

APPROVED
by Resolution of the Cabinet of
Ministers of Ukraine
dated 28 February 2018 No. 142

REGULATION

on the Supervisory Board of the State Institution “Energy Efficiency Fund”

General Part

1. This Regulation defines the legal status, procedure for activity, convening, voting, adoption and execution of decisions of the Supervisory Board of the State Institution "Energy Efficiency Fund" (hereinafter - the Supervisory Board), as well as the rights, duties and responsibility of its members.

2. The Supervisory Board shall act in accordance with the Law of Ukraine “On Energy Efficiency Fund” (hereinafter – the Law), the Charter of the State Institution “Energy Efficiency Fund” and this Regulation.

Legal Status

3. The Supervisory Board is the highest governing body of the State Institution "Energy Efficiency Fund" (hereinafter - the Fund)

4. 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 the Charter of the Fund.

5. The competence of the Supervisory Board is determined by the Law and the Charter of the Fund.

6. 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 international treaties of Ukraine).

7. The procedure for election (including the requirements for persons who intend to become members of the Supervisory Board), appointment and dismissal of the members of the Supervisory Board referred to in sub-items 1 and 2 of Item 6 of this Regulation, shall be set by the Cabinet of Ministers of Ukraine.

8. In case of the entry by the Cabinet of Ministers of Ukraine and the donors into an agreement providing for the donors' funding of the Fund's activities, the procedure for election, appointment and dismissal of a member of the Supervisory Board referred to in sub-item 3 of Item 6 of this Regulation may be determined by the said agreement.

In the absence of the relevant agreement 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 6 of this Regulation shall be appointed and dismissed in accordance with the procedure provided for the independent members of the Supervisory Board. The provisions established for independent members of the Supervisory Board shall apply to such a member of the Supervisory Board.

9. Members of the Supervisory Board shall be elected for a term of five years.

10. Members of the Supervisory Board shall be the officials of the Fund.

11. The Supervisory Board shall be competent, if at least four members have been appointed.

12. The Supervisory Board shall consist of the Chairman and members of the Supervisory Board.

13. The Chairman of the Supervisory Board shall be elected by the members of the Supervisory Board from among them by a simple majority of votes of all appointed Supervisory Board members by open vote at a meeting held no later than three months after the appointment of the fourth member of the Supervisory Board.

14. The powers of a current composition of the Supervisory Board shall be terminated, if during three months starting from the day of appointing the fourth member of the Supervisory Board the Chairperson of the Supervisory Board has not been elected. In this case the Cabinet of Ministers of Ukraine shall immediately, not later than 10 working days from the day of termination of powers of the current Supervisory Board, take a decision on commencement of the election and appointment of members of the Supervisory Board, referred to in sub-items 1 and 2 of Item 6 of this Regulation.

15. In the event that the powers of the Chairman of the Supervisory Board are terminated, the members of the Supervisory Board shall elect the Chairman of the Supervisory Board at the first meeting after the day of such termination before the adoption by the Supervisory Board of decisions on any other issues of the agenda of the relevant meeting. The powers of the Chairman of the Supervisory Board are terminated based on the decision of the Supervisory Board in the cases envisaged by the Procedure for Election, Appointment and Dismissal of the Members of the Supervisory Board set by the Cabinet of Ministers of Ukraine.

16. In case when termination of powers of the member of the Supervisory Board leads to the termination of powers of the whole Supervisory Board, the powers of that member shall not be terminated until new member is appointed.

17. Members of the Supervisory Board referred to in sub-items 1 and 2 of Item 6 of this Regulation shall exercise their functions for payment on the basis of the civil law contract, except the persons authorized to perform the functions of the state or

municipal authorities subject to the Law of Ukraine “On Prevention of Corruption”.. On behalf of the Fund, such contracts shall be signed by the Director of the Fund.

18. The amounts of remuneration, incentives and compensation payments to the members of the Supervisory Board referred to in sub-item 1 of Item 6 of this Regulation shall be set at the level of independent members of the Supervisory Board except the cases of election and appointment as members of the Supervisory Board of the persons authorized to perform the functions of the state or municipal authorities subject to the Law of Ukraine “On Prevention of Corruption”..

Rights and Duties of Members of the Supervisory Board

19. Members of the Supervisory Board shall have the right to:

1) receive any information and documentation about the Fund (except information constituting state secret in the absence of a relevant permit) if such information and documentation are needed for performance of the functions of a member of the Supervisory Board;

2) get acquainted with the documents of the Fund, receive copies thereof and copies of documents of legal entities, the founder or the member of which is the Fund;

3) initiate the convening of an extraordinary meeting of the Supervisory Board, make proposals to the agenda of meetings of the Supervisory Board;

4) submit in writing the comments on the decisions of the Supervisory Board;

5) have other rights stipulated by the legislation, the Charter of the Fund, this Regulation and the internal acts of the Fund.

