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| ***LAW OF UKRAINE*** |

**On Joint Stock Companies**

**(Bulletin of the Verkhovna Rada (BVR), 2023, No. 18-19, Art. 81)**

{As amended by Laws
[No. 1953-IX dated 14.12.2021](https://zakon.rada.gov.ua/laws/show/en/1953-20#n1134)
[No. 2792-IX dated 01.12.2022](https://zakon.rada.gov.ua/laws/show/en/2792-20#n26)
[No. 3254-IX dated 14.07.2023](https://zakon.rada.gov.ua/laws/show/en/3254-20#n1363)
[No. 3585-IX dated 22.02.2024](https://zakon.rada.gov.ua/laws/show/en/3585-20#n3068)
[No. 3587-IX dated 22.02.2024](https://zakon.rada.gov.ua/laws/show/en/3587-20#n382)}

**Section I. GENERAL PROVISIONS**

**Article 1.**Scope of Law

1. This Law outlines the establishment, operation, termination, and spin-off of joint stock companies, their legal status, rights and obligations of shareholders.

2. The procedure for the establishment, operation, termination, and spin-off of joint stock companies, their legal status, rights and obligations of shareholders shall be governed by this Law with due consideration of the peculiarities prescribed by the special laws on such joint stock companies:

1) state managing holding company;

2) state joint stock companies and state holding companies where the sole founder and shareholder is the state;

3) companies that are undergoing privatisation and corporatisation — until the privatisation plan is completed (shares are placed);

4) companies where more than 50% of shares are held by the state or the territorial community;

5) financial institutions.

In case the rules of this Law are inconsistent with the laws on the procedure for operation of financial institutions, the rules of the special laws shall prevail.

3. The procedure for establishing joint stock companies via privatisation and corporatisation, their legal status, the procedure for operation and management thereof until the privatisation plan is completed (shares are placed) shall be governed by this Law with due consideration of the peculiarities prescribed by the laws on privatisation and corporatisation of state (municipal) enterprises.

Assets of joint stock companies shall be disposed of in accordance with the principles of efficient corporate governance and transparency.

*{Article 1(3) has been supplemented with the new paragraph in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n383)*}*

Joint stock companies’ shares of which are owned by the state or the territorial community shall be managed with due consideration of the peculiarities prescribed by the special laws.

**Article 2.** Terms and Definitions

1. For the purpose of this Law, the following terms shall have the corresponding meanings assigned to them:

1) affiliated to another person (hereinafter the “affiliated persons”) means:

legal entities one of which controls the other one, or which are both controlled by a third party;

family members of an individual, namely the spouse, parents (foster parents), guardians (custodians), siblings, children and their spouses;

a natural person and their family members and a legal entity, if such natural person and/or their family members control the said legal entity;

2) the executive member of the board of directors (hereinafter the “executive director”) means the natural person who has been elected a member of the board of directors of the joint stock company and is responsible for managing its current operations;

3) redemption of shares means purchase of its shares by the joint stock company for a fee;

4) the voting share means any share that entitles its owner or another authorised person to attend and vote at the general meeting, except for the share for which the ban to exercise the right has been imposed by the law or as prescribed by the legislation;

5) the dominant controlling stake means the block of shares of more than 95% of ordinary shares of the joint stock company;

6) the normal course of business of the joint stock company means the economic activities, the conditions and principles of which are approved by the resolution of the supervisory board or the board of directors of the joint stock company. In public joint stock companies and banks, such resolutions are adopted only by a simple majority of votes of independent directors. The corporate charter of the private joint stock company may provide for the need of all the members of the supervisory board or the board of directors to take part in adoption of the resolution;

*{Article 2(1)(6) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n387)*}*

7) the significant controlling stake means the block of shares of more than 75% of ordinary shares of the public joint stock company;

8) the significant block of shares means the block of shares of 5% of ordinary shares of the joint stock company or more;

9) the controlling stake means the block of shares of more than 50% of ordinary shares of the joint stock company;

10) cumulative voting means the method of voting during the election of persons to bodies of the joint stock company, which provides for multiplication of the total number of votes of a shareholder by the total number of members of the body of the joint stock company being elected, and the shareholder’s right to give all the votes counted this way for one candidate or to distribute them among several candidates;

11) liquidation value of the preference share of a certain class means the value of the property that will be payable to the owner of the share in case the joint stock company is liquidated;

12) the non-executive member of the board of directors (hereinafter the “non-executive director”) means the natural person who has been elected a member of the board of directors of the joint stock company and is responsible for supervising, managing risks and controlling operations of the joint stock company and executive directors;

13) the independent member of the supervisory board (hereinafter the “independent director”) means the natural person who has been elected a member of the supervisory board of the joint stock company and meets the requirements set by [Article 73](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n892) of this Law;

14) the independent member of the board of directors (hereinafter the “independent non-executive director”) means the natural person who has been elected a member of the board of directors of the joint stock company and meets the requirements set by [Article 69](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n809) of this Law;

15) mandatory redemption of shares means mandatory purchase of the shares placed by the company for a fee by such company upon the shareholder’s request as prescribed by the law;

16) indirect acquisition of the property rights means acquisition of the property rights that occurs if the person itself or jointly with other persons controls the direct owner of shares of the joint stock company, and/or controls the group of direct owners of shares of the joint stock company, and/or controls the person controlling these persons, and acquires the right to vote at its own discretion with the significant block of shares in the joint stock company at the general meeting by the order of shareholders of the joint stock company (except when the order of the shareholders of the joint stock company contains instructions on voting on the agenda of the general meeting), and/or has the dominant influence upon management or operations of the joint stock company or any legal person regardless of formal holding, and/or controls the group of persons controlling these persons;

17) the person designated to interact with the authorised electronic system in connection with the general meeting means the natural person designated by the person who convenes the general meeting of the joint stock company with the exclusive authority to enter the information (documents) related to the general meeting of the joint stock company into the authorised electronic system and to receive them from such system. The requirements for the procedure for interacting with the authorised electronic system shall be set by the National Securities and Stock Market Commission;

18) the person who convenes the general meeting means the supervisory board, the board of directors of the joint stock company, or the shareholder(s) as set out in this Law and corporate charter of the joint stock company;

19) the persons acting jointly mean the natural persons and/or legal entities that act based on their agreement and coordinate their actions to reach the common goal;

20) the notice means the message that contains information set out in the law and/or corporate charter of the joint stock company and is sent to a shareholder in writing by post via the qualified electronic trust service of electronic register delivery or via the authorised electronic system, or via the depository system of Ukraine, or is delivered to the shareholder (its authorised representatives) in person. The notification method shall be chosen by the person who convenes the general meeting;

21) the notice to shareholders via the depository system of Ukraine means the message that is delivered to the shareholders or the joint stock company by the participants of the depository system of Ukraine as prescribed by the National Securities and Stock Market Commission. The person is considered to have fulfilled its obligation to send a notice via the depository system of Ukraine in case it has taken all actions prescribed by the National Securities and Stock Market Commission to ensure delivery of such notice;

22) the threshold values of the block of shares mean 5, 10, 15, 20, 25, 30, 50, 75, 95, 100% of voting shares of a public joint stock company as well as 5, 25, 50, 95, 100% of voting shares of a private joint stock company;

23) officers of bodies of the joint stock company mean the natural persons being the chairperson and members of the supervisory board or the board of directors, the executive body, the head of the internal audit unit (the internal auditor), the head of the budgeting department or another unit responsible for budgeting in the joint stock company, the corporate secretary of the joint stock company as well as the chairperson and members of another body of the joint stock company (other than the advisory one) if such body is established in accordance with the law or corporate charter of the joint stock company;

*{Article 2(1)(23) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n388)*}*

24) proportionate redemption of shares means purchase of the number of its shares by the joint stock company as set by the general meeting, from each shareholder in proportion to the number of its shares of the specific type and/or class, upon the shareholder’s consent;

25) simple majority of votes means more than 50% of votes of the shareholders that have attended the general meeting;

26) the public joint stock company means the joint stock company, shares of which have been offered to the public and/or admitted to trading at the organised capital market;

27) details of the shareholder (person) mean the name of the natural person or the legal entity that is determined in accordance with the requirements of the [Civil Code of Ukraine](https://zakon.rada.gov.ua/laws/show/en/435-15), or the indication that the shareholder is the state or the territorial community (with specification of its name), identification number of the legal entity or the body authorised to manage state or municipal property (registration number in the trade, court or bank register, for legal entities registered outside Ukraine);

28) family relations mean family relations between the persons who live together, are connected by common household and have mutual rights and obligations (including persons who live together but are not married), as well as (regardless of the specified conditions) the spouse, the parent, the stepparent, the child, the stepchild, the sibling, the grandparent, the great-grandparent, the grandchild, the great-grandchild, the son-in-law, the daughter-in-law, the father-in-law, the mother-in-law, the adopter or the adopted child, the guardian or the custodian, the person under the guardianship or custodianship;

29) placed securities mean the securities issued by the joint stock company and alienated by it to first owners as prescribed by the legislation;

30) the authorised capital means the capital of the joint stock company that is made from the total face value of all placed company’s shares;

31) members of the executive body mean members of the collective executive body of the joint stock company. The status of a member of the executive body is also held by the person who exercises powers of the sole executive body of the joint stock company as well as the person who acts for him or her.

2. Other terms used in this Law shall have the following meanings:

the term [“control”](https://zakon.rada.gov.ua/laws/show/en/2210-14#n14) shall be used as defined in the Law of Ukraine “On Protection of Economic Competition”;

the terms [“conflict of interest”](https://zakon.rada.gov.ua/laws/show/en/2121-14#n67), [“chain of ownership of the corporate rights of the legal entity”](https://zakon.rada.gov.ua/laws/show/en/2121-14#n1403) shall be used as defined in the Law of Ukraine “On Banks and Banking Activities”;

the terms “[authorised electronic system](https://zakon.rada.gov.ua/laws/show/en/3480-15#n3966)”, [“person performing management functions”](https://zakon.rada.gov.ua/laws/show/en/3480-15#n1786), [“securities prospectus”](https://zakon.rada.gov.ua/laws/show/en/3480-15#n1801), [“public offering”](https://zakon.rada.gov.ua/laws/show/en/3480-15#n3750) shall be used as defined in the Law of Ukraine “On Capital Markets and Organised Commodity Markets”;

the terms [“accounting”](https://zakon.rada.gov.ua/laws/show/en/996-14#n12), [“consolidated financial statements”](https://zakon.rada.gov.ua/laws/show/en/996-14#n18), [“financial statements”](https://zakon.rada.gov.ua/laws/show/en/996-14#n26), [“enterprises of public interest”](https://zakon.rada.gov.ua/laws/show/en/996-14#n43) shall be used as defined in the Law of Ukraine “On Accounting and Financial Reporting in Ukraine”;

the terms [“auditor”](https://zakon.rada.gov.ua/laws/show/en/2258-19#n9), [“auditing services”](https://zakon.rada.gov.ua/laws/show/en/2258-19#n14), [“key audit partner”](https://zakon.rada.gov.ua/laws/show/en/2258-19#n19), [“international standards on auditing”](https://zakon.rada.gov.ua/laws/show/en/2258-19#n23), [“auditing entity”](https://zakon.rada.gov.ua/laws/show/en/2258-19#n32) shall be used as defined in the Law of Ukraine “On Audit of Financial Statements and Audit Activity”;

the terms [“authentication”](https://zakon.rada.gov.ua/laws/show/en/2155-19#n9), [“electronic trust service](https://zakon.rada.gov.ua/laws/show/en/2155-19#n15)”, [“electronic identification means](https://zakon.rada.gov.ua/laws/show/en/2155-19#n24)”, [“qualified electronic trust service of electronic registered delivery”](https://zakon.rada.gov.ua/laws/show/en/2155-19#n378) shall be used as defined in the Law of Ukraine “On Electronic Trust Services”.

**Article 3.**Legal Status of Joint Stock Company

1. The joint stock company is a business entity, whose authorised capital is divided into a certain number of portions of the same nominal value, with corporate rights thereunder certified with shares.

2. The joint stock company shall not be liable for the shareholders’ obligations. In case shareholders commit any unlawful acts, no sanctions might be imposed at the company and its bodies that restrict their rights except in cases prescribed by the law.

The shareholders shall not be liable for the company’s obligations and shall bear a risk of losses related to the company’s activities only within the face value of the shares owned by them. In case unlawful acts are committed by the company or other shareholders, the shareholders may not be subject to any sanctions that restrict their rights.

The shareholders that have not paid in full for their shares shall be liable for the company’s obligations within the unpaid part of the face value of their shares according to the corporate charter of the joint stock company.

3. The joint stock company may be set up via the incorporation, merger, demerger, spin-off or transformation of business company (companies), state (state-owned), municipal (community-owned) or other enterprises into the joint stock company.

The joint stock company shall be established for an indefinite period of time unless otherwise stipulated in its corporate charter.

The joint stock company shall be considered to be established and acquire the rights of a legal entity from the date of its state registration according to the procedure defined by the law.

The state joint stock companies are joint stock companies, where 100% of shares in the authorised capital are owned by the state.

*{Article 3(3) has been supplemented with the fourth paragraph in accordance with Law*[*No. 2792-IX dated 01.12.2022*](https://zakon.rada.gov.ua/laws/show/en/2792-20#n27)*}*

4. The full name of the joint stock company in Ukrainian shall include identification of its organisational and legal form (the joint stock company).

The type of the joint stock company is not a mandatory component of its name.

The joint stock company shall decide at its own discretion whether its type under [Article 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n88) hereof needs to be specified in its name.

The joint stock company may have the abbreviated name in Ukrainian, the full and abbreviated names in the foreign language(s).

The expression “joint stock company” and its derivative forms may only be used in their names by the legal entities that have duly registered the issue of their own shares and operate in accordance with this Law, with due consideration of the peculiarities prescribed by the law, and by the legal entities being corporate investment funds incorporated and existing in accordance with the legislation on mutual investment activities.

**Article 4.** Management Structure of Joint Stock Company

1. The management structure of the joint stock company may have one or two tiers.

If the management structure has a single tier, the bodies of the joint stock company shall be governed by [Section VIII](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n737) hereof.

If the management structure has two tiers, the bodies of the joint stock company shall be governed by [Sections IX](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n808) and [X](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1008) hereof.

2. Where there is a single tier management structure, the governing bodies of the joint stock company are the general meeting and board of directors. The board of directors is made of executive directors and may include non-executive directors, except as otherwise provided for by [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n752) of Article 64 hereof. Some non-executive directors may be independent non-executive directors.

The single-tier management structure provides for control and management of operations of the joint stock company by the single collegiate body, i.e. the board of directors.

The private joint stock company that has up to ten shareholders may have the sole executive body that exercises powers of the board of directors, which is covered by [Section X](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1008) hereof, instead of the board of directors.

Current operations of the joint stock company shall be managed by executive directors. The functions of risk management and control over activities of executive directors and the company in general shall be performed by non-executive directors.

3. Where there is a double-tier management structure, the governing bodies of the joint stock company are the general meeting, the body responsible for supervision (supervisory board), and the executive body (collective or sole body). The double-tier management structure provides for clear segregation of functions to directly manage current (operational) activities of the joint stock company, which are performed by the executive body, and functions to control operations of the executive body and other senior executives of the joint stock company (including control and internal audit units), which are performed by the supervisory board. The supervisory board consists of members of the supervisory board, some of whom are independent directors as prescribed by the law.

4. The management structure of the joint stock company is defined by the corporate charter of the joint stock company.

5. Requirements for applying the single or double-tier management structure of the joint stock company shall be set by the special law.

The joint stock company established with the double-tier management structure shall have the right to decide for transition to the single-tier management structure, except as otherwise prescribed by the applicable special law.

The joint stock company established with the single-tier management structure shall have the right to decide for transition to the double-tier management structure, except as otherwise prescribed by the law.

6. Changes in the type of the management structure are not reorganisation or transformation of the joint stock company.

**Article 5.** Shareholders of Company

1. Shareholders of the company may be natural persons and legal entities as well as the state represented by a body authorised to manage state-owned property or a territorial community represented by a body authorised to manage municipal property, which own shares in the company.

**Article 6.** Types of Joint Stock Companies

1. By their type, joint stock companies are divided into public joint stock companies and private joint stock companies.

The type of the joint stock company is specified in the corporate charter of the company.

2. Public offering of its own shares may only be conducted by the public joint stock company.

If the private joint stock company intends to conduct public offering of its own shares, the general meeting of the company shall resolve to carry out public offering of its shares and to change the type of the joint stock company for a public one.

Changing the type of the private joint stock company to the public one or vice versa is not transformation.

3. The public joint stock company shall not be considered to be in breach of the requirements of [Clause 26](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n46) of Article 2(1) hereof after the securities prospectus is submitted to the National Securities and Stock Market Commission and until it is approved.

4. The public joint stock company may only be set up by changing the type of the joint stock company from private to the public one or by transforming another business entity.

**Article 7.**Joint Stock Company with One Shareholder

1. The joint stock company may be established by one person or have a sole shareholder in case one person acquires all the shares of the company.

**Article 8.**Procedure for Alienating Shares of Joint Stock Company

1. The company’s shareholders may alienate their shares without consent of other shareholders of the company.

**Article 9.** Assessment of Market Value of Assets

1. The market value of assets (including securities) and securities issued by the joint stock company shall be defined in accordance with the requirements of this Law and approved by the supervisory board or the board of directors of the company (in case the company is established — by the constituent meeting).

Provided that they are appraised in accordance with the requirements of this Law, other legislative acts or corporate charter of the joint stock company, the market value of assets (other than securities and other financial instruments) shall be defined based on the results of the independent appraisal conducted in accordance with the legislation on appraisal of assets, property rights and professional appraisal activity.

2. The market value of issued securities, including the company’s shares, and other financial instruments shall be defined as:

1) the average rate following the trading of such securities or other financial instruments at the corresponding organised market that is calculated by the operator of such organised capital market for the last three months of their circulation, prior to the day as of which the market value of such securities is assessed.

The market value of the securities or other financial instruments admitted to trading at two or more organised capital markets shall be defined in accordance with the procedure set by the National Securities and Stock Market Commission;

2) the value of the securities and other financial instruments defined in accordance with the legislation on appraisal of assets, property rights and professional appraisal activity, provided that there is no average rate following the trading day determined in accordance with [Clause 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n104) of this Part.

The requirements of Clause 1 of this Part shall not apply, if the situation at the organised capital market where corresponding financial instruments have been admitted to trading meets the criteria set by the National Securities and Stock Market Commission, in particular, in case the fact of manipulation that affects the price of the corresponding financial instrument is established.

3. The decision to engage the appraising business entity shall be made by the supervisory board of the joint stock company or by the board of directors (when the company is being established — by the meeting of founders, and in case the joint stock company is established by one person — by the founder).

4. The requirements of this Article shall also apply to assessment of the market value of shares for the purposes of [Articles 93-96](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) hereof with due consideration of the peculiarities set by these Articles.

5. The report of the appraising entity received per this Article shall be reviewed in accordance with the legislation on appraisal of assets, property rights and professional appraisal activity.

6. Independent appraisal of the company’s shares that is carried out in accordance with the legislation on appraisal of assets, property rights and professional appraisal activity shall be carried out upon request of the shareholder(s) owning five or more percent of ordinary shares of the company (as provided for by [Article 95](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1262) of this Law — more than one percent of ordinary shares of the company). In this case, the shareholder(s) shall conclude an agreement on independent appraisal of the company’s shares according to the legislation on appraisal of assets, property rights and professional appraisal activity on its (their) own.

Expenditures for the independent appraisal of the company’s shares shall be borne by the shareholder(s) requesting the appraisal. The general meeting may resolve to compensate the shareholder(s) for the expenditures for such appraisal.

7. The joint stock company shall, within 10 days upon receipt of the request of the shareholder(s) for the independent appraisal of the company’s shares and copies of the documents on its (their) property rights to the company’s shares as of the date of the request as well as a copy of the agreement on the independent appraisal of the company’s shares with the appraising entity, in accordance with [Part 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n111) of this Article, ensure that the appraising entity may carry out such appraisal. The chief executive director or the executive body shall respond to the shareholder(s) and provide information on the date of start of the appraisal within the established time limits.

The independent appraisal of the company’s shares upon request of the shareholder(s) in accordance with [Part 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n111) of this Article may be conducted no more than twice within a calendar year.

8. In case the independent appraisal of the company’s shares is carried out upon request of the shareholder(s), the chief executive director or the executive body of the company shall, upon request of such shareholder(s) and within five business days upon receipt of the corresponding request from the appraising entity, furnish copies of all the documents necessary for the appraisal, which are certified with signature of the company’s designated official, or grant access to such documents.

Any disputes associated with appraisal of assets shall be resolved in court.

**Section II. INCORPORATION OF JOINT STOCK COMPANY**

**Article 10.** Foundation of Joint Stock Company

1. The joint stock company may be set up by natural persons and/or legal entities as well as the state represented by a body authorised to manage state-owned property or a territorial community represented by a body authorised to manage municipal property.

2. The number of founders of the joint stock company shall not be limited.

3. If there are two or more founders of the joint stock company, they may conclude a foundation agreement that stipulates the procedure for joint activities to establish the company, the number, type and class of shares to be acquired by each founder, the face value and the value of acquisition of shares, and the term for and form of payment for the shares.

In order to establish the joint stock company, the founders shall issue its shares, hold the constituent meeting and carry out state registration of the joint stock company.

The foundation agreement is not a constituent document of the company and is in force until the report on results of issue of the shares is registered by the National Securities and Stock Market Commission.

The foundation agreement shall be concluded in writing. If the joint stock company is set up with participation of natural persons, their true signatures in the foundation agreement shall be certified by the notary.

4. When the joint stock company is set up, its shares shall only be placed among its founders. Public offering of the company’s shares is allowed after the certificate of registration of the first issue of shares has been received.

Public offering of shares shall be carried out in accordance with the procedure established by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/3480-15) “On Capital Markets and Organised Commodity Markets”.

5. The joint stock company shall be incorporated via foundation including the following stages:

1) resolution of the meeting of founders to establish the joint stock company and issue shares;

2) submission of the application and all the documents necessary to register issue of shares to the National Securities and Stock Market Commission via the official communication channel;

3) registration of the issue of shares by the National Securities and Stock Market Commission, and issuance of the temporary certificate of registration of the issue of shares;

4) conclusion of the agreement on servicing securities issues with the Central Securities Depository;

5) assignment of the international securities identification number to the shares;

6) placement of the shares among the founders of the joint stock company;

7) payment of the full value of the shares by the founders;

8) approval of results of issue of the shares by the constituent meeting, approval of the corporate charter of the joint stock company, adoption of other resolutions as laid down in the law;

9) registration of the joint stock company with the state registration authorities;

10) submission of the report on results of issue of shares to the National Securities and Stock Market Commission via the official communication channel;

11) registration of the report on issue of shares by the National Securities and Stock Market Commission;

12) receipt of the certificate of registration of issue of shares.

The procedure for issuing shares when the joint stock company is established shall be set by the National Securities and Stock Market Commission.

The actions in breach of the procedure for foundation of the joint stock company under this Law shall be a basis for the decision of the National Securities and Stock Market Commission to deny registration of the report on results of issue of shares. In case this decision is made, the National Securities and Stock Market Commission shall file an action to court to liquidate the joint stock company.

6. In case the joint stock company is set up by one person, the resolutions to be adopted by the meeting of the company’s founders shall be adopted by such person and documented as a resolution on the intention to set up the company. If the sole founder of the joint stock company is a natural person, his or her signature in the resolution on the intention to set up the company shall be certified by the notary.

**Article 11.** Constituent Meeting of Joint Stock Company

1. The constituent meeting of the joint stock company (hereinafter the “constituent meeting”) shall be held within three months after the shares are paid up in full by the company’s founders.

2. The resolution to conduct the constituent meeting and on agenda thereof as well as on other matters in connection with the constituent meeting shall be adopted by the company’s founders. The constituent meeting shall be held based on the list of the shareholders made as of 23:00 on the day preceding the date of meeting by two business days, in accordance with the procedure established by the legislation on the depository system of Ukraine.

The constituent meeting shall resolve the following matters:

1) approving results of appraisal of assets that are contributed by the founders as payment for the company’s shares;

2) approving the corporate charter of the joint stock company;

3) establishing bodies of the joint stock company pursuant to the management structure selected;

4) authorising the representative(s) to take further actions to establish the company;

5) electing officers of bodies of the joint stock company within the competence of the joint stock company in accordance with the corporate charter of the joint stock company;

6) approving results of issue of shares and the report on results of issue of shares;

7) taking other actions necessary to establish the company.

3. Resolutions on the matters set out in [Clauses 1-3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n147) of Part 2 of this Article shall be deemed adopted if they are voted for by all founders of the joint stock company. Resolutions on other matters shall be adopted by a simple majority of votes of founders unless otherwise stipulated in the foundation agreement.

