

APPROVED
by Resolution of the Cabinet of Ministers of
Ukraine
dated 20 December 2017 No. 1099

CHARTER of the State Institution “Energy Efficiency Fund”

General Provisions

1. State Institution “Energy Efficiency Fund” (hereinafter - the Fund) is established according to the Law of Ukraine “On Energy Efficiency Fund”.
2. Name of the Fund
in Ukrainian:
full – державна установа «Фонд енергоефективності»;
short – ДУ «Фонд енергоефективності»;
in English:
full – State Institution “Energy efficiency Fund”;
short – SI “Energy efficiency Fund”;
3. Registered address of the Fund: 24 Dilova Str., Kyiv, 03150,

Purpose, Principles and Types of The Fund's Activities

4. The purpose of the Fund is to support the initiatives on energy efficiency, implement tools for promotion and support of implementation (upgrade) of energy efficiency of buildings and energy saving measures, particularly in residential sector, taking into consideration the national action plan on energy efficiency, on reduction of carbon dioxide emissions for implementation of Paris Agreement, implementation of *acquis communautaire* of the EU and the Energy Community Treaty, to ensure Ukraine’s compliance of with its international commitments in the energy efficiency area.
5. The Fund shall conduct the following activities:
 - 1) support for energy efficiency initiatives;
 - 2) introduction of tools to promote the implementation of measures to increase energy efficiency of buildings and energy saving;
 - 3) support for implementation of measures to increase energy efficiency of buildings and energy saving;
 - 4) activity in the areas of architecture and engineering, provision of technical consulting services;
 - 5) organization of building construction;
 - 6) specialized construction work;
 - 7) construction of residential and non-residential buildings;

- 8) other supporting activities in the sphere of financial services, except for insurance and pension provision;
- 9) contribution to the reduction of carbon dioxide emissions in order to implement the Paris Agreement;
- 10) contribution to achieving total energy saving in the final consumption taking into account Ukraine's national energy efficiency goals;
- 11) implementation of measures aimed at achieving Ukraine's national energy efficiency goals;
- 12) development of marketing and communication campaigns, research of relevant markets (construction services, building materials, energy audit services, etc.);
- 13) conducting communication activities related to raising the level of public awareness in the field of energy saving and energy efficiency;
- 14) contribution to implementation of *acquis communautaire* of the EU and Energy Community Treaty;
- 15) ensuring compliance of Ukraine with its international commitments in the field of energy efficiency;
- 16) other activities that do not contradict the purpose of the Fund's activities.

6. The types of economic activity requiring a license, permit or other permissive document shall be carried out by the Fund subject to the receipt of the relevant license, permit or other permissive document.

Legal Status of The Fund

7. The Fund is a state institution, a legal entity under public law.
8. The Fund is a non-profit state institution.
9. The Fund acquires the rights of a legal entity on the day of its state registration in accordance with the procedure set by law.
10. The Fund's founder is the State represented by the Cabinet of Ministers of Ukraine.
11. The Fund is established and terminated upon decision of the Cabinet of Ministers of Ukraine.
12. The Fund shall have an independent balance sheet, bank accounts, stamps and letterheads with its name.
13. The Fund maintains accounting and prepares financial statements in accordance with the law.
14. In its activities, the Fund is governed by the Constitution of Ukraine, the Law of Ukraine “On Energy Efficiency Fund” (hereinafter – the Law), laws of Ukraine, acts of the President of Ukraine and resolutions of the Verkhovna Rada of Ukraine adopted in accordance with the Constitution and laws of Ukraine, as well as provisions of international treaties of Ukraine that came into effect in accordance with the established procedure, and by this Charter.
15. The Fund is entitled to make any transactions and enter into any agreements on its behalf, acquire property and non-property rights, bear obligations, act as a claimant and defendant in the courts of Ukraine and other states, except as

otherwise provided in the laws and this Charter.

16. The Fund may, in accordance with the law, be a member of associations of legal entities, act as a member (founder) of other legal entities, if it is necessary or expedient to achieve the purpose of the Fund's activities.

17. The Fund shall be liable for its obligations to the extent of the assets owned by it.

18. The Fund shall not be liable for obligations of legal entities, the founder, co-founder or member of which it is, and they shall not be liable for obligations of the Fund, except as otherwise provided by the law or agreement.

19. The Fund shall not be liable for obligations of the state, and the state shall not be liable for obligations of the Fund, except as otherwise provided by the law.

20. The Fund shall have the right to open bank accounts in national and foreign currencies.

The Fund's Property

21. The property of the Fund consists of fixed and current assets, other assets, the value of which shall be reflected in the balance sheet of the Fund.

22. The sources for the formation of the Fund's property and funds are the following:

- 1) monetary and material contributions of the founder;
- 2) funds raised on a gratuitous and non-repayable basis, including from donors;
- 3) funds provided in the law on the State Budget of Ukraine for the relevant year for the implementation of the Fund's programs;
- 4) property purchased and acquired on other legitimate grounds from other economic entities, organizations and citizens in accordance with the procedure established by law;
- 5) other sources and incomes not prohibited by the law.

23. The Fund shall independently own, use and dispose of its property and take any actions in respect of its property that do not contradict the legislation and purpose of the Fund's activities.

