



European Bank
for Reconstruction and Development

CORPORATE GOVERNANCE LEGISLATION ASSESSMENT PROJECT
2007 ASSESSMENT

based on legislation in force on 1 November 2007

UKRAINE

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Overall Country Information

No.	Checklist	Brief description
1.	What is the level of dialogue (e.g. conferences, working groups) between the Government (including governmental bodies or other authorities such as Securities Commissions) and the private sector in respect to the need to improve corporate governance in your country?	<p>The process of developing corporate governance principles in Ukraine has been focused predominantly on the interaction of Government policies with corporate interests and practice, which in turn, has provided a relatively solid framework for dialogue. Several corporate initiatives have found resonance in the Government's approach to corporate governance, and the manner in which governmental institutions cooperate with private sector actors. The process of public discussion of corporate governance principles is currently underway in Ukraine. Several conferences have taken place in the past few years within the framework of TACIS and the IFC.</p> <p>The Principles of Corporate Governance in Ukraine have tentatively been affirmed by the State Commission on Securities and the Stock Market - as a draft for further discussion. Such discussion is to culminate in a scheme whereby all proposals put forth by market players and issuers will be provided to the Commission for further review and incorporation into a final version of the Principles.</p> <p>A roundtable was organized and held in August of 2003, under the auspices of the IFC in which the recently drafted Principles of Corporate Governance of Ukraine were discussed by representatives of governmental bodies, international organizations and legal entities.</p> <p>As the Draft Principles introduce a number of concepts that have rarely been applied in Ukrainian practice before, such as the notion of corporate secretary, independent director, conflict of interest, it can be maintained that public discussion will take place for some time, before an ultimate and balanced scheme is developed and adopted.</p>
2.	Please describe any ongoing process(es) to improve the level of corporate governance in your country?	<p>The first Corporate Governance Manual was developed and published by IFC with financial support from the British Know How Fund -</p> <p>http://www2.ifc.org/ukraine/ucdp/Templates/other/UCGP/corpgov/ukr/cg_man_uk/cg_man_uk.htm - only Ukrainian version is available.</p>
3.	Which bodies in the public and private sectors (both domestic and foreign) have initiated, supported and been active in promoting corporate governance reform? (For example, institutes of directors, centers/institutes of corporate governance, associations of shareholders, chambers of commerce, or IFIs).	<p>1) As for public sector:</p> <p>International non-governmental organizations, donors, and corporate entities were those behind the initiatives to improve the level of corporate governance, however the Government, has played a significant role in this regard.</p> <p>At the national level, the process was supported by the Cabinet of Ministers of Ukraine, the Administration of the President of Ukraine, the State Property Fund of Ukraine, profile committees of the Verkhovna Rada, the Securities and Stock Market State Commission and other organizations involved in corporate governance. At the regional and local level, this process was made in close cooperation with executive authorities, local deputies and privatization authorities by providing legal, methodological and consulting support, as well as training assistance.</p>

No.	Checklist	Brief description
		<p>2) As for private sector:</p> <p>The process of improving corporate governance in Ukraine has for the most part involved the initiative of entities in the private sector, however, as the current trend suggests, there has been a shift towards a focus on governmental and private sector co-operation in this area.</p> <p>Some Ukrainian companies and their associations are starting to get involved in the process by attending corporate governance seminars, consultations and taking legislative initiatives.</p>
4.	Does a voluntary national code of corporate governance good practice exist? <i>[If yes, please specify the date of enactment, the latest amendments and if it is available on the web and include the link.]</i>	Yes. The “Ukrainian Corporate Governance Principles”,(hereinafter - "Principles") drafted by the State Stock Market and Securities Commission’s Task Force on CG and approved on 3 June 2003, available at http://www.ecgi.org/codes/documents/ukraine_cg_en.pdf
5.	<p>If the code exists:</p> <p>a.) was the voluntary code of corporate governance developed by the Government or the private sector?</p> <p>b.) to what extent is the code based on the OECD Principles?</p> <p>c.) is it endorsed by the stock exchange or securities commission?</p> <p>d.) must companies/listed companies disclose their degree of compliance with the code (“comply or explain”)?</p> <p>e.) are compliance statements published and easily accessible by investors? <i>[If yes, please describe. Include, if available, the website where the compliance statements can be found.]</i></p>	<p>It was developed by a governmental body.</p> <p>It was developed on the basis of OECD principles</p> <p>Yes, it is endorsed by securities commission.</p> <p>No. There is no obligation for Ukrainian companies to adhere to the principles (introduction to the "Ukrainian Corporate Governance Principles")/</p> <p>No.</p>
6.	<p>To what extent has the Government announced plans for updating and strengthening of:</p> <p>a.) the legal and court system</p> <p>b.) the corporate tax system</p>	<p>The legal and court system has been in process of its general reestablishment. Though many crucial issues have been completed, there are still some very important issues to be dealt with. A stress has been made on developing the procedural legislation of Ukraine with the adoption of procedural codes within various areas of law.</p> <p>A tax code is under consideration in the Parliament and may be adopted in the nearest time.</p>

No.	Checklist	Brief description
	c.) the educational system for business and legal professions	Various education programs have been established under the TACIS program with direct support from the government - which provide training and education for private entrepreneurs and lawyers. The 'new' Civil Code and Economic Code have been adopted and became effective on January 1, 2004. The Cabinet of Ministers is considering the drafting of a so-called 'Investment Code' which would codify all legislation pertaining to investment activity in Ukraine, including the laws of Ukraine on the avoidance of discrimination in corporate taxation.
	d.) the application of international accounting and auditing standards?	Ukraine is on course to further implementing the international standards of accounting and audit, however most initiative and development rests on corporate practice rather than the legislative process.
7.	Which are the main laws and regulations addressing corporate governance in your country? [Please list titles and dates when they came into force.]	<p>The Law of Ukraine "On Business Associations" (the "Business Law") of 19 September 1991 came into force on 11 October 1991. This Law was changed and amended according to Laws of Ukraine No.2692-XII of October 14, 1992; No.3709-XII of December 16, 1993; No.3710-XII of December 16, 1993; No.82/95-VR of March 2, 1995; No.90/95-VR of March 14, 1995; No.769/97-VR of December 23, 1999; No.622-XIV of May 5, 1999; No.1708-III of May 11, 2000; No.1987-III of September 21, 2000; No.2409-III of May 17, 2001; No.2916-III of January 10, 2002; No.2921-III of January 10, 2002; No.3047-III of February 07, 2002; No.3095-III of March 07, 2002; No.762-IV of May 15, 2003 and by Decree of the Cabinet of Ministers of Ukraine No.24-92 of December 31, 1992</p> <p>The Law of Ukraine "On the National Depository System and Peculiarities of Electronic Circulation of Securities" (the "Depository Law") of 10 December 1997 came into force on 6 January 1998. This Law was changed and amended according to Laws of Ukraine No. 997-V of April 27, 2007;</p> <p>The Law of Ukraine "On Securities and Fund Market" (the "Securities Law") of 23 January 2006.</p> <p>The Law of Ukraine "On Accounting and Financial Reporting in Ukraine" (the "Accounting Law") of 16 July 1999 came into force on 1 January 2000. This Law was changed and amended according to Laws of Ukraine No.1707-III of May 11, 2000; No.1807-III of June 08, 2000; No.1829-III June 22, 2000; No. 3422-IV February 9, 2006.</p> <p>The Law of Ukraine "On Renewal of Solvency of Debtor or Recognition It as a Bankrupt" (the "Bankruptcy Law") of 14 May 1992 in the new wording of the Law of Ukraine of 30 September 1999, came into force on 1 January 2000. This Law was changed and amended according to Laws of Ukraine No.3292-XII of June 17 1993; No.4036-XII of 25 February 1994, No.90/95-VR of 14 March 1995; No.177-XIV of 14 October 1998; No.784-XIV of 30 June 1999; No.1240-XIV (1240-14) of November 18, 1999, No.2181-III of December 21, 2000; No.2238-III of January 18, 2001; Laws No.2740-III of September 20, 2001; No.2922-III of January 10, 2002; No.3088-III of March 7, 2002; No. 594-IV of March 6, 2003; No. 597-IV of March 6, 2003; No. 672-IV of April 3, 2003; No. 762-IV of May 15, 2003; No. 1096-IV of July 10, 2003; by Criminal</p>