4. In case the joint stock company is established by one person, the resolutions under [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n145) of this Article shall be adopted by such person and documented as a resolution to establish the company. If the sole founder of the company is a natural person, his or her signature in the resolution to establish the company shall be certified by the notary.

Failure of the constituent meeting to approve the corporate charter of the joint stock company shall recognised as the founders’ refusal to establish the company and a basis for refunding the contributions made by the founders as payment for shares. The contributions shall be refunded within twenty business days from the date of the constituent meeting, where the resolution to approve the corporate charter of the joint stock company, has not been adopted.

**Article 12.**Payment for Shares by Founders of Joint Stock Company

1. The company’s founders shall pay for their shares as prescribed by [Articles 24](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n248) and [25](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n254) of this Law.

2. In case the shares are not (fully) paid for before the date of approval of results of placing the first issue of shares, the joint stock company shall be considered not to be founded.

**Article 13.** Liability of Founders of Joint Stock Company

1. The founders of the joint stock company shall be jointly and severally liable for the obligations related to establishment thereof that arise before the state registration of the company.

2. If the joint stock company has to obtain a licence or a permit or undergo authorisation to start its operations, the founders of the joint stock company shall jointly and severally bear subsidiary liability for the company’s obligations until the licence, permit or authorisation is obtained or denied.

3. The joint stock company shall be liable for the founders’ obligations set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n161) of this Article only in case their actions are approved by the general meeting. The general meeting that approves such obligations of the company’s founders shall be held within six months upon the date of state registration of the joint stock company.

Information on such obligations of the company shall be included into the corporate charter of the joint stock company.

**Article 14.** Incorporating Joint Stock Company via Transformation

1. According to the requirements of the [Civil Code of Ukraine](https://zakon.rada.gov.ua/laws/show/en/435-15), the National Securities and Stock Market Commission shall define the procedure for incorporating the joint stock company via transformation.

2. In case the equity of the business entity being the legal predecessor of the joint stock company has not been formed out in cash, the legal predecessor shall, at least three months before the date of the resolution on transformation, carry out re-appraisal of the assets contributed into the authorised capital and, where necessary, adjust the size of the equity following the re-appraisal.

The authorised capital of the enterprise being the legal predecessor of the joint stock company shall meet the requirements to the minimum size of the authorised capital of the joint stock company prescribed by this Law.

**Article 15.** Corporate Charter of Joint Stock Company

1. The corporate charter is a constituent document of the joint stock company.

2. The corporate charter of the company shall contain the following information:

1) the full and abbreviated name of the company in Ukrainian;

2) the type of the company;

3) the purpose and scope of operations;

4) the amount of the authorised capital;

5) the amount of the capital reserve (if formed);

6) the face value and the total number of the shares, the number of each type of the shares placed by the company, including the number of each class of preference shares (in case preference shares are issued);

7) the size of dividends for preference shares of each class (in case preference shares are issued);

8) the terms and conditions and the procedure for converting preference shares of the specific class into ordinary shares of the company or into preference shares of another class (in case preference shares are issued);

9) the rights of shareholders of preference shares of each class (in case preference shares are issued);

10) the procedure for issuing and conducting the general meeting;

11) the competence of the general meeting;

12) the management structure, the establishment procedure, the number of members of the bodies of the company and their competence, the procedure for electing and terminating the authority of their members, and the procedure for adopting resolutions of the company’s bodies;

13) the procedure for amending the corporate charter;

14) the procedure for termination of the company;

15) an option to redeem its shares by the company, if decided by the general meeting.

3. The corporate charter of the joint stock company may not provide for granting the shareholders being the company’s founders any additional rights or powers compared to other shareholders of the company.

4. The corporate charter of the joint stock company may also include other clauses consistent with the legislation.

**Section ІІІ. CAPITAL OF JOINT STOCK COMPANY**

**Article 16.** Authorised Capital and Equity of Joint Stock Company

1. The minimum size of the authorised capital of the joint stock company shall make 200 minimum wages’ amount based on the size of the minimum wage in effect as of the date of incorporation (registration) of the joint stock company.

2. If net assets of the joint stock company according to the latest annual financial statements are less than 50% of the registered authorised capital or have decreased by more than 50% in comparison with the same indicator as of the end of the previous year, the supervisory board or the board of directors of the company shall, within three months upon the approval of such financial statements, take all the actions in connection with the preparation for and holding of the general meeting, the agenda of which includes the actions to be taken to improve the financial state of the company, reduction of the authorised capital of the company, or liquidation of the company as well as consideration of the report of the executive body following the reduction of the equity of the company and approval of the actions following the consideration of the report.

In case the obligation under the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n192) of this Part is breached, and the joint stock company is declared bankrupt within three years from the date of reduction of the value of net assets set out in the first paragraph of this Part, all members of the supervisory board or the board of directors who have held respective offices during the period, when the obligation under the first paragraph of this Part was not fulfilled, shall jointly and severally bear subsidiary liability for the company’s obligations.

The members of the executive body, who have failed to inform the supervisory board or the board of directors of the reduced value of the company’s net assets as set out in the first paragraph of this Part, shall jointly and severally bear subsidiary liability for the company’s obligations, in case it is declared bankrupt within three years from the date of reduction of the value of net assets.

The members of the supervisory board or the board of directors, members of the executive body that will be able to prove that they were not and could not have been aware of such reduction of the value of the company’s net assets or voted for a resolution on convening the general meeting of shareholders due to the reduced value of the company’s net assets, shall be exempted from liability for violation of such obligation.

This Part shall not apply to banks.

*{Article 16(2) has been supplemented with the fifth paragraph in accordance with Law* [*No. 3585-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3585-20#n3068)*}*

3. The procedure for increasing (decreasing) the authorised capital of the joint stock company shall be set up by the National Securities and Stock Market Commission.

4. The corporate charter of the joint stock company may provide for setting up a special reserve to pay dividends for preference shares. The procedure for forming and using this reserve shall be defined by the National Securities and Stock Market Commission.

5. The joint stock company may set up other additional and special reserves. The company’s shareholders may make more contributions into additional capital and special reserves of the company without changes in the number of their shares and the face value thereof.

**Article 17.** Increasing Authorised Capital of Joint Stock Company

1. The authorised capital of the joint stock company shall be increased by raising the face value of the shares or by an additional issue of shares of the existing face value as prescribed by the National Securities and Stock Market Commission.

A resolution to increase the authorised capital and make corresponding amendments to the corporate charter of the joint stock company shall be adopted by the general meeting except as otherwise prescribed by this Law.

In case of redemption of convertible bonds of the company, a resolution to increase the authorised capital and make corresponding amendments to the corporate charter of the joint stock company shall be adopted by the supervisory board or the board of directors of the company.

A resolution to issue shares shall be disclosed in the data base of the entity that carries out operations on disclosure of regulated information on behalf of capital market participants and professional participants of organised commodity markets (for a private joint stock company where 100% of shares are owned directly or indirectly by one person, except for the company where 100% of shares are directly or directly owned by the state — on the company’ website), at latest on the date of publication of the minutes of general meeting, which had resolved to issue shares, in accordance with the requirements of [Article 57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n692) hereof.

2. The joint stock company shall have the right to increase the authorised capital, after reports on results of all previous issues of shares are registered.

3. Increase of the authorised capital of the joint stock company through additional contributions is done by an additional issue of shares.

4. Increase of the authorised capital of the joint stock company without additional contributions is done by raising the face value of the shares.

The authorised capital of the joint stock company shall not be increased in case the company had redeemed its shares or otherwise acquired them as of the date of such resolution.

5. The mandatory condition for increasing the authorised capital of the joint stock company is that the increased authorised capital shall meet the requirements set by the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n191) of Article 16 of this Law as of the date of registration of amendments to the corporate charter of the joint stock company.

**Article 18.** Decreasing Authorised Capital of Joint Stock Company

1. The authorised capital of the joint stock company shall be decreased as prescribed by the National Securities and Stock Market Commission by reducing the face value of the shares or by cancelling the shares already redeemed by the company and by reducing their total number, if it is allowed by the corporate charter of the joint stock company.

A resolution to decrease the authorised capital of the joint stock company shall be disclosed in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets (for a private joint stock company where 100% of shares are directly or indirectly owned by one person, except for the company where 100% of shares are directly or directly owned by the state — on the company’ website), at latest on the date of publication of the minutes of the general meeting, where it is decided to issue shares, in accordance with the requirements of [Article 57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n692) hereof.

2. After adoption of the resolution to reduce the authorised capital of the joint stock company, the board of directors or the executive body shall inform each creditor, whose claims against the joint stock company are not secured with the pledge, guarantee or surety agreement of such resolution in writing within thirty days.

3. The creditor whose claims against the joint stock company are not secured with the pledge, guarantee or surety agreement may, within thirty days upon receipt of the notice set out in Part 2 of this Article, submit a written request to the company to take one of the following actions at the company’s discretion within forty-five days:

1) to ensure fulfilment of obligations by concluding a pledge or surety agreement;

2) to terminate or fulfil obligations to the creditor prematurely, unless otherwise provided for by the agreement between the company and the creditor.

If the creditor has not given a written request to the company within the period provided for in this Part, it shall be deemed not to oblige the company to take any additional actions to fulfil its obligations to the creditor.

4. If the joint stock company decreases the authorised capital below the size prescribed by the law, it shall be liquidated.

**Article 19.** Cancelling Shares

1. The joint stock company may cancel the shares it has redeemed and decrease the authorised capital or raise the face value of the remaining shares and keep the authorised capital unchanged in accordance with the procedure established by the National Securities and Stock Market Commission.

**Article 20.** Consolidating and Splitting Shares

1. The joint stock company may carry out consolidation of all shares it has placed, as a result of which two or more shares are converted into one new share of the same type and class.

The mandatory condition for consolidation is exchanging the shares with the former face value for the round number of shares with the new face value for each shareholder.

2. The joint stock company may split all shares it has placed, as a result of which one share is converted into two or more shares of the same type and class.

The mandatory condition for splitting is exchanging the shares with the former face value for the round number of shares with the new face value for each shareholder.

3. Consolidation and split of shares shall not result in changes in the size of the authorised capital of the joint stock company.

4. In case the shares are consolidated or split, respective amendments shall be made to the corporate charter of the joint stock company regarding the face value and number of the shares placed.

5. The procedure for consolidating and splitting the company’s shares shall be established by the National Securities and Stock Market Commission.

**Article 21.** Capital Reserve of Joint Stock Company

1. The joint stock company shall form the capital reserve as prescribed by the law. The procedure for forming the capital reserve shall be set by the corporate charter of the joint stock company.

The capital reserve may not be formed with the proceeds from placing the shares of the joint stock company that have been issued additionally.

2. The capital reserve shall be formed to pay dividends on preference shares (if issued).

The company may form and use the capital reserve for other purposes set by the general meeting of shareholders.

3. If it is provided for by the corporate charter of the joint stock company, the general meeting shall have the right to resolve to redeem its own shares without a subsequent decrease in the authorised capital of the company provided that the company forms the capital reserve as of the day of such redemption in the amount of the total face value of the shares to be redeemed. Such capital reserve may not be distributed to shareholders of the corresponding company and shall only be used to raise the face value of the shares.

**Section IV. SECURITIES OF JOINT STOCK COMPANY**

**Article 22.** Shares of Company

1. A share of the company shall certify corporate rights of a shareholder in relation to the corresponding joint stock company.

2. All company’s shares are registered and exist in the electronic form only.

3. A joint stock company may issue shares of two types, ordinary and preference ones. The corporate charter of the joint stock company may provide for issue of one or several classes of preference shares that grant their owners different rights.

The company may not limit the number of the shares or the number of votes for the shares owned by one shareholder.

4. Ordinary shares of the company shall not be converted into preference shares or other securities of the joint stock company.

**Article 23.** Issuing Securities

1. The joint stock company may issue shares or other securities that can be converted into shares only by the decision of the general meeting (except as otherwise provided for by the [second paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n243) of this Part).

The resolution to issue shares in order to ensure redemption of the company’s converted bonds shall be adopted by the supervisory board or the board of directors.

Resolutions to issue securities that may be converted into shares shall be disclosed in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets (for a private joint stock company where 100% of shares are directly or indirectly owned by one person, except for the company where 100% of shares are directly or directly owned by the state — on the company’ website), at latest on the date of publication of the minutes of the general meeting, in accordance with the requirements of [Article 57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n692) hereof.

The company may issue securities other than shares and other securities that can be converted into shares by the decision of the supervisory board or the board of directors, unless otherwise provided for by the corporate charter of such joint stock company. A resolution to issue securities to the amount that exceeds 25% of the value of the company’s assets according to the latest annual financial statements shall be adopted by the general meeting of shareholders.

2. The joint stock company may issue shares and bonds to convert the company’s liabilities into securities as prescribed by the National Securities and Stock Market Commission.

3. The joint stock company may not directly or indirectly purchase its own shares during the issue.

**Article 24.** Price of Shares

1. The joint stock company shall issue or sell each share it has redeemed at the price that is not lower than the market value of such share, which is approved by the supervisory board or the board of directors, except for the following:

1) issue of shares when the insolvent bank, including the transitional bank established by the Deposit Guarantee Fund, is withdrawn from the market;

2) issue of shares when the company is founded;

3) issue of shares in case of the company’s merger, affiliation, demerger or spin-off of the company.

2. The joint stock company may not place shares at the price that is lower than their face value.

**Article 25.** Paying for Securities of Joint Stock Company

1. In case securities are placed by the joint stock company, they shall be paid for in cash or any other assets, if it is provided for by the resolution to issue the corresponding securities.

It shall not be allowed to pay for securities of the joint stock company by the following means:

1) when the investor alienates debt issuable securities issued by the investor to the issuer (except for the government bonds exchanged for the shares of the companies, where the state is a shareholder, as provided for by the Law on State Budget of Ukraine);

2) with promissory notes;

3) with other types of liabilities, in particular, by undertaking to perform works or provide services to the company.

The corporate charter of the joint stock company may also set up other restrictions for forms of payment for securities. The company may not impose restrictions or bans on payment for securities in cash.

2. The securities placed shall be paid up in full before the results of issue of securities are approved by the issuer’s body authorised to make such decision.

3. In case assets (including claims against the company that arose before the issue of the securities) are contributed as payment for the securities, the value of such assets shall conform to their market value determined in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof.

Monetary appraisal of claims against the companies, that arose before the issue of the securities and that are used to pay for the company’s securities shall be carried out in accordance with the procedure set by the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n262) of this Part for appraisal of assets.

Appraisal of assets in accordance with the first paragraph of this Part shall be carried out as of the day prior to the publication of the notice on convening the general meeting, where it is resolved to issue securities, and in case the resolution to issue securities is adopted by the supervisory board or the board of directors — as of the day of such resolution.

4. The property rights to securities during the issue thereof shall be acquired in accordance with the procedure and within the time frames set by the legislation on the depository system of Ukraine.

5. The joint stock company or the persons controlled by the company may not grant a loan or credit to purchase its securities or surety or guarantee for the loans or credits granted by a third party to purchase the company’s shares.

**Article 26.** Peculiarities of Free Float of Securities of Joint Stock Company

1. The company’s shares may be bought and sold at the organised capital market.

The public joint stock company shall undergo the procedure for admitting shares to trading at the regulated stock exchange or the stock multilateral trading platform as prescribed by the legislation and remain traded at least at one organised capital market in Ukraine.

2. The joint stock company may accept its own securities as pledge. The joint stock company may accept its own shares as pledge only provided that the number of such shares together with the shares that are considered to be redeemed or otherwise acquired by the company does not exceed 20% of the total number of the company’s shares, the report on issue of which has been duly registered.

3. The transactions with shares shall be conducted in writing.

4. A legal entity controlled by the joint stock company may not acquire shares of such joint stock company.

**Section V. RIGHTS AND OBLIGATIONS OF SHAREHOLDERS**

**Article 27.** Rights of Shareholders with Ordinary Shares

1. Each ordinary share of the joint stock company shall grant its shareholder the same aggregate rights, including the following:

1) to participate in governance of the company;

2) to receive dividends;

3) to receive the portion of the company’s assets or value thereof in case the company is liquidated;

4) to obtain information on business activities of the company.

One ordinary voting share of the company shall give the shareholder one vote in resolving each issue at the general meeting, except for cumulative voting.

Shareholders with ordinary shares of the company may also have other rights under the legislation and corporate charter of the joint stock company.

2. Unless otherwise stipulated in the corporate charter of the joint stock company, any court costs and other costs incurred by the shareholder in connection with submission of the action for compensation for the losses inflicted upon the joint stock company by its officers on behalf of the company shall be compensated for by the company regardless of the outcome of the litigation.

**Article 28.** Rights of Shareholders with Preference Shares

1. Each preference share of one class shall grant its shareholder the same aggregate rights.

2. The corporate charter of the joint stock company shall set the scope of the rights granted to the shareholder with each class of preference shares, including the following:

1) amount and order of dividends paid;

2) liquidation value and order of payments in case the company is liquidated;

3) cases of and conditions for converting preference shares of this class into preference shares of another class, ordinary shares or other securities;

4) procedure for obtaining information on the company’s operations.

3. The joint stock company shall pay dividends on preference shares except as otherwise provided for by [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n367) of Article 35 of this Law, in the amount set by the corporate charter of the joint stock company.

4. The shareholders with preference shares of the company shall have the right to vote only as prescribed by [Part 5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n293) of this Article and the corporate charter of the joint stock company.

One voting preference share in the company shall give the shareholder one vote in resolving each matter. The corporate charter of the joint stock company may provide for the special procedure for counting votes: cumulatively or separately from votes under ordinary and/or other classes of preference shares.

5. The shareholders with preference shares of the specific class shall have the right to vote when the general meeting resolves the following matters:

1) dissolution of the company, which provides for conversion of preference shares of this class into preference shares of another class, ordinary shares or other securities;

2) amendment of the corporate charter of the joint stock company to provide for restriction of rights of the shareholders with this class of preference shares;

3) amendment of the corporate charter of the joint stock company in connection with issue of a new class of preference shares, owners of which will have the priority in the order of obtaining dividends or payments when the company is liquidated, or the increased scope of rights of the shareholders with the classes of the preference shares placed that have the priority in the order of obtaining dividends or payments when the company is liquidated;

4) decrease of the authorised capital of the joint stock company.

The corporate charter of the private joint stock company may also grant the shareholder with preference shares the right to vote on other matters.

6. The resolution of the general meeting adopted with participation of the shareholders with preference shares that have the right to vote in accordance with Part 5 of this Article shall be considered to be adopted, if it has been voted for by more than three fourth of votes of the shareholders with preference shares that have participated in the voting on this matter unless the corporate charter of the joint stock company with twenty-five or fewer shareholders set the requirements for more votes of the shareholders with preference shares that is necessary to adopt a resolution.

During the voting by the shareholders with several classes of preference shares in accordance with [Part 5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n293) of this Article, the votes under such shares shall be counted together unless otherwise stipulated in the corporate charter of the joint stock company.

7. In case the private joint stock company changes its type for the public one, the rights that are not provided for by this Law for the shareholders with preference shares of the public joint stock company shall be terminated.

**Article 29.**Corporate Agreement

1. The agreement under which the company’s shareholders undertake to exercise their rights and powers in a certain manner or abstain from the exercise thereof (hereinafter the “corporate agreement”) shall be concluded in writing. The corporate agreement can be gratuitous or non-gratuitous. The joint stock company itself and third parties may become additional parties of the corporate agreement. The corporate agreement that does not meet these requirements shall be void.

2. The date of conclusion and the term of the corporate agreement shall be stipulated in the agreement.

3. The corporate agreement may set terms and conditions or the procedure for deciding the terms and conditions under which the shareholder may or shall purchase or sell the company’s shares, and also specify the cases in which such right or obligation arises.

In case the corporate agreement contains the obligation to purchase or sell the company’s shares, but any of the parties evades its obligations to conclude the share sale and purchase agreement, the other party may file an action to court and ask to recognise the share sale and purchase agreement to be concluded under the terms and conditions set out therein, and to be compensated for the losses caused by non-conclusion of such share sale and purchase agreement.

4. The corporate agreement that sets the shareholders’ obligation to ensure voting following the instructions of governing bodies of the company shall be void.

5. The content of the corporate agreement may not be disclosed and shall be confidential unless otherwise prescribed by the law or agreement.

Information on concluding the corporate agreement in the public joint stock company shall be provided to the company by one of the parties thereto within three business days from the date of conclusion. The public joint stock company shall disclose information on its corporate agreement as prescribed by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/3480-15) “On Capital Markets and Organised Commodity Markets” for disclosure of special information on the issuer.

The corporate agreement the party to which is the state, territorial community, state or municipal enterprise or legal entity where 25% of shares or more are directly or indirectly owned by the state or territorial community shall be made public within ten days from the date of the agreement, on the official website of the corresponding public authority, local self-government body as well as on the website of the joint stock company.

6. The agreement concluded by the party to the corporate agreement in breach of such corporate agreement shall be void if the other party thereto knew or was supposed to know about such violation.

7. The parties to the corporate agreement may select the law to govern the agreement provided that they comply with the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2709-15) “On International Private Law”.

8. The person that has obtained the right to decide on the voting method at the general meeting of the public joint stock company under the company’s shares in accordance with the corporate agreement shall inform the company of such right if the person became able to manage the block of shares that reached a threshold value, on its own or together with its affiliated person(s), either directly or indirectly.

The notice shall be sent as prescribed by [Article 92](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1141) of this Law.

9. The person obliged to send a notice in accordance with Part 8 of this Article may, before the day when such notice is sent, select the voting method only for the shares the number of which does not exceed the number of the shares owned by this person before the notice is sent. All shares owned by the person shall be considered when the quorum of the general meeting of shareholders is determined.

**Article 30.** Irrevocable Power of Attorney for Corporate Rights

1. In case a power of attorney is granted to fulfil or ensure fulfilment of obligations of shareholders as parties to the corporate agreement, the scope of which includes rights to shares or powers of the shareholders, or in connection with the shares pledged to ensure fulfilment of the pledger’s obligations in the pledge holder’s favour, the principal may state in the power of attorney that it may not be cancelled without the representative’s consent until it expires, or it may only be cancelled as set out in the power of attorney (the irrevocable power of attorney).

2. The irrevocable power of attorney shall be ended in case the obligation in connection with which it has been granted is terminated.

3. In case of violation of the principal’s rights and interests, the attorney shall cease to use the irrevocable power of attorney and withdraw from it upon the principal’s request. The irrevocable power of attorney may be cancelled by court where there is a dispute.

4. The irrevocable power of attorney shall be certified by a notary.

5. The person who has been granted the irrevocable power of attorney may not delegate the actions, to which he or she has been authorised, to another person unless otherwise provided for by such power of attorney.

**Article 31.** Pre-Emptive Right of Shareholders upon Additional Issue of Shares

1. The pre-emptive right of shareholders is:

1) the right of the shareholder with ordinary shares to purchase ordinary shares placed by the company and other securities that may be converted into shares, in proportion to the number of its ordinary shares in the total number of the ordinary shares;

2) the right of the shareholder with preference shares to purchase the preference shares of this or another class placed by the company if shares of this class give their owners the priority in the order of obtaining dividends or payments when the company is liquidated, and other securities that may be converted into shares of this class, in proportion to the number of the shareholder’s preference shares of the specific class in the total number of preference shares of this class.

2. The pre-emptive right shall be granted to the shareholder with ordinary shares when the company issues ordinary shares (except when the general meeting resolves not to exercise this right) in accordance with the legislation. The resolution not to exercise this right shall be adopted on each additional issue of the company’s shares.

The pre-emptive right shall be granted to the shareholder with preference shares when the company issues preference shares (except when the general meeting resolves not to exercise this right). The resolution not to exercise this right shall be adopted on each additional issue of the company’s shares.

In case the agenda of the general meeting includes the topic of not exercising the shareholders’ pre-emptive right to purchase the additionally issued shares, the supervisory board or the board of directors shall present the written report with reasons for not exercising the right at the meeting.

Before issue of the shares with the shareholders’ pre-emptive right, the company shall inform each eligible shareholder of the right and publish the corresponding notice on its website and in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets (other than a private joint stock company where 100% of shares are directly or indirectly owned by one person, except for the company where 100% of shares are directly or directly owned by the state).

The notice under the [fourth paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n329) of this Part shall contain data disclosed by the company on the general number of shares, the placement price, the rules for determining the number of the securities to which the shareholder has the pre-emptive right, the term and procedure for exercising the right. In case preference shares are issued, the notice shall also contain information on the rights granted to owners of these securities.

3. The shareholder that intends to exercise its pre-emptive right shall submit a written application for purchasing shares to the joint stock company within the established time frames and transfer funds in the amount equal to the value of the securities being purchased to the corresponding account (except when assets are used to pay for the shares). The shareholder’s application shall contain the shareholder’s details, place of residence (location), and the number of the securities being purchased. The application and the funds shall be accepted by the company at latest on the day prior to the securities placement date. The company shall provide the shareholder with the written obligation to sell the corresponding number of securities.

4. The rules of Parts [1 to 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n323) of this Article shall also be applied in case the general meeting resolves to issue the securities convertible into shares.