24. The state owned fixed assets transferred to the Fund's operational management shall be included into its assets but cannot be alienated in any way without the consent of the Cabinet of Ministers of Ukraine. Write-offs and transfers of state property shall be carried out in accordance with the law.

25. All immovable property transferred to the Fund's charter capital or legally acquired by the Fund is in its ownership. The state property transferred to the Fund under economic control, use or management is not included into the Fund's charter capital and shall be used in accordance with the procedure envisaged by the Law.

26. The Fund shall bear the risk of accidental destruction or damage of the property in its ownership when taking any actions, including alienation, lease or liquidation, that do not contradict the legislation or the purpose of the Fund's activities.

Amount and Procedure for Formation of The Fund's Charter Capital

27. The charter capital of the Fund is formed out of the funds earmarked in

the state budget and other sources that are not prohibited by law in the amount necessary for the fulfillment of the Fund's statutory tasks.

28. The charter capital of the Fund constitutes 100,000,000 (one hundred million) hryvnias, 00 kopecks.

29. The contribution to the charter capital of the Fund may be made in monetary funds, any property or property rights not prohibited by the law.

30. The charter capital of the Fund is formed in full no later than within six months upon the state registration of the Fund, and may be increased no later than within six months upon the state registration of the relevant amendments to the Charter of the Fund; formation of the charter capital in parts is allowed.

31. The formation of the charter capital of the Fund out of unacknowledged sources is prohibited.

32. The decision on the increase of the Fund's charter capital is taken by the Cabinet of Ministers of Ukraine upon the recommendation of the Supervisory Board of the Fund in accordance with the procedure established by law.

33. The annual budget of the Fund shall be formed out of the state funds and the funds obtained as grants or attracted in any other way from any other sources not prohibited by law taking into account the limitations established by the Law.

34. The Supervisory Board of the Fund shall determine the allocation of the Fund's budget to finance statutory activities and approve the cost estimates for the Fund's maintenance.

35. The Fund shall have no right to issue debt securities, attract funds on terms of loans, credits or on other terms that envisage the payment of consideration for the use of funds and their mandatory repayment.

Governing Bodies of The Fund

36. The Fund's governing bodies are:

The Supervisory Board;

The Board of Directors.

Supervisory Board

37. The Supervisory Board is the highest governing body of the Fund.

38. The Supervisory Board shall protect the rights of the founder, creditors, donors and ultimate beneficiaries of the Fund, ensure the fulfillment of the Fund's objectives and supervise the management of the Fund within the limits of authority defined by the Law and this Charter.

39. The Supervisory Board shall act in accordance with the Law, this Charter and the Regulation on the Supervisory Board of the Energy Efficiency Fund, which shall be approved by the Cabinet of Ministers of Ukraine (hereinafter – the Regulation on the Supervisory Board).

40. Organizational form of the Supervisory Board's work is its meeting. Meetings of the Supervisory Board shall be held as needed, but at least once every three months.

41. A decision of the Supervisory Board shall be deemed to have been adopted

if it has been voted for by a simple majority of the members of the Supervisory Board.

42. The Supervisory Board may adopt decisions by holding an absentee voting.

43. Decisions on the matter referred to in sub-items 1-9, 14, 15, 17-19 of Item 56 of this Charter shall be adopted by the Supervisory Board at face-to-face meetings only.

44. Each member of the Supervisory Board shall have one vote. In the event of a tie vote, the vote of the Chairman of the Supervisory Board shall be the casting vote.

45. The procedure for convening, voting, adopting (including through absentee voting) and formalizing the decisions of the Supervisory Board shall be set by the Regulation on the Supervisory Board of the Energy Efficiency Fund.

46. The Supervisory Board consists of:

- 1) two representatives of the Cabinet of Ministers of Ukraine;
- 2) two independent members of the Supervisory Board;
- 3) one representative of the donors (if provided by the international treaties of Ukraine).

47. The procedure for election, appointment and dismissal of the members of the Supervisory Board, including the requirements applicable to persons who intend to become members of the Supervisory Board, referred to in sub-items 1 and 2 of Item 46 of this Charter, shall be determined by the Cabinet of Ministers of Ukraine.

One of the members of the Supervisory Board shall be elected as the Chairman of the Supervisory Board by simple majority of votes of all appointed members of the Supervisory Board by open vote in accordance with the procedure set out in the Regulation on the Supervisory Board.

48. In case of entering into an agreement between the Cabinet of Ministers of Ukraine and donors, which provides for financing of the Fund's activities by donors, the procedure for the election, appointment and dismissal of a member of the Supervisory Board referred to in sub-item 3 of Item 46 of this Charter may be determined by such agreement.

49. In the absence of an agreement referred to in Item 0 of this Charter or in case of non-signing of such an agreement within one year from the day the Law enters into force, or if the above mentioned agreement does not provide for the appointment of a member of the Supervisory Board, as well as after termination of such an agreement, the member of the Supervisory Board referred to in sub-item 3 of Item 46 of this Charter shall be elected, appointed and dismissed in accordance with the procedure provided for independent members of the Supervisory Board. The provisions and requirements established for independent members of the Supervisory Board shall apply to such member of the Supervisory Board.

50. The members of the Supervisory Board referred to in sub-items 1 and 2 of Item 46 of this Charter shall be elected for a term of five years. The powers of all or individual members of the Supervisory Board referred to in sub-items 1 and 2 of Item 46 of this Charter may be terminated prematurely in cases determined by the procedure for the election, appointment and dismissal of the members of the Supervisory Board.