No.	Checklist	Brief description
		<p>Code of Ukraine of April 5, 2001; No. 1294-IV of November 20, 2003; No. 1499-IV of February 17, 2004; No. 1713-IV of May 12, 2004; No. 2354-IV of January 18, 2005; No. 2453-IV of March 3, 2005; No. 2454-IV of March 3, 2005; No. 2597-IV of May 31, 2005; No. 2711-IV of June 23, 2005; No. 2801-IV of September 6, 2005; No. 3107-IV of November 17, 2005; No. 3108-IV of November 17, 2005; No. 3201-IV of December 15, 2005; No. 3273-IV of December 22, 2005; No. 435-V of December 12, 2006; No. 489-V of December 19, 2006; No. 585-V of January 11, 2007.</p> <p>The Law of Ukraine “On Tax on Profit of Enterprises” (the “Profit Tax Law”) of 28 December 1994 in the wording of the Law of Ukraine of 22 May 1997, came into force on 1 July 1997. This law was changed and amended according to Laws of Ukraine No.397/95-VR of October 20, 1995; No.143/96-VR of April 24, 1996; No.303/96-VR of July 10, 1996; No.483/96-VR of November 12, 1996; No.535/97-VR of September 19, 1997; No.607/97-VR of November 4, 1997; No.639/97-VR of November 18, 1997; No.793/97-VR of December 30, 1997; No.25/98-VR of January 15, 1998; No.98/98-VR of February 10, 1998; No.269-XIV of November 20, 1998; No.285-XIV of December 1, 1998; No.309-XIV of December 11, 1998; No.312-XIV of December 11, 1998; No.317-XIV of December 16, 1998; No.320-XIV of December 17, 1998; No.371-XIV of December 29, 1998 No.393-XIV of January 14, 1999; No.403-XIV of January 15, 1999; No.484-XIV of March 16, 1999; No.515-XIV of March 18, 1999; No.568-XIV of April 6, 1999; No.722-XIV of June 3, 1999; No.934-XIV of July 14, 1999; No.971-XIV of July 15, 1999; No.973-XIV of July 15, 1999; No.977-XIV of July 15, 1999; No.1133-XIV of October 7, 1999; No.1157-XIV of October 19, 1999; No.1160-XIV of October 19, 1999; No.1278-XIV of December 3, 1999; No.1288-XIV of December 14, 1999; No.1375-XIV of January 13, 2000; No.1458-III of February 17, 2000; No.1523-III of March 2, 2000; No.1559-III of March 16, 2000; No.1606-III of March 23, 2000; No.1608-III of March 23, 2000; No.1694-III of April 20, 2000; No.1715-III of May 11, 2000; No.1749-III of June 01, 2000; No.1805-III of June 08, 2000; No.1807-III of June 08, 2000; No.1812-III of June 08, 2000; No.1841-III of June 22, 2000; No.1926-III of July 13, 2000; No.1953-III of September 14, 2000; No.1954-III of September 14, 2000; No.1969-III of September 21, 2000; No.1991-III of September 21, 2000; No.2120-III of December 07, 2000; No.2181-III of December 21, 2000; No.2199-III of December 21, 2000 No.2211-III of January 11, 2001; No.2323-III of March 22, 2001; No.2355-III of April 05, 2001; No.2406-III of May 17, 2001; No.2410-III of May 17, 2001; No.2711-III of September 20, 2001; No.2712-III of September 20, 2001; No.2744-III of October 04, 2001; No.2779-III of November 15, 2001; No.2831-III of November 29, 2001; No.2866-III of November 11, 2001; No.2905-III of December 20, 2001; No.2921-III of January 10, 2002; No.2975-III of January 17, 2002; No.3045-III of February 7, 2002; No.3073-III of March 07, 2002; No.3118-III of March 07, 2002, No.43-IV of 4 July 2002; No. 349-IV of December 24, 2002; No. 380-IV of December 26, 2002; No. 440-IV of January 16 2003; No. 429-IV of January 16, 2003; No. 849-IV of May 22, 2003; No. 856-IV of May 22, 2003; No. 911-IV of July 5, 2003; No. 973-IV of June 19, 2003; No. 1096-IV of July 10, 2003; No. 601-IV of March 6, 2003; No. 777-IV of May 15, 2003; No. 889-IV of May 22, 2003;</p>

No.	Checklist	Brief description
		<p>No. 1158-IV of September 11, 2003; No. 1300-IV of November 20, 2003; No. 1344-IV of November 27, 2003; No. 1624-IV of March 18, 2004; No. 1701-IV of May 11, 2004; No. 1702-IV of May 11, 2004; No. 1801-IV of June 17, 2004; No. 1868-IV of June 24, 2004; No. 1957-IV of July 1, 2004; No. 2229-IV of December 14, 2004; No. 2245-IV of December 16, 2004; No. 2285-IV of December 23, 2004; No. 2377-IV of January 20, 2005; No. 2505-IV of March 25, 2005; No. 2642-IV of June 3, 2005; No. 2705-IV of June 23, 2005; No. 2711-IV of June 23, 2005; No. 2771-IV of July 7, 2005; No. 2772-IV of July 7, 2005; No. 2960-IV of October 6, 2005; No. 3235-IV of December 20, 2005; No. 3317-IV of January 12, 2006; No. 398-V of November 30, 2006; No. 489-V of December 19, 2006; No. 997-V of April 27, 2007;</p> <p>The Decree of the President of Ukraine No. 280/2002 of 21 March 2002 “On measures concerning development of corporate governance in joint stock companies” came into effect on 22 April 2002. Additionally see Letters of Supreme Council Committee of Ukraine with questions concerning finances and bank activity No. 06-10/523 of April 29, 2005; and Ministries of finance of Ukraine No. 31-17120-05-18/7368 of April 22, 2005.</p> <p>The Regulation "On Procedure of Maintenance of Registers of Owners of Registered Securities" (the “Registrar Regulation”), approved by the Securities Committee Decision of 26 May 1998 No. 60, came into force on 1 July 1998. This Regulation was changed and amended by the Decisions of the Securities Committee No. 190 of 19 June 2001; No. 315 of 23 October 2001; No. 176 of May 6, 2003; No. 253 of June 3, 2003; No. 329 of July 17, 2003; of June 14, 2006 No. 373; of October 17, 2006 No. 1000.</p> <p>The Regulation "On Depository Activity" (the “Depository Regulation”) approved by the Securities Committee Decision of October 17, 2006 No. 999. This Regulation was changed and amended by the Decision of the Securities Committee No.339 of 20 November 2001; No. 49 of February 11, 2003; No. 175 of June 17, 2003; No. 264 of June 17, 2003; No. 329 of July 17, 2003; No. 396 of September 14, 2004; No. 999 of October 17, 2006.</p> <p>The Law of Ukraine “On the Protection of Economic Competition” of January 11, 2001. This law was changed and amended by the Laws of Ukraine No. 380-IV of December 26, 2002; No. 762-IV of May 16, 2003.</p> <p>The Resolution of the Antimonopoly Committee of Ukraine “On the Affirmation of the Resolution on the Procedure of filing statements to the Antimonopoly Committee of Ukraine on the Obtaining of a Prior Approval on Concentration of Subjects of Entrepreneurial Activity” of February 19, 2002.</p> <p>The Regulation “On Procedure of Registration of the Issuance of Shares” (the “Shares Issuance Procedure”) approved by the Securities Committee Decision of April 26, 2007 No. 942, was changed and amended by the Decisions of the Securities Committee No. 1731 of July 26, 2007.</p> <p>Ukrainian National Auditing Standard (the “Auditing Standard”) approved by the decision of</p>