5. In case the joint stock company violates the procedure for the shareholders to exercise their pre-emptive right, the National Securities and Stock Market Commission may resolve to declare the issue of shares to be done in bad faith and suspend the respective issue.

6. A resolution not to exercise the pre-emptive right shall be disclosed in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets (for a private joint stock company where 100% of shares are directly or indirectly owned by one person, except for the company where 100% of shares are directly or directly owned by the state — on the company’ website), at latest on the date of publication of the minutes of the general meeting where it is resolved not to exercise the pre-emptive right, in accordance with the requirements of [Article 57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n692) hereof.

**Article 32.** Protecting Rights of Shareholders Employed by the Company

1. Officers of bodies of the joint stock company and other persons having labour relations with the company may not demand from the shareholder employed by the company to inform how he or she has voted or intends to vote at the general meeting, or on alienation of or intention to alienate shares of the shareholders employed by the company, or demand to be granted a power of attorney to participate in the general meeting.

Violation of the requirements of this Article by the company’s officer shall be a basis for his or her administrative and civil legal liability, termination of the civil law or employment agreement (contract), termination of his or her powers and/or dismissal.

**Article 33.** Obligations of Shareholders

1. Obligations of shareholders shall only be set by the law.

**Section VI. DIVIDENDS OF JOINT STOCK COMPANY**

**Article 34.** Procedure for Paying Dividends

1. Dividends are a part of the joint stock company’s net profit payable to the shareholder per its share of a certain type and/or class. Dividends on shares of the same type and class are accrued in the same amount.

Dividends shall be paid to owners of shares of the same type and class in proportion to the number of their securities. Terms and conditions for paying dividends, in particular, regarding the time frames, method and amount of dividends, shall be the same for all the owners of shares of the same type and class.

The company shall only pay dividends with cash.

Dividends shall be paid on the shares, the report on the results of issue of which has been registered as prescribed by the law.

2. A resolution on payment of dividends and amount thereof for the ordinary shares shall be adopted by the general meeting. The amount of dividends on preference shares of any class shall be specified in the corporate charter of the joint stock company.

3. Dividends on ordinary shares shall be paid from the net profit for the reporting year and/or retained earnings and/or capital reserve on the basis of the resolution of the general meeting within six months upon the date of the resolution of the general meeting to pay dividends.

Dividends on preference shares shall be paid from the net profit for the reporting year and/or retained earnings and/or capital reserve formed to pay dividends on preference shares, in accordance with the corporate charter of the joint stock company, within six months after the reporting year expires.

In case the general meeting resolves to pay dividends within the time frame shorter than the one set by the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n347) of this Part, dividends shall be paid within the time frames set by the general meeting.

In case dividends are not paid within the time frames set by the [first](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n347) and [second](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n348) paragraphs of this Part, or within the time frames set by the general meeting in accordance with [the third paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n349) of this Part for payment of dividends, provided that it is shorter than the ones set by the first and second paragraphs of this Part, the shareholder shall have the right to apply to a notary for a notary writ in the documents under which debt is collected in accordance with the incontestable procedure, based on the list approved by the Cabinet of Ministers of Ukraine.

Where there is no or insufficient net profit for the reporting year and/or retained earnings for the past years, dividends on preference shares shall be paid from the capital reserve of the company or the special reserve for payment of dividends on preference shares.

4. The supervisory board or the board of directors of the joint stock company shall set the date to make the list of the persons entitled to receive dividends and the procedure for payment thereof for each payment of dividends on ordinary shares. The date to make the list of the persons entitled to receive dividends on ordinary shares shall be set by the resolution of the supervisory board or the board of directors, but it shall be at least 10 business days after the date of the resolution in any case. The list of persons entitled to receive dividends for preference shares shall be made within one month after the end of the reporting year, as of the date set out in the corporate charter of the joint stock company.

The procedure for paying dividends may be set by regulations on paying dividends.

The list of persons entitled to receive dividends shall be made in accordance with the procedure established by the legislation on the depository system of Ukraine.

The joint stock company shall inform the persons entitled to receive dividends of the date, amount, procedure and term of their payment in accordance with the procedure established by the supervisory board or the board of directors. Within 10 days from the date of the resolution on payment of dividends on ordinary shares, the company shall inform the operator(s) of the organised capital market(s) where the shares of such company have been admitted to trading of the date, amount, procedure and time of payment of dividends.

In case a shareholder alienates its shares after the date of making the list of persons entitled to receive dividends, but before dividends are paid, the person on such list shall retain the right to receive dividends.

5. The public joint stock company the shares of which have been offered to the public and/or admitted to trading at the organised capital market and the bank shall pay dividends via the depository system of Ukraine in accordance with the procedure set by the National Securities and Stock Market Commission.

The joint stock companies other than the ones set out in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n357) of this Part shall pay dividends via the depository system of Ukraine or directly to their shareholders in accordance with the procedure set by the National Securities and Stock Market Commission. The method for payment of dividends shall be determined by the applicable resolution of the general meeting.

**Article 35.**Limitation of Dividends

1. The joint stock company may not resolve to pay dividends and may not pay dividends on ordinary shares if:

1) the report on the results of issue of the shares has not been duly registered;

2) the company’s equity is less or as a result of such payment will be less than the total amount of its authorised capital, capital reserve and the amount of excess of the liquidation value of the preference shares over their face value (this Clause shall not apply to banks);

*{Article 35(1)(2) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n389)*}*

3) the company’s assets are insufficient to satisfy creditors’ claims under matured obligations or will be insufficient to satisfy such claims as a result of adoption of such resolution.

2. The joint stock company may not pay dividends on ordinary shares if:

1) the company has obligations to redeem shares in accordance with [Article 102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) of this Law;

2) dividends on preference shares have not been paid in full.

3. The joint stock company may not pay dividends on preference shares of a specific class before current dividends under preference shares whose owners have the priority in the order of receiving dividends are paid.

4. Any dividends received by the shareholder in breach of the requirements of this Article shall be refunded in judicial proceedings, if the shareholder knew or was supposed to know that dividends were paid in breach of the requirements of this Article.

**Section VII. GENERAL MEETING OF SHAREHOLDERS**

**[Article 36.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)**General Meeting of Shareholders

1. The general meeting of shareholders shall be the supreme body of the joint stock company.

2. The general meeting of shareholders may be annual and extraordinary. All general meetings except for the annual one shall be considered extraordinary.

3. The general meeting of shareholders shall be held at the expense of the joint stock company. In case an extraordinary general meeting of shareholders is initiated by the shareholder(s), the costs incurred to arrange, prepare for and hold such general meeting shall be covered by such shareholder(s), except when such costs are compensated for by the company itself by the decision of the general meeting.

**[Article 37.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Annual General Meeting of Shareholders

1. The supervisory board or the board of directors shall annually convene the ordinary general meeting of shareholders (hereinafter the “annual general meeting”).

2. The annual general meeting shall be held at latest on 30 April of the year following the reporting year.

3. The agenda of the annual general meeting shall include the matters set out in [Clauses 15-17](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n409) and [19](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n413) of Part 2 of Article 39 hereof.

The agenda of the annual general meeting of the public joint stock company shall also include the matter set out in [Clause 14](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n408) of Part 2 of Article 39 hereof as well as the matter of feasibility of amendments to the regulation on remuneration to members of the supervisory board or the board of directors and the executive body of the public joint stock company.

At least once every three years, the agenda of the annual general meeting shall include the matters set out in [Clauses 24-26](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n418) of Part 2 of Article 39 hereof.

**[Article 38.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Methods for Holding General Meetings of Shareholders

1. The general meeting of shareholders may be held by:

1) voting in person (hereinafter the “general meeting in presentia”);

2) electronic voting (hereinafter the “electronic general meeting”);

3) polling (hereinafter the “general meeting in absentia”).

In case 100% of the company’s shares are owned by one shareholder, the general meeting shall be held with due consideration of the peculiarities set by [Article 60](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n726) of this Law.

In case the general meeting is attended by the shareholders with 100% of the voting shares of the company, the general meeting shall be held with due consideration of the peculiarities set by [Article 59](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n717) hereof.

2. The general meeting in presentia provides for co-presence of shareholders (their proxies) on the day and time of the general meeting at the venue thereof to discuss and adopt resolutions on the agenda. Each shareholder may take part in the general meeting in presentia by electronic absent vote via the authorised electronic system as prescribed by this Law and regulations of the National Securities and Stock Market Commission.

The electronic general meeting does not provide for co-presence of the shareholders (their proxies) and is only held by electronic absent voting by shareholders via the authorised electronic system as prescribed by this Law and regulations of the National Securities and Stock Market Commission.

The general meeting in absentia does not provide for co-presence of shareholders (their proxies) and is held by shareholders filling in ballot papers remotely and sending them to the company via the depository system of Ukraine as prescribed by the National Securities and Stock Market Commission.

**[Article 39.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Competence of General Meeting of Shareholders

1. The general meeting of shareholders may resolve any business matters of the joint stock company other than the ones within the competence of the supervisory board or the board of directors or the corporate charter of the joint stock company.

Except for the companies where 50% of shares or more are directly or indirectly owned by the state, the corporate charter of the private joint stock company may define that the general meeting can resolve any matters, including those within the competence of the supervisory board or the board of directors. If the number of shareholders in the private joint stock company is more than 100, the resolution on including the respective clause into the corporate charter of such private joint stock company shall be adopted by more than 95% of the total number of the shareholders’ votes.

The supervisory board or the board of directors may include any matter within its exclusive competence pursuant to the law or corporate charter of the joint stock company into the agenda of the general meeting of shareholders, for the matter to be resolved by the general meeting.

2. The exclusive competence of the general meeting of shareholders includes:

1) determining the main directions of operations of the joint stock company;

2) resolving to amend the corporate charter of the joint stock company except as otherwise provided for by this Law;

3) resolving to change the type of the joint stock company;

4) resolving to change the management structure;

5) resolving to issue shares except as otherwise provided for by this Law;

6) resolving to cancel the shares that have been redeemed or acquired otherwise;

7) resolving that the joint stock company will sell its own shares redeemed from the shareholders or acquired otherwise;

8) resolving to issue the securities convertible into shares as well as to issue securities to the amount exceeding 25% of the value of the assets of the joint stock company;

9) resolving to increase the authorised capital of the joint stock company except as otherwise provided for by [Articles 119](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1688), [121](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1744) and [133](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1918) hereof;

10) resolving to decrease the authorised capital of the joint stock company;

11) resolving to split or consolidate the shares;

12) approving the regulations on the general meeting, the supervisory board or the board of directors as well as amendments thereto;

13) approving the regulations on remuneration to members of the supervisory board or the board of directors and the executive body of the joint stock company, the requirements to which are established by the National Securities and Stock Market Commission. The peculiarities of these requirements to the regulations on remuneration to members of the supervisory board and the executive body of the joint stock company being a bank shall be established by the National Bank of Ukraine. The peculiarities of the requirements to the regulations on remuneration to members of supervisory boards of joint stock companies (other than banks) where 50% of the authorised capital or more are owned by the state shall be established by the Cabinet of Ministers of Ukraine in accordance with the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/185-16) “On Management of State-Owned Property”;

*{Article 39(2)(13) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n391)*}*

14) approving the report on remuneration paid to members of the supervisory board or the board of directors and the executive body of the joint stock company, the requirements to which are established by the National Securities and Stock Market Commission. The peculiarities of these requirements to the report on remuneration paid to members of the supervisory board and the executive body of the joint stock company being a bank shall be established by the National Bank of Ukraine. The peculiarities of the requirements to the report on remuneration paid to members of supervisory boards of joint stock companies (other than banks) where 50% of the authorised capital or more are owned by the state shall be established by the Cabinet of Ministers of Ukraine in accordance with the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/185-16) “On Management of State-Owned Property”;

*{Article 39(2)(14) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n392)*}*

15) reviewing the report of the supervisory board or the board of directors, and adopting a resolution following the review of the report;

16) reviewing the report of the executive body, and adopting a resolution following the review of the report, except when designation and dismissal of the chairperson and members of the executive body pertain to the exclusive competence of the supervisory board in accordance with the corporate charter of the joint stock company;

17) reviewing conclusions made in the auditor’s opinion of the auditing entity, and approving follow-up actions;

18) designating the auditing entity in accordance with the requirements of [Article 29](https://zakon.rada.gov.ua/laws/show/en/2258-19#n440) of the Law of Ukraine “On Audit of Financial Statements and Audit Activity”;

19) approving results of financial and economic operations for the corresponding year, and allocating the company’s profit or approving the procedure for covering the company’s losses;

20) resolving that the company will redeem the shares it has placed, except for mandatory redemption of shares under [Article 102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof;

21) resolving not to exercise the shareholders’ pre-emptive right to purchase additionally issued shares;

22) resolving to pay dividends on ordinary shares of the company, approving the amount of annual dividends with due consideration of the requirements set by the law, and the method for payment thereof;

23) adopting resolutions on the procedure for holding the general meeting, approving the regulation of the general meeting of shareholders;

24) electing members of the supervisory board or the board of directors;

25) approving terms and conditions of civil law contracts, employment agreements (contracts) made with members of the supervisory board or the board of directors, establishing the amount of their remuneration, designating the person authorised to sign agreements (contracts) with members of the supervisory board or the board of directors;

26) resolving to terminate the authority of members of the supervisory board or the board of directors except as otherwise prescribed by this Law;

27) electing members of the counting board, and resolving to terminate the authority of members of the counting board (in case the corporate charter of the joint stock company provide for establishment of the permanent counting board of the general meeting of shareholders);

28) resolving to conduct the substantial transaction or to grant prior consent to the substantial transaction as prescribed by [Article 106](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1461) of this Law, and to conduct related-party transactions as prescribed by [Article 107](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1483) hereof;

28**1**) establishing the procedure for approving resolutions on alienation or lease (rent) of assets of state joint stock companies (except for banks) on a competitive basis, with due consideration of the requirements for alienation and lease (rent) of such property set by the Cabinet of Ministers of Ukraine;

*{Article 39(2) has been supplemented with Clause 28***1***in accordance with Law*[*No. 2792-IX dated 01.12.2022*](https://zakon.rada.gov.ua/laws/show/en/2792-20#n29)*; as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n393)*}*

29) adopting a resolution on spin-off and dissolution of the company except as otherwise provided for by the[second paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1690) of Article 119 of this Law, on liquidation of the company, election of the liquidation board, approving the procedure and terms for liquidation, the procedure for allocating the assets remaining after the creditors’ claims are satisfied among the shareholders, and approving the liquidation balance sheet;

30) resolving to apply the Corporate Governance Code approved by the National Securities and Stock Market Commission, or the corporate governance code of the organised capital market operator, the association of legal entities, or any other corporate governance code;

31) electing members of the dissolution commission of the joint stock company;

32) addressing other issues within the exclusive competence of the general meeting of shareholders pursuant to the corporate charter of the joint stock company.

3. The authority to resolve matters within the exclusive competence of the general meeting of shareholders may not be delegated to other bodies of the company.

**[Article 40.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Quorum of General Meeting of Shareholders

1. The general meeting of shareholders has a quorum if the shareholders that own more than fifty (50) percent of the voting shares in aggregate have been registered to attend the general meeting.

In order to resolve the matter the right to vote on which is granted pursuant to [Part 5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n293) of Article 28 hereof to owners of preference shares, or the matter votes of owners of preference shares of the company on which are counted separately in accordance with the [second paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n292) of Part 4 of Article 28 of this Law, the general meeting shall be considered to have a quorum on corresponding matters provided that the shareholders that own more than 50% of preference shares in aggregate (each class of preference shares), with the right to vote on the corresponding matter, have also registered to attend the general meeting.

2. The law may set other restrictions in determining the quorum of the general meeting and voting rights at the general meeting.

3. The company’s shares held by the legal entity controlled by such company shall not be taken into consideration to determine the quorum of the general meeting and shall not give the right to participate in voting at the general meeting of shareholders.

4. The quorum of the general meeting shall be determined as of the end of registration of shareholders to participate in the general meeting on the basis of the list of shareholders (their proxies) that have been registered to attend the general meeting, as formed in the authorised electronic system.

**[Article 41.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Right to Attend General Meeting of Shareholders

1. The general meeting may be attended by the persons recorded in the list of shareholders entitled to such attendance, or by their representatives. Other persons may also attend the general meeting of shareholders by invitation of the person, who convenes the general meeting.

The list of the shareholders entitled to attend the general meeting shall be made as of 23:00 of the business day preceding the meeting by two business days, in accordance with the procedure established by the legislation on the depository system of Ukraine.

Upon the shareholder’s request, the company shall furnish information on its inclusion into the list of the shareholders entitled to attend the general meeting.

2. The list of the shareholders entitled to attend the general meeting may not be amended after it is made.

3. Restrictions of the shareholder’s right to attend the general meeting shall be prescribed by the law.

**[Article 42.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Convening General Meeting of Shareholders

1. The general meeting shall be convened by the supervisory board or the board of directors except when the extraordinary general meeting is convened by the shareholders in accordance with [Article 44](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n466) of this Law.

2. The annual general meeting shall be convened by the supervisory board or the board of directors at their own initiative only. The extraordinary general meeting shall be convened by the supervisory board or the board of directors at their own initiative or within ten days upon receipt of the request to convene the meeting.

3. The person that convenes the general meeting shall:

1) approve the notice of holding the general meeting in accordance with [Article 46](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n478) of this Law.

2) select one of the methods for holding the general meeting of shareholders under [Article 38](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n380) hereof;

3) elect the person to chair the general meeting of shareholders and the person to act as the secretary of the general meeting unless another procedure for designating these persons is prescribed by the corporate charter of the joint stock company.

4. The person who convenes the general meeting shall adopt a resolution on the following at least twenty-four hours before the date thereof:

1) electing members of the registration board;

2) electing members of the temporary counting board if it is provided for by the corporate charter of the joint stock company.

5. The extraordinary general meeting shall be convened by the supervisory board or the board of directors:

1) at their own initiative;

2) upon request of shareholder(s) owning in aggregate 5% of the company’s voting shares or more as of the date of the request;

3) as otherwise provided for by the law or the corporate charter of the joint stock company.

Where there is a double-tier management structure, the extraordinary general meeting shall also be convened upon request of the executive body in case of expected proceedings to declare the company bankrupt or potential substantial transaction.

6. The extraordinary general meeting convened by the supervisory board or the board of directors shall be held within forty-five days upon receipt of the request to convene the meeting by the company.

7. In case the supervisory board or the board of directors does not resolve to convene the extraordinary general meeting upon request of the shareholder(s) owning in aggregate 5% of the company’s voting shares or more as of the date of the request, within ten days upon receipt of the request by the company, or in case it is resolved to refuse to convene the meeting, the extraordinary general meeting may be held by the requesting shareholder(s) in accordance with this Law, within ninety days after the request of such shareholder(s) to convene the general meeting has been sent to the company. The resolution of the supervisory board or the board of directors to refuse to convene the general meeting may be challenged by the shareholders in court.

**[Article 43.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Peculiarities of Convention of Extraordinary General Meeting by Joint Stock Company

1. The request to hold the extraordinary general meeting shall be submitted in writing to the joint stock company, with specification of the body of the company or details of the shareholders requesting the extraordinary general meeting, reasons for such meeting, draft agenda and resolutions on the matters on the draft agenda (except for cumulative voting).

In case the request is submitted by the shareholders, it shall contain information on the number, type and class of their shares; if it is submitted in hard copy at the company’s location, it shall be signed by all submitting shareholders.

2. If the draft agenda of the extraordinary general meeting includes early termination of authority of the chairperson of the collective executive body (the person who exercises powers of the sole executive body) or a member of the board of directors being the chief executive director, there shall also be a proposal on the candidate for the office of the chairperson of the collective executive body of the joint stock company (the person who exercises powers of the sole executive body) or the member of the board of directors being the chief executive director, or on designation of the person who will temporarily exercise his or her powers.

3. The resolution to refuse to convene the extraordinary general meeting shall only be adopted in the following cases:

1) if as of the date of the request the shareholders do not own the number of the company’s voting shares under [Clause 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n452) of Part 5 of Article 42 of this Law;

2) if the data under Parts [1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n458) and [2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n460) of this Article are incomplete.

The resolution of the supervisory board or the board of directors to convene the extraordinary general meeting or the reasoned resolution to refuse to convene the meeting shall be sent to the corresponding governing body of the company or to the shareholders requesting to convene the extraordinary general meeting, within three days upon adoption thereof.

4. The supervisory board or the board of directors shall have no right to amend the draft agenda of the general meeting contained in the request to hold the extraordinary general meeting, except for inclusion of new matters or draft resolutions into the agenda.

**[Article 44.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Peculiarities of Convening Extraordinary General Meeting by Shareholders

1. The shareholders convening the general meeting shall ensure to take actions to arrange and conduct the respective extraordinary general meeting in accordance with this Law and by-laws of the joint stock company, with due consideration of the peculiarities set by this Article.

2. In case the extraordinary general meeting convened by the shareholders is held, a notice thereof shall be sent to all the shareholders of the company via the depository system of Ukraine.

The shareholders convening the extraordinary general meeting shall, at least thirty days before the date of the extraordinary general meeting:

1) publish a notice of the extraordinary general meeting in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets;

2) send a notice of the extraordinary general meeting to the joint stock company;

3) send a notice of the extraordinary general meeting and the draft agenda to the operator of the organised capital market where the company’s shares have been admitted to trading.

The notice of holding the extraordinary general meeting upon the shareholders’ request shall contain the data set out in [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n491) of Article 47 of this Law, and the procedure for the shareholders to submit proposals on the draft agenda of the extraordinary general meeting.

3. The shareholders convening the extraordinary general meeting shall conclude the agreement with the Central Securities Depository to regulate their relations in use of the authorised electronic system.

**[Article 45.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Reduced Procedure for Convening Extraordinary General Meeting of Shareholders

1. If interests of the joint stock company so require, when taking the decision to convene the extraordinary general meeting, the person who convenes the general meeting may decide that a notice of the extraordinary general meeting shall be sent at least 15 days before the date of the meeting, as prescribed by [Article 47](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n483) hereof. In this case, the person that convenes the general meeting shall approve the agenda.

The person who convenes the general meeting is not allowed to take the decision set out in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n476) of this Part if the agenda of the extraordinary general meeting includes election of officers of the joint stock company.

**[Article 46.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Agenda of General Meeting of Shareholders

1. The draft agenda of the general meeting and the agenda of the general meeting shall be approved by the person that convenes the general meeting.

2. When approving the agenda of the general meeting, the person that convenes the general meeting shall establish whether there is a relation between the matters on the agenda. Such relation shall be specified in the resolution on approving the agenda of the general meeting. The relation between the matters on the agenda of the general meeting means that votes cannot be counted, and the resolution on one matter on the agenda cannot be adopted in case the resolution is not adopted, or the mutually exclusive resolution is adopted on the previous matter (one of the previous matters) on the agenda. When the general meeting is held in presentia, the matter on the agenda regarding which the relation has been established shall not be put to vote in case the resolution is not adopted, or the mutually exclusive resolution is adopted on the previous matter (one of the previous matters) on the agenda.

In case the general meeting is person or the electronic general meeting is held, after the agenda is approved, the person who convenes the general meeting shall designate the person(s) authorised to interact with the authorised electronic system in connection with the general meeting.

3. Before the general meeting is held, the shareholder may request to examine draft resolutions on the matters on the agenda or the draft agenda in accordance with [Article 48](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n512) of this Law.

**[Article 47.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Notice of General Meeting of Shareholders

1. A notice of the general meeting shall be sent to each shareholder in the list of the shareholders made as prescribed by the legislation on the depository system of Ukraine, as of the date set by the person that convenes the general meeting. The date shall follow the date of the resolution on convening the general meeting in any case. There shall be at least 30 days before the date and the date of the general meeting (in the case set out in [Article 45](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n475) hereof — 15 days).

In case the person that convenes the general meeting is the supervisory board or the board of directors, a notice of the general meeting and the draft agenda shall be sent to the shareholders in the manner prescribed by the supervisory board or the board of directors.

In case the person that convenes the general meeting is the shareholder(s), a notice of the general meeting and the draft agenda shall be sent to the shareholders via the depository system of Ukraine.

The information set out in [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n506) of this Article shall be disclosed by the joint stock company on its website, and by the shareholders convening the general meeting on the website specified in the notice of the general meeting.

The joint stock company or the shareholders convening the general meeting shall additionally send a notice of the general meeting to the operator(s) of the organised capital market(s) where the company’s shares have been admitted to trading.

The joint stock company or the shareholders convening the general meeting shall post a notice of the general meeting in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets.

Notices of the general meeting shall be sent and published at least 30 days before the date of such meeting (in the case set out in [Article 45](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n475) hereof — at least 15 days before the date of the general meeting).