In case of entering into an agreement between the Cabinet of Ministers of Ukraine and donors, which provides for financing of the Fund's activities by donors, the term of office and conditions for early termination of powers of a member of the Supervisory Board referred to in sub-item 3 of Item 50 may be determined by such agreement.

51. The same person may be elected to the Supervisory Board repeatedly but not more than three consecutive times.

52. The members of the Supervisory Board referred to in sub-item 1 and 2 of Item 46 of this Charter shall fulfill their functions on a paid basis based on a civil law contract, which determines, in particular, the amount of remuneration, incentive and compensatory payments, unless otherwise provided by law. Such contracts are signed by the Director of the Fund on behalf of the Fund.

53. The amount of remuneration, incentive and compensatory payments of the members of the Supervisory Board referred to in sub-item 1 of Item 50 shall be established at the level of the independent members of the Supervisory Board, except as otherwise provided by law.

54. A civil law contract entered into with a member of the Supervisory Board shall be terminated simultaneously with the termination of powers (dismissal) of such a member of the Supervisory Board.

55. The Supervisory Board may establish standing and provisional committees, and secretariat. The procedure for their formation and activities, as well as the formation of the composition, shall be established in the Regulation on the Supervisory Board and in the regulations on the relevant committee, and secretariat.

56. The exclusive competence of the Supervisory Board shall include:

1) approval of the strategy of the Fund and strategic targets for the Fund's activities in accordance with the Energy Efficiency Fund's key areas of activity approved by the Cabinet of Ministers of Ukraine;

2) preparation of proposals for changes to this Charter for approval by the Cabinet of Ministers of Ukraine;

3) submission of proposals to the Cabinet of Ministers of Ukraine on the change of the size of the Fund's charter capital;

4) submission of proposals to the Cabinet of Ministers of Ukraine on termination of the Fund, appointment of the liquidation commission (liquidator) of the Fund and approval of the liquidation balance sheet;

5) approval of the annual action plan of the Fund, budget, cost estimates for the Fund's management and the report on its implementation;

6) approval of the procedure for functioning of the Fund's internal control and audit system and control over its efficiency;

7) adopting a decision on making a transaction, which is considered a material transaction in accordance with this Charter;

8) determination of the number of members of the Board of Directors, establishment of the Fund's organizational structure and approval of regulations on the Board of Directors and the Fund's structural units;

9) appointment and dismissal of the Director of the Fund, Chief Financial Officer, Chief Technical Officer and Head of Internal Audit Unit, approval,

appointment and dismissal of the heads of other structural units of the Fund, except as otherwise provided in this Charter;

10) approval of the terms and conditions of employment contracts with the Director, Chief Financial Officer, Chief Technical Officer, Head of Internal Audit Unit, setting the amounts of their remuneration, including incentive and compensation payments;

11) approval of the procedure for the selection of managers and employees of the Fund on a competitive basis;

12) control over activities of the Board of Directors, making proposals for their improvement;

13) approval of the regulation on the Internal Audit Unit and its work plans, control over its activities;

14) approval of conditions for competitive selection of the auditor for conducting external audit and his/her appointment, approval of the terms and conditions of the contract entered into with him/her, setting the amount of remuneration for his/her services;

15) review and decision making on the external auditor's audit opinion;

16) control over elimination of shortcomings detected by state authorities, which, within the scope of their competence, carry out state supervision and control over the activities of the Fund, Internal Audit Unit and auditor based on the results of external audit;

17) setting the performance indicators for the members of the Board of Directors and the Head of Internal Audit Unit and evaluating them against those performance indicators;

18) approval of annual financial statements;

19) review and approval of financial and other reports, in particular review and approval of reports on the results of monitoring and analysis of the quality of energy efficiency measures undertaken with the participation of the Fund;

20) approval, upon submission of the Board of Directors, of the decision-making procedure for selection of the partner banks to participate in the implementation of energy efficiency measures, approval of the essential terms and conditions of agreements to be entered with partner banks;

21) approval, upon submission of the Board of Directors, of the decision-making procedure for the selection of the persons to perform the verification of projects upon completion thereof;

22) approval, upon submission of the Board of Directors, of the Fund's programs and Fund's products and services provided within the framework of such programs;

23) approval, upon submission of the Board of Directors, of the procedure for monitoring, analysis of the quality and verification of energy efficiency measures implemented with the participation of the Fund;

24) making decisions on the membership in associations of legal entities and establishment of other legal entities;

25) approval of the list of information constituting commercial secret and/or

confidential information of the Fund, the procedure for the use and storage of such information;

26) in cases prescribed by the Fund's Charter and the Regulation on the Supervisory Board, making decisions on the matters that are attributed to the competence of the Board of Directors;

27) approval, upon submission of the Board of Directors, of the requirements for energy audit report and the criteria for evaluating such reports;

28) taking measures to prevent the conflicts of interest in the Fund and contributing to their settlement;

29) exercise of other powers in accordance with the law and this Charter.

57. The Supervisory Board shall be entitled to decide on other matter that may be necessary for the effective exercise of its powers.