20. Members of the Supervisory Board shall be obliged to:

1) participate in meetings of the Supervisory Board;

2) vote on all issues of the agenda of the Supervisory Board meeting;

3) to notify in advance of the inability to participate in the meetings of the Supervisory Board, indicating the reasons for absence. Information on the presence of a member of the Supervisory Board at its meetings shall be recorded and, following the results of the year, be disclosed in the annual report of the Supervisory Board;

4) act in the interests of the Fund in good faith and reasonably and not exceed their authority;

5) be guided in its activities by the internal acts of the Fund, this Regulation, the Charter of the Fund, the Law and other legislative acts;

6) comply with decisions adopted by the Supervisory Board;

7) refrain from actions that cause or may cause the conflict of interest;

8) adhere to the rules established in the Fund for circulation, security and storage of restricted information;

9) perform other duties provided by legislation, the Charter of the Fund, this Regulation and the internal acts of the Fund.

21. The members of the Supervisory Board shall be liable to the Fund for losses incurred by the Fund due to their actions (omissions), in accordance with law.

22. The Supervisory Board shall on an annual basis review and evaluate the results of its work and the work of each member of the Supervisory Board. Based on

the results of such review and evaluation, measures may be approved that need to be taken to improve the activities of the Supervisory Board.

23. An independent member of the Supervisory Board shall have equal rights and duties with other members of the Supervisory Board.

24. When performing the powers of a member of the Supervisory Board including voting at its meetings, an independent member of the Supervisory Board shall be governed by the laws, the interests of the Fund, independently decide on voting for all issues of the agenda at the meeting of the Supervisory Board, ensure performance of his/her powers in the way determined by the law and the Charter of the Fund.

Procedure of the Supervisory Board's Work

25. Organizational form of the Supervisory Board's work is a meeting.

26. The meetings of the Supervisory Board may be ordinary and extraordinary.

27. A meeting of the Supervisory Board may be held in the form of a joint presence of the members of the Supervisory Board in a specified place for discussion of the agenda items and voting.

28. Joint presence, in particular, means and allows the members of the Supervisory Board to participate in the meeting with the use of means of remote communication, which provide all participants with the opportunity to hear each other, communicate with each other and identify the results of the voting.

29. The Supervisory Board may pass a decision by absentee voting.

30. A decision to hold an absentee voting shall be made by the Chairman of the Supervisory Board upon the proposal of any member of the Supervisory Board. In the case of absentee voting, a decision shall be deemed to be adopted if all members of the Supervisory Board have voted for it. The procedure for absentee voting shall be established by the Supervisory Board.

31. Ordinary meetings of the Supervisory Board shall be held on as needed basis, but at least once every three months in accordance with the schedule for holding ordinary meetings approved by the Supervisory Board.

32. Extraordinary meetings of the Supervisory Board shall be convened on the initiative of the Chairman, a member of the Supervisory Board or the Director of the Fund or at the request of the Head of Internal Audit Unit of the Fund.

A proposal or request to convene an extraordinary meeting of the Supervisory Board shall be made in writing, signed and submitted to the Chairman of the Supervisory Board.

33. A person who initiated or demanded the convening of an extraordinary meeting of the Supervisory Board shall, together with the relevant request or proposal, submit the following:

- 1) list of issues to be considered;
- 2) documents and materials on each agenda item;
- 3) draft decisions on each agenda item.

34. An extraordinary meeting of the Supervisory Board shall be convened by the Chairman of the Supervisory Board no later than five calendar days after the receipt of the corresponding request or proposal. 35. A notice on the convening of ordinary or extraordinary meetings of the Supervisory Board shall be sent to each member of the Supervisory Board via e-mail no later than three calendar days before the date of the meeting. With the consent of all members of the Supervisory Board, the meeting may be convened with the notice sent in a shorter period.

36. A notice on the convening of a meeting of the Supervisory Board shall contain information on the date, time, venue, form of the meeting, agenda and draft decisions on each agenda item. A notice shall be accompanied by materials that are necessary for the members of the Supervisory Board to prepare for the meeting.

37. The agenda of the meeting of the Supervisory Board shall be approved by the Chairman of the Supervisory Board.

38. A decision of the Supervisory Board shall be deemed adopted if it is supported by a simple majority of votes of the members of the Supervisory Board. In the event of a tie vote, the Chairman of the Supervisory Board shall have the casting vote

39. A decision of the Supervisory Board at the meeting shall be adopted by open vote.

40. When participating in a meeting by means of remote communication, the voting results of a member or members of the Supervisory Board who vote remotely must be clearly identifiable (“Yes”, “No”, “Abstain”) by means of remote communication.