2. The notice of the general meeting shall include the following:

1) the identification number of the legal entity, the full name and location of the joint stock company;

2) the date and time of the general meeting, and in case the general meeting is held in presentia — the venue thereof (with specification of the number of the room, office or hall for the shareholders to come);

3) the method for holding the general meeting;

4) the time of start and end of registration of the shareholders to attend the general meeting;

5) the date of making the list of the shareholders entitled to attend the general meeting;

6) the draft agenda and draft resolutions (other than cumulative voting) on each matter on the agenda;

7) website where the information set out in [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n506) of this Article has been disclosed;

8) the procedure for the shareholders to examine the materials that can be examined during preparation for the general meeting, in particular, the designated place for examination (room or office number, etc.) and the officer of the company (in case the general meeting is convened by the shareholders — the person designated by such shareholders) responsible for the procedure for examination of the documents by the shareholders;

9) information on the rights granted to the shareholders in accordance with the requirements of [Articles 27](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n274) and [28](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n283) hereof that can be exercised after they receive the notice of the general meeting, and the period during which such rights can be exercised;

10) the procedure for the shareholders to submit their proposals on the draft agenda of the extraordinary general meeting;

11) the procedure for attending and voting at the general meeting per power of attorney.

In case the electronic general meeting is held, the notice shall additionally specify the date and time of the start and end of the voting procedure via the authorised electronic system.

In case the general meeting in absentia is held, the notice shall additionally specify the date and time of the start and end of dispatch of ballot papers to the depository institution.

In case the agenda includes a decrease in the authorised capital of the joint stock company, the notice of the joint stock company shall also specify the purpose of the decrease in the authorised capital and the method for this procedure.

3. At least 30 days before the date of the general meeting, and in the case set out in [Article 45](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n475) hereof — at least 15 days before the date of the meeting, the company shall disclose the following information and ensure that it is available on its website till the date of the general meeting (in case the general meeting is convened by the shareholders — on the website designated by such shareholders):

1) notice of the general meeting;

2) information on the total number of shares and voting shares as of the date of making the list of the persons, who are sent the notice of the general meeting (including the total number for each individual type of shares if the authorised capital of the company is made of two or more types/classes of shares);

3) list of the documents to be presented by the shareholder (its proxy) to attend the general meeting.

This Part shall not apply to the private joint stock companies where 100% of shares are directly or indirectly owned by one person, except for the companies where 100% of shares are directly or indirectly owned by the state.

4. In case the electronic general meeting is held, the notices under this Law regarding the general meeting, amendments to the draft agenda, the shareholders’ proposals on the draft agenda, the notices of denying inclusion of a matter into the draft agenda shall be sent with due consideration of the requirements of and within the time frames set by this Law, via the depository system of Ukraine and/or the authorised electronic system as prescribed by the National Securities and Stock Market Commission.

**[Article 48.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Documents Provided to Shareholders, and Documents Available to Shareholders to Prepare for General Meeting of Shareholders

1. From the date of sending the notice of the general meeting until the date of the general meeting, the joint stock company or the shareholders convening the general meeting shall enable the shareholders to examine the documents necessary to adopt resolutions on the matters in the draft agenda and the agenda at the company’s address during the working hours, on business days, at the accessible location specified in the notice of the general meeting, and on the day of the general meeting — at its venue as well. When the general meeting in presentia or the electronic general meeting is held, the documents necessary to adopt resolutions on the matters on the draft agenda and the agenda of the general meeting shall also be available to the shareholders via the authorised electronic system.

In case the documents set out in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n513) of this Part are not available on the day of the general meeting at its venue, the general meeting may not adopt a resolution on the corresponding matter.

2. Each shareholder may obtain, and the company shall provide upon its request a free copy of all or any documents out of the list of the documents to be examined by the shareholders to prepare for the general meeting.

In case the shareholder has agreed that the company can use e-mail to transmit information, and has specified the e-mail address in its request for documents, copies of corresponding documents shall be sent to the shareholder’s e-mail address. In this case, the joint stock company or the shareholders convening the general meeting shall send these documents in electronic form in accordance with the requirements set by the legislation on electronic records management.

3. In case the draft agenda or the agenda of the general meeting provides for voting on the matters set out in [Article 102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof, the joint stock company shall enable the shareholders to examine the draft agreement on redemption of shares by the company as prescribed by [Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof. The terms and conditions of this agreement (except for the ones on the number and total value of the shares) shall be the same for all the shareholders.

4. In case the draft agenda or the agenda of the general meeting provides for voting on the matters set out in [Section XVIII](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n737) hereof, the joint stock company shall enable the shareholders to examine the documents set out in [Articles 124](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1771) and [131](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1908) hereof.

5. The corporate charter of the joint stock company may set up any other procedure for providing the shareholders with the documents to be examined to prepare for the general meeting. Such documents may be provided in electronic form or any other form according to the corporate charter of the joint stock company.

6. When the shareholders are sent a notice of the general meeting, the joint stock company may not amend the documents sent to the shareholders or made available to them for examination, other than amendments to such documents in connection with amendments in the agenda or correction of errors. In such case, amendments shall be made at least 10 days before the date of the general meeting, and at least 4 days before the date of the general meeting in case such amendments concern candidates to the bodies of the company.

7. The joint stock company shall respond in writing to written requests of the shareholders regarding the matters on the draft agenda of the general meeting and the agenda of the general meeting that are received by the company at least one business day before the date of the general meeting, in accordance with the established procedure before the start of the general meeting. The joint-stock company may provide one general answer to all questions with the same content.

8. The documents that can be examined by the shareholders to prepare for the general meeting may be made public on the website specified in the notice of the general meeting in case the corresponding resolution is adopted by the person who convenes the general meeting. In this case, each shareholder shall have the right to examine, download and print out such documents.

9. The requirements for the procedure for executing the documents set out in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n513) of Part 1 of this Article and the terms and conditions for posting them on the website shall be established by the National Securities and Stock Market Commission.

**[Article 49.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Proposals on the Draft Agenda of the General Meeting of Shareholders

1. Each shareholder shall have the right to make proposals on matters on the draft agenda of the general meeting, as well as regarding new candidates to the bodies of the joint stock company, the number of which cannot exceed the number of members in each body.

The supervisory board or the board of directors shall have the right to make proposals on the matters on the draft agenda of the general meeting unless otherwise provided for by the corporate charter of the joint stock company.

2. Proposals shall be submitted at least 20 days before the date of the general meeting, and at least seven days before the date of the general meeting in case such changes concern candidates to the bodies of the company.

3. Proposals to include new matters into the draft agenda of the general meeting shall include relevant draft resolutions on these matters (other than cumulative voting).

Proposals on candidates to the supervisory board shall include information on whether the nominated candidate is a representative of shareholder(s) or that the candidate is nominated for the position of a member of the supervisory board being an independent director.

Proposals on candidates to the board of directors shall contain information that the candidate is nominated for the position of a member of the board of directors: executive, non-executive or independent director (independent non-executive director).

4. The information set out in the proposals on candidates to the supervisory board or the board of directors in accordance with [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n528) of this Article shall be specified in the ballot paper, including the one for cumulative voting, opposite the last name of the corresponding candidate.

5. A proposal on the draft agenda of the general meeting shall be sent with specification of details of the proposing shareholder, the number, type and/or class of its shares, content of the proposal, which can include new matters for the draft agenda and/or new draft resolutions as well as the quantity, type and/or class of the shares owned by the candidate nominated by the shareholder to the bodies of the joint stock company.

6. The person who convenes the general meeting shall adopt a resolution to include proposals (new matters on the agenda and/or new draft resolutions on the matters on the agenda) into the draft agenda of the general meeting, and approve the agenda of the general meeting at least 15 days before the date of the general meeting, and at least 4 days before the date of the general meeting regarding candidates to the bodies of the joint stock company.

7. Proposals of the shareholder(s) owning 5% of voting shares or more in aggregate as well as proposals of the supervisory board or the board of directors (if such proposals may be submitted in accordance with the corporate charter of the joint stock company) are mandatory to be included into the draft agenda of the general meeting. In this case, the resolution of the person who convenes the general meeting on including the matter into the draft agenda shall not be adopted, and the proposal shall be considered to be included into the draft agenda if it is submitted in accordance with the requirements of this Article.

Draft resolutions on the matters on the agenda of the general meeting that are proposed by the shareholders owning 5% of voting shares of the company or more shall be disclosed on the company’s website (except for the private joint stock company where 100% of shares are directly or indirectly held by one person) and in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets within 2 business days upon receipt thereof by the company.

8. In case the shareholder submits a proposal on the draft agenda of the general meeting regarding early termination of powers of the chairperson of the collective executive body (the person who exercises powers of the sole executive body) or a member of the board of directors being the chief executive director, there shall also be a proposal on the candidate for the office of the chairperson of the collective executive body of the joint stock company (the person who exercises powers of the sole executive body), the member of the board of directors being the chief executive director, or designation of the person who will temporarily exercise his or her powers.

9. The shareholders’ proposals on the draft agenda of the general meeting shall only be submitted as new draft resolutions on the matters on the draft agenda, and new matters together with draft resolutions on these matters as well as by including the candidates nominated by the shareholders to the bodies of the joint stock company to the list of the candidates put to vote at the general meeting. The company may not make amendments to the matters proposed by the shareholders, draft resolutions on information on candidates to the bodies of the joint stock company.

10. A resolution to deny inclusion of the proposal of the shareholder(s) owning 5% of voting shares or more, the proposal of the appointment committee of the supervisory board or the board of directors into the draft agenda of the general meeting may only be adopted in case:

1) failure to meet the deadline established by [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n527) of this Article;

2) incomplete data under Parts [3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n528), [5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n532) and [8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n536) of this Article.

A resolution to deny inclusion of proposals of the shareholder(s) owning less than 5% of voting shares into the draft agenda of the general meeting may be adopted on the grounds set out by the [second](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n539) and/or [third](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n540) paragraphs of this Part in case no draft resolution is available on the proposed matters on the agenda or on other grounds set out in the corporate charter of the joint stock company and/or regulation on the general meeting of shareholders.

11. The shareholder’s proposal on the draft agenda of the general meeting and the reasoned resolution on denying to include the proposal shall be sent to the shareholder in writing.

12. In case the draft agenda of the general meeting of shareholders is amended, the person who convenes the general meeting shall, at least 10 days before the date thereof, inform the same shareholders who have been sent the notice of the general meeting of respective amendments using the same channels.

The public joint stock company shall also send a notice containing the draft agenda and draft resolutions on each matter in the draft agenda of the general meeting to the operator of the organised stock exchange where the company’s securities are admitted to trading, and shall disclose information on amendments to the agenda of the general meeting at least 10 days before the date of the general meeting.

13. The requirements of this Article shall not apply in case the extraordinary general meeting is convened via the reduced procedure in accordance with [Article 45](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n475) hereof.

**[Article 50.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Shareholder’s Proxy at General Meeting of Shareholders

1. The shareholder’s proxy at the general meeting may be a natural person, an authorised person on behalf of the legal entity, or an authorised person of the state or the territorial community.

The proxy at the general meeting of the shareholder being a natural person or a legal entity may be another natural person or an authorised person on behalf of the legal entity, and the proxy of the shareholder being the state or the territorial community may be an authorised person from the authority responsible for managing state-owned or municipal property.

2. The shareholder may appoint its proxy on a permanent basis or for a specific period.

3. The shareholder’s proxy at the general meeting conducted via the authorised electronic system may be the depository institution that services the shareholder’s securities account, where the company’s shares owned by the shareholder are registered, if it is stipulated in the agreement concluded between them. In this case, the depository institution shall be the shareholder’s proxy at the general meeting pursuant to the written statement of the shareholder’s will on voting on the matters on the agenda and shall be liable for credibility of the information on the statement of the shareholder’s will.

4. The procedure for participation of the shareholder’s proxy in the general meeting via the authorised electronic system shall be set up by the National Securities and Stock Market Commission.

5. The power of attorney with the right to attend and vote at the general meeting that is granted by the natural person shall be certified by a notary or another officer taking notarial actions, and may also be certified by the depository institution as prescribed by the National Securities and Stock Market Commission.

The power of attorney with the right to attend and vote at the general meeting on behalf of the legal entity shall be granted by its body or another person authorised by the constituent documents of the legal entity.

The proxy may get from the shareholder the list of matters on the agenda of the general meeting with instructions on how to vote on these matters. While voting at the general meeting, the proxy shall vote as prescribed by the instructions on how to vote. If the shareholder’s proxy has no instructions on how to vote, he or she shall vote at the general meeting at his or her own discretion.

6. The shareholder may grant a power of attorney with the right to attend and vote at the general meeting to several proxies.

In case several proxies of the shareholder have come to attend the general meeting, the proxy to be admitted and registered shall be the one whose power of attorney was granted later.

The power of attorney granted with the right to attend and vote at the general meeting shall not rule out the right of the shareholder that has granted the power of attorney to attend the general meeting instead of the proxy.

The shareholder shall have the right to recall or replace its proxy any time before expiration of the period set for registration of participants of the general meeting, by informing the registration board thereof, or to attend the general meeting personally.

In case the general meeting is held in presentia, the shareholder shall inform the corresponding body of the company about replacement or recall of its proxy in writing; the company shall be deemed to be informed in case the notice is received by the registration board within the time frames set by the fourth paragraph of this Part.

7. The person the shareholder intends to authorise to attend the general meeting (hereinafter the “potential proxy”) shall inform the shareholder in advance of any conflict of interest related to the exercise of the voting right, and present the information set out in this Part.

The person shall be considered to have conflict of interest if he or she without limitation:

1) owns the controlling stake in such joint stock company or another entity controlled by such owner;

2) is a member of the executive body or the supervisory board of the board of directors:

- of that joint stock company;

- of a legal entity being another shareholder with the controlling stake in that joint stock company;

- of a legal entity controlled by the owner of the controlling stake of that joint stock company;

3) is an employee or a key audit partner of any of those legal entities:

- of that joint stock company;

- of the legal entity being another shareholder with the controlling stake in that joint stock company;

- of the legal entity controlled by the owner of the controlling stake of that joint stock company;

4) is a person having family relations with any natural person specified in [Clauses 1-3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n562) of this Part.

As set out in this Part, the potential proxy shall present the shareholder information on any facts of significance for the shareholder’s decision associated with assessment of the risk that such person will act in the interests other than the shareholder’s ones at the general meeting.

The potential proxy that was granted the power of attorney shall refuse from representation in case the requirements of this Part are not met.

8. The potential proxy may be granted the power of attorney by several shareholders, without limitation of the number of shareholders represented in this manner. The potential proxy granted the power of attorney by several shareholders may chose different voting options for each shareholder he or she acts for.

**[Article 51.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Registering Shareholders (Their Proxies) for General Meeting of Shareholders

1. Registration of shareholders (their proxies) shall be carried out on the basis of the list of shareholders entitled to attend the general meeting made in accordance with the procedure established by the legislation on the depository system of Ukraine.

Shareholders (their proxies) shall be registered by the registration board designated by the person who convenes the general meeting. Shareholders (their proxies) shall be identified before the registration.

Registration of shareholders (their proxies) shall be followed by the registration report.

The list of the shareholders (their proxies) registered to attend the general meeting shall be formed by the authorised electronic system.

2. Powers of the registration board for the period of the general meeting may be delegated to the Central Securities Depository or a depository institution on a contractual basis. In this case, the chairperson of the registration board is a representative of the Central Securities Depository or the depository institution.

3. The shareholder (its representative) shall be identified for the general meeting of shareholders by one of the following methods:

1) in the authorised electronic system — by means of the qualified electronic identification signature and/or other electronic identification means that meet the requirements set by the National Securities and Stock Market Commission;

2) by the registration board, based on the identity documents of the shareholder (its proxy).

4. The registration board shall refuse to register the shareholder only in case his or her identity documents are not presented, and to register the shareholder’s proxy in case his or her identity documents and/or documents on his or her authority to attend the general meeting are not presented.

In case there is no information on the shareholder in the list of the shareholders that have been registered to attend the general meeting, the authorised electronic system shall deny registration of such shareholder (its proxy) to attend the general meeting.

If the shareholder (its proxy) is being identified by the authorised electronic system, the system shall issue the shareholder (its proxy) the document on denial of registration to attend the general meeting.

If the shareholder (its proxy) is being identified by the registration board, the latter shall issue the shareholder (its proxy) the document on denial of registration to attend the general meeting.

5. A reasoned resolution to deny registration of the shareholder (its proxy) to attend the general meeting that is signed by the chairperson of the registration board shall be attached to the minutes of the general meeting.

6. Shareholders (their proxies) shall be registered by the authorised electronic system as prescribed by the National Securities and Stock Market Commission.

Based on the list of the shareholders (their proxies) registered to attend the general meeting, the authorised electronic system shall form the registration report that is certified by the Central Securities Depository as prescribed by the National Securities and Stock Market Commission, and is signed by the person authorised to interact with the authorised electronic system when the general meeting is conducted.

7. The shareholder (its proxy) that has not been registered may not attend the general meeting.

**[Article 52.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)**Procedure for Holding General Meeting of Shareholders

1. The procedure for holding the general meeting shall be set up by this Law, the corporate charter of the joint stock company and the resolution of the general meeting. The rules of procedure of the general meeting may be established by the regulation on the general meeting of shareholders or a separate resolution of the general meeting for each general meeting.

2. The general meeting in presentia shall be held in Ukraine, within the settlement of location of the joint stock company (registered as of the date of publishing the notice of the general meeting) except when 100% of the company’s shares as of the date of the resolution to convene the general meeting are owned by foreigners, stateless persons, foreign legal entities and/or international organisations.

3. At latest at 23:00 on the last business day prior to the date of the general meeting, the company shall disclose on its website information on the total number of shares and voting shares as of the date of making the list of the shareholders entitled to attend the general meeting (including the total number of shares for each specific type if the authorised capital of the joint stock company is represented by two or more types/classes of shares).

4. The shareholder(s) owning 5% of voting shares or more in aggregate as of the date of making the list of the shareholders entitled to attend the general meeting as well as the National Securities and Stock Market Commission may appoint their representatives to oversee registration of shareholders, holding of the general meeting, voting and summarising its results. The joint stock company shall be informed of appointment of such representatives in writing before the start of registration of shareholders. Such notification shall be carried out by the National Securities and Stock Market Commission via official communication channels.

Officers of the joint stock company and/or the person who convenes the general meeting shall assist proxies of the shareholder(s) and/or the National Securities and Stock Market Commission in overseeing registration of shareholders, holding of the general meeting, voting and summarising its results.

5. The general meeting may not start earlier than set out in the notice of the general meeting.

The general meeting shall be completed before the end of the day specified in the notice of the general meeting except when the general meeting is adjourned in accordance with [Part 11](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n606) of this Article.

6. The general meeting in presentia shall elect the chairperson and secretary of the meeting unless the corporate charter sets another procedure for electing the chairperson and secretary of the general meeting of shareholders.

The chairperson and secretary of the electronic general meeting shall be persons designated by the person who convenes the general meeting.

7. The shareholder shall have the right to attend the general meeting in presentia remotely via the authorised electronic system. In this case, the shareholder shall be enabled to take part in discussion of matters on the agenda.

8. In case the share is co-owned by several persons, the powers to vote at the general meeting shall be exercised upon their consent by one of the co-owners or their common proxy.

9. By the decision of the person that convenes the general meeting or the general meeting itself, the general meeting or consideration of the specific matter may be recorded by technical means. Corresponding records are added to the minutes of the general meeting.

10. The general meeting may change the order of consideration of the matters on the agenda provided that the resolution is voted for by at least three quarters of votes of the shareholders that have been registered to attend the general meeting.

11. The general meeting may be adjourned until the next day. The resolution to adjourn the meeting until the next day shall be adopted by at least three fourth of votes of the shareholders that have been registered to attend the general meeting and own the shares voting on at least one matter to be considered the next day.

Re-registration of shareholders (their representatives) shall not be held on the next day. The number of votes of the shareholders registered to attend the general meeting shall be determined based on the first-day registration data.

When adjourned, the general meeting in presentia shall be held at the same location specified in the notice of the general meeting.

The general meeting may be adjourned up to three times.

12. Voting at the general meeting shall be held on all matters on the agenda put to vote. As set out in [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n480) of Article 46 hereof, the chairperson of the general meeting shall announce that voting on the matter on the agenda has not been carried out in connection with the failure to adopt or adoption of the mutually exclusive resolution on the previous matter (one of the previous matters). Information on the fact and causes of the failure to vote shall be declared by the chairperson at the general meeting when it is held and specified in the minutes of the general meeting.

13. The general meeting may not adopt resolutions on matters not included into the agenda, except for the matters of changes in the order of consideration of the matters on the agenda and adjournment of the meeting until the next day.

**[Article 53.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Procedure for Adopting Resolutions of General Meeting of Shareholders

1. One voting share shall give a shareholder one vote for resolution of each of the matters on the agenda put to vote at the general meeting, except for cumulative voting.

2. A shareholder may not be deprived of the voting right except as otherwise prescribed by the law.

3. The right to vote at the general meeting have the shareholders owning ordinary voting shares of the company, and in the cases set out in [Article 28](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n283) hereof — also by the shareholders owning preference shares of the company as of the date of making the list of the shareholders entitled to attend the general meeting.

When voting on the matter that may be resolved by the shareholders owning ordinary and preference shares, votes shall be counted in aggregate for all shares voting on this matter except as otherwise provided for by the corporate charter of the joint stock company and [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n291) of Article 28 of this Law.

4. A resolution of the general meeting on the matter put to vote shall be adopted by a simple majority of votes of the shareholders registered to attend in the general meeting and owning the shares voting on this matter. This Law and/or corporate charter of the joint stock company may require a higher number of votes necessary to adopt a resolution of the general meeting.

5. Members of the body of the joint stock company shall be elected by cumulative voting in accordance with this Law and/or corporate charter of the joint stock company.

When members of the body of the joint stock company are elected by cumulative voting, the voting on all candidates shall be conducted at the same time.

The candidates who have received the largest number of the shareholders’ votes in comparison with other candidates shall be considered elected. In case two and/or more candidates have the same number of shareholders’ votes, which makes it impossible to ultimately determine members of the body of the company based on the quantitative restriction for such body, the body shall be considered not to be established.

The members of the body of the company shall be considered elected, and the body of the company shall be considered established only provided that all members of the body of the company are elected by cumulative voting.

6. A resolution of the general meeting on the matters set out in [Clauses 2-10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n396), [20](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n414) and [29](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n423) of Part 2 of Article 39 hereof shall be adopted by more than three fourth of votes of the shareholders that have been registered to attend the general meeting and own the shares voting on the corresponding matter.

A resolution of the general meeting on the matter set out in [Clause 21](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n415) of Part 2 of Article 39 hereof shall be adopted by more than 95% of the shareholders’ votes of the shareholders that have been registered to attend the general meeting and own the shares voting on the corresponding matter.

The law or the corporate charter of the joint stock company may also provide for other matters to be resolved by more than three fourth of votes of the shareholders that have been registered to attend the general meeting and own the shares voting on the corresponding matter, or by any other qualified majority of shareholders’ votes, except for the following:

1) early termination of powers of officers of the bodies of the joint stock company;

2) filing an action against officers of the bodies of the joint stock company for compensation for the losses incurred by the company;

3) filing an action in case the requirements of this Law for the major transaction are not met.

7. Voting on matters on the agenda of the general meeting held by electronic voting shall be carried out by shareholders (their proxies) by filling in the ballot paper, which is recorded by the authorised electronic system during the period set by the person that convenes the general meeting.

8. Votes on matters on the agenda of the electronic general meeting shall be counted by the authorised electronic system.

9. A resolution of the general meeting adopted as set out in the [second paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n514) of Part 1 of Article 48 of this Law shall be void.

**[Article 54.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Voting Method at General Meeting of Shareholders

1. Each shareholder owning voting shares shall have the right to exercise its right to govern the joint stock company by attending the general meeting of shareholders and voting via the authorised electronic system (in case the general meeting in absentia is held via the depository system of Ukraine). In case the electronic general meeting or the general meeting in absentia is held, each shareholder shall have the right to attend the general meeting and vote early before the date thereof.

2. Voting at the general meeting on the agenda shall be carried out by means of ballot papers, except for voting on the matters under [Part 10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n605) of Article 52 hereof.

3. The ballot paper (except for cumulative voting) shall contain:

1) full name of the joint stock company and number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations;

2) date of the general meeting;

3) date and time of the start and end of voting (in case of electronic general meeting and general meeting in absentia);

4) matters put to vote, and draft resolution(s) on this matter;

5) voting options for each draft resolution (“for” and “against”);

6) warning that the ballot paper must be signed by the shareholder (its proxy), and name of the legal entity being the shareholder. Where there is no signature, the ballot paper shall be deemed invalid;

7) details of the shareholder or its proxy (if any), and number of its votes.

The ballot paper for cumulative voting shall contain:

1) full name of the joint stock company and number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations;

2) date of the general meeting;

3) date and time of the start and end of voting (in case of electronic general meeting and general meeting in absentia);

4) list of candidates to the body of the joint stock company, with specification of information thereon in accordance with the requirements set by the National Securities and Stock Market Commission;

5) field for the shareholder(s) to specify the number of the votes given for each candidate;

6) warning that the ballot paper must be signed by the shareholder (its proxy). Where there is no signature, the ballot paper shall be deemed invalid;

7) details of the shareholder or its proxy (if any), and number of its votes.