No.	Checklist	Brief description
		<p>Ukrainian Chamber of Auditors on 18 December 1998 No. 73 came into force on 1 January 1999.</p> <p>Code of Professional Ethics of Ukrainian Auditors (the Auditors Code) approved by the decision of Ukrainian Chamber of Auditors on 18 December 1998 No. 73 came into force on 1 January 1999.</p> <p>The Disciplinary Code of Professional Association of Registrars and Depositors approved by the decision of general meeting of Professional Association of Registrars and Depositors, Minutes No. 1 of 4 April 1997. The Code was changed and amended by the Minutes No. 1 of 14 May 1999 at the VIII General Meeting of Professional Association of Registrars and Depositors.</p> <p>The Decision of the Securities Committee of 11 January 2003 No. 571 “Concerning the Principles</p>
8.	<p>Summarize recent significant legal developments affecting corporate governance.</p> <p><i>[Please indicate whether reviews are planned (and if so, where they stand in the legislative process). If reforms are pending, please provide a schedule of the main proposals which are relevant to corporate governance.]</i></p>	<p>On 27 April 2007 the latest amendments to the Law of Ukraine "On Business Associations" have been approved. No further amendments to Business Associations Law are scheduled at the moment, however, taking into account the rapidly changing political situation of Ukraine everything may be possible in the nearest future.</p>
9.	<p>Please list the different corporate forms which are allowed under the law (e.g. partnerships, limited liability, joint stock, public limited) and briefly explain the main differences.</p>	<p>According to Article 80 of the Commercial Code of Ukraine dated January 16, 2003 there are different corporate forms which are allowed under Ukrainian law:</p> <p>1) joint stock company is a company with its statutory capital divided into shares with equal face value; shareholders bear the risk of losses incurred by the company only within the value of the shares that they hold;</p> <p>2) limited liability company is a company with its statutory capital divided into shares between participants, the value of each share is specified in a company charter; the company is liable to creditors with all its assets;</p> <p>3) additional liability company is a company with its statutory capital divided into shares between participants, the value of each share is specified in a company charter; the company is liable to creditors with all its assets, or jointly and severally by participants in case the company lacks assets;</p> <p>4) general partnership is a company where participants conduct entrepreneurial activity on behalf of the company and are jointly and severally liable with all their property for the liabilities of the company;</p> <p>5) limited partnership is company where some of its participants are jointly and severally responsible for liabilities of the company with all their personal property, while others are liable only within the value of their participatory share.</p>

No.	Checklist	Brief description
10.	Are joint stock companies managed under a(n) <i>[please briefly explain]</i> :	
	a.) Compulsory one-tier system (no supervisory board)	No
	b.) Compulsory two tier-system (management board and supervisory board)	Only in case a joint stock company has 50 or more shareholders.
	c.) Option to choose one-tier/two-tier system	<p>According to Art. 47 of the Law of Ukraine "On Business Associations", a company shall have either a director (who performs managerial functions) or Management Board as a management body.</p> <p>Establishment of a supervisory board is mandatory only in case a joint stock company has 50 or more shareholders.</p> <p>Director, members of a Management Board and a Supervisory Council are appointed by the general meeting of shareholders, under Art. 41 of the Law of Ukraine "On Business Associations".</p>

Principle I: Ensuring the basis for an effective corporate governance framework

The corporate governance framework should promote transparent and efficient markets, be consistent with the rule of law and clearly articulate the division of responsibilities among different supervisory, regulatory and enforcement authorities.

I.A. Corporate governance framework should be developed with a view to its impact on overall economic performance, market integrity, and the incentives it creates for market participants and promotion of transparent and effective markets.

No.	Checklist	Yes	No	Reference to the relevant law
11.	a.) Does your country have a functioning stock exchange? [Please include the stock exchange website, if available.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	www.ukrse.kiev.ua
	b.) Are there different listing segments on the stock exchange? [If yes, please describe, focusing on corporate governance.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Two levels of listing ("A" and "B"). There are different conditions for inclusion into each listing level. Level "A" of the listing includes companies that were established three or more years before listing, assets of which are estimated at not less than UAH 100,000,000 (approximately USD 20,000,000), etc. To qualify for level "B" of the listing a company should be functioning for at least one year and should own at least UAH 50,000,000 (approximately USD 10,000,000) worth of assets. http://www.ukrse.kiev.ua/listing/
12.	Are corporate bonds common in your country?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	In Ukraine corporate bond issue is oriented primarily towards attracting investors with an interest in seeing their funds used to finance long-term projects which require UAH financing. For that reason, the bonds are denominated in UAH. We expect that this will be a precedent that marks the beginning of the wider use of corporate bonds as a financing tool in the Ukrainian market.
13.	Are Depositary Receipts (DRs) common in your country?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Depositary Receipts are not very common, neither can it be said that they are uncommon. More and more companies (normally with the capitalisation of USD100,000,000 or more) are using the security to attract funds and as a preparation stage for IPO.

No.	Checklist	Yes	No	Reference to the relevant law
14.	Does the country have a legislative or regulatory body in charge of assessing the implementation, reviewing and developing corporate governance laws?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The State Commission on Securities and Stock Market is in charge of framing laws, assessing the implementation of corporate governance norms and policies.
15.	Are there effective, ongoing consultations between regulatory authorities, the public and corporations regarding the development of corporate governance laws? Is the decision-making process used in the development of those laws made publicly available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The process of law development is publicly available, but the decision-making process rests on authorities.
16.	How transparent is the legal reform process? Does it allow all affected parties to fully understand the new laws and regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The legal reform process is transparent, open to the public, and widely discussed in mass media. The judicial reform is underway and the new constitutional reform is approaching following the latest Order of the President of Ukraine on formation of the National Constitutional Council which should include representatives of political parties and the public in order to work out the text of the new constitution of Ukraine.
17.	Can the securities market regulator intervene on behalf of shareholders in corporate disputes?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Securities market regulator is performing the role of 3rd party in corporate disputes only. Securities market regulator can be present on the General Participants Meeting, but do not participate or intervene on behalf of shareholders.
18.	Does commercial, corporate or securities arbitration exist? If yes, are arbitration decisions binding and final?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
19.	Are state-owned companies subject to exactly the same corporate governance rules as other privately owned companies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Certain distinctive features of corporate governance for state-owned companies are provided for in the "Commercial code of Ukraine" of January 16, 2003, the Law of Ukraine "On Business Associations" (the "Business Law") of 19 September 1991 came into force on 11 October 1991, various Regulations of the Cabinet of Ministers of Ukraine, etc. For example, for certain strategically important wholly state-owned companies (oil and gas, defence companies, etc.) certain (or all) decisions that, according to the law on business associations, should be adopted by the general meeting of shareholders can be instead adopted by the Cabinet of Ministers of Ukraine. The decisions start being adopted by the GMS only after privatization of the company.

I.B The legal and regulatory requirements that affect corporate governance practices in a jurisdiction should be consistent with the rule of law, transparent and enforceable.

No.	Checklist	Yes	No	Reference to the relevant law
20.	Are the legal and regulatory requirements on corporate governance:			
	a.) generally clear and well understood by economic participants?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	On 1 January 2004, a new Civil Code and a new Commercial Code entered into force, substantially amending the existing legal framework. While these codes improved the existing legal framework they also appear to have created several problems relating to interpretation and application: new provisions conflict with each other and a complicated interpretation exercise needs to be performed in order to understand which provision prevails in a specific scenario. A first important step in resolving this issue was taken with the enactment of the new Law on Securities and the Stock Market. A further step which is still outstanding is the need to prepare a draft Joint Stock Companies Law and submit it to the Verkhovna Rada (Ukrainian Parliament) for consideration
	b.) sufficiently enforced in an efficient, consistent manner so as to constitute a transparent system?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
21.	a.) Do special court/sections exist in the judiciary for corporate cases?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	All economic disputes, cases, including corporate cases are reviewed in Commercial courts of Ukraine. There is no special court/section in the judiciary system for corporate cases.
	b.) Is there a significant percentage of corporate governance law that has never been tested in court?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	There is no official data to confirm the number. Issues, however, publicly accessibly in mass media point to the existing of such matter.
	c.) Does a comprehensive case law collection exist so that interpretation of corporate governance legislation by courts is reasonably foreseeable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	According to the Article 3 of the Law of Ukraine "On Access to Court Decisions" and the Resolution of the Cabinet of Ministers of Ukraine "On Approval of the Procedure of Maintenance of Unified State register of Court Decisions" the Unified State Register of Court Decisions has been created, however it is not complete and includes only recent court decisions.
22.	Do the laws usually specify sanctions and liabilities for breach of corporate governance laws and regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
23.	If yes, are the responsibilities and sanctions for breach of the law with reference to the following subjects, clearly defined:			
	a.) management board	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	b.) supervisory board (if applicable)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	c.) corporate registry	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Law of Ukraine "On State Registration of Legal Entities and Individual Entrepreneurs" of 15 May 2003 came into force on 1 July 2004.