Board of Directors

58. The Board of Directors is the executive body of the Fund, which exercises day-to-day management of its activities.

59. The Board of Directors acts on the basis of the Law, this Charter and the Regulation on the Board of Directors approved by the Supervisory Board.

60. The competence of the Board of Directors includes, inter alia, all issues related to management of the Fund's current activities, except the issues that fall within the competence of the Supervisory Board.

61. The Board of Directors consists of the Director of the Fund and at least two members of the Board of Directors, namely Chief Financial Officer and Chief Technical Officer.

62. The number of the members of the Board of Directors shall be determined by the Supervisory Board in accordance with competence.

63. The Director of the Fund and members of the Board of Directors are accountable to the Supervisory Board and organize the implementation of its decisions. The Director and members of the Board of Directors shall act on behalf of the Fund within the limits established by the law and this Charter.

64. The Director of the Fund and other members of the Board of Directors shall be elected and appointed on a competitive basis in accordance with the procedure established by the Supervisory Board in accordance with this Charter for a term of 3 years.

65. The Chief Financial Officer may be appointed upon recommendation of the donors, if it is provided for by international agreement of Ukraine.

The Chief Financial Officer has a secondary signature authority in respect of accounting and banking documents of the Fund, unless the Board of Directors has decided otherwise.

66. The rights and obligations of the Director of the Fund and members of the Board of Directors shall be determined by law, this Charter and the relevant Regulation on the Board of Directors, as well as by the terms and conditions of the contract entered into with the Director of the Fund and each member of the Board of Directors. On behalf of the Fund, the contracts with them shall be signed by the Chairman of the

Supervisory Board or other person authorized to do so by the Supervisory Board.

67. The decisions of the Board of Directors shall be deemed to be valid if they are approved unanimously by all members of the Board of Directors and signed by the director of the proposition.

68. The competence of the Board of Directors includes the following issues:

- 1) preparation of draft annual plan, budget, draft estimate for the Fund's maintenance and the Fund's programs for approval by the Supervisory Board;
- 2) implementation of the approved annual plan, budget, estimate and programs of the Fund;
- 3) disposal of property and funds of the Fund subject to the restrictions set by law, this Charter and internal documents of the Fund;
- 4) setting the form and procedure for monitoring of the Fund's activities;
- 5) implementation of the Fund's organizational structure as defined by the Supervisory Board of the Fund, preparation of proposals regarding the changes and improvement of the Fund's organizational structure;
- 6) development of regulations on the Fund's structural units;
- 7) ensuring security of the Fund's information systems;
- 8) notifying the Supervisory Board of the indicators of the Fund's activities, identified violations of the legislation, internal regulations of the Fund and of the Fund's financial condition;
- 9) preparation and submission to the Supervisory Board of periodic financial and technical reports in accordance with the procedure and in a form determined by the Supervisory Board;
- 10) review of reports on the results of monitoring, analysis of the quality and verification of energy efficiency measures implemented with the participation of the Fund, submission of the relevant reports to the Supervisory Board and implementation of necessary corrective actions;
- 11) preparation of annual reports for monitoring of energy efficiency targets for the central executive body implementing state policy in the areas of efficient use of fuel and energy resources, energy saving, renewable energy sources and alternative fuels;
- 12) development of requirements to projects to be financed by the Fund;
- 13) development of the Fund's programs and products and services provided within the framework of such programs;
- 14) development of the procedure for monitoring, analysis of the quality and verification of energy efficiency measures implemented with the participation of the Fund;
- 15) approval of projects to be financed by the Fund in accordance with the relevant rules approved by the Supervisory Board;
- 16) preparation of the procedure for decision-making on the selection of the persons to perform the verification of projects upon completion, engagement of legal entities and individual entrepreneurs on a contractual basis (outsourcing), selection of partner banks, approval of essential terms and conditions of agreements to be entered into with them;

17) resolution of the issues of organization of business activities, financing, accounting and reporting;

18) selection pursuant to the procedures approved by the Supervisory Board, of partner banks to participate in implementing the Fund's programs for reimbursement of a portion of the cost of energy efficiency measures to ultimate beneficiaries and entry into agreements with them;

19) selection pursuant to the procedures approved by the Supervisory Board, of persons to perform the verification of projects upon completion and entry into agreements with them;

20) making decisions on engagement of legal entities and individual entrepreneurs on a contractual basis (outsourcing) and entry into agreements with them;

21) ensuring the organization of meetings of the Supervisory Board, in particular, provision of premises, means of communication, technical means and consumables;

22) implementation of decisions of the Supervisory Board adopted in accordance with the Law and this Charter, and current legislation;

23) resolution of other issues defined by this Charter and connected with the management of the Fund's current activities.