4. The ballot paper for the general meeting in presentia (including the one for cumulative voting) that is issued by the registration board shall be certified in accordance with the procedure and in the manner prescribed by the corporate charter of the joint stock company or by the resolution of the general meeting.

The ballot paper for the general meeting in presentia (including the one for cumulative voting) for the shareholder that participates remotely via the authorised electronic system shall be certified with the qualified electronic signature of the shareholder and/ other electronic identification means that meet the requirements set by the National Securities and Stock Market Commission.

The ballot paper for the electronic general meeting or general meeting in absentia shall be certified with the qualified electronic signature of the shareholder (its proxy) and/or other electronic identification means that meet the requirements set by the National Securities and Stock Market Commission.

5. The form and text of the ballot paper shall be approved by the person that convenes the general meeting at least 15 days before the date of the general meeting while the form and the text of ballot papers for cumulative voting shall be approved at least four days before the date of the general meeting. Shareholders shall have the right to examine the form of the ballot paper before the general meeting, as prescribed by [Article 48](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n512) hereof after the form is approved.

In case the ballot paper has several sheets, they shall be numbered. Each sheet of the ballot paper shall be signed by the shareholder (its proxy).

6. The ballot paper issued by the registration board shall be recognised to be invalid if:

1) it differs from the official sample produced by the joint stock company;

2) it is not signed by the shareholder (its proxy);

3) it is made of several sheets that are not numbered;

4) the shareholder (its proxy) has not marked any option or has specified several voting options on the same draft resolution.

The ballot paper for cumulative votes shall also be recognised to be invalid if the shareholder (its proxy) has specified more votes than it holds for such voting in the ballot paper.

The ballot papers recognised to be invalid on the grounds under this Part shall not be considered when the votes are counted.

7. Peculiarities of voting at the electronic general meeting shall be set up by the National Securities and Stock Market Commission.

**[Article 55.](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print)** Counting Board

1. The counting of votes at the general meeting, explanation regarding the voting procedure, counting of votes and other issues related to arrangement of voting at the general meeting in presentia shall be carried out by the counting board, which shall be elected by the general meeting (the constituent meeting). The powers of the counting board may be delegated to the Central Securities Depository or the depositary institution that provides additional services to the joint stock company, in particular regarding performance of functions of the counting board, on a contractual basis.

Before the counting board is elected, counting of votes at the general meeting, explanations regarding the voting procedure, counting of votes and other issues related to arrangement of voting at the general meeting shall be carried out by temporary counting board formed by the person who convenes the general meeting unless otherwise prescribed by the corporate charter of the joint stock company.

The person that convenes the general meeting shall specify election of the counting board as the first matter on the agenda of the general meeting unless another procedure for forming the counting board is prescribed by the corporate charter of the joint stock company.

2. The counting board shall consist of at least three members if the joint stock company has the number of the shareholders owning voting shares of the company exceeding 100 persons. The persons being members of or candidates to the bodies of the company shall not be included into the counting board.

3. The counting board shall count the votes at the general meeting with consideration of data in the authorised electronic system on voting by the shareholders (their proxies) that have taken part in the general meeting remotely via the authorised electronic system.

4. This Article shall not apply to the electronic general meeting. Votes at the electronic general meeting shall be counted by the authorised electronic system.

**Article 56.** Voting Report

1. Based on the results of each voting, the report shall be drawn up, signed by all members of the counting board of the joint stock company who took part in the counting of votes.

In case the authority of the counting board is delegated to the Central Securities Depository or the depositary institution with which the service contract has been concluded, in particular regarding performance of functions of the counting board, the representative of the Central Securities Depository or corresponding depository institution shall sign the report.

2. In case the electronic general meeting is held, the voting information is used by the authorised electronic system to form the voting report that is certified by the Central Securities Depository as prescribed by the National Securities and Stock Market Commission, and is signed by the person authorised to interact with the authorised electronic system when the general meeting is conducted.

3. The voting report (except for cumulative voting) shall specify the following:

1) date of the voting;

2) matters put to vote;

3) resolution, and number of votes for and against each draft resolution on the matter of the agenda put to vote;

4) number of votes of the shareholders that have not participated in the voting;

5) number of votes of the shareholders that have participated in the general meeting remotely via the authorised electronic system;

6) number of the shareholders’ votes that have been recognised to be invalid.

4. The cumulative voting report shall specify the following:

1) date of the voting;

2) number of the votes received by each candidate to the body of the joint stock company;

3) number of votes of the shareholders that have not participated in the voting;

4) number of votes of the shareholders that have participated in the general meeting remotely via the authorised electronic system;

5) number of the shareholders’ votes that have been recognised to be invalid.

5. Resolutions of the general meeting shall be recognised as adopted from the moment the minutes of the voting are drawn up.

The voting results shall be announced at the general meeting during which the voting was held.

6. Voting reports shall be attached to the minutes of the general meeting.

After voting reports are made, the ballot papers issued by the registration board shall be sealed by the counting board or the person delegated the authority of the counting board and kept in the company during the period of its operations, but in any case, for at least four years.

The ballot papers of the shareholders that have taken part in the general meeting remotely via the authorised electronic system shall be kept by the authorised electronic system for three years and provided upon request of the joint stock company or the shareholder.

**Article 57.**Minutes of General Meeting of Shareholders

1. Minutes of the general meeting shall be drawn up within 10 working days upon closing of the general meeting and signed by the chairperson and the secretary of the general meeting.

2. Minutes of the general meeting held by electronic voting shall be formed by the authorised electronic system and certified by the Central Securities Depository as prescribed by the National Securities and Stock Market Commission.

3. Minutes of the general meeting shall contain data on the following:

1) date of the general meeting;

2) the method for holding the general meeting;

3) date and time of the start and end of voting (in case of electronic general meeting and general meeting in absentia);

4) date of making the list of the shareholders entitled to attend the general meeting, and number of their votes;

5) total number of persons in the list of the shareholders entitled to attend the general meeting;

6) total number of votes of the shareholders owning voting shares of the company that have been registered to attend the general meeting (if certain shares vote only on some matters of the agenda, the number of voting shares on each matter shall be specified);

7) total number of votes of the shareholders owning voting shares of the company that have participated in the general meeting remotely via the authorised electronic system (in case the general meeting in presentia is held);

8) quorum of the general meeting (if certain shares vote only on some matters on the agenda, the quorum of the general meeting on each matter shall be specified);

9) chairperson and secretary of the general meeting;

10) members of the counting board (in case the general meeting is held by voting in presentia);

11) person authorised to interact with the authorised electronic system in connection with the general meeting;

12) agenda of the general meeting;

13) voting results with specification of voting results on each matter on the agenda of the general meeting, and resolutions adopted by the general meeting;

14) other data as provided for by this Law.

4. Minutes of the general meeting shall be signed by the chairperson and the secretary of the general meeting on each sheet of the minutes and bound.

5. Any other information on the course of the general meeting may be presented in the verbatim report of the general meeting or another document drawn up by the person that convenes the general meeting.

6. Minutes of the general meeting shall be published on the website of the corresponding company within five business days after they are drawn up, but in any case, within 10 days from the date of the general meeting.

**Article 58.** General Meeting in Absentia

1. The general meeting may be held in absentia as prescribed by the corporate charter of the joint stock company. In this case, the statement of shareholders’ will is recorded by polling via the depository system of Ukraine.

The procedure for holding the general meeting in absentia shall be set up by the National Securities and Stock Market Commission.

2. The rules of [Articles 40-57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n428) of this Law on the procedure for convening and holding the general meeting of shareholders shall not apply to the general meeting in absentia except as otherwise directly prescribed by these Articles.

**Article 59.** Peculiarities of General Meeting Attended by Shareholders Owning 100% of Voting Shares

1. In case the shareholders owning 100% of voting shares gather at one place, they shall have the right to adopt any resolution on the matters within the competence of the general meeting of the company’s shareholders in accordance with the law and/or corporate charter of the joint stock company.

All the resolutions adopted in accordance with the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n718) of this Article shall be documented as minutes of the general meeting in accordance with the requirements of [Article 57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n692) of this Law, which is signed by all the shareholders of the company owning 100% of the voting shares of the company.

2. The resolution adopted at such general meeting shall be considered as valid provided that the following requirements are met:

1) as of the date of the general meeting, the shareholders’ register has been made as prescribed by the legislation on the depository system of Ukraine;

2) according to the shareholders’ register made in accordance with the requirements of [Clause 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n721) of this Part, the shareholders that have attended such general meeting own 100% of voting shares of the company;

3) minutes of the general meeting have been signed by all the shareholders of the company that own 100% of voting shares of the company.

3. The rules of [Articles 40-57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n428) of this Law on the procedure for convening and holding the general meeting shall not apply to the general meeting held in accordance with the requirements of this Article.

4. The rules of this Article shall also apply in case the shareholders that own 100% of voting shares of the company have held the joint meeting via telecommunication means.

**Article 60.**Peculiarities of General Meeting Held by Company with One Shareholder

1. Provisions of Articles 40-57 of this Law are not applicable to the company with one shareholder regarding the procedure for convening and holding the general meeting of shareholders.

2. The powers of the general meeting under [Article 39](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n390) hereof and by-laws of the joint stock company shall be exercised by the shareholder at its sole discretion.

A decision of the shareholder on matters falling within the competence of the general meeting shall be made in writing (in the form of a resolution). Such resolution shall have the status of minutes of the general meeting.

3. Members of the supervisory board or the board of directors shall be elected without cumulative voting.

**Article 61.** Challenging Resolutions of General Meeting of Shareholders

1. In case a resolution of the general meeting or the procedure for adopting the resolution is in breach of the requirements of this Law, other legislative acts, corporate charter of the joint stock company or regulation on the general meeting, the shareholder whose rights and legally protected interests are believed to be violated by such resolution may challenge it in court within six months from the date of the resolution.

The court shall have the right to uphold the challenged resolution with consideration of all the facts in the case if the violations are not in breach of the rights and legally protected interests of the shareholder challenging the resolution.

2. The shareholder’s appeal against the resolution of the company to refuse to include the shareholder’s proposals into the draft agenda to court shall not suspend holding of the general meeting.

After the case is heard, the court may oblige the company to hold the general meeting on the matter inclusion of which into the draft agenda has been unreasonably refused to the shareholder.

3. The shareholder may challenge the resolution of the general meeting on the matters set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1420) of Article 102 of this Law only upon receipt of the written refusal to exercise the right to demand mandatory redemption of its voting shares by the company, or in case no response to the request is received within thirty days following the dispatch thereof to the company’s address as prescribed by this Law.

**Section VIII. BOARD OF DIRECTORS OF JOINT STOCK COMPANY**

**Article 62.** Establishing Board of Directors of Joint Stock Company

1. The board of directors of the joint stock company (hereinafter the “board of directors”) is a collegiate executive body that manages the company and ensures control over activities of executive directors within the competence prescribed by the corporate charter of the joint stock company and this Law.

2. The board of directors shall be accountable to the general meeting of shareholders and arrange fulfilment of its resolutions on its own. The board of directors shall act on behalf of the joint stock company within the limits set by the corporate charter of the joint stock company and the law.

Establishing the board of directors is mandatory in case the single-tier management structure is selected by the joint stock company.

3. The board of directors shall report on its operations annually. The report of the board of directors is a separate element of the company’s annual report and shall be published as prescribed by the legal requirements for the procedure and terms for publication of the company’s annual report.

The report of the board of directors shall assess its operations and include the information set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n817) of Article 70 hereof. The report shall contain information on the internal structure of the board of directors, the procedures applied in its decision-making, including information on impact of activities of the board of directors upon financial and economic operations of the company.

**Article 63.**Competence of Board of Directors of Joint Stock Company

1. The board of directors shall manage all operational issues of the joint stock company except for those within the exclusive competence of the general meeting.

2. The board of directors may present any resolution on matters within its competence to the general meeting for consideration.

3. If no resolutions under [Clauses 24-26](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n418) of Part 2 of Article 39 hereof are adopted by the general meeting within the time frames set by this Law, the board of directors may only resolve on the matters of preparing, convening and holding the general meeting.

In the case set out in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n747) of this Part, executive directors keep performing their duties until new members of the board of directors are elected.

4. If the number of the members of the board of directors with valid powers is less than half of their total number elected by the general meeting in accordance with the law, the board of directors shall, within three months, convene the extraordinary general meeting to elect the remaining members of the board of directors, and in case members of the board of directors are elected by cumulative voting — to elect all the members of the board of directors.

**Article 64.** Electing Members of Board of Directors of Joint Stock Company

1. Members of the board of directors shall be elected by the general meeting of shareholders for the period prescribed by the corporate charter of the joint stock company, but in any case, for up to three years.

2. The number of members of the board of directors shall be set up by the corporate charter of the joint stock company. The minimum number of members of the board of directors shall be at least three persons.

In the private joint stock company with up to 10 shareholders, the board of directors may only be made of executive directors.

3. The persons elected as members of the board of directors may be re-elected for an unlimited number of times.

4. A member of the board of directors may only be a natural person.

5. Executive and non-executive directors shall be elected to the board of directors. Non-executive directors may be independent.

An employment agreement (contract) is made with an executive director. The criteria to be met by the executive director shall be set up by the corporate charter of the joint stock company or the regulation on the board of directors.

A civil law contract or an employment agreement (contract) is made with a non-executive director.

Only a civil law contract is made with an independent non-executive director.

Other criteria to be met by the executive, non-executive or independent director shall be defined by the corporate charter of the joint stock company or the regulation on the board of directors.

The non-executive director shall have the right to take part in decision-making by the board of directors or the committee. Any other interference with current operations of the joint stock company shall be forbidden.

The persons who are found to be guilty of violating [Article 89](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1092) hereof may not be elected to the board of directors. This restriction shall be applied for three years from the date of such court judgement.

6. The procedure of work of members of the board of directors, rights and obligations of members of the board of directors, the procedure for paying their remuneration shall be established by this Law, the corporate charter of the joint stock company, the regulation on the board of directors of the joint stock company (if any) as well as the civil law contract or the employment agreement (contract) concluded with the member of the board of directors.

Such agreement (contract) shall be signed on behalf of the company by the person authorised by the general meeting, under the terms and conditions approved by the resolution of the general meeting.

7. A member of the board of directors other than the chief executive director shall perform his or her duties in person and may not delegate them to another person.

**Article 65.** Chairperson and Other Members of Board of Directors of Joint Stock Company

1. The chairperson of the board of directors shall be elected by members of the board of directors from among them by a simple majority of votes of the total number of members of the board of directors unless otherwise provided for by the corporate charter of the joint stock company.

The chairperson of the board of directors and the chief executive director being members of the board of directors shall be elected at the first meeting of the newly-elected board of directors. The chief executive director may be elected the chairperson of the board of directors unless otherwise provided for by the corporate charter of the joint stock company.

The board of directors shall have the right to elect the new chairperson of the board of directors and the new chief executive director any time unless otherwise provided for by the corporate charter of the joint stock company.

The chairperson of the board of directors shall organise its operations, convene and hold meetings of the board of directors, chair them, exercise any other powers under the corporate charter of the joint stock company and the regulation on the board of directors.

In the event that the chairperson of the board of directors is unable to exercise his/her powers, one of the members of the board of directors shall exercise his/her powers by its decision, unless otherwise provided for by the corporate charter of the joint stock company or the regulation on the board of directors of the joint stock company.

2. The chief executive director shall have the right to act on behalf of the joint stock company with full authority pursuant to the resolution of the board of directors, including to act on behalf of the company, to enter into transactions on behalf of the company, to issue orders and instructions binding for all the company’s employees. Another executive director may be granted such powers if it is provided for by the corporate charter of the joint stock company.

The corporate charter may enable all or any executive directors to act on behalf of the company with full authority or to take actions on behalf of the company without a power of attorney only when acting jointly. It can be provided for by the corporate charter of the joint stock company that the chief executive director may enter into transactions on behalf of the company only together with one or several other executive directors.

In order to make decisions on the matters within the competence of the chief executive director that are beyond ordinary daily operations of the company, the chief executive director shall convene a meeting of the board of directors. The corporate charter of the company may limit the amount, type and subject matter of transactions a decision on which requires the meeting of the board of directors to be convened by the chief executive director. Violation of the requirements of this Part by the chief executive director shall be a basis for termination of the employment agreement (contract).

3. Distribution of powers among non-executive members of the board of directors shall be done at the meeting of the board of directors. Powers of the chief executive director and other executive directors shall be specified in the corporate charter of the joint stock company.

4. Rights and obligations of members of the board of directors shall be clearly stated in the by-laws of the company and in the agreement (contract) made with each member of the board of directors.

5. A member of the board of directors of the joint stock company may not delegate his or her vote to other persons.

**Article 66.**Meetings of Board of Directors of Joint Stock Company

1. Meetings of the board of directors shall be convened by the chairperson of the board of directors at his or her initiative or upon request of a member of the board of directors, the internal auditor, or other persons set out in the corporate charter of the joint stock company.

Meetings of the board of directors shall be held, when necessary, with the regularity set by the corporate charter of the joint stock company.

2. Meetings of the board of directors may be attended by all its members. Other persons appointed by the board of directors may participate in individual meetings or consideration of individual matters on the agenda with an advisory vote, as prescribed by the corporate charter of the joint stock company or the regulation on the board of directors.

3. In case the authority of one or several members of the board of directors is terminated early, and until all members of the board of directors are elected, meetings of the board of directors shall be qualified to resolve matters within the competence, provided that the number of the members of the board of directors with valid powers is more than half of their total number.

The corporate charter of the joint stock company may provide for the casting vote of the chairperson of the board of directors in case there are equal votes of the members of the board of directors on the resolution.

4. A resolution of the board of directors shall be adopted by a simple majority of votes of the total number of members of the board of directors with the voting right unless adoption of a resolution requires more votes or mandatory voting by certain directors, including non-executive or independent ones, in accordance with the corporate charter of the joint stock company.

5. Minutes of the meeting of the board of directors shall be drawn up within five days after the meeting. The board of directors may resolve to record the entire meeting of the board or consideration of a specific matter by technical means.

Minutes of the meeting of the board of directors may be drawn up as an electronic document with qualified electronic signatures of the chairperson of the board of directors and the secretary of such meeting.

6. The procedure for convening and holding meetings, drawing up, keeping and granting access to materials of meetings of the board of directors shall be established by the corporate charter of the joint stock company. Shareholders shall be granted access to such documents in accordance with [Section XVII](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n369) hereof.

7. The corporate charter of the joint stock company or the regulation on the board of directors may permit holding meetings of the board of directors and/or adopting its resolutions by polling, namely by using the software and hardware, or via an audio or video conference, and also establish the procedure for holding such meetings.

8. If the number of members of the board of directors with valid powers is less than half of their total number prescribed by the law, the joint stock company shall, within three months, convene the general meeting to elect the remaining members of the board of directors, and in case members of the board of directors are elected by cumulative voting — to elect all members of the board of directors.

**Article 67.** Terminating Powers of Members of Board of Directors of Joint Stock Company

1. The powers of a member of the board of directors shall be terminated without a resolution of the general meeting:

1) upon his or her request, provided that the company is notified thereof in writing two weeks in advance;

2) in case the court verdict or judgement that sentences him or her to the punishment preventing him or her from performing duties of a member of the board of directors enters into legal force;

3) in case the court judgement where the member of the board of directors is found guilty of violating [Article 89](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1092) hereof enters into legal force;

4) in case he or she dies, is declared fully or partly incapacitated, missing, or deceased;

5) as set out in [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1090) of Article 88 hereof;

6) in case the shareholder(s) represented by a member of the board of directors alienates all its (their) shares of the company.

In case a non-executive director ceases to meet the requirements set out in [Clause 12](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n32) of Part 1 of Article 2 hereof, or an independent director ceases to meet the requirements set out in [Article 73](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n892) hereof during the term of his or her office, such director shall resign early by submitting a corresponding written statement to the company. The director’s liability for breaching the requirements of this paragraph shall be set up by the agreement (contract) made with such director.

The corporate charter of the joint stock company may provide for additional reasons to terminate the authority of a member of the board of directors.

2. When the powers of a member of the board of directors are terminated, the agreement (contract) made with him or her shall be simultaneously terminated.

3. In case the powers of the chief executive director are terminated, the board of directors shall designate the acting chief executive director or elect the chief executive director.

**Article 68.** Committees of Board of Directors of Joint Stock Company

1. The board of directors of the joint stock company may establish permanent or temporary committees from among its members and other persons for preliminary examination and preparation for consideration of the matters within the competence of the board of directors at the meeting. Additional requirements for establishment of committees by the board of directors of the professional participant of capital and organised commodity markets, their operation of and membership shall be established by the National Securities and Stock Market Commission.

The list of the committees, their competence and rules of procedure shall be set up by the corporate charter of the joint stock company and/or the regulation on the board of directors of the joint stock company and/or the regulation on committees of the board of directors.

In case the nomination, remuneration or audit committee is established, including united committees on these matters, they shall be guided by the requirements of [Articles 77](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n945), [78](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n961) and [79](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n976) hereof respectively.

2. In public joint stock companies as well as companies where the state block of shares in the authorised capital (directly or indirectly) exceeds 50%, the committees set out in [Articles 77](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n945), [78](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n961) and [79](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n976) hereof shall be established by the board of directors. Other cases of mandatory establishment of committees by the board of directors shall be prescribed by the law.

3. The competence and the rules of procedure of committees of the board of directors shall be defined by the by-laws approved by the resolution of the board of directors.

**Section IX. SUPERVISORY BOARD OF JOINT STOCK COMPANY**

**Article 69.**Establishing Supervisory Board of Joint Stock Company

1. The supervisory board of the joint stock company (hereinafter the “supervisory board”) is a collegiate body that protects rights of all company’s shareholders and manages the company and controls and regulates operations of its executive body within its competence prescribed by the corporate charter of the joint stock company and this Law.

*{Article 69(1) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n394)*}*

2. The working procedure of the supervisory board, rights and obligations of its members, the procedure for paying their remuneration shall be established by this Law, the corporate charter of the joint stock company, the regulation on the supervisory board of the joint stock company as well as the civil law contract or the employment agreement concluded with each member of the supervisory board. Such agreement or contract shall be signed on behalf of the company by the person authorised by the general meeting, under the terms and conditions approved by the resolution of the general meeting. In case a civil law contract is made with the member of the supervisory board, it can be either gratuitous or non-gratuitous.

3. A member of the supervisory board shall discharge his or her duties in person and may not delegate his or her authority to another person.

Members of the supervisory board may be rewarded for their activities. The procedure for paying remuneration to members of the supervisory board shall be established:

1) for public joint stock companies and banks — by the regulation on remuneration to members of the supervisory board;

2) for private joint stock companies — by the corporate charter of such companies or the regulation on remuneration to members of the supervisory board.

**Article 70.** Transparent Operations of Supervisory Board of Joint Stock Company

1. The supervisory board of the public joint stock company, the joint stock company where more than 50% of shares in the authorised capital are owned by the state, and the supervisory board of the bank shall report on its operations annually. A report of the supervisory board of the public joint stock company, the joint stock company where more than 50% of shares in the authorised capital are owned by the state, and the supervisory board of the bank is a separate element of the annual report of the company and shall be made public in accordance with the legislative requirements to the procedure and terms for publishing the company’s annual report.

*{The first paragraph of Article 70(1) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n396)*}*

The report of the supervisory board shall assess its operations, including the following:

1) assessment of its members, structure and activities as a collective body;

2) assessment of the competence and performance of each member of the supervisory board, including information on their activities as an officer of other legal entities or other activities, whether paid or unpaid;

3) assessment of the independence of each independent member of the supervisory board;

4) assessment of the competence and performance of each committee of the supervisory board, including information on the list and members of the committees, their functional powers, the number of meetings held, and description of the main matters considered by the committees. The audit committee of the supervisory board (auditing committee) should separately provide information on the assessment of the independence of auditing entities that provide mandatory audit services;

5) assessment of the achievement of the goals set for the supervisory board.

The report of the supervisory board shall contain information on its internal structure, the procedures applicable in decision-making, including the statement how activities of the supervisory board have caused changes in financial and economic operations of the company.

Additional requirements to the report on operation of the supervisory board of the joint stock company (other than banks) where more than 50% of shares in the authorised capital are owned by the state shall be established by the Cabinet of Ministers of Ukraine in accordance with the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/185-16) “On Management of State-Owned Property”.

*{Article 70(1) has been supplemented with the ninth paragraph in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n398)*}*

2. The supervisory board of the private joint stock company may draw up a report on its operations following the requirements of this Article.

**Article 71.**Competence of Supervisory Board of Joint Stock Company

1. The competence of the supervisory board shall include the matters provided for by this Law and corporate charter of the joint stock company.