No.	Checklist	Yes	No	Reference to the relevant law
	d.) corporate auditors	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Law of Ukraine "On Audit activity" of 22 April 1993. This Law was changed and amended according to Laws of Ukraine from No. 81/95-BP of March 14, 1995; No. 54/96-BP of February 20, 1996; No. 762-IV of May 15, 2003; No. 1863-IV of June 24, 2004; No. 2738-IV of July 6, 2005; No. 3202-IV of December 15, 2005; No. 3370-IV of January 19, 2006; No. 140-V of September 14, 2006.
	e.) corporate evaluators/assessors (e.g., in case of contribution in kind)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Law of Ukraine "Estimation of property, property rights and professional estimation activity in Ukraine" of 12 July 2001. This Law was changed and amended according to Laws of Ukraine No. 898-IV of June 5, 2003; No. 980-IV of June 19, 2003; No. 1255-IV of November 18, 2003; No. 1378-IV of December 11, 2003; No. 1992-IV of September 9, 2004.

I.C. The division of responsibilities among different authorities in a jurisdiction should be clearly articulated and ensure that public interest is served.

No.	Checklist	Yes	No	Reference to the relevant law
24.	Does the law designate a clear division of responsibilities between different authorities (e.g., banking regulator, securities market regulator, competition authority)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The Law "On Banks and Banking Activity", dated 7 December 2000, entered into effect on 17 January 2001; The Law "On Securities and Stock Market", dated 23 February 2006, entered into effect May 12, 2006, except for some articles which are to come into effect on May 12, 2008, and May 12, 2009; The Law "On Protection of Economical Competition", dated 11 January 2001, entered into effect on 2 March 2001, except for Articles 2,3 entered into effect on 2 March 2002. Each law sets out relevant obligations and powers of the National Bank of Ukraine, the State Commission on Securities and Stock Market, the Antimonopoly Committee of Ukraine. It may be said, that their powers appear to be clearly defined and do not overlapping.
25.	Is there an effective system of cooperation in place between regulators?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
26.	Does the law address the issue of potential overlapping responsibilities or gaps in oversight between regulators?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
27.	Are the key laws perfectly harmonised without major inconsistencies, conflicts and discrepancies?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There are no major inconsistencies, however there are minor ones mainly regarding terminology and definitions of legal notions, etc.

I.D. Supervisory, regulatory, and enforcement authorities should have the authority, integrity and resources to fulfil their duties in a professional and objective manner. Moreover, their ruling should be timely, transparent, and fully explained.

No.	Checklist	Yes	No	Reference to the relevant law
28.	Is the market regulator in charge of corporate governance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	It is not directly stated in the law, but the State Commission on Securities and Stock Exchange issues certain non-binding acts (i.e. Principles of Corporate Governance in Ukraine, Model Charter of a Joint Stock Company) but are taken into account by drafters of joint stock companies' charter.
29.	Does the law assure the operational independence of the regulator from external political, commercial, or other interest interference when exercising its respective functions and powers?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
30.	Is the regulator accountable to the Parliament or any other government body on an ongoing basis?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Supreme Rada of Ukraine
31.	Is the budget of the regulator published and expenses transparently described?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	www.ssmc.gov.ua/12/
32.	Does the law require that when developing new legislation, regulatory agencies should:			
	a.) understand in advance the effects, costs and consequences of such new legislation (e.g., by implementing a Regulatory Impact Analysis - RIA)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 94 of the Regulation of the Parliament of Ukraine "On the Rules of Procedure of the Verkhovna Rada of Ukraine" No. 3547, dated March 16, 2006.
	b.) take into account the availability of resources for the implementation and enforcement of those laws?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
33.	a.) Are the rulings of regulatory agencies documented and publicly available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	www.ssmc.gov.ua
	b.) If so, is that information easily accessible?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
34.	After regulatory agencies render their decisions, must they also provide explanations for those decisions?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	

Principle II: The rights of shareholders

The corporate governance framework should protect shareholders' rights

II.A. Basic shareholder rights include the right to: 1) secure methods of ownership registration; 2) convey or transfer shares; 3) obtain relevant information on the corporation on a timely and regular basis; 4) participate and vote in general shareholder meetings; 5) elect members of the board; and 6) share in the profits of the corporation.

No.	Checklist	Yes	No	Reference to the relevant law
35.	Does the law require maintenance of a central or company share register where the shareholding of investors is recorded?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 9 of the Depository Law Section III, Clause 1 of the Registrar Regulation
36.	Does the law require that the relevant share register be maintained by an external and independent organisation?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 9 of the Depository Law
37.	Under the law, does registration of shareholding in the central or company share register constitute proof of ownership? <i>[If not, please explain what is the legal evidence of share ownership.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Under Arts. 1 and 9 of the Depository Law, not only owners of shares are registered, but as well nominal holders of shares. Under Art. 128 of the Civil Code of Ukraine and Art. 6 of the Securities Law, share certificate is a legal evidence of share ownership.
38.	Under the law, can the parties (purchaser, seller or third parties) of shares require amendment of the register to record the change in shares' ownership? <i>[Please explain.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Section VII of the Registrar Regulation; Art. 9 of the Depository Law. New owner of shares has to notify the register and the latter makes relevant amendments to the records.
39.	a.) Does the law require that all the shares be fully paid before they can be transferred?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 32 of the Business Law. However, if the JSC itself wants to buy shares from its shareholder, the shares must be fully paid
	b.) Are shares of listed/public companies freely transferable?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 4 of the Securities Law
	c.) Can the free transferability of shares be restricted by specific provisions in company articles or by private contractual agreements?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 4 of the Securities Law

No.	Checklist	Yes	No	Reference to the relevant law
40.	a.) Is the law providing shareholders the right to obtain information about the company at no costs and without undue delay? <i>[If applicable, please state the time limit for providing information.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 10 of the Business Law. As explained in the Letter of State Committee of Ukraine on Regulatory Policy and Business Issues, issued on April 4, 2003, such information request should be processed within the timeframe specified in Art. 33 of the Law of Ukraine "On Information", dated October 2, 1992, as amended, meaning, such a shareholder information request should be addressed within 30 calendar days .
	b.) Does the law provide for sanctions in case such information is not provided by the company in due time?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Letter of State Committee of Ukraine on Regulatory Policy and Business Issues, issued on April 4 (the management body may be obligated by court to disclose the information; the aforementioned violation can also be a ground for imposition of sanctions - ordinarily, fines - by the State Committee on Securities and Stock Market if it is reported by shareholder or revealed in course of inspections that are conducted by the Commission).
41.	Under the law, is the shareholders' meeting the only body authorised to:			
	a.) elect/appoint members of the board? <i>[Please distinguish in case a two-tier system is in place.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law. The shareholder meeting appoints both the director/management board and supervisory board.
	b.) dismiss members of the board? <i>[Please distinguish in case there is a two-tier system in place.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law. The shareholder meeting dismisses both the director/management board and the supervisory board.
	c.) approve the company's audited annual report?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law
	d.) approve dividends?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law
	e.) decide on the time frame within which approved dividends are paid out?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law
42.	Are minority shareholders able to pool their votes for certain board candidates (for example, through cumulative voting)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 44 of the Business Law specifies the voting rule: 1 share - 1 vote. The doctrine of cumulative voting is not exercised in Ukraine.
43.	Does the law give the shareholders' meeting the exclusive power to <i>[Please specify if the power can be delegated to the board by the charter]</i> :			
	a.) appoint auditors;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 41 of the Business Law excludes this authority from exclusive power of shareholders' meeting. Thus, it can be delegated to other corporate body.
	b.) approve the auditors' remuneration;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 41 of the Business Law excludes this authority from exclusive power of shareholders' meeting. Thus, it can be delegated to other corporate body.
	c.) request additional information regarding the auditors' report?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 41 of the Business Law excludes this authority from exclusive power of shareholders' meeting. Thus, it can be delegated to other corporate body.