41. In order to ensure a more effective organization of the Supervisory Board's work, including better identification of its members and remote participation, as well as signing of the minutes of the Supervisory Board, the use of electronic document circulation using the electronic digital signature can be introduced by the decision of the Supervisory Board.

42. Decisions of the Supervisory Board, adopted at a meeting in the form of a joint presence, shall be drawn up by the minutes not later than within five working days after the meeting. Each member of the Supervisory Board shall be provided with a copy of the drawn up and signed minutes. For the purposes of recording the meeting of the Supervisory Board, the Board of Directors of the Fund shall organize audio and/or video recording of the meeting, upon its consent.

43. The minutes of the meeting of the Supervisory Board shall contain the following:

- 1) full name of the Fund;
- 2) venue, date and time of the meeting;
- 3) last name and initials of the members of the Supervisory Board and the invited persons who participated in the meeting;
- 4) information on availability of quorum;
- 5) agenda of the meeting;
- 6) main provisions of speeches heard at the meeting;
- 7) voting results with indication the last and first names of the members of the Supervisory Board who voted “Yes”, “No” or “Abstain” on each item;

8) content of the decisions adopted.

44. The minutes of the meeting of the Supervisory Board shall be signed by the Chairman and all members of the Supervisory Board who took part in the meeting. The members of the Supervisory Board who participated in the meeting with the use of means of remote communication shall sign a separate copy of the minutes and within one day from the date of the meeting they must send a scanned copy of the signed copy to the e-mail address of the Chairman of the Supervisory Board and send one copy with the personal signature to the Fund by registered letter with acknowledgment of receipt.

45. If a member of the Supervisory Board does not agree with the decision of the Supervisory Board, he shall notify it at the meeting of the Supervisory Board, at which the voting is held, and the corresponding entry in the minutes shall be made.

46. Decisions adopted by the Supervisory Board within its competency area shall be binding on all officials and employees of the Fund.

47. The decisions of the Supervisory Board may be communicated to their executors in the form of excerpts from the minutes separately on each item. Excerpts from the minutes of the meeting of the Supervisory Board shall be submitted personally to each executor against signature within five days from the date of drawing up the minutes of the meeting.

48. At the request of the Supervisory Board, the members of the Board of Directors, the Head of Internal Audit Unit or other employees of the Fund shall take part in its meeting without the right to vote.

The Supervisory Board may invite other persons to its meetings. Such decision shall be adopted at the meeting of the Supervisory Board by a simple majority of votes of the members who participate in the meeting.

49. The minutes of meetings of the Supervisory Board shall be kept throughout the whole period of the Fund's activities.

50. Fund's employees who have access to the meetings and documents of the Supervisory Board shall be held liable for the disclosure of restricted-access information.

51. The minutes of meetings of the Supervisory Board or excerpts therefrom shall be provided for review according to the procedure determined by the Supervisory Board.

52. Organization of the meetings of the Supervisory Board shall be provided by the Board of Directors.

53. The Supervisory Board shall approve the Rules for holding the meetings of the Supervisory Board determining, particularly, the procedural issues of calling and conducting the meetings of the Supervisory Board.

Chairman of the Supervisory Board

54. Chairman of the Supervisory Board shall:

1) organize the work of the Supervisory Board and monitor the implementation of the Fund's strategy and Fund's strategic approved by the Supervisory Board;

2) convene the meetings of the Supervisory Board and preside over them, approve the agenda of the meetings;

3) organize work on establishment of Supervisory Board committees, nomination of members of the Supervisory Board to the committees, as well as coordinate committees' activities, connections between themselves and with other bodies and officials of the Fund;

4) prepare a report and report on the activities of the Supervisory Board, the activities of the Fund and the measures taken by the Supervisory Board to achieve the purpose of the Fund;

5) exercise other powers provided by the Law, the Charter of the Fund and this Regulation.

55. In the absence of the Chairman of the Supervisory Board or if he/she is unable to exercise his/her powers at a relevant meeting of the Supervisory Board, another member of the Supervisory Board shall exercise his/her powers based on the decision of the Supervisory Board.

Supervisory Board Committees and Secretariat

56. The Supervisory Board may establish standing and provisional committees, the Secretariat.

57. The procedure for establishment and functioning of the committees, the Secretariat, as well as their composition, powers and tasks, shall be established by the regulations on the relevant committee, the Secretariat, which shall be approved by the Supervisory Board.