2. The exclusive competence of the supervisory board shall include:

1) approving the by-laws on the company’s operations, except for the ones within the exclusive competence of the general meeting in accordance with this Law and the ones delegated to the executive body of the company for approval by the resolution of the supervisory board;

1**1**) approving the strategic development plan and performance indicators of the joint stock company, the annual financial plan and the report on the implementation thereof, the annual investment plan, the mid-term investment plan (for three to five years’ term) (this Clause shall not apply to the bank governed by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2121-14) “On Banks and Banking Activities”);

*{Article 71(2) has been supplemented with Clause 1***1***in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n400)*}*

1**2**) submitting proposals to the general meeting of the joint stock company where more than 50% of shares are owned by the state regarding short and mid-term financial, operational and non-financial goals that are included into the owner’s statement of expectations, including without limitation specific financial indicators, namely return on investment, liquidity and solvency factors as well as scope of payments for the benefit of the state, state budget funding and quasi-fiscal operations;

*{Article 71(2) has been supplemented with Clause 1***2***in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n400)*}*

2) drafting and approving the draft agenda and the agenda of the general meeting, taking decisions on the date thereof and on inclusion of proposals into the draft agenda, except for the extraordinary general meetings convened by the shareholders;

3) establishing the temporary counting board in case the general meeting is convened by the supervisory board unless otherwise prescribed by the corporate charter of the joint stock company;

4) approving the form and text of the ballot form;

5) resolving to hold an annual or extraordinary general meeting in accordance with the corporate charter of the joint stock company and as prescribed by this Law;

6) resolving to place the company’s securities other than shares;

7) resolving to redeem the securities placed by the company other than shares;

8) approving the market value of property as prescribed by this Law;

9) electing and terminating the authority of the chairperson and members of the executive body of the company;

10) approving terms and conditions of the contracts made with members of the executive body of the company, establishing their remuneration, designating the person to sign contracts (agreements) on behalf of the company with the chairperson and members of the executive body of the company;

11) adopting a resolution on temporary suspension of the chairperson and/or member of the executive body of the company from his/her office, and electing the acting chairperson of the executive body;

12) electing and terminating the authority of the chairperson and members of other bodies of the company;

13) appointing and dismissing the head of the internal audit unit (the internal auditor);

14) approving the terms and conditions of employment contracts concluded with employees of the internal audit unit (with the internal auditor), determining the amount of their remuneration, including incentive and compensatory payments;

14**1**) approving the report and conclusions of the internal audit unit (the internal auditor);

*{Article 71(2) has been supplemented with Clause 14***1***in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n400)*}*

14**2**) approving the risk appetite statement of the joint stock company;

*{Article 71(2) has been supplemented with Clause 14***2***in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n400)*}*

15) controlling the company’s timely disclosure (publication) of reliable information on its activities in accordance with the legislation, publication of information on the corporate governance code used by the Company;

16) reviewing the report of the executive body, and approving follow-up measures following the review of the report in case election and termination of the authority of the chairperson and members of the executive body pertain to the exclusive competence of the supervisory board in accordance with the corporate charter of the joint stock company;

17) electing members of the registration board except as otherwise provided for by this Law;

18) approving terms and conditions of the auditing service agreement, and electing the person authorised to sign such agreement with the auditing entity;

19) approving and giving recommendations to the general meeting following the review of the auditor’s opinion of the auditing entity on the company’s financial statements for the decision to be made thereon;

20) determining the date of making the list of the persons entitled to receive dividends, the procedure and terms for paying dividends within the maximum period set by Parts [3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n347) and [4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n352) of Article 34 hereof;

21) determining the date of making the list of the shareholders to be informed of the general meeting in accordance with [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n483) of Article 47 hereof, with the right to attend the general meeting in accordance with [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n435) of Article 41 hereof;

22) resolving the matters regarding the company’s membership with industrial and financial groups and other associations;

23) resolving the matters regarding establishment and/or membership in any legal entities, their reorganisation and liquidation;

24) resolving the matters regarding establishment, reorganisation and/or liquidation of structural and/or standalone units of the company except when resolution of these matters has been delegated to the executive body of the company by the decision of the supervisory board;

25) resolving the matters within the competence of the supervisory board in accordance with [Section XVIII](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n737) hereof in case of merger, acquisition, demerger, spin-off or transformation of the company;

26) resolving to increase the authorised capital of the company as provided for by [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1698) of Article 119 and [Article 121](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1744) of hereof;

27) resolving to amend the corporate charter of the joint stock company as provided for by [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1698) of Article 119, [Articles 121](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1744) and [132](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1916) hereof;

28) resolving to make major or related-party transactions as provided for by [Articles 107](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1483) and [108](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1532) hereof;

29) determining the probability of declaring the company insolvent due to assumption of the obligations or fulfilment thereof by the company, including as a result of payment of dividends or redemption of shares;

30) resolving to elect the appraiser of the company’s property and approving the terms of the contract to be concluded with it, determining the amount of fee for its services;

31) resolving to select (replace) the depositary institution that provides additional services to the company, approving the terms and conditions of the contract to be concluded with it, determination of the amount of fee for its services;

32) sending an offer to shareholders in accordance with [Articles 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) and [94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof;

33) approving the regulation on committees of the supervisory board that covers matters of establishment and operation of these committees;

34) addressing other issues except for the ones within the exclusive competence of the general meeting in accordance with the law and the corporate charter of the joint stock company.

The exclusive competence of the supervisory board of the bank also includes the matters set out in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2121-14) “On Banks and Banking Activities”.

3. The matters within the exclusive competence of the supervisory board may not be decided by any other bodies of the company except for the general meeting as expressly provided for by this Law.

4. Officers of bodies of the joint stock company shall ensure that members of the supervisory board have access to information within the limits prescribed by this Law and corporate charter of the joint stock company.

5. If the number of the members of the supervisory board with valid powers is less than half of their total number prescribed by the law, the supervisory board may not adopt resolutions other than the ones on the general meeting to elect the remaining members of the supervisory board, and in case members of the supervisory board are elected by cumulative voting — to elect all the members of the supervisory board.

**Article 72.** Electing Members of Supervisory Board of Joint Stock Company

1. Members of the supervisory board shall be elected by the general meeting for the period prescribed by the corporate charter of the joint stock company, but in any case, for up to three years.

If no resolutions under [Clauses 24-26](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n418) of Part 2 of Article 39 hereof are adopted by the general meeting within the time frames set by this Law, the powers of members of the supervisory board shall be terminated, except for their powers to prepare and hold the general meeting.

The individuals elected as members of the supervisory board may be re-elected for an unlimited number of times.

2. A member of the supervisory board may only be a natural person. A member of the supervisory board may not be simultaneously a member of the executive body and/or a corporate secretary of such company.

3. Shareholders or persons representing their interests (hereinafter referred to as the “shareholders’ proxies”) and/or independent directors shall be elected to the supervisory board.

The persons who are found to be guilty of violating the requirements of [Article 89](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1092) hereof may not be elected to the supervisory board. This restriction shall be applied for three years from the date of such court judgement.

Members of the supervisory board may not hold other positions in the corresponding company.

4. At least one third of members of the supervisory board of the public joint stock company shall be independent directors; moreover, the number of independent directors shall be at least two. The number of independent directors in the supervisory board of the joint stock company where the state block of shares in the authorised capital is 50% or more shall be a majority of members of the supervisory board.

*{The first paragraph of Article 72(4) as amended in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n405)*}*

The [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n875) of this Part shall not apply to banks. The requirements to members of the supervisory board of the bank shall be established by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2121-14) “On Banks and Banking Activities”.

5. When the members of the supervisory board are elected, in addition to the information on each candidate (details of the shareholders, size of the block of shares owned), the cumulative voting ballot shall specify information on whether the candidate is a shareholder, a proxy of the shareholder or the group of shareholders (with indication of information on this shareholder or shareholders) or whether he or she is a candidate to the position of an independent director.

6. Powers of a member of the supervisory board elected by cumulative voting, upon resolution of the general meeting, may be terminated early only provided that the powers of all the members of the supervisory board are terminated concurrently. In this case, a resolution to terminate the powers of the members of the supervisory board shall be adopted by the general meeting by a simple majority of votes of the shareholders that have been registered to attend the general meeting and own the shares voting on the respective matter.

This Clause does not apply to the right of the shareholder(s) whose proxy has been elected to the supervisory board to replace such proxy being a member of the supervisory board.

A member of the supervisory board elected as a proxy of the shareholder or a group of shareholders in accordance with [Part 5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n877) of this Article may be replaced by such shareholder or a group of shareholders any time.

7. The authority of a member of the supervisory board shall be valid after he or she is elected by the general meeting. In case a member of the supervisory board being the shareholder’s proxy is replaced, the authority of the member of the supervisory board recalled shall be terminated, and a new member of the supervisory board shall assume powers on the day when the joint stock company receives a written notice from the shareholder(s) whose proxy is the corresponding member of the supervisory board.

A notice of replacing the member of the supervisory board being the shareholder’s proxy shall contain information on a new member of the supervisory board who is designated instead of the recalled one (details of the shareholder(s), size of the block of shares owned by it or by them in aggregate).

The procedure for notification of replacing a member of the supervisory board being the shareholder’s proxy may be established by the supervisory board of the Bank. This written notice shall be disclosed by the public joint stock companies on its website within one business day after it is received by the company.

The shareholder(s) whose proxy is elected a member of the supervisory board may restrict powers of its proxy as a member of the supervisory board.

8. The shareholders and the member of the supervisory board being their proxy shall be jointly and severally liable for compensating for the losses inflicted upon the joint stock company by this member of the supervisory board.

9. Shareholders shall have the right, as prescribed by [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1594) of Article 113 hereof, examine the written notices under [Part 7](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n881) of this Article.

10. Members of the supervisory board of the public joint stock company and the bank shall only be elected by cumulative voting.

Members of the supervisory board of the private joint stock company shall be elected by cumulative voting unless another method is prescribed by the corporate charter of the joint stock company.

11. The number of members of the supervisory board shall be set up by the corporate charter of the joint stock company. The minimum number of members of the supervisory board of the public joint stock company shall be at least five persons.

12. If the number of the members of the supervisory board with valid powers is less than half of their total number prescribed by the law, the company shall, within three months, convene the general meeting to elect the remaining members of the supervisory board, and in case members of the supervisory board are elected by cumulative voting — to elect all the members of the supervisory board of the joint stock company.

13. In case a member of the supervisory board of the public joint stock company is the person who has been a chairperson or a member of the executive body of such company, this person may not, for three years upon the termination of his or her authority as the chairperson or member of the executive body of the company, nominate candidates for the office of the company’s auditor, and shall have no vote on election of the company’s auditor.

**Article 73.** Independent Director

1. An independent director is a member of the supervisory board who is not influenced by any persons in decision-making when he or she acts as a member of the supervisory board. A person cannot be considered an independent director if he or she:

1) has been a member of the governing bodies of this company and/or its affiliates for the last five years;

2) receives and/or has received for the last three years any additional remuneration in the amount exceeding 5% of the aggregate annual income of the entity for each year from this company and/or its affiliates;

3) owns (either directly or indirectly) 5% of the authorised capital of the legal entity or more, or is an officer or a person who performs management functions in such legal entity, or is an individual entrepreneur who has had material business relations with the company and/or its affiliates for the last year;

4) is and/or has been for the last three years a key partner, an officer or an employee of the auditing entity that has taken part in provision of services of mandatory audit of financial statements of this company and/or its affiliates;

5) is and/or has been for the last three years an employee of the audit firm that has been providing audit services to this company and/or its affiliates for the last three years;

6) is and/or has been for the last three years an employee of this company and/or its affiliates;

7) is a shareholder with the controlling stake, and/or a proxy of the shareholder with the controlling stake in this company in any civil relations;

8) has been a member of the supervisory board of this company for more than 12 years in aggregate;

9) is a person having family relations with the persons specified in [Clauses 1-8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n894) of this Part;

10) fails to meet the additional criteria set by the corporate charter of the joint stock company or other by-laws of the company.

The requirements of [Clauses 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n894), [2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n895) and [6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n899) of this Part shall not apply to holding the position of the independent director of the company and associated relations.

2. In case the shareholder believes that an independent director fails to meet the requirements of this Article, it may file an action to court asking to recognise that the person cannot be considered an independent director. In this case the person regarding whom the action has been filed keeps performing functions of the independent director until the respective court judgement enters into force.

3. For the purposes of [Clause 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n896)of Part 1 of this Article, business relations mean supply of goods or provision of services (including financial, legal and advisory ones) to the company and/or its affiliates, or consumption of goods supplied by the company and/or its affiliates or of services provided by them.

For the purposes of this Article, the material nature of business relations under [Clause 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n896) of Part 1 of this Article shall be defined by the corporate charter of the joint stock company or the regulation on the supervisory board of the company.

**Article 74.** Chairperson of Supervisory Board of Joint Stock Company

1. The chairperson of the supervisory board shall be elected by its members from among them by a simple majority of votes of all the members of the supervisory board unless otherwise provided for by the corporate charter of the joint stock company.

The chairperson of the supervisory board at the enterprises of public interest may not be a member of the supervisory board who has been the head of the collective executive body of the company (the person who has acted as a sole executive body) for the previous year.

The supervisory board shall have the right to elect a new member of the supervisory board any time.

2. The chairperson of the supervisory board shall arrange its operations, convene, hold and chair meetings of the supervisory board, exercise any other powers under the corporate charter of the joint stock company and the regulation on the supervisory board.

3. In case the chairperson of the supervisory board is unable to exercise its powers, they shall be exercised by a member of the supervisory board by its decision unless otherwise provided for by the corporate charter of the joint stock company or the regulation on the supervisory board of the joint stock company.

**Article 75.** Meetings of Supervisory Board of Joint Stock Company

1. Meetings of the supervisory board shall be convened upon the initiative of its chairperson or upon demand of one of its members.

Meetings of the supervisory board shall also be convened upon request of the executive body of the company or its member, the head of the internal audit unit (internal auditor), other persons prescribed by the corporate charter and/or the regulation on the supervisory board of the joint stock company. The persons who have convened the meeting of the supervisory board may attend such meeting of the supervisory board.

*{The second paragraph of Article 75(1) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n406)*}*

Upon request of the supervisory board, its meeting or consideration of specific matters on the agenda may be attended by members of the executive body of the company and other persons appointed by the supervisory board as prescribed by the regulation on the supervisory board.

Meetings of the supervisory board shall be held, when necessary, with the frequency set by the corporate charter of the joint stock company.

Representatives of the trade union or another body authorised by the employees that has signed the collective bargaining agreement on behalf of the employees may attend a meeting of the supervisory board upon its invitation, with an advisory vote.

2. A meeting of the supervisory board shall be qualified if it is attended by more than half of its members unless otherwise provided for by the corporate charter of the joint stock company.

In case the authority of one or several members of the supervisory board is terminated early, and until all the members of the supervisory board are elected, meetings of the supervisory board shall be qualified to resolve matters within its competence provided that the number of members of the supervisory board with valid powers is more than half of the total number of members.

3. A resolution of the supervisory board shall be adopted by a simple majority of votes of the total number of members of the supervisory board with the voting right unless the corporate charter of the joint stock company provide for more votes for the resolution to be adopted.

4. Each member of the Supervisory Board shall have one vote at the meeting.

The corporate charter of the joint stock company may provide for the casting vote of the chairperson of the supervisory board in case of the equal number of votes of members of the supervisory board on the resolution.

5. Minutes of the meeting of the supervisory board shall be drawn up within five business days after the meeting.

Minutes of the meeting of the supervisory board may be drawn up as an electronic document with qualified electronic signatures of the chairperson of the supervisory board and the secretary of the meeting.

6. The supervisory board may resolve to record the entire meeting or consideration of a specific matter by technical means.

7. The procedure for arranging and holding meetings of the supervisory board and its committees, convening minutes of the supervisory board and its committees, keeping and granting access to files of meetings of the supervisory board and its committees shall be prescribed by the corporate charter of the joint stock company, the regulation on the supervisory board, the regulation on committees of the supervisory board, and [Section XVII](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n369) hereof.

8. The corporate charter of the joint stock company or the regulation on the supervisory board may enable holding meetings of the board of directors and/or adopting its resolutions by polling, namely by using the software and hardware, or via an audio or video conference, and also establish the procedure for holding such meetings.

**Article 76.** Committees of Supervisory Board of Joint Stock Company

1. The supervisory board may establish permanent or temporary committees from among its members for preliminary examination and preparation for consideration of the matters within the competence of the supervisory board at the meeting. Additional requirements for establishment, operation, competence and members of committees of the supervisory board of the bank shall be set by the National Bank of Ukraine. Additional requirements for establishment of committees by the supervisory board of the professional participant of capital and organised commodity markets, their operation, competence of and membership shall be established by the National Securities and Stock Market Commission.

2. In the public joint stock company, the company being an enterprise of public interest as well as the joint stock company where more than 50% of shares (stock, interest) in the authorised capital are directly or indirectly owned by the state, the audit committee, the committee on remuneration due to officers of the joint stock company (hereinafter the “remuneration committee”), and the nomination committee shall be established. In this case, the remuneration committee and the nomination committee may be united. The audit committee, the remuneration committee and the nomination committee shall be headed by the members of the supervisory board being independent directors. A majority of members of the committees shall be independent directors.

3. The supervisory board of the public joint stock company shall adopt resolutions on the matters that have been preliminarily prepared by the committee, only on the basis and within the proposal of the corresponding committee, which are documented as a draft resolution of the supervisory board. The reasoned resolution of the supervisory board to reject the committee’s proposal provided by the supervisory board calls for repeated preparation of the committee’s proposal.

In case the committee makes no proposal, the supervisory board may not adopt resolutions on the matters prepared by the committees to be considered by the supervisory board.

It can be provided for by the corporate charter of the joint stock company that the requirements of this Part shall not apply in case a majority of members of the supervisory board is made of independent directors.

4. In order to ensure operations of the audit committee, the supervisory board shall resolve to introduce the position of the internal auditor (to establish the internal audit service) in the company. The internal auditor (the internal audit service) shall be appointed (established) by the supervisory board and be subordinated and accountable directly to the supervisory board and the head of the audit committee.

*{Article 76(4) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n408)*}*

5. The procedure for establishment and operation of committees shall be set by the corporate charter of the joint stock company and/or the regulation on the supervisory board as well as regulations on committees of the supervisory board approved by the supervisory board.

Operation of committees of the supervisory board, engagement of lawyers, financial and other experts for specialised consultations shall be funded by the company in accordance with the procedure set by the corporate charter of the joint stock company, the applicable regulation and/or resolution of the general meeting.

6. The resolution to establish the committee and on the list of matters within the competence of the committee shall be adopted by a simple majority of votes of the supervisory board at the meeting unless more votes necessary for the resolution to be adopted are prescribed by the corporate charter of the joint stock company.

7. The supervisory board shall consider opinions of committees as prescribed by this Law for resolutions of the supervisory board.

8. Committees of the supervisory board shall be made of at least three members of the board.

9. Members of the executive body of the company, experts and other persons appointed by the committee may attend meetings only upon the committee’s invitation.

10. Committees of the supervisory board shall perform their duties within their competence and report to the supervisory board in accordance with the procedure set by the latter on their operational results at least once a year, except for the audit committee that has to report on its performance results at least once every six months.

The data included into the reports on work of the committees shall contain information on members of the committee, the number of the meetings held, and main operations of the committees. The report of the audit committee (the auditing committee) shall also contain assessment of independence of auditing entities that provide mandatory audit services. Such data shall be disclosed on the company’s website within three business days after the report is approved by the supervisory board.

**Article 77.** Nomination Committee of Supervisory Board

1. The competence of the nomination committee includes the following:

1) development and regular revision of the policy (internal regulation) of the joint stock company on nominations;

2) determination of candidates for vacant positions in the executive body and, as provided for by the corporate charter of the joint stock company or by-laws of the company, other vacancies, and recommendation on approval thereof by the supervisory board;

3) regular assessment of the structure, size, composition and operation of the executive body, and recommendations on any changes to the supervisory board;

4) regular assessment of whether members of the executive body meet the qualification requirements, and reporting to the supervisory board of the company on this matter;

5) development of the succession plan for the chairperson and members of the supervisory board, submission of proposals to the shareholders regarding candidates for the offices of members of the supervisory board as provided for by the by-laws of the company;

6) development of the succession plan for positions in the executive body of the company, facilitation of availability of the executive body’s adequate succession plan for the other managers in the company;

7) recommendations to the supervisory board on the members of each committee, as well as regular rotation of the members of the supervisory board among the committees;

8) development of the rules (code) of ethics for officers of the joint stock company, which, in particular, regulate conflicts of interest, confidentiality, fair dealing, protection and proper use of company’s assets, compliance with the laws and internal regulations, and the requirement for provision of the supervisory board with information on any known violations of the law or ethics, and submission of such rules (code) to the supervisory board for approval;

9) organisation of programmes for guidance and training for members of the supervisory board and the executive body of the joint stock company necessary for the efficient performance of their duties in the corporate management model implemented in the company;

10) other matters prescribed by the law, the corporate charter of the joint stock company or the regulation on the committee.

The matters set out in [Clause 8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n954) of this Part shall be delegated to the ethics committee (if established). The competence of such committee may also include other matters decided by the supervisory board.

2. The nomination committee shall also examine the policy of the executive body of the companies for recruitment and appointment of managers in the company.

Any proposals regarding appointment of the company’s officers whose nomination pertains to the competence of the supervisory board in accordance with the law or the corporate charter of the joint stock company shall be approved by the nomination committee in advance.

The head of the company’s executive body get a consent of the nomination committee for appointment of candidates to management positions.

**Article 78.** Remuneration Committee of Supervisory Board

1. The competence of the remuneration committee includes the following:

1) development and regular revision of the policy (internal regulation) of the company on remuneration;

2) submission of proposals to the shareholders regarding remuneration for the members of the supervisory board as provided for by the by-laws of the company;

3) submission of proposals to the supervisory board regarding remuneration for the members of the executive body. Such proposals shall be related to any form of remuneration, including fixed remuneration, performance-based remuneration (variable remuneration), additional pension coverage, or early retirement and dismissal compensation systems;

4) submission of proposals regarding individual remuneration for members of the executive body to the supervisory board, which guarantees their compatibility with the remuneration policy adopted by the company and conformity thereof to assessment of performance of such members;

5) submission of proposals to the supervisory board regarding the form and material terms and conditions of agreements and contracts to be concluded between the company and members of the executive body;

6) submission of proposals to the supervisory board regarding key performance indicators of the members of the executive body of the company, criteria and procedures for periodic assessment of their performance by the members of the executive body of the company;

7) submission of general recommendations to the executive body of the company regarding the level and structure of remuneration for the managers;

8) control over the level and structure of remuneration for the managers based on the reliable information furnished by the executive body of the company;

9) other matters prescribed by the law, the corporate charter of the joint stock company or the regulation on the committee.

2. In case the joint stock company applies incentive mechanisms to managers and other employees of the company in connection with such persons’ interest in the authorised capital of the company, the competence of the committee also includes:

1) submission of proposals to the supervisory board regarding the general policy of using such mechanisms;

2) determination of the scope of information provided on this issue in the annual report;

3) provision of substantiated proposals regarding the mechanisms of such incentives to the supervisory board.

**Article 79.**Audit Committee (Auditing Committee) of Supervisory Board

1. The competence of the audit committee (auditing committee) regarding organisation of internal audit includes the following:

1) monitoring of the integrity of financial information provided by the company, in particular, revision of the compliance and consistency of accounting methods applied by the company and the legal entities controlled by the company;

2) revision of the effectiveness of the internal audit and risk management systems at least once annually;

3) recommendations to the supervisory board on the recruitment, appointment, re-appointment and dismissal of the internal auditor (head of the internal audit service) and the head of the budget department or another unit responsible for budgeting;

4) execution of the draft budget of the supervisory board of the company and its submission for approval;

5) other matters prescribed by the law, the corporate charter of the joint stock company or the regulation on the committee.

2. The competence of the audit committee (auditing committee) on the external auditing entity engaged by the company includes the following:

1) recommendations to the shareholders and the supervisory board on the engagement, appointment, re-appointment and dismissal of the external auditing entity and the terms and conditions of the contract with it;

2) assessment of independence of auditing entities providing mandatory audit services;

3) recommendations to the supervisory board on the establishment and application of an official definition of policies, types of services that are not subject to audit and that are excluded or permitted after verification by the committee or permitted without recommendations of the committee;

4) review of the effectiveness of the external audit process and the speed of management’s reaction to recommendations provided by the external auditor in writing;

5) investigation of the circumstances that may be grounds for terminating the contract with the external auditor, advising on the actions the company must take in view of the existence of such circumstances;

6) other matters prescribed by the law, the corporate charter of the joint stock company or the regulation on the committee.

3. The members of the audit committee (auditing committee) shall have unrestricted access to any accounting information of the company (including primary bookkeeping documents), its financial activity, as well as all information related to the external audit.

In case a member of the audit committee (auditing committee) has access to the sensitive information, he or she shall adhere to the conditions for use and disclosure of sensitive information as prescribed by the law.