No.	Checklist	Yes	No	Reference to the relevant law
	d.) approve remuneration of (supervisory/management) board members	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law specifies this authority as an exclusive authority of the shareholders' meeting.
44.	Does the law impose any conditions on a company to declare dividends?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 15 of the Business Law
45.	Does the law require the distribution of dividends among holders of shares in proportion to their shareholding?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 10 of the Business Law
46.	Does the law require the distribution of liquidated proceeds among holders of shares in proportion to their shareholding?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 21 of the Business Law

II.B *Shareholders have the right to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes such as: 1) amendments to the statutes, or articles of incorporation or similar governing documents of the company; 2) the authorisation of additional shares; and 3) extraordinary transactions that in effect result in the sale of the company.*

No.	Checklist	Yes	No	Reference to the relevant law
	Does the law provide that shareholders should be notified of, and have the exclusive power to vote with respect to: [<i>Please specify if the power can be delegated to the board by the charter.</i>]:			
47.	a.) amendments to the company charter?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law - It is exclusive power of GMS. This power cannot be delegated.
	b.) issuance of additional shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	c.) merger, take-over or reorganisation of the company?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	d.) winding up or voluntary liquidation of the company?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	
	e.) waiver of pre-emptive rights (in the event of capital increase)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	f.) the amendment of the specific rights attached to any class of shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law - - It is exclusive power of GMS. This power cannot be delegated..
48.	Does the law provide that existing shareholders have pre-emption rights to subscribe to newly issued shares in proportion to their relevant shareholding?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 38 of the Business Law

No.	Checklist	Yes	No	Reference to the relevant law
49.	a.) Does the law allow exceptions/restrictions to these pre-emption rights described in Question 48 above?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 38 of the Business Law
	b.) If yes, are these restrictions required to be approved on a case by case basis <i>and</i> by a super-majority vote of the shareholders (e.g. 75%)?	<input type="checkbox"/>	<input type="checkbox"/>	There is no relevant provision directly regulating this issue.
50.	Can shareholders delegate to boards the issuance of capital up to an authorized limit and within a specified time-frame?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Under Art. 38 of the Business Law, the shareholders' meeting approves the capital increase. Under Art. 41 of the Business Law the shareholders' meeting has an exclusive authority to amend charter with regard to capital increase. The remaining authority regarding capital increase can be delegated to boards.
51.	Does the law enable a shareholder who voted against any of the corporate changes in the company as referred to in Question 47 above to sell its shares to the company for not less than a price determined by an independent valuation entity (or the market)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

II.C Shareholders should have the opportunity to participate effectively and vote in general shareholder meetings and should be informed of the rules, including voting procedures that govern general shareholder meetings.

No.	Checklist	Yes	No	Reference to the relevant law
52.	Does the law require a shareholder meeting to be held annually, and within a specified time frame (e.g., 6 months) of the end of the company's fiscal year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 45 of the Business Law
53.	Does the law empower the following people to request extraordinary shareholders' meetings:			
	a.) the chairman of the board of directors; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 45 of the Business Law
	b.) any member of the board of directors/supervisory board [<i>Please specify</i>]; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Under Art. 45 of the Business Law, an extraordinary shareholders' meeting can be requested by supervisory board or audit committee The law does not stipulate that the meeting can be called by any director, but neither is it forbidden to include such a clause in a company charter. Meetings are called by executive body of the company (director/ board of directors) at request of supervisory board or auditing commission.

No.	Checklist	Yes	No	Reference to the relevant law
	c.) one or more shareholders whose aggregate shareholding represents at least 10% of the Company's issued shares? [Please specify the required shareholding.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Under Art. 45 of the Business Law, shareholders whose aggregate shareholding represents at least 10% can call an extraordinary shareholders' meeting
54.	Does the law enable shareholders to participate in the shareholders' meeting not only in person, but also:			
	a.) by post	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 41, 42 of the Business Law
	b.) by voting instructions in writing or by substitutes other than directors on the basis of a power of attorney? If yes, should the power of attorney be notarised?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law. Power of attorney can be certified by the registrar or the board, no need for it to be notarized.
55.	Does the law require that a shareholders' meeting be attended by a quorum of shareholders (presence quorum) representing an aggregate of at least 50% + 1 of the company's issued and outstanding common and preferred shares at the first call? [Please specify the quorum for the first, second and third call.]	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 41 of the Business Law requires presence of shareholders owning at least 60% + 1 of issued and outstanding shares. The same quorum requirement for all calls.
56.	Does the law require the adoption of ordinary resolutions by an affirmative vote of a majority (of 50% + 1) of all of the company's issued and outstanding voting shares (decision quorum)? [Please specify the quorum for the first, second and third call.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Under Art. 41 of the Business Law, ordinary resolutions are adopted by affirmative vote of a simple majority (50% + 1) of shareholders comprising qualified (i.e., quorum present) shareholders' meeting. The same quorum requirement for all calls
57.	Does the law require a super-majority vote of at least 75% of all the company's issued and outstanding voting shares regarding resolutions for the following matters:			
	a.) any amendment to the company's charter [Please specify the quorum required at the second and third call.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Under Art. 42 of the Business Law, to adopt such decision a vote of 75% of shares of shareholders present at the qualified shareholders' meeting is required.
	b.) any merger or reorganisation of the company [Please specify the quorum required at the second and third call.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Arts. 41, 42 of the Business Law: only a simple majority of votes of those constituting a qualified shareholders' meeting is needed.
	c.) the winding up or voluntary liquidation of the company [Please specify the quorum required at the second and third call.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Under Art. 42 of the Business Law, to adopt such decision a vote of 75% of shares of shareholders present at the qualified shareholders' meeting is required.
	d.) a waiver of shareholders' tender rights in case of voluntary redemption [Please specify the quorum required at the second and third call.]; and	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Arts. 41, 42 of the Business Law: only a simple majority of votes of those constituting a qualified shareholders' meeting is needed.

No.	Checklist	Yes	No	Reference to the relevant law
	e.) any single transaction or series of transactions involving at least 25% of the company's assets? [Please specify the quorum required at the second and third call.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Arts. 41, 42 of the Business Law: only a simple majority of votes of those constituting a qualified shareholders' meeting is needed.
	In the case of any proposed restriction(s) on, or any amendment of, the specific rights attached to any class of shares, does the law require:			
58.	a.) the 50 % + 1 presence quorum and	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 41, 42 of the Business Law
	b.) a super-majority vote of at least 75% of the company's issued and outstanding voting shares within each such class of shares which may be affected by the proposed restriction or amendment?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Arts. 41, 42 of the Business Law
59.	Is there a certain amount of time that must elapse between a first and second call?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
60.	In cases where the rules relating to the holding of shareholders' meetings have been violated, does the law provide for the right of shareholders to bring an action in order to set aside a shareholder's resolution? [If yes, please specify what is the percentage required for such action.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	No special provision with regard to the shareholders' right to bring an action due to violations of the rules relating to the holding of the shareholders' meeting. However, general rules of the Civil Procedure Code can be applied to bring a general action (i.e., Art. 3 of the Civil Procedure Code of Ukraine).

II.C.1 Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting.