69. The Director is the head of the Fund and heads the Board of Directors.

70. In accordance with the legislation and this Charter, the Director of the Fund shall:

1) organize the work of the Board of Directors, convene meetings and preside over them, ensure minute taking, organize control over the implementation of decisions made by the Board of Directors;

2) allocate powers between the members of the Board of Directors;

3) represent the Fund, conduct negotiations on behalf of the Fund without power of attorney;

4) make decisions regarding the activities of the Fund, except for the matters that fall within the competence of other bodies and officials of the Fund in accordance with the law and this Charter;

5) within the limits of his/her competence, issue orders and other regulatory documents on matters of activity and in the interests of the Fund;

6) issue powers of attorney to represent and make transactions on behalf of the Fund;

7) open and close bank accounts;

8) dispose of the property and funds of the Fund in accordance with the law, except in cases established by the legislation and this Charter;

9) make transactions on behalf of the Fund in accordance with the procedure established by this Charter and current legislation;

10) sign documents on behalf of the Fund, including settlement and bank documents, on the basis of primary authority to sign;

11) approve the staffing table of the Fund;

12) decide on selection, training and advanced training of personnel, appoint to and dismiss from positions the employees of the Fund;

13) apply incentives, disciplinary measures to employees of the Fund, make decisions on bringing them to material liability in accordance with the law, terms and conditions of the Fund's collective agreement and the Fund's internal documents;

14) conclude (sign) a collective agreement, amendments and additions thereto on behalf of the Fund;

15) decide on other issues regarding Fund's activities in accordance with this Charter and the Regulation on the Board of Directors.

71. In case of absence of the Director of the Fund, one of the members of the Board of Directors shall perform his/her duties according to decision of the Supervisory Board.

72. In case of change of the Director of the Fund, it shall be mandatory to carry out an unscheduled audit of the Fund's financial and economic activities by the Internal Audit Unit.

73. The powers of the Director or a member of the Board of Directors may be terminated at any time or he/she may be temporarily suspended from exercising his/her powers according to decision of the Supervisory Board. The grounds for the termination of powers and suspension are established by law, the Regulation on the Board of Directors, as well as by the contract concluded with the Director of the Fund or member of the Board of Directors.

Financial and Technical Offices of The Fund

74. The Fund shall perform financial, technical and other functions.

75. The financial and technical functions of the Fund shall be performed by its structural units, Financial Office and Technical Office respectively.

76. The Fund's financial functions performed by the Financial Office shall be the following:

1) provision of partial reimbursement of the cost of energy efficiency measures, grants to legal entities and individuals directly or through partner banks, in particular for reimbursement of a portion of the loan, interest rate or part thereof used for the purpose of implementing energy efficiency projects;

2) development and implementation of programs for partial reimbursement of the cost of economically feasible energy efficiency measures;

3) financial evaluation of energy efficiency projects, provision of conclusions on compliance of applications for financing and projects with financial requirements of the Fund;

4) development of financial eligibility criteria for partner banks to be involved in the implementation of the Fund's programs and projects;

5) regular periodic review of the Fund's programs;

6) cooperation with partner banks in developing, implementing and evaluating the quality of the Fund's products;

- 7) cooperation with donors;
- 8) attraction and management of the Fund's financial resources;
- 9) development of financial plans and budgets, monitoring and reporting on financial results;

10) performance of other functions that set out in this Charter.

77. The Fund's technical functions, which are performed by the Technical Office, are the following:

1) introduction of best practices and experience in the field of energy efficiency, technical training in the above-mentioned field;

2) providing applicants with advice on possible improvement of the technical component of their applications for partial reimbursement;

3) technical evaluation of energy efficiency projects, provision of conclusions on compliance of applications for partial reimbursement and projects with technical requirements of the Fund;

4) development of technical eligibility criteria for partner banks and other intermediaries to be involved in implementation of the projects funded by the Fund;

5) development of recommendations for the selection of construction companies and other contractors to be involved in implementation of the projects funded by the Fund;

6) development of eligibility criteria for the individuals who can be involved in the verification of projects upon their completion;

7) development of a list of energy efficiency measures for the implementation of which the Fund may provide partial reimbursement, as well as the development and implementation of programs aimed at achieving economically feasible energy efficiency level;

8) ongoing monitoring and analysis of the quality of energy efficiency measures implemented with the participation of the Fund, preparation of relevant reports;

9) supervision over the status of implementation of energy efficiency projects in the course of their implementation;

10) verification of projects after their completion and organization of an independent verification by the involved persons;

11) collection of information on actual energy saving achieved through the implementation of activities funded by the Fund;

12) creation and maintenance of databases on projects implemented within the framework of the Fund's programs, their effectiveness, as well as any other databases needed by the Fund.

13) performance of other functions set out in this Charter.

78. The head of the Financial Office is the Chief Financial Officer.

79. The head of the Technical Office is the Chief Technical Officer.

80. When evaluating the energy efficiency projects, making conclusions on compliance of applications and projects with the Fund's requirements the Financial Office and Technical Office act independently from each other and from any other bodies or officials of the Fund.

81. The Fund shall have the right, within the limits and according to the procedure determined by the Supervisory Board, to engage legal entities and individual entrepreneurs on a contractual basis for the performance of certain functions (outsourcing) subject to the requirements established by the Law of Ukraine “On Public Procurement”.

Labour Collective of The Fund:

82. The labour collective of the Fund is made up of persons who by their labour participate in its activities on the basis of employment contracts (agreements), as well as other forms regulating the employee's labour relations with the Fund.

83. The powers of the Company's labour collective shall be exercised by general meeting (conference) of the labour collective through elected bodies. To represent the interests of the labour collective at the general meeting (conference), the labour collective may elect bodies of collective self-government, to which the members of the Board of Directors and Supervisory Board cannot be elected, or delegate these powers to the trade union body.

84. The relations between the Board of Directors of the Fund and the labour collective shall be regulated by the collective contract.

85. The Fund shall independently establish the forms and systems of remuneration, rate of wages, as well as other types of remuneration of employees, in accordance with the law and this Charter.