4. The competence of the audit committee (auditing committee) also includes the functions prescribed by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2258-19) “On Audit of Financial Statements and Audit Activity”.

**Article 80.** Terminating Powers of Members of Board of Directors of Joint Stock Company Early

1. The general meeting may resolve on the early termination of the powers of members of the supervisory board and the simultaneous election of new members.

The powers of a member of the supervisory board shall be terminated without a resolution of the general meeting:

1) upon his or her request, provided that the company is notified thereof in writing two weeks in advance;

2) at his or her discretion in case the duties of a member of the supervisory board cannot be performed because of health reasons;

3) in case the court verdict or judgement that sentences him or her to the punishment preventing him or her from performing duties of a member of the supervisory board enters into legal force;

4) in case the court judgement under [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n905) of Article 73 hereof article the court judgement where the member of the supervisory board is found guilty of violating [Article 89](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1092)hereof enters into legal force;

5) in case he or she dies, is declared fully or partly incapacitated, missing, or deceased;

6) in case the company receives a written notice of replacement of the member of the supervisory board being the shareholder’s proxy;

7) as set out in [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1090) of Article 88 hereof;

8) in case the shareholder(s) represented by a member of the supervisory board alienates all its (their) shares of the company.

In case the independent director ceases to meet the requirements set by [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n893) of Article 73 hereof during the term of his or her authority, he or she shall resign early by notifying the company thereof in writing.

The corporate charter of the joint stock company may provide for additional grounds to terminate the powers of a member of the supervisory board. The powers of members of the supervisory board of the joint stock company where more than 50% of shares in the authorised capital are owned by the state shall only be terminated as prescribed by the law.

*{The twelfth paragraph of Article 80(1) as amended in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n409)*}*

When the powers of a member of the supervisory board is terminated, the agreement (contract) made with him or her shall be concurrently terminated.

2. In case members of the supervisory board have been elected by cumulative voting, the general meeting may resolve to terminate early the powers only of all the members of the supervisory board.

**Section X. EXECUTIVE BODY OF JOINT STOCK COMPANY**

**Article 81.** Operational Framework of Executive Body of Joint Stock Company

1. The executive body of the joint stock company (hereinafter the “executive body”) shall manage current operations of the company.

The competence of the executive body shall include resolution of all issues related to management of the company’s current activities, except for the matters that fall within the exclusive competence of the general meeting and the supervisory board.

2. The executive body shall be accountable to the general meeting and the supervisory board and organise implementation of their resolutions. The executive body shall act on behalf of the company within the limits set by the corporate charter of the joint stock company and the law.

3. The executive body may be collegiate (the management board, the directorate) or sole (the director, the general director).

4. A member of the executive body may be any natural person with full civil legal capacity who is not a member of the supervisory board or an employee of the internal audit service (an internal auditor) of this company.

*{The first paragraph of Article 81(4) as amended in accordance with Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n410)*}*

The persons who are found to be guilty of violating the requirements of [Article 89](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1092) hereof may not be elected to the executive body. This restriction shall be applied for three years from the date of such court judgement.

5. The work procedure, rights and duties of members of the executive body as well as remuneration due to them shall be prescribed by this Law, other legislative acts, the corporate charter of the joint stock company, the regulation on the executive body of the company, and/or the regulation on remuneration due to members of the executive body as well as the agreement or the contract made with each member of the executive body. The agreement or contract shall be signed on behalf of the company by the chairperson of the supervisory board, or the person authorised thereto by the supervisory board.

6. The executive body shall, upon request of the company’s bodies and officers, enable examining information on the company’s operations within the limits prescribed by the law, the corporate charter of the company, and the by-laws of the company.

The persons granted access to sensitive information shall be liable for unlawful use thereof.

**Article 82.** Collective Executive Body of Joint Stock Company

1. The number of members of the executive body, and the procedure for appointing its members shall be set by the corporate charter of the joint stock company. The procedure for convening and holding meetings of the collective executive body shall be established by the corporate charter of the joint stock company and the regulation on the executive body of the joint stock company.

2. Each member of the collective executive body may demand to convene a meeting of the collective executive body and propose matters for the agenda of the meeting.

3. Members of the supervisory board as well as a representative of the trade union or another body authorised by the employees that has signed the collective bargaining agreement on behalf of the employees may attend a meeting of the collective executive body. The corporate charter of the joint stock company may provide for the right of other persons to attend meetings of the collective executive body.

4. A meeting of the collective executive body shall be qualified if it is attended by more than half of its members unless otherwise provided for by the corporate charter of the joint stock company.

5. Minutes shall be kept at the meeting of the collective executive body. Minutes of the meeting of the collective executive body shall be signed by the chairperson and provided upon request for examination to a member of the collective executive body, a member of the supervisory board or a representative of the trade union or another body authorised by the employees that has signed the collective bargaining agreement on behalf of the employees. The corporate charter of the joint stock company may provide for the right of other persons to examine meetings of a meeting of the collective executive body.

6. The head of the collective executive body shall be elected by the supervisory board of the company unless otherwise provided for by the corporate charter of the joint stock company.

The head of the collective executive body shall arrange its operations, convene and hold meetings, and ensure keeping of minutes.

The head of the collective executive body shall have the right to act on behalf of the company with full authority pursuant to resolutions of the executive body, including to act on behalf of the company, to make transactions on behalf of the company, to issue orders and instructions binding for all the company’s employees. Another member of the collective executive body may be granted such powers if it is provided for by the corporate charter of the joint stock company.

The corporate charter may enable all or any members of the collective executive body to act on behalf of the company with full authority or to take actions on behalf of the company without a power of attorney only when acting jointly. The corporate charter of the joint stock company may provide for the right of the chairperson of the collective executive body to make transactions on behalf of the company only jointly with the other member(s) of the executive body.

7. A member of the collective executive body shall perform his or her duties in person and may not delegate his or her authority to another person except as otherwise provided for by this Part.

In case the head of the collective executive body is unable to perform his or her duties, his or her powers shall be exercised by the decision of this body by a member of the collective executive body unless otherwise provided for by the corporate charter of the joint stock company or the regulation on the executive body. Other persons may act on behalf of the company as attorneys under the [Civil Code of Ukraine](https://zakon.rada.gov.ua/laws/show/en/435-15).

8. The procedure for convening and holding meetings, the quorum at a meeting of the collective executive body, the procedure for drawing up minutes of meetings, keeping and granting access to files of meetings of the collective executive body shall be established by the corporate charter of the joint stock company, the regulation on the executive body as well as [Section XVII](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1565) hereof.

9. The corporate charter of the joint stock company or the regulation on the executive body may enable holding meetings of the collective executive body and/or adopting its resolutions by polling, namely by using the software and hardware, or via an audio or video conference, and also establish the procedure for holding such meetings of the collective executive body.

10. The corporate charter of the joint stock company and/or the regulation on the executive body and/or the resolution of the collective executive body may grant certain powers to the chairperson or acting chair of the executive body in connection with resolutions, transactions and other actions without a separate resolution of the collective executive body.

**Article 83.** Sole Executive Body of Joint Stock Company

1. The decision-making procedure for the person acting as a sole executive body shall be set up by the corporate charter of the joint stock company.

2. The person acting as a sole executive body may act on behalf of the joint stock company with full authority, including to act on its behalf, to make transactions for the company, and to issue orders and instructions binding for all the company’s employees.

3. In case the person acting as a sole executive body is unable to exercise his or her powers, they shall be exercised by the designated person unless otherwise provided for by the corporate charter of the joint stock company or the regulation on the executive body.

**Article 84.** Terminating Powers of Chairperson and Members of Executive Body of Joint Stock Company

1. Termination of the powers of the chairperson of the collective executive body (the person acting as a sole executive body) shall be done by the resolution of the supervisory board with the concurrent resolution on appointing the chairperson of the collective executive body (the person acting as a sole executive body) or the acting chair unless this matter is within the competence of the general meeting in accordance with the corporate charter of the joint stock company.

The powers of a member of the executive body shall be terminated by the resolution of the supervisory board unless this matter is within the competence of the general meeting in accordance with the corporate charter of the joint stock company.

Grounds for terminating the powers of the chairperson and/or member of the executive body shall be prescribed by the law, the corporate charter of the joint stock company as well as the contract made with the chairperson and/or member of the executive body.

The powers of a member of the executive body shall also be terminated:

1) as set out in [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1090) of Article 88 hereof;

2) in case the court judgement where the member of the executive body is found guilty of violating [Article 89](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1092) hereof enters into legal force.

2. In case election and termination of the powers of the chairperson of the collective executive body (the person acting as a sole executive body) are within the competence of the general meeting in accordance with the corporate charter, the supervisory board may suspend from duty the chairperson of the collective executive body (the person acting as a sole executive body) whose acts or omission are in breach of rights of the shareholders or the company until the general meeting resolves to terminate his or her powers.

Before the general meeting resolves to terminate the powers of the head of the collective executive body (the person acting as a sole executive body), the supervisory board shall appoint the acting chair of the collective executive body (acting person acting as a sole executive body), and convene the extraordinary general meeting the agenda of which will include termination of the powers and election of the chairperson of the collective executive body (the person acting as a sole executive body).

3. In case the chairperson or acting chair of the company is suspended from duty, the supervisory board shall, within 10 days from the corresponding resolution, convene the general meeting and include election of the new chairperson of the executive body of the company into the agenda.

**Section XI. CORPORATE SECRETARY OF JOINT STOCK COMPANY**

**Article 85.** Corporate Secretary of Joint Stock Company

1. The position of the corporate secretary of the joint stock company (hereinafter the “corporate secretary”) shall be introduced in:

1) joint stock companies whose securities have been admitted to trading at the organised capital market or offered to the public;

2) banks, insurers, non-governmental pension funds, other joint stock companies being enterprises of public interest in accordance with the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/996-14) “On Accounting and Financial Reporting in Ukraine”;

3) private joint stock companies where the number of shareholders owning ordinary shares is 100 or more persons.

In other joint stock companies, the position of the corporate secretary may be introduced, though as an alternative functions of the corporate secretary may be performed by a natural person under a civil law contract.

2. The corporate secretary is an officer who is responsible for efficient current interaction between the company and shareholders, other investors, coordination of the company’s actions to protect shareholders’ rights and interests, efficient operations of the board of directors or the supervisory board as well as other functions under this Law and the corporate charter of the joint stock company.

3. A contract with the corporate secretary shall be only the non-gratuitous employment or civil law contract. The terms and conditions of such contract shall be approved by the supervisory board or the board of directors. The contract shall be signed on behalf of the joint stock company by the person authorised by the supervisory board or the board of directors.

4. The procedure of work, rights and duties of the corporate secretary as well as his or her remuneration procedure shall be set by this law, the corporate charter of the joint stock company, the regulation on the corporate secretary as well as the employment agreement (contract) or the civil law contract made with the corporate secretary.

5. The corporate secretary may be a natural person with full civil legal capacity who meets the requirements set by this Law and the National Securities and Stock Market Commission. The National Bank of Ukraine may set additional requirements to the corporate secretary of a bank.

**Article 86.** Appointing and Terminating Powers of Corporate Secretary of Joint Stock Company

1. The corporate secretary shall be appointed by the supervisory board or the board of directors unless otherwise provided for by the corporate charter of the joint stock company.

2. The term of office of the corporate secretary shall be set up by the resolution of the supervisory board or the board of directors unless it is prescribed by the corporate charter of the joint stock company.

3. The same person may be appointed to the position of the corporate secretary several times.

4. The powers of the corporate secretary shall be in effect from the date of his or her appointment and terminated when the new corporate secretary is appointed or as set out in [Part 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1065) of this Article.

5. By the decision of the supervisory board or the board of directors, the powers of the corporate secretary may be terminated any time and on any grounds, or the corporate secretary may be temporarily suspended from duty.

6. The supervisory board or the board of directors shall have the right to dismiss or suspend the corporate secretary from duty any time and on any grounds.

7. The powers of the corporate secretary shall be terminated early without a resolution of the supervisory board or the board of directors as follows:

1) upon his or her request, provided that the joint stock company is notified thereof in writing two weeks in advance;

2) in case the duties of the corporate secretary cannot be performed for health reasons;

3) in case the court verdict or judgement that sentences him or her to the punishment preventing him or her from performing duties of the corporate secretary enters into legal force;

4) in case he or she dies, is declared fully or partly incapacitated, missing, or deceased;

5) as set out in [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1090) of Article 88 hereof.

8. In case the powers of the corporate secretary are terminated by the decision of the supervisory board or the board of directors, the corresponding agreement (contract) with this person shall be considered to be automatically terminated.

9. Another officer of the company may not be a corporate secretary.

**Article 87.** Competence of Corporate Secretary of Joint Stock Company

1. The competence of the corporate secretary shall include the following:

1) providing information to shareholders and/or investors, other stakeholders on the company’s activities;

2) providing the corporate charter of the joint stock company and its by-laws, including amendments thereto, to eligible persons for examination;

3) performing functions of the head of the counting board in accordance with [Article 55](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n663) of this Law;

4) ensuring preparation, convening and holding of the general meeting, performing functions of the secretary of the general meeting, and drawing up minutes of the general meeting;

5) preparing and holding meetings of the supervisory board and the board of directors, committees of the supervisory board or the board of directors, performing functions of the secretary of the supervisory board or the board of directors, and drawing up minutes of meetings of the supervisory board or the board of directors;

6) participating in drafting explanations to shareholders or investors or drafting explanations on how to exercise their rights, responding to shareholders’ or investors’ requests;

7) preparing and certifying extracts from minutes of meetings of the company’s governing bodies;

8) performing any other functions under this Law or the corporate charter of the joint stock company.

2. The corporate secretary shall have access to any documents of the company within his or her competence.

**Section XII. OFFICERS OF BODIES OF JOINT STOCK COMPANY**

**Article 88.** Requirements to Officers of Bodies of Joint Stock Company

1. Officers of the bodies of the joint stock company (hereinafter the “company’s officers”) may not be people’s deputies of Ukraine, members of the Cabinet of Ministers of Ukraine, senior executives of the central and local executive authorities, other public authorities, local self-governance officers, military servants, notaries, officers of the prosecution authorities, court, the Security Service of Ukraine, civil servants, other persons set out in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/1700-18) “On Prevention of Corruption” except when performing functions to manage corporate rights of the state and act on behalf of the state in the supervisory board or the board of directors of the company, and except when local self-governance officers perform functions to manage corporate rights of the territorial community and act on behalf of the territorial community in the supervisory board or the board of directors of the company.

The persons who have been forbidden to carry out certain types of activities may not be officers in the company that carries out such activities. The persons with the non-expunged criminal record of crimes against property, abuse of office or economic crimes may not be the company’s officers.

2. The company’s officers are paid their remuneration only under the terms and conditions stipulated in the civil law contracts or employment agreements (contracts) concluded with them.

3. The company’s officers may not be officers of another business entity that carries out activities in the sphere of the company’s business unless otherwise provided for by the corporate charter of the joint stock company.

Violation of the restrictions under this Article shall constitute a basis for termination of a contract (agreement) concluded by the company with such person without compensation.

**Article 89.**Duties of Officers of Bodies of Joint Stock Company

1. The company’s officers shall act:

1) for the best interests of the company;

2) in good faith and reasonably;

3) within the authority granted to them by the corporate charter of the joint stock company and the legislation.

2. The company’s officers may not disclose the commercial secrets and confidential information on company’s activity unless otherwise prescribed by the law.

3. The company’s officers shall present documents on financial and economic operations of the company upon request of the supervisory board, the head of the internal audit unit (the internal auditor) or the auditing entity.

*{Article 89(3) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n411)*}*

4. The Company’s officers shall:

1) assist in achievement of successful results by the company in accordance with [Part 5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1106) of this Article;

2) adopt independent resolutions in accordance with [Part 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1109) of this Article;

3) act with a reasonable degree of care, expertise and conscientiousness in accordance with [Part 7](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1110) of this Article;

4) avoid conflict of interest in accordance with [Part 8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1113) of this Article;

5) abstain from receiving benefits from third parties in accordance with [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1123) of this Article;

6) inform of a related-party transaction in accordance with [Part 10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1128) of this Article.

5. The company’s officers shall act in the manner that, in their good-faith opinion, will most probably facilitate achievement of successful results of the company’s activities in the best interests of all of its shareholders.

If the company’s goals include any goals other than income to be gained by shareholders, for the purposes of this Part, facilitation of achievement of successful results of the company’s activities shall also mean achievement of such goals.

The company’s officers shall fulfil the duty under this Part, with consideration of other laws that require from the officer to take into account interests of the company’s creditors and act in their best interests under certain circumstances.

6. The company’s officers shall adopt independent resolutions. Such duty shall not be considered to be violated if an officer acts in accordance with the legislation, the corporate charter of the joint stock company, on the basis of the contract made with the company that limits possibility of further discretion of the officer, or if an officer acts in pursuance of the resolution of the supreme governing body or the supervisory body in the manner set out in the corporate charter of the joint stock company.

7. The company’s officers shall act with the reasonable degree of care, expertise and conscientiousness. It means the care, expertise and conscientiousness with which the reasonable person would act if he or she:

1) had the level of knowledge, skills and experience that could be reasonably expected from the person performing functions of the company’s officer;

2) had the level of knowledge, skills and experience to be possessed by the officer.

8. The company’s officers shall avoid conflict of interest, in particular, the situations, in which there is or may be any direct or indirect interest in using the property, information or opportunities of the company if such interest is or may be contrary to the company’s interests, and if satisfaction of this interest results or may result in damage to the company.

When there is a conflict of interest, the company’s officers shall immediately inform the board of directors or the supervisory board thereof, and where it is absent — the executive body.

This Part shall not apply in case a conflict of interest arises when the company enters into the transactions under [Article 107](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1483) hereof.

This duty shall not be considered to be violated as follows:

1) the case cannot be reasonably believed to cause a potential conflict of interest;

2) the company’s officers have granted their approval.

The conflict of interest may be approved by officers of the private joint stock company if the corresponding corporate charter does not limit the possibility of such approval. The conflict of interest may be approved by officers of the public joint stock company if the corresponding corporate charter provides for the possibility of such approval.

Approval may be granted in case all following conditions are met:

1) the meeting where the matter is being considered has been held with the quorum set without count of the officer regarding whom the matter is considered, or any other interested officer;

2) a resolution on the matter has been adopted with due consideration of votes of the officer regarding whom the matter is considered, or any other interested officers, or should have been adopted even if such votes were not considered during the vote.

9. The company’s officer may not receive remuneration (payments, rewards and other benefits) from third parties for the person’s functions and powers of the company’s officer and for actions taken or omitted by such company’s officer.

For the purposes of this Part:

1) a third party shall mean the person other than the company or its affiliated person or the person acting on behalf of the company or its affiliated person;

2) the remuneration received by the director from the person via whom services are provided to the company (as the director or others) shall not be considered to be provided by a third party.

The requirements of this Part shall not be considered to be violated if receiving benefits cannot be reasonably treated as the one giving ground to conflict of interest.

10. The company’s officer who is directly or indirectly interested in the transaction any way shall inform the company of the nature and scope of interest in accordance with the requirements of [Article 107](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1483) hereof.

**Article 90.**Liability of Officers of Bodies of Joint Stock Company

1. The company’s officers guilty of violating their duties hereunder shall be liable for the losses incurred upon the company with their action or inaction. In case several persons bear liability in accordance with this Article, their liability to the company shall be joint and several.

Any loss shall be compensated for based on the court judgement.

2. The representatives of the state in the supervisory board or the board of directors shall be liable together with other members of the supervisory board or the board of directors on common grounds as prescribed by this Article.

3. The legal action to eliminate or limit liability of the company’s officers for bad-faith actions shall be null and void.

4. The legal action to eliminate or limit liability of the company’s officers for bad-faith and unreasonable actions in the public joint stock company or the joint stock company where 50% of shares or more are directly or indirectly owned by the company shall be null and void.

**Section XIII. ACQUISITION OF SIGNIFICANT, CONTROLLING BLOCK OF SHARES IN JOINT STOCK COMPANY**

**Article 91.** Acquisition of Significant Block of Shares of Joint Stock Company

1. The person(s) acting jointly that intends to acquire shares shall send the company a written notice of its intention and make it public within thirty days before the acquisition of the block of shares in case, with due consideration of shares it and its affiliated persons own, it obtains the significant block of shares as a result. Information shall be made public by providing it to the National Securities and Stock Market Commission, each operator(s) of the organised capital market(s) where the company’s shares have been admitted to trading, and by disclosing the notice in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets. Such notification of the National Securities and Stock Market Commission shall be done via official communication channels.

The notice shall specify the quantity, type and/or class of the company’s shares owned by the person (each of the persons acting jointly) and each of its affiliated persons as well as the number of the company’s ordinary shares the person (persons acting jointly) intends to acquire.

This Part shall not apply to the persons already owning the significant block of shares, with due consideration of the number of shares owned by their affiliated persons.

2. The company whose significant block of shares is being acquired may not take action to prevent such purchase.

**Article 92.** Notice of Acquiring or Alienating Significant Block of Shares of Joint Stock Company and/or Voting Right

1. The person(s) acting jointly directly or indirectly acquiring or alienating voting shares of the joint stock company shall inform the company about the block of shares it will own (the total block of shares) if as a result of such acquisition or alienation the block of shares is increased, decreased or reached the threshold value of 5, 10, 15, 20, 25, 30, 50, 75, 95% of voting shares of the public joint stock company (5, 50, 95% of voting shares of the private joint stock company).

2. The shareholder shall inform the joint stock company of changes in the threshold value of the block of shares it owns, including because of increase or decrease in the size of the authorised capital of such company.

3. The requirements of Part 1 of this Article shall not apply:

1) in case the person that carries out clearing activities acquires shares during clearing operations within an ordinary settlement period as prescribed by the legislation. The criteria of the ordinary settlement period shall be established by the National Securities and Stock Market Commission;

2) in case significant blocks of shares of the joint stock company that have reached or exceeded the threshold value of 5%, but have not reached 10% of voting shares or more are acquired or alienated by the investment company that performs functions of the market maker, provided that such functions are performed as prescribed by the legislation, and the investment firm does not use this block of shares to manage the company, and does not influence the issuer to purchase such shares or support the price of such shares;

3) the voting shares in the trading portfolio of financial instruments of a financial institution provided that the size of such block does not exceed 5% of the company’s voting shares, and the financial institution does not use such block of shares to manage the company;

4) the depository institutions that keep and register shares provided that such depository institutions can use voting shares in accordance with written instructions and/or orders of the shareholder.

4. The notice under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1142) of this Article shall contain information on:

1) the total block of voting shares;

2) the persons included into the chain of ownership of the corporate rights of the legal entity via which the person specified in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1142) of this Article manages shares;

3) the date on which the threshold values have been achieved or exceeded;

4) the shareholder or the person entitled to use voting shares (details of the shareholder (person) (with the identification number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations for a resident legal entity, the code/number in the trade, bank or court register, the registration certificate of registration of the legal entity issued by the foreign local authority for a non-resident legal entity).

Other requirements for content of the notice under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1142) of this Article shall be set by the National Securities and Stock Market Commission.

The notice under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1142) of this Article shall be concurrently sent to the National Securities and Stock Market Commission.

5. The notice under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1142) of this Article shall be sent within three business days from the date on which the shareholder or the person entitled to use voting shares found out or was supposed to find out about acquisition, alienation or possibility to use voting shares in excess of threshold values.

6. The legal entity shall be released from the notification duty if such notice is sent by its parent company.

7. For the purposes of this Article, the parent company controlling the legal entity shall not consolidate the voting shares it holds or manages and the voting shares of the legal entity it controls into one block provided that all following conditions are met:

1) the legal entity controlled by the parent company is an asset management company or an investment company that manages the portfolio of financial instruments;

2) the voting shares are held by the client (mutual investment institution, non-governmental pension fund, trustor that has concluded the agreement on managing the portfolio of financial instruments with the investment company) of the legal entity controlled by the parent company;

3) the parent company enables the legal entity it controls to dispose of and use the voting shares held by the client and provided for management to such legal entity controlled by the parent company in accordance with the legislation, on its own and independently.

For the purposes of this Article, the parent company controlling the legal entity shall not consolidate the voting shares it holds or manages and the voting shares of the legal entity controlled by the parent company into one block of voting shares if at least one of the requirements set by [Clauses 1-3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1159) of this Part is not met.

8. After the notice set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1142) of this Article is received, the company shall disclose the information in such notice in accordance with the procedure set for disclosure of special information on the issuer.