No.	Checklist	Yes	No	Reference to the relevant law
61.	a.) Does the law require that the company notify the shareholders of the agenda for a shareholders' meeting at least 20 calendar days in advance of the scheduled shareholders' meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Under Art. 43 of the Business Law, such notice should be sent at least 45 days before the meeting. There is no special requirement for extraordinary meeting.
	b.) Does the law allow that the notification of the general meeting be published in a newspaper or official gazette, without the need for individual notification to each shareholder? [If yes, please specify if it is required that the newspaper must have national distribution.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Under Art. 43, holders of registered shares have to be notified personally, as foreseen by the charter. Besides, a general notification should be published in one of the local newspapers (at the registered office of the company) and in one of the official publications of either the Ukrainian Parliament, Cabinet of Ministers of Ukraine or the Securities Commission of Ukraine.

No.	Checklist	Yes	No	Reference to the relevant law
62.	Does the law require a power of attorney proxy form to be sent out at the same time when the notice convening the meeting is sent out?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
63.	In case of a proposed shareholders' meeting where any of the proposed resolutions require super-majority approval, does the law require that the company send a copy of the agenda, including any valuation reports and proposed resolutions and charter amendments to the shareholders?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 43 of the Business Law

II.C.2. Opportunity should be provided for shareholders to ask questions to the board and to place items on the agenda at general meetings, subject to reasonable limitations.

No.	Checklist	Yes	No	Reference to the relevant law
64.	Does the law require the agenda for a shareholders' meeting to be adopted by the board of directors?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 45 of the Business Law
65.	Does the law provide for additional items to be added to the agenda at the request of:			
	a.) the chairman of the board of directors;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 43 of the Business Law
	b.) any 2 directors; or	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 43 of the Business Law
	c.) any one or more shareholders whose aggregate shareholding represents at least 10% of the company's issued and outstanding shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Under Art. 43 of the Business Law, additional items to the agenda suggested by shareholders whose shareholding represents at least 10% of the company's issued and outstanding shares do not require subsequent approval by the board to be added to the agenda. To the contrary, proposals of shareholders who own less than 10% of such shares, require such consent.
66.	a.) Does the law allow shareholders to submit questions in advance of a shareholders' meeting to which management and board members are required to reply at such shareholders' meeting?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Under Art. 43 of the Business Law, shareholders are allowed to obtain information on the agenda. However, management and board members are not required to reply.
	b.) Does the law impose any penalties for not replying to such a shareholder request?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

No.	Checklist	Yes	No	Reference to the relevant law
	c.) Does the law allow shareholders to ask questions at the shareholder meeting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 10 of the Business Law

II.D Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.

No.	Checklist	Yes	No	Reference to the relevant law
67.	a.) Does the law regulate cross-shareholdings ¹ ?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	b.) Is there a voting cap limiting the number of votes that a shareholder, who holds a cross-shareholding in another company, may exercise in dealings with that company (for example a voting cap of 10%)? <i>[If so, please specify the voting cap.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
68.	a.) Are there rules that govern the disclosure by shareholders of ultimate beneficial ownership? If yes, please specify the thresholds for disclosure of ownership.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	b.) Do ownership disclosure rules enable shareholders to obtain a clear picture of a company's ultimate ownership and the identity of intermediaries?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
69.	Does the law impose restrictions on transactions involving shareholders with a conflict of interest regarding the transaction in order to avoid disadvantageous transaction terms for the company?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
70.	Are shareholders required to disclose shareholder agreements to the company, the authorities and/or to other shareholders?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

¹ A cross-shareholding is where the company owns shares in another company which is also one of its own shareholders.

II.E Changes of corporate control should be allowed to function in an efficient and transparent manner.

II.E.1. The rules and procedures governing the acquisition of corporate control in the capital markets, and extraordinary transactions such as mergers and sales of substantial portions of corporate assets, should be clearly articulated and disclosed so that investors understand their rights and recourse. Transactions should occur at transparent prices and under fair conditions that protect the rights of all shareholders according to their class.

No.	Checklist	Yes	No	Reference to the relevant law
71.	Does the law require notification to the company, the other shareholders, the securities commission, the stock exchange or anti-monopoly office if a shareholder builds up a significant shareholding in the company? <i>[Please briefly describe how the law define significant shareholding.]</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Clause 2 of the Anti-Monopoly Committee Regulation "On Applying to the Anti-Monopoly Committee of Ukraine ("AMC") for Prior Consent to Business Agents Concentration ", dated February 19, 2002, as amended, sets out a requirement to obtain a prior consent of AMC in case of business concentration that, in particular, occurs, if: (i) the aggregate value of assets or trade profits of the company (including companies that are wholly owned by such company) whose shares are transferred, exceed 12 million Euro (accounting also proceeds received abroad) for the preceding financial year; and (ii) there is a direct or indirect transfer of shares providing for 25 or 50% of shareholding in the company.
72.	Does the law impose any penalties for non-notification (e.g. a shareholder not being allowed to exercise the voting rights attached to the shares)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The Law of Ukraine "On the Protection of Economic Competition" of January 11, 2001 as amended on December 26, 2002.
73.	Are shareholders of the same class treated equally during changes of control? Is there a provision that minorities receive the same price as the controlling owner?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
74.	Does the law include a provision allowing an offeror to require the holders of the remaining securities to sell their securities at a fair price (the so-called minority squeezed out)? If yes, please specify the shareholding threshold.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
75.	Does the law include a provision allowing the holders of remaining securities to require the offeror to buy their securities at a fair price (the so-called minority buy-out)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

II.E.2. Anti-takeover devices should not be used to shield management from accountability.

No.	Checklist	Yes	No	Reference to the relevant law
76.	Does the law require an authorisation by a shareholders' resolution with a majority of 75% of the company's issued shares, before the board of directors is entitled to enter into any transaction other than for full and valid consideration as a measure to prevent a change of control in the company?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 42 of the Business Law

Principle III: The equitable treatment of shareholders

The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.

III.A. All shareholders of the same class should be treated equally.

III.A.1 Within any class, all shareholders should have the same voting rights. All investors should be able to obtain information about the voting rights attached to all classes of shares before they purchase. Any changes in voting rights should be subject to shareholder vote.

No.	Checklist	Yes	No	Reference to the relevant law
77.	Does the law require that within any class of shareholders all shareholders have the same voting rights? If yes, does the law implement the principle “one share-one vote”?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 44 of the Business Law. This provision implements the principle: “one share-one vote”.
78.	Does the law allow investors to have access to information about the voting rights attached to all classes of shares before they purchase? If yes, where is this information available?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art.30 of the Business Law Share Issuance Procedure

III.A.2 Minority shareholders should be protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and should have effective means of redress

No.	Checklist	Yes	No	Reference to the relevant law
79.	Does the law provide for specific sanctions and/or liabilities in case of:			
	a.) violation of the rules on notification of shareholder meetings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	b.) violation of rules allowing shareholders to place items on the agenda for the annual meeting	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

No.	Checklist	Yes	No	Reference to the relevant law
	c.) delays or failure to pay dividends authorized by shareholder meetings	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	d.) failure to allow inspection of books and records	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

III.A.3 Votes should be cast by custodians or nominees in a manner agreed upon with the beneficial owner of the shares

No.	Checklist	Yes	No	Reference to the relevant law
80.	Are financial institutions, holding shares in custody for investors, required by law to provide shareholders with information concerning their options in the use of their voting rights?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art.7 of the Depository Law

III.A.4 Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders. Company procedures should not make it unduly difficult or expensive to cast votes.

No.	Checklist	Yes	No	Reference to the relevant law
81.	Can the general meeting be held abroad or in a place other than the company headquarters?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 43 of the Business Law

III.B. Insider trading and abusive self-dealing should be prohibited.

No.	Checklist	Yes	No	Reference to the relevant law
82.	Does the law require company disclosure of information likely to affect stock exchange prices (in order to prevent insider dealing of shares), without undue delay?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art.41 of the Security Law

No.	Checklist	Yes	No	Reference to the relevant law
83.	Are there any laws in place which prevent or punish insider trading?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 45 of the Security Law Art.18 of the Depository Law
84.	Are board members, senior managers or controlling shareholders required to disclose transactions involving their company's shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 39 of the Security Law (the owners of 10% or more in the company)

III.C. Members of the board and managers should be required to disclose any material interests in transactions or matters affecting the corporation.

No.	Checklist	Yes	No	Reference to the relevant law
85.	Under the law, is a shareholder, director, officer or employee of the company who has conflicting interests in a deal between the company and another party, required to disclose such interests to the company?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 23 of the Business Law
86.	Under the law, must the Board of Directors / Supervisory Board [<i>please specify</i>] ensure that the company pay a fair price for assets or services purchased from or sold to any shareholder, director, officer, employee, agent or representative or related entities of the company?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
87.	Can directors, officers or shareholders of a company who have conflicts of interests with the company, be legally prevented from voting at the meetings where those interest-related issues are discussed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
88.	a.) Does the law allow the company to give people including the company's directors, officers and employees the right to buy shares?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 28 and 29 of the Business Law
	b.) Are there any restrictions imposed on such acts?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

No.	Checklist	Yes	No	Reference to the relevant law
89.	Does the law require that all related party transactions be:			
	a.) specifically approved by the board (supervisory/management please specify)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	b.) disclosed to shareholders?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	c.) registered in the company financial statement?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Accounting Policy (Standard) 23 "Related Parties Disclosures" approved by the order of the Ministry of Finance of Ukraine on June 18, 2001 No. 303 Order of the Ministry of Finance No.303 dated May 18, 2001 on Rulings No. 23.
90.	Does the law require disclosure of loans made by the company to related parties (e.g. parent companies, subsidiaries, directors, employees, their spouses, children or relatives of the company or related companies)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
91.	Under the law, can transactions made by companies, which are not based on fair market values, be invalidated and action be taken against the relevant parties?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	

Principle IV: The role of stakeholders in corporate governance

The corporate governance framework should recognise the rights of the stakeholders as established by law and encourage active co-operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.

IV.A. The corporate governance framework should assure that the rights of stakeholders (i.e. employees, suppliers, creditors) protected by law are respected.

No.	Checklist	Yes	No	Reference to the relevant law
92.	Does the law contain clear provisions on:			
	a.) safety at work for employees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 21 of the Business Law (distribution of funds at the liquidation procedure) Art. 31 of the Bankruptcy Law
	b.) protection of suppliers as stakeholders?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 21 of the Business Law (distribution of funds at the liquidation procedure) Art. 31 of the Bankruptcy Law
	c.) protection of creditors as stakeholders?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 21 of the Business Law (distribution of funds at the liquidation procedure) Art. 31 of the Bankruptcy Law
	d.) environmental protection (e.g., implementation of the “polluter must pay” principle)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

IV.B. Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.

No.	Checklist	Yes	No	Reference to the relevant law
93.	Does the law incorporate effective and easily workable remedies for violations of:			
	a.) employees rights?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 12 of the Bankruptcy Law

No.	Checklist	Yes	No	Reference to the relevant law
	b.) suppliers rights?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 12 of the Bankruptcy Law
	c.) creditors rights?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 12 of the Bankruptcy Law
	d.) environmental regulations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 68-69 of the Law of Ukraine "On Environmental Protection" No. 1264, dated June 25, 1991.

IV.C. The corporate governance framework should permit performance-enhancing mechanisms for stakeholder participation.

No.	Checklist	Yes	No	Reference to the relevant law
94.	Does the law require employee representation on boards (supervisory/management- please specify)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
95.	Does the law permit employee stock ownership plans or other profit sharing mechanisms?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no direct permitting or prohibiting rule regarding this issue.
96.	Does the law permit creditor involvement during insolvency proceedings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 16 of the Bankruptcy Law

IV.D. Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.

No.	Checklist	Yes	No	Reference to the relevant law
97.	Do stakeholders have special access to corporate information?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

IV.E. Stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.

No.	Checklist	Yes	No	Reference to the relevant law
98.	Are there any provisions protecting “whistleblowers” (employees and other stakeholders that file complaints/voice concerns regarding unethical or illegal practices by corporate officers)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

Principle V: Disclosure and Transparency

The corporate governance framework should ensure that timely and accurate disclosure is made on all material matters regarding the corporation, including the financial situation, performance, ownership, and governance of the company.

Timely and accurate disclosure allows all potential investors and market participants to review publicly available information based on which investment decisions are made.

V.A. Disclosure should include but not be limited to, material information on:

V.A.1 The financial and operating results of the company.

No.	Checklist	Yes	No	Reference to the relevant law
99.	Does the law require all joint stock companies to prepare annual audited financial statements?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 18 of the Business Law Art. 40 of the Securities Law
100.	Does the law require all joint stock companies to prepare quarterly financial reports?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 14 of the Law of Ukraine “On Accounting and Financial Statements in Ukraine” Art. 40 of the Securities Law
101.	Does the law require joint stock companies to prepare group accounts on consolidated basis?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 12 of the Law of Ukraine “On Accounting and Financial Statements in Ukraine”
102.	Do laws or regulations to include in their annual reports to shareholders that:			
	a.) The financial statements are their (board’s) responsibility.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	b.) The auditor is responsible for reporting on the financial statements.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	c.) The financial statements fairly present the state of company affairs.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

V.A.2 *Members of the board and key executives, and their remuneration.*

No.	Checklist	Yes	No	Reference to the relevant law
103.	Is the company required by law to disclose board positions in other companies of individual board members and key executives?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 24 and 25 of the Securities Law
104.	Does the law require the company to disclose the compensation of board members and key executives? <i>[Please specify if the disclosure is on individual or aggregate basis.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
105.	Under the law, do shareholders determine the remuneration of the board?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

V.A.3 *Material foreseeable risk factors*

No.	Checklist	Yes	No	Reference to the relevant law
106.	Is the company required by law to disclose to users of financial information and market participants information on reasonably foreseeable material risk such as the following:			
	a.) risks specific to the industry or geographic area;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 39 of the Securities Law
	b.) dependence on commodities;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue
	c.) financial market risk, including interest rate or currency risk;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	d.) risk related to derivatives and off-shore;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	e.) environmental liabilities?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

V.A.4. Material issues regarding employees and other stakeholders.

No.	Checklist	Yes	No	Reference to the relevant law
107.	Does the law require the company to disclose key issues relevant to employees and stakeholders that may materially affect the performance of the company (such as management/employee relations and relations with creditors suppliers and local communities)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

V.A.5. Governance structures and policies.

No.	Checklist	Yes	No	Reference to the relevant law
108.	Does the law require the company to appoint a responsible body/officer in charge of corporate governance issues (e.g., company secretary)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
109.	Does the law require the company to disclose (e.g. in its annual report or a similar document) its corporate governance structures and policies, (for example, by providing information on the division of authority between shareholders, management and board members)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 40 of the Securities Law

V.B. Information should be prepared, audited, and disclosed in accordance with high quality standards of accounting, financial and non-financial disclosure, and audit.

No.	Checklist	Yes	No	Reference to the relevant law
110.	Does the law require the company to prepare and disclose financial and operating data in accordance with internationally recognised accounting standards?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 40 of the Securities Law Decision of the State Securities Commission No.1528 dated December 19, 2006

V.C. An annual audit should be conducted by an independent auditor in order to provide an external and objective assurance on the way in which financial statements have been prepared and presented.

No.	Checklist	Yes	No	Reference to the relevant law
111.	Does the law require financial results to be annually audited by an independent auditor? Is the independence of the external auditor defined?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
112.	Does the law provide a test to ensure that the auditor is truly independent from the influence of management?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

V.D. Channels for disseminating information should provide for fair, timely and cost-efficient access to relevant information by users.

No.	Checklist	Yes	No	Reference to the relevant law
113.	How often is the company required by law to disseminate information to shareholders?			
	a.) annually?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	b.) quarterly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	c.) monthly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	d.) upon certain events (e.g. before the general meeting)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 10 and 18 of the Business Law Dissemination of information prescribed by the law is made solely upon request of shareholders.
114.	How often is the company required by law to disseminate information to the securities commission and the stock exchange?			
	a.) annually?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 40 of the Securities Law
	b.) quarterly??	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 40 of the Securities Law
	c.) monthly?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	d.) upon certain events (e.g. before the general meeting)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Events provided for in Art. 41 of the Securities Law (e.g. adoption of decision on buyout of company's own shares, listing/delisting of companies securities at a stock exchange, resignation of company officials, etc.).
115.	Does the law require the company to make publicly available <i>[Please describe how the law requires these documents to be made available/disclosed]</i>			
	a.) minutes of the shareholders meetings;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Arts. 39 and 40 of the Securities Law

No.	Checklist	Yes	No	Reference to the relevant law
	b.) audited financial statements of the company, as approved by the shareholders' meeting;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 39 and 40 of the Securities Law
	c.) any amendments to the company charter or other constitutional documents of similar nature (e.g., articles of association);	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
	d.) the names of any resigning or removed directors and of newly elected directors;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 40 of the Securities Law
	e.) the name of the statutory auditor;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 40 of the Securities Law
	f.) information on bankruptcy proceedings?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 11 of the Bankruptcy Law
	Does the law require that the following documentation be made available for shareholder inspection at the offices of the company:			
	a.) the company's charter or other constitutional documents of similar nature including all amendments;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 10 of the Business Law
	b.) financial statements and statutory auditor reports;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 10 of the Business Law
	c.) any report of an independent evaluation expert prepared in connection with a shareholders' meeting;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 10 of the Business Law is not specific on this issue. It treats broadly the rights of shareholders to access any information relating to the activities of the company. There is no, however, direct requirement for the company to disclose this information to shareholders.
116.	d.) minutes of each shareholder meeting and of each board meeting and any sub-committee;	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 10 of the Business Law
	e.) a list of shareholders owning 1% or more of the company's issued shares;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 10 of the Business Law is not specific on this issue. It treats broadly the rights of shareholders to access any information relating to the activities of the company. There is no, however, direct requirement for the company to disclose this information to shareholders.
	f.) a list of shareholders who have not fully paid for their shares and the amounts due?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Art. 10 of the Business Law is not specific on this issue. It treats broadly the rights of shareholders to access any information relating to the activities of the company. There is no, however, direct requirement for the company to disclose this information to shareholders.
117.	Is the company required by law to provide an annual report and/or monthly/quarterly reports to third parties upon request?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Arts. 39 and 40 of the Securities Law

Principle VI: The Responsibilities of the Board

The corporate governance framework should ensure the strategic guidance of the company, the effective monitoring of management by the board, and the board's accountability to the company and the shareholders.

VI.A *Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.*

No.	Checklist	Yes	No	Reference to the relevant law
118.	Does the law require the management/supervisory board [please specify] to act in the best interest of the company and its shareholders?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
119.	Does the law provide for shareholders to bring actions on behalf of the company against the board? (i.e., derivative suit) [If yes, please specify the shareholding necessary to start such action.]	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
120.	a.) In discharging their duties, are board members personally liable for breaches of the law while they are in office?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 23 of the Business Law. Members of the board are liable for the performance of their obligations in accordance with applicable Ukrainian law, i.e. civil, administrative and/or criminal.
	b.) Are executives who sign the annual report and prospectus personally liable for the accuracy of information included therein?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Art. 23 of the Business Law. Members of the board are liable for the performance of their obligations in accordance with applicable Ukrainian law, i.e. civil, administrative and/or criminal. Direct provision to that effect is contained in the "Procedure for the Registration of Shares" adopted by the Decision of the State Commission on Securities and Stock Exchange No. 942, dated April 26, 2007.

VI.B. The board should fulfil certain key functions, including:

VI.B.1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestitures.

No.	Checklist	Yes	No	Reference to the relevant law
	Under the law, do the responsibilities of the board [in case of a two tier system, please specify if it is the responsibility of the management or supervisory board] include:			
121.	a.) reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.
	b.) setting performance objectives;	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.
	c.) monitoring implementation and corporate performance; and	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.
	d.) overseeing major capital expenditures, acquisitions and divestitures?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter. It is also stated in Art. 46 that the supervisory board oversees financial and commercial activities of the management board/director.

VI.B.2. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.

No.	Checklist	Yes	No	Reference to the relevant law
	Under the law, do the responsibilities of the board [in case of a two tier system, please specify if it is the responsibility of the management or supervisory board] include:			
122.	a.) selecting, compensating, monitoring key executives	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.
	b.) replacing key executives, and	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.
	c.) overseeing succession planning?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.

VI.B.3. *Reviewing key executive and board remuneration, and ensuring a formal and transparent board nomination process.*

No.	Checklist	Yes	No	Reference to the relevant law
	Under the law, do the responsibilities of the board [<i>in case of a two tier system, please specify if it is the responsibility of the management or supervisory board</i>] include:			
123.	a.) reviewing key executive and board remuneration, and	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.
	b.) ensuring a formal and transparent nomination process for board members?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.

VI.B.4. *Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.*

No.	Checklist	Yes	No	Reference to the relevant law
124.	Under the law, do the responsibilities of the board (<i>in the case of a two tier system, please specify if it is the responsibility of the management or supervisory board</i>) include functions such as monitoring and managing potential conflicts of interest involving management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.

VI.B.5. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law.

No.	Checklist	Yes	No	Reference to the relevant law
125.	Under the law, do the responsibilities of the board [in case of a two tier system, please specify if it is the responsibility of the management or supervisory board] include:			
	a.) ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.
	b.) ensuring that appropriate systems of control are in place, in particular, systems for monitoring risk, financial control, and compliance with the law?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.

VI.B.6. Monitoring the effectiveness of the governance practices under which it operates and making changes as needed.

No.	Checklist	Yes	No	Reference to the relevant law
126.	Does the law require that the responsibilities of the board include functions such as monitoring the effectiveness of the governance practices under which it operates and making changes as needed?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.

VI.B.7. Overseeing the process of disclosure and communications.

No.	Checklist	Yes	No	Reference to the relevant law
127.	Does the law require that the responsibilities of the board include functions such as overseeing the process of disclosure and communications?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	The functions are not directly mentioned in the law, but can be granted to either GSM or supervisory board/management board by a charter.
128.	Does the law require the board to review the annual report prior to submission to the shareholders' meeting for final approval?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

No.	Checklist	Yes	No	Reference to the relevant law
129.	Does the law require the board to make recommendations regarding issues to be voted on at the shareholders' meetings?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

VI.C. The board should be able to exercise objective judgement on corporate affairs independent, in particular, from management.

VI.C.1. Boards should consider assigning a sufficient number of non-executive board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are financial reporting, nomination of executive, board and auditors' remuneration.

No.	Checklist	Yes	No	Reference to the relevant law
130.	Does the law require that the board include a sufficient number of non-executive and independent directors?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
131.	Does the law determine board independence? <i>[If yes, please include the definition.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
132.	Does the law require the board (<i>management/supervisory – please specify</i>) to have separate committees for dealing with:			
	a.) Auditing and financial reporting?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	b.) Executive and board remuneration?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	c.) Board nominations?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
	d.) Corporate governance (i.e., to oversee compliance with company governance standards)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.
133.	Are the board committees required to have a minimum number of non-executive board members or independent board members?	<input type="checkbox"/>	<input checked="" type="checkbox"/>	There is no relevant provision directly regulating this issue.

VI.C.2. Board members should devote sufficient time to their responsibilities.

No.	Checklist	Yes	No	Reference to the relevant law
134.	Are there limitations imposed by law as to the number of board directorships that a director can hold? <i>[Please specify.]</i>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Although the law does not limit a number of directorships we would note that in accordance with Articles 22 and 24 of The Law of Ukraine “On the Protection of Economic Competition” of January 11, 2001 holding of more than one directorship may be a subject of Antimonopoly Law of Ukraine if certain criteria are present.

This Assessment does not constitute legal advice. Readers are advised to seek appropriate legal advice before entering into any transaction, making any determination or taking any action related to matters discussed herein.

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