86. Employees' social and labour rights are guaranteed by the law.

87. The Fund by its internal provisions may establish additional (except those provided by law) labour and social benefits for all employees or separate categories thereof.

88. The selection of heads of structural units and employees of the Fund shall be carried out by holding a competitive selection in accordance with the procedure approved by the Supervisory Board.

89. The competitive selection for vacant positions of managers and employees of structural units of the Fund shall be conducted in accordance with the principles:

- 1) ensuring equal access;
- 2) impartiality;
- 3) legality;
- 4) non-discrimination;
- 5) transparency;
- 6) conscientiousness;
- 7) efficient and fair selection process;
- 8) no conflict of interest;
- 9) prevention of corruption.

90. The heads of structural units of the Fund shall be appointed and dismissed by the Board of Directors in accordance with labour law and this Charter, in coordination with the Supervisory Board, and the remaining employees of the Fund shall be appointed and dismissed by the Director of the Fund without the need for such coordination in accordance with labour law and this Charter.

91. The Director of the Fund, members of the Board of Directors and the head of the Internal Audit Unit shall not be allowed to combine their official duties with any business or other paid activity (except for receiving royalties, scientific and teaching activities).

92. The members of the Supervisory Board, the Director and members of the Board of Directors are officials of the Fund.

93. The election of the Fund's officials and termination of their powers shall be carried out in accordance with this Charter and law.

94. The requirements for professional competence and business reputation of the Fund's officials shall be determined by the Cabinet of Ministers of Ukraine.

95. The Fund's officials shall be liable to the Fund for the losses caused to the Fund by their actions (omissions), in accordance with the law. If several persons are liable, their liability to the Fund shall be joint and several.

Conflict of Interest

96. The Supervisory Board shall take measures to prevent the conflicts of interest in the Fund and contribute to their settlement.

97. Should the Chairman, a member of the Supervisory Board, the Director of the Fund, a member of the Board of Directors have a conflict of interest during the performance of official duties, such persons shall immediately notify the Supervisory Board and refuse to participate in the decision making if a potential or actual conflict of interest does not enable them to fully perform their duties in the interests of the Fund, ultimate beneficiaries in accordance with the Law of Ukraine "On Prevention of Corruption". In such case, the decision of the Supervisory Board or the Board of Directors shall be adopted without regard to the voice of the official in question.

98. Should the Head of the Internal Audit Unit have a conflict of interest in the course of performance of official duties, he/she must immediately notify the Supervisory Board and refuse to participate in making the relevant decisions. The Supervisory Board shall take the necessary measures aimed at preventing or eliminating a conflict of interest by assigning the performance of the relevant task to the Internal Audit Unit employee.

99. Should an employee of the Fund have a conflict of interest while performing official duties, such a person shall immediately notify their immediate supervisor to take all the necessary measures aimed at the prevention or elimination of the conflict of interest by assigning the performance of the relevant task to another official, personal performance of that task or otherwise as provided by law.

100. The Supervisory Board shall approve the policy for the prevention and settlement of conflicts of interest in the Fund.

Material Transactions

101. In accordance with this Charter, a material transaction shall mean one or more transactions made within one year regarding the subject matter (or related subject matters) with the same counterparty (or counterparties which are affiliated persons) or a unilateral transaction, as well as transaction on introduction of amendments and/or

additions to such a transaction regarding the subject matter, price, settlement procedure or termination of such transaction, including, but not limited to: additional agreement/contract, specification, where market value of the property (works, services) which is its subject matter, equals to or exceeds UAH 5,000,000 (five million).

102. A decision on making a material transaction (decision to give consent or refusal to give consent to making) shall be made by the Supervisory Board.

103. If the transaction is a series of transactions and due to the scheduled conclusion of the subsequent transaction from this series, the total amount of the transaction will reach the amount which, in accordance with this Charter, is considered a material transaction, the Supervisory Board shall make decision on making the transaction, which results in reaching such an amount, and each subsequent transaction from this series.

104. The requirements for material transactions shall also apply to the such categories of transactions:

- 1) a transaction or several interrelated transactions related to the acquisition, alienation or the possibility of alienation of immovable property regardless of the value of property;
- 2) a transaction or several interrelated transactions related to the alienation of the Fund's vehicles, regardless of the value of vehicles;
- 3) a transaction on the transfer of a debt under which the Fund assumes the debt of the other person, regardless of the amount of debt;
- 4) a transaction regarding the lease or other use of the Fund's immovable property, regardless of the value of property;
- 5) a transaction regarding the mortgage of the Fund's immovable property, regardless of the value of property;
- 6) a transaction regarding the allotment of immovable property by the Fund under joint activity agreement, regardless of the value of property;
- 7) a bill transaction (agreement, contract), including the issuance of bills, endorsement, aval and payments, regardless of the amount of transaction.

Accounting and Reporting of The Fund

105. The Fund is obligated to keep accounting records of its operations, prepare and submit reporting in accordance with the requirements of the law and in accordance with international financial reporting standards.

106. The Fund prepares financial reporting and consolidated financial statements according to international financial reporting standards (IFRS).

107. The Fund shall ensure an independent and transparent separate account of financial contributions and assistance from governments, agencies and institutions of foreign states, as well as from international financial organizations, which are received in the form of targeted grants or otherwise on the basis of a relevant contract.