9. The notice set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1142) of this Article shall also be sent by the natural person or the legal entity that acquires or alienates the voting right under the company’s shares if the total number of votes under the person’s shares as a result of such acquisition or alienation is increased, decreased or equals the threshold value of the block of shares in the following cases:

1) the voting shares belong to the third party with which the natural person or the legal entity has made the deal on coordinated voting or coordinated actions at the general meeting;

2) the voting shares are held by the third party under the agreement made with the natural person or legal entity that provides for temporary transfer of the voting right under such shares for use;

3) the voting shares have been transferred to such natural person or legal entity as security on a contractual basis, provided that such person has the right to use such voting shares;

4) the voting shares belong to the third party and have been transferred to such natural person or legal entity for permanent use on a contractual basis;

5) the voting shares based on the transaction set out in [Clauses 1-4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1165) hereof are used by the legal entity that is directly or indirectly controlled by such natural person or legal entity;

6) the voting shares owned by the third party have been transferred to such natural person or legal entity on a contractual basis, provided that the person has its own independent right to use them in case there are no instructions and/or orders of the third party;

7) the voting shares belong to the third party that uses them on its own behalf in the interests of such natural person or legal entity;

8) such natural person or legal entity has the right to use voting shares on its own and independent, on the basis of the power of attorney granted, in case there are no instructions and/or orders from the principal.

10. The notice under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1142) of this Article shall also be sent by the natural person or legal entity that directly or indirectly owns:

1) the financial instruments that give their owner the right to acquire voting shares of the joint stock company via delivery thereof as of the date of enforcement thereof;

2) the financial instruments not set out in [Clause 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1174) of this Part that are economically similar to them, but do not provide for delivery of shares of the joint stock company.

The National Securities and Stock Market Commission shall publish an approximate (non-exclusive) list of financial instruments under this Part on its official website.

The procedure for calculating the voting shares held by the natural person or legal entity according to the financial instruments under this Part shall be set up by the National Securities and Stock Market Commission.

11. This Article shall not apply in case the block of shares is acquired or alienated by the National Bank of Ukraine if the corresponding block of shares as a result of such acquisition or alienation is increased, decreased or equals the threshold value of the block of shares, provided that all following requirements are met:

1) the acquisition or alienation is carried out by the National Bank of Ukraine in pursuance of its monetary credit policy;

2) the National Bank of Ukraine does not exercise the voting right under such shares.

**Article 93.** Acquisition of Shares of Private Joint Stock Company by Purchase of Majority Interest

1. The person (persons acting jointly) shall, within one business day from the date of the agreement as a result of which it, with due consideration of the number of shares it and its affiliated persons own, will directly or indirectly become the owner of the controlling stake in the private joint stock company (in case the controlling stake is acquired as a result of purchase of shares from the issue — from the date of depositing the global certificate of such issue of shares), send a notice of concluding the agreement to the National Securities and Stock Market Commission. Such notification of the National Securities and Stock Market Commission shall be done via official communication channels.

The company shall, at latest at 23:00 the next business day upon receipt of the notice, disclose it on the company’s website and in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets.

2. The person (persons acting jointly) that acquires shares of the private joint stock company with due consideration of the number of shares it and its affiliated persons own directly or indirectly becomes the owner of the controlling stake in the private joint stock company shall, within one day following the date of acquiring the property rights to such block of shares, send the National Securities and Stock Market Commission and the company information on acquiring the block of shares, with specification of the highest price at which it purchased the company’s shares within 12 months before the day of acquiring such block of shares, including on the day of acquisition, and the date of accumulation of the block of shares. Such notification of the National Securities and Stock Market Commission shall be done via official communication channels.

The company shall, within one day upon receipt of the notification disclose this information on its website and in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets.

The supervisory board or the board of directors shall, within 25 days upon receipt of such information, approve the market value and price of purchase of the shares, and inform the person (persons acting jointly) specified in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1184) of this Part.

3. The price at which shares are purchased may not be lower than:

1) the market value calculated in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof, as of the last business day prior to the date of posting a notice of conclusion of the agreement by the person (persons acting jointly) as a result of which it will directly or indirectly become the owner of the controlling stake in the private joint stock company with due consideration of the number of the shares it and its affiliated persons own, in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets;

2) the highest price at which the person (persons acting jointly) has directly and/or indirectly purchased the company’s shares within 12 months prior to the date of acquisition of the controlling stake including the day of acquisition;

3) the highest price at which the person (persons acting jointly) has acquired the shares (stock, interest) of another legal entity that directly or indirectly owns the company’s shares, within 12 months prior to the date of acquisition of the controlling stake including the day of acquisition, provided that the value of the company’s shares directly or indirectly owned by such legal entity according to its latest annual financial statements is at least 90% of the total value of such legal entity’s assets.

In case the person (persons acting jointly) that directly or indirectly becomes at the same time the owner of the controlling stake and the dominating controlling stake in the company following the purchase of the company’s shares, with due consideration of the number of shares it and its affiliated persons own, the share purchase price shall be determined in accordance with [Part 5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1279) of Article 95 of this Law.

4. The person (persons acting jointly) that directly or indirectly becomes the owner of the controlling stake in the private joint stock company as a result of purchase of the company’s shares, with due consideration of the number of shares it and its affiliated persons own, or any its affiliated person shall, within two business days upon the date of receiving information on the market value of shares, offer all other shareholders to purchase their company’s shares that are not covered by any limitation (encumbrance), by sending the company a public irrevocable proposal to all shareholders holding the company’s shares regarding purchase of all of their shares.

The offer shall be sent at the company’s address to the attention of the supervisory board or the board of directors, to the National Securities and Stock Market Commission, and to each organised market operator that manages the organised market where the company’s securities (shares) have been admitted to trading. The offer shall be sent to the National Securities and Stock Market Commission via official communication channels.

The supervisory board or the board of directors shall disclose this offer on the company’s website and in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets, and also send it to each owner of the company’s ordinary shares pursuant to the list of the company’s shareholders within seven business days upon receipt of the offer.

In case the company’s controlling stake is owned by two or more persons acting jointly, they shall designate the person responsible for implementing the rules of this Article (hereinafter the “responsible person”).

5. The offer shall contain data on the following:

1) the person (each of the persons acting jointly) that has directly or indirectly become the owner of the company’s controlling stake following the purchase of the shares of the private joint stock company, with due consideration of the number of shares it and its affiliated persons own, and each of its affiliated persons (details of the person, registration number of the taxpayer record card (for a natural person), the number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations (for a resident legal entity), the code/number in the trade, bank or court register, certification of registration of the legal entity issued by the foreign local authority (for a non-resident legal entity), the place of residence (location), the number, type and/or class of the company’s shares owned by each of these persons, and their contact details);

2) the responsible person in case the controlling stake in the company is owned by two or several persons acting jointly (details of the person, registration number of the taxpayer record card (for a natural person), the number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations (for a resident legal entity), the code/number in the trade, bank or court register, certification of registration of the legal entity issued by the foreign local authority (for a non-resident legal entity), the place of residence (location), and contact details);

3) the share purchase price, and the procedure for determining it;

4) the period during which shareholders may inform of accepting the offer to purchase shares in accordance with [Part 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1203) of this Article;

5) procedure for paying for the shares being purchased;

6) method(s) for paying for the shares being purchased.

6. The period during which shareholders may inform the person who has become the owner of the controlling stake or the responsible person of accepting the offer to purchase shares shall be 10 to 50 business days upon receipt of the offer.

7. If the person (persons acting jointly) that has become the owner of the controlling stake acquires shares at the price higher than the one set out in the offer after the offer is disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets until the period of acceptance thereof expires, such person shall increase the share purchase price up to the highest price and send the company the amended offer to be forwarded by the company to all shareholders and to be disclosed on the company’s website and in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets. Information on the share purchase price shall only be altered in the amended offer.

In case the company is sent the amended offer, the person that becomes the owner of the controlling stake or the responsible person shall compensate for the difference in the price of shares to the shareholders whose shares have been purchased.

The value of shares being acquired may be paid in cash, with securities or a combination thereof.

The method for paying the value of shares proposed in the offer is selected by the shareholders whose shares are being purchased.

For this purpose, one of the methods for paying the value of shares proposed in the offer shall be payment in cash only.

8. Within 30 days upon expiration of the period specified in the offer, the person that becomes the owner of the controlling stake or the responsible person shall pay the shareholders that have accepted the offer to purchase share, the value of their shares based on the purchase price specified in the offer while the shareholder that has accepted the offer to purchase shares shall take all the actions necessary for the person that has become the owner of the controlling stake or the responsible person to obtain the property rights to the shares. In this case, all settlements shall be done, and the property rights shall be obtained following such actions within one business day as prescribed by the legislation on the depository system of Ukraine.

9. This Article shall not apply to the person (persons acting jointly) that has directly or indirectly become the owner of the controlling stake in the company as a result of the purchase of the company’s shares, with due consideration of the number of the shares it and its affiliated persons own, in case:

1) the person already owns the controlling stake with due consideration of the number of shares it and/or its affiliated persons owned as of the date set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1182) of this Article;

2) the person acquires the controlling stake by way of inheritance or as a result of the legal entity’s liquidation;

3) the controlling stake is acquired when the joint stock company is founded;

4) the person (persons acting jointly) acquires all company’s shares (persons acting jointly), with due consideration of the number of shares owned by its affiliate persons.

**Article 94.** Acquiring Shares of Public Joint Stock Company After Purchase of Controlling or Significant Controlling Block of Shares

1. The person (persons acting jointly) shall, within one business day from the date of the agreement as a result of which it, with due consideration of the number of shares it and its affiliated persons own, will directly or indirectly become the owner of the controlling stake or the significant controlling stake in the private joint stock company (in case the controlling stake or the significant controlling stake is acquired as a result of purchase of shares because of the issue — from the date of depositing the global certificate of such issue of shares), send a notice of concluding the agreement to the National Securities and Stock Market Commission. Such notification of the National Securities and Stock Market Commission shall be done via official communication channels.

The company shall, at latest at 23:00 the next business day upon receipt of the notice, disclose it on the company’s website and in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets.

2. The person (persons acting jointly) that acquires shares of the company with due consideration of the number of shares it and its affiliated persons own directly or indirectly becomes the owner of the controlling stake or the significant controlling stake in the public joint stock company shall, within one day following the date of acquiring the property rights to such block of shares, send the company and the National Securities and Stock Market Commission information on acquiring the block of shares, with specification of the highest price at which it has purchase the company’s shares within 12 months before the day of acquiring such block of shares, including the day of acquisition, and the date of acquisition of the block of shares. Such notification of the National Securities and Stock Market Commission shall be done via official communication channels.

The company shall, within one day upon receipt of the notice, disclose this information on its website and in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets.

The supervisory board or the board of directors shall, within five days upon receipt of such information, approve the market value and price of purchase of the shares, and inform the person (persons acting jointly) specified in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1218) of this Part.

3. The price at which shares are purchased may not be lower than:

1) the market value calculated in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof, as of the day prior to the date of disclosing a notice of conclusion of the agreement by the person (persons acting jointly) as a result of which it will directly or indirectly become the owner of the controlling stake or the significant controlling stake in the public joint stock company with due consideration of the number of the shares it and its affiliated persons own, in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets;

2) the highest price at which the person (persons acting jointly) has directly and/or indirectly purchased the company’s shares within 12 months prior to the date of acquisition of the controlling stake or the significant controlling stake including the day of acquisition;

3) the highest price at which the person (persons acting jointly) has acquired the shares (stock, interest) of another legal entity that directly or indirectly owns the company’s shares, within 12 months prior to the date of acquisition of the controlling stake or the significant controlling stake including the day of acquisition, provided that the value of the company shares directly or indirectly owned by such legal entity according to its latest annual financial statements was at least 90% of the total value of such legal entity’s assets.

In case the person (persons acting jointly) that directly or indirectly at the same time becomes the owner of the controlling stake, the significant controlling stake and the dominating controlling stake in the company following the purchase of the company’s voting shares, with due consideration of the number of shares it and its affiliated persons own, the share purchase price shall be determined in accordance with [Part 5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1279) of Article 95 of this Law.

4. The person (persons acting jointly) that directly or indirectly becomes the owner of the controlling stake or the significant controlling stake in the public joint stock company as a result of purchase of the company’s shares, with due consideration of the number of shares it and its affiliated persons own, or any affiliated person shall, within two business days upon the date of receiving information on the market value, offer all the shareholders to purchase their company’s shares that are not covered by any limitation (encumbrance), by sending the company a public irrevocable proposal to all the shareholders owning the company’s shares regarding purchase of all of their shares.

The offer shall be sent at the company’s address to the attention of the supervisory board or the board of directors, to the National Securities and Stock Market Commission, and each operator(s) of the organised capital market where the company’s shares have been admitted to trading. The offer shall be sent to the National Securities and Stock Market Commission via official communication channels.

The supervisory board or the board of directors shall disclose this offer on the company’s website and in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets, and also send it to each owner of the company’s ordinary shares pursuant to the list of the company’s shareholders within seven business days upon receipt of the offer.

After the offer is published on the company’s website and in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets, the supervisory board or the board of directors shall inform representatives of the company’s employees or, where there are no representatives, all employees about the offer in the manner prescribed by the company’s by-laws.

In case the company’s controlling stake or the significant controlling stake is owned by two or more persons acting jointly, they shall designate the person responsible for implementing the rules of this Article (hereinafter the “responsible person”).

5. The offer shall contain data on the following:

1) the person (each of the persons acting jointly) that has directly or indirectly become the owner of the company’s controlling stake or the significant controlling stake following the purchase of the shares of the public joint stock company, with due consideration of the number of shares it and its affiliated persons own, and each of its affiliated persons (details of the person, registration number of the taxpayer record card (for a natural person), the number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations (for a resident legal entity), the code/number in the trade, bank or court register, certification of registration of the legal entity issued by the foreign local authority (for a non-resident legal entity), the place of residence (location), the number, type and/or class of the company’s shares owned by each of these persons, and their contact details);

2) the responsible person in case the controlling stake or the significant controlling stake in the company is owned by two or several persons acting jointly (details of the person, registration number of the taxpayer record card (for a natural person), the number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations (for a resident legal entity), the code/number in the trade, bank or court register, certification of registration of the legal entity issued by the foreign local authority (for a non-resident legal entity), the place of residence (location), and contact details);

3) type of the shares being purchased;

4) the share purchase price, and the procedure for determining it;

5) the period during which shareholders may inform of accepting the offer to purchase shares in accordance with [Part 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1244) of this Article;

6) procedure for paying for the shares being purchased;

7) method(s) for paying for the shares being purchased;

8) intentions of the person (persons acting jointly) that has purchased the controlling stake or the significant controlling stake in the company regarding the company’s further operations, in particular, main directions of its operations, including plans for material changes in employment conditions of the company’s staff and senior executives;

9) sources of financing and offers to purchase shares by the person (persons acting jointly) that has acquired the controlling stake or the significant controlling stake;

10) securities in case one of the methods to pay for the shares being purchased is payment with securities;

11) conformity of the offer to purchase shares that is made following the purchase of the controlling stake or the significant controlling stake in the company to the requirements of the Article;

12) any shareholder’s ability to file an action to the economic court at the company’s location to defend its rights in case the law on the purchase of shares of the public joint stock company following the purchase of the controlling stake or the significant controlling stake is violated.

6. The period during which shareholders may inform the person who has become the owner of the controlling stake or the significant controlling stake or the responsible person of accepting the offer to purchase shares shall be 10 to 50 business days upon receipt of the offer.

7. If the person (persons acting jointly) that has become the owner of the controlling stake or the significant controlling stake acquires purchases shares at the price higher than the one set out in the offer after the offer is disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets until the period of acceptance thereof expires, such person shall increase the share purchase price up to the highest price and send the company the amended offer to be forwarded by the company to all shareholders and to be disclosed on the company’s website and in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets.

In case the company is sent the amended offer, the person that becomes the owner of the controlling stake or the significant controlling stake or the responsible person shall compensate for the difference in the price of shares to the shareholders whose shares have been purchased.

The value of shares being acquired may be paid in cash, with securities or a combination thereof.

The method for paying the value of shares proposed in the offer is selected by the shareholders whose shares are being purchased. For this purpose, one of the methods for paying the value of shares proposed in the offer shall be payment in cash only.

8. The supervisory board or the board of directors shall approve and disclose on the company’s website the document with the opinion on impact of the offer upon the company’s interests, in the first place, upon employment of the company’s employees and senior executives, as well as on strategic plans of the person (persons acting jointly) that has purchased the controlling stake or the significant controlling stake in the company, and probable effects for directions of the company’s further operations. The supervisory board or the board of directors shall inform representatives of the company’s employees or, where there are no representatives, the company’s employees themselves of the above. If the supervisory board or the board of directors gets individual opinions of representatives of the company’s employees on impact of the offer upon employment within the prescribed period, such opinions shall be added to the document and disclosed on the company’s website.

9. Within thirty days upon expiration of the period specified in the offer, the person that becomes the owner of the controlling stake or the significant controlling stake or the responsible person shall pay the shareholders that have accepted the offer the value of their shares based on the purchase price specified in the offer while the shareholder that has accepted the offer to purchase shares shall take all the actions necessary for the person that has become the owner of the controlling stake or the significant controlling stake or the responsible person to obtain the property rights to the shares. In this case, settlements shall be done, and the property rights shall be obtained within one business day as prescribed by the legislation on the depository system of Ukraine.

10. This Article shall not apply to the person (persons acting jointly) that has directly or indirectly become the owner of the controlling stake in the company as a result of the purchase of the company’s shares, with due consideration of the number of the shares it and its affiliated persons own, in case:

1) the person already owns the controlling stake with due consideration of the number of shares it and/or its affiliated persons own as of the date of the agreement set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1216) of this Article (except for acquisition of the significant controlling stake);

2) the person acquires the controlling stake by way of inheritance or as a result of the legal entity’s liquidation;

3) the controlling stake is acquired when the joint stock company is founded;

4) the person (persons acting jointly) acquires all company’s shares with due consideration of the number of shares owned by its affiliate persons.

11. This Article shall not apply to the person (persons acting jointly) that has directly or indirectly become the owner of the significant controlling stake in the company as a result of the purchase of the company’s shares, with due consideration of the number of the shares it and its affiliated persons own, in case:

1) the person already owns the significant controlling stake with due consideration of the number of shares it and/or its affiliated persons own as of the date of the agreement set out in Part 1 of this Article;

2) the person acquires the significant controlling stake by way of inheritance or as a result of the legal entity’s liquidation;

3) the significant controlling stake is acquired when the joint stock company is founded;

4) the significant controlling stake is acquired as a result of fulfilment of the persons’ obligations to buy-out the shares they have assumed as a result of the purchase of the controlling stake of 50% or more, but less than 75% of ordinary shares of the company;

5) the person (persons acting jointly) acquires all company’s shares with due consideration of the number of shares owned by its affiliate persons.

**Article 95.** Mandatory Sale of Shares by Shareholders upon Request of Person (Persons Acting Jointly) with Dominant Controlling Stake

1. The person (persons acting jointly) that have directly or indirectly become the owner of the dominant controlling stake of the company as a result of the purchase of the company’s shares, with due consideration of the number of shares it and its affiliated persons own shall, during the next business day after the property rights to the block of shares is acquired (and in case the dominant controlling stake is acquired following the purchase of shares during the issue — from the date of depositing the global certificate of such issue of shares), send the company and the National Securities and Stock Market Commission a notification of obtaining the property rights to the dominant controlling stake (hereinafter referred to in this Article as the “notice”) via the official communication channel.

2. The notification shall meet the requirements set by the National Securities and Stock Market Commission and contain information on the following:

1) the number of the company’s shares owned by the person and its affiliated persons before the dominant controlling stake in the company was obtained;

2) the number of the company’s shares owned by the person and its affiliated persons after the dominant controlling stake in the company was obtained;

3) the ownership structure of the person and its affiliated persons (if the affiliated persons owned the company’s shares as of the date of the notice);

4) the price under [Clauses 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1280) and [3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1282) of Part 5 of this Article;

5) the date of acquiring the dominant controlling stake in the company;

6) the information under [Clause 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1298)of Part 8 of this Article.

If the person has obtained the dominant controlling stake in the company acting jointly with the third parties that are not affiliated persons, the notice shall also include information on the number of the company’s shares owned by such third parties before the person obtained the dominant controlling stake in the company, and shall be accompanied with a copy of the agreement under which the person and third parties agree upon their actions to obtain the dominant controlling stake in the company. The material condition of this agreement is to appoint the party to the agreement authorised by the parties to make transactions regarding acquisition of the company’s shares for the benefit of the group of the persons acting jointly (hereinafter referred to in this Article as the “authorised person”).

The rights and obligations of the person that acquires the property rights to the dominant controlling stake in the company under this Article shall be assigned to the authorised person.

3. The company shall, at latest on the next business day upon receipt of the notification, disclose it on the company’s website and in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets.

The company shall, within 25 business days upon receipt of the notification, approve the market value of the company’s shares determined by the appraising entity in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof, and present it to the person specified in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1263) of this Article.

4. Within 90 days after submission of the notification in accordance with[Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1264)of this Article, and provided that the actions under [Article 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) or [94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof are taken (except when the rules of [Articles 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) or [94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof do not apply), the person owning the dominant controlling stake in the company or any of its affiliated persons or the authorised person (hereinafter the “requestor”) shall have the right to send the company a public irrevocable request for purchasing shares from all shareholders (hereinafter the “public irrevocable request”).

In case the public irrevocable request is submitted to the company, and the requestor takes all the actions necessary under this Article, the shares owned by all shareholders of the company (except for the ones acting jointly with such person and its affiliated persons) and the company itself shall be unconditionally alienated to the requestor.

In addition to the public irrevocable request submitted to the company, the requestor shall send the company a copy of the agreement made between the requestor and the bank with the escrow account opened in accordance with the requirements of [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1302) of this Article.

The requestor shall submit the public irrevocable request to the company only after it and its affiliated persons take the actions set out in [Articles 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) or [94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof (except when the rules of [Articles 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) or [94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof do not apply to the requestor or its affiliated persons).

5. The mandatory share selling price may not be lower than:

1) the market value of the company’s shares determined in accordance with Article 9 hereof as of the last business day before the day when the requestor obtains the dominant block of the company’s shares;

2) the highest share price at which the requestor, its affiliated persons or thirty parties acting jointly with it have purchased the company’s shares within 12 months prior to the date of acquisition of the dominant controlling stake including the day of acquisition;

3) the highest price at which the requestor, its affiliated persons or thirty parties acting jointly with it have purchased shares (stock, interest) of another legal entity that directly or indirectly owns the company’s shares, within 12 months prior to the date of acquisition of the dominant controlling stake in the company by such person, including the date of acquisition, provided that the value of the company shares directly or indirectly owned by such legal entity according to its latest annual financial statements was at least 90% of the total value of such legal entity’s assets.

6. If the requestor, its affiliated persons or thirty parties acting jointly with it have failed to fulfil the obligations under [Article 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) or [94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof (except when the rules of [Articles 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) or[94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof do not apply), in case the controlling stake is purchased, the mandatory share selling price may not be lower than:

1) the double market value of the company’s shares determined in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof as of the day before the day when the requestor obtains the controlling stake;

2) the double highest price at which the requestor, its affiliated persons or third parties acting jointly with it have purchased the company’s shares during the period since the date of acquisition of the controlling stake in the company and within 12 months before this date;

3) the double highest price at which the requestor, its affiliated persons or thirty parties acting jointly with it have purchased shares (stock, interest) of another legal entity that directly or indirectly owns the company’s shares, during the period since the date of acquisition of the controlling stake in the companies as well as within 12 months prior to this date, provided that the value of the company’s shares directly or indirectly owned by such legal entity according to its latest annual financial statements was at least 90% of the total value of such legal entity’s assets.

7. If the requestor, its affiliated persons or thirty parties acting jointly with it have failed to fulfil the obligations under [Article 94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof (except when the rules of [Article 94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof do not apply), in case the significant controlling stake in the company is purchased, the mandatory share selling price may not be lower than:

1) the double market value of the company’s shares determined in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof as of the day before the day when the requestor obtains the significant controlling stake;

2) the double highest price at which the requestor, its affiliated persons or third parties acting jointly with it have purchased the company’s shares during the period since the date of acquisition of the significant controlling stake in the company and within 12 months before this date;

3) the double highest price at which the requestor, its affiliated persons or third parties acting jointly with it have purchased shares (stock, interest) of another legal entity that directly or indirectly owns the company’s shares, during the period since the date of acquisition of the significant controlling stake in the companies as well as within 12 months prior to this date, provided that the value of the company’s shares directly or indirectly owned by such legal entity according to its latest annual financial statements was at least 90% of the total value of such legal entity’s assets.

8. The public irrevocable request shall be disclosed on the company’s website and in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets the next business day after it is received by the company.

The public irrevocable request shall meet the requirements set by the National Securities and Stock Market Commission and contain data on the following:

1) the requestor and its affiliated persons if the latter owned the company’s shares as of the date of the request;

2) the requestor being the authorised person if the decision to submit the public irrevocable request to the company has been made by the persons that have jointly acquired the property rights to the dominant controlling stake, and information on such persons;

3) the share purchase price with the statement that payment for shares is only effected in cash and the procedure for calculating the price;

4) the bank where the requestor has opened the escrow account in accordance with [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1302) of this Article;

5) the bank where the requestor has received the bank guarