration.

120. In the event of any change to the shareholders, the Supervisory Board shall convene the General Meeting where a restated Charter shall be approved.

### **Company's Termination or Spin-Off**

121. The Company shall be terminated as a result of reorganization (by way of merger, acquisition, split-off, or transformation) or as a result of liquidation.

122. The Company's termination or spin-off shall be carried out if so approved by resolution of the General Meeting, or, in the events as provided for in the laws, pursuant to the court order or decision of the relevant government authority.

123. The Company's termination proceedings shall be performed by the termination commission appointed as provided for in applicable laws. Such termination commission shall assume the powers to manage the Company affairs upon its appointment.

The property owned by the Company or part of the value thereof (including the proceeds from the sale of its property in the event of liquidation) shall be transferred to the shareholder following the settlements with creditors and in the order of priority established by law.

The property transferred to the Company for use shall be returned to its owners in kind without remuneration.

124. The Company's termination shall be completed, and the Company shall be terminated, with effect on the date when the respective termination entry is made in the Unified State Register of Legal Entities and Individual Entrepreneurs.