Internal Control and Audit

108. The Fund shall establish a permanent Internal Audit Unit as part of the internal control system.

109. The Internal Audit Unit shall be subordinated and accountable to the Supervisory Board and operate under a regulation approved by the Supervisory Board.

110. The Internal Audit Unit shall perform the following functions:

- 1) verify the Fund's financial and business activities;
- 2) evaluate the information and technical support for managing and conducting operations;
- 3) monitor the compliance of the Fund's officials and employees with the requirements of the legislation and internal acts of the Fund, approved by the Supervisory Board and Board of Directors;
- 4) check the accuracy and reliability of accounting and financial reporting;
- 5) detect and check the cases of the abuse of power by governing bodies, Fund's officials, occurrence of potential or actual conflict of interest;
- 6) check reliability and timeliness of provision of information to the state authorities, which within the scope of their competence exercise state supervision and control over the activities of the Fund;
- 7) evaluate the types of the Fund's activities performed through involvement of legal entities and individual entrepreneurs on a contractual basis (outsourcing);
- 8) perform other functions related to exercising control over the activities of the Fund.

111. The Internal Audit Unit is headed by the Head of Internal Audit Unit appointed and dismissed by the Supervisory Board.

112. It shall be prohibited for the Head of Internal Audit Unit to occupy positions in other legal entities, non-government organizations or to carry on entrepreneurial activity.

113. The Head of the Internal Audit Unit is entitled to request the convocation of an extraordinary meeting of the Supervisory Board.

114. In the course of their functional duties, the employees of the Internal Audit Unit are entitled to review the documents, information, written explanations on the Fund's activities, to have access to the system of automation of the Fund's operations and to receive written explanations from the Fund's officials and employees on the issues that arise in the course of the check-up and based on its results.

External Audit

115. The Fund's annual financial statements shall be subject to mandatory audit by an external auditor.

116. The criteria for selection of an external auditor, approval of the conditions of competitive selection, its assignment, approval of the terms and conditions of the contract to be concluded with him/her, setting the amount of payment for his/her services shall be carried out by the Supervisory Board.

117. The procedure for the conduct of an external audit in the Fund shall be determined by the Supervisory Board.

118. Based on the results of the external audit, an auditor's report shall be drawn up and submitted to the Supervisory Board.

119. The Supervisory Board shall consider, make decision on the auditor's

report of the external auditor and exercise control over elimination of deficiencies detected by the auditor based on the results of external audit.

120. The officials of the Fund shall be obliged to grant access to the independent auditor to all documents necessary for verification of the results of financial and economic activity of the Fund.

Disclosure of Information about The Fund's Activities

121. The following information shall be subject to mandatory publication on the Fund's official website:

- 1) goals of the Fund's activities and the progress of their achievement;
- 2) quarterly and annual financial statements of the Fund including sources of its funding;
- 3) auditor opinions on the annual financial statements of the Fund;
- 4) the Charter of the Fund in its effective wording and its previous wordings;
- 5) curriculum vitae (including the professional record) of the members of the Board of Directors, taking into account the requirements of the Law of Ukraine "On Protection of Personal Data";
- 6) curriculum vitae (including the professional record) of the Head and members of the Supervisory Board, taking into account the requirements of the Law of Ukraine "On Protection of Personal Data", principles of their selection, data on their membership in supervisory boards of other business entities, as well as information on who of the members of the Supervisory Board are independent;
- 7) names and contact details of heads of structural units of the Fund;
- 8) annual reports of the Supervisory Board and the Board of Directors;
- 9) the structure, principles of formation, the amounts of remuneration or salary of the Fund's officials, additional benefits they receive (or are entitled to receive) when performing their official duties and due to their resignation;
- 10) programs and projects of the Fund;
- 11) the procedure for submitting an application to the Fund;
- 12) the procedure for obtaining a partial reimbursement of the cost of energy efficiency measures by the ultimate beneficiary;
- 13) information about the entities that received funding from the Fund (with the consent of such entities);
- 14) other information to be disclosed based on the decision of the Supervisory Board.

122. The Fund shall make public the annual financial statements together with the auditor's reports by the 30th of April of the year following the reporting period.

Termination of The Fund's Activities

123. The Fund shall terminate its activities as a result of reorganization (merger, accession, division, transformation) or liquidation in accordance with the law.

124. The decision on termination of the Fund's activities shall be adopted by the Cabinet of Ministers of Ukraine based on submission of the Supervisory Board, and in cases stipulated by law - by a court decision.

125. In the event of reorganization of the Fund, the funds, property, rights and obligations shall pass to the successors.

126. In case of liquidation of the Fund, all funds that remain after the creditors' claims are satisfied shall be transferred to the state budget. The property remaining after the creditors' claims are satisfied shall be used according to decision of the Cabinet of Ministers of Ukraine.

127. The Fund shall be considered to have terminated its activities from the date of entry of the record on state registration of its termination into the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Formations.

128. The Cabinet of Ministers of Ukraine or the court shall appoint the Fund's termination commission (reorganization commission, liquidation commission), chairman of the Commission or a liquidator, and establish the procedure and time limits for the submission by creditors of their claims to the Fund.

129. The Cabinet of Ministers of Ukraine or a court may assign the performance of functions of the Fund's termination commission (reorganization commission, liquidation commission) to the Board of Directors.

130. The powers to manage the Fund's affairs shall be transferred to the Fund's termination commission (reorganization commission, liquidation commission) or liquidator from the moment of appointment. The chairman of the commission, its members or liquidator of the Fund shall represent it in relations with third parties and act in court on behalf of the Fund.

131. The time limit for submission of claims by the creditors to the Fund may not be less than two and more than six months from the date of the announcement of the decision to terminate the Fund.

132. Each individual claim of the creditor, in particular regarding the payment of taxes, fees, the single contribution to the compulsory state social insurance, insurance funds to the Pension Fund of Ukraine, social insurance funds, shall be considered, after which an appropriate decision shall be made, which is sent to the creditor no later than thirty days from the day of receipt of the relevant creditor's claim by the Fund.

133. In case of adopting a decision to terminate the Fund by reorganization, a reorganization commission shall be appointed.

134. After the expiry of the period for submission of claims by the creditors and satisfaction or rejection of these claims, the reorganization commission shall draw up the transfer act (in case of merger, accession or transformation) or separation balance sheet (in case of division) which should contain provisions on legal succession for the property, rights and obligations of the Fund (in case of division), in respect of all its creditors and debtors including obligations disputed by the parties.

135. A transfer act or separation balance sheet shall be approved by the Cabinet of Ministers of Ukraine.

136. In case of adopting a decision to terminate the Fund by liquidation, a liquidation commission (liquidator) shall be appointed.

137. From the date of entry into the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Formations of a record about the decision on the

liquidation of the Fund, the liquidation commission (liquidator) shall be obligated to take all necessary measures to collect the Fund's receivables, and to notify each of the debtors in writing of the termination of the Fund within the time limits prescribed by law.

138. The liquidation commission (liquidator) shall file claims and suits for debt collection from the debtors of the Fund.

139. The liquidation commission (liquidator) shall be obliged to notify the Cabinet of Ministers of Ukraine or the court about membership of the Fund in other legal entities and/or provide information on the economic entities, subsidiaries established by it.

140. While implementing measures to liquidate the Fund before the expiry of the deadline for the presentation of claims by creditors, the liquidation commission (liquidator) shall close accounts opened with financial institutions, except for the account used for settlements with creditors during the liquidation of the Fund.

141. The liquidation commission (liquidator) shall take measures to make inventory of the Fund's property, as well as property of subsidiaries, business partnerships, as well as property, which confirms corporate rights of the Fund in other legal entities, shall identify and take measures to return property held by third parties.

142. The liquidation commission (liquidator) shall ensure an independent valuation of the Fund's property.

143. The liquidation commission (liquidator) shall dismiss the Fund's employees in accordance with the labour legislation.

144. The liquidation commission (liquidator) shall ensure timely provision of the Fund's documents, including primary documents, registers of accounting and tax accounting to the bodies of inland revenue and Pension Fund of Ukraine, social insurance funds for inspections and determining whether there are arrears of taxes, fees, unified contribution to the compulsory state social insurance, insurance funds to the Pension Fund of Ukraine, social insurance funds.

145. Until the approval of the liquidation balance sheet, the liquidation commission (liquidator) shall prepare and submit the reporting for the last reporting period to the bodies of inland revenue, Pension Fund of Ukraine and social insurance funds.

146. The liquidation commission (liquidator), after the expiry of the period for submission of claims by the creditors, shall draw up an interim liquidation balance sheet containing information on the composition of the Fund's property, the list of claims submitted by creditors, and the results of their consideration.

147. The interim liquidation balance sheet shall be approved by the Cabinet of Ministers of Ukraine or by a court.

148. The order and procedure of satisfaction of creditors' claims shall be determined in accordance with the law.

149. In case the Fund lacks funds to satisfy the creditors' claims, the liquidation commission (liquidator) shall organize the sale of the Fund's property.

150. Prior the approval of the liquidation balance sheet, the liquidation commission (liquidator) shall prepare and submit the reporting for the last reporting

period to the bodies of inland revenue, Pension Fund of Ukraine and social insurance funds.

151. Upon completion of settlements with creditors, the liquidation commission (liquidator) shall make a liquidation balance sheet, ensure its approval by the Cabinet of Ministers of Ukraine or a court, and ensure submission to the bodies of inland revenue.

152. The liquidation commission (liquidator) shall ensure the submission of documents provided by law for the state registration of termination of a legal entity to the state registrar within the period established by law.

153. The documents subject to mandatory storage shall be transferred to the relevant archival institutions in accordance with the procedure established by law.

154. Licenses, permissive documents and other documents, as well as seals and stamps subject to return to state authorities, local self-government bodies, shall be returned to them by the liquidation commission (liquidator).

155. If the value of the legal entity's property is insufficient to satisfy the creditors' claims, the legal entity shall take all necessary actions prescribed by the Law of Ukraine "On Restoring Debtor's Solvency or Declaring It Bankrupt".

156. Employees of the Fund who are dismissed due to its termination shall be guaranteed the observance of their rights and interests in accordance with the labour legislation.

Introduction of Amendments to The Charter

157. Introduction of amendments to this Charter shall be approved by the Cabinet of Ministers of Ukraine.

158. Approved amendments to the Charter shall be subject to state registration in the manner prescribed by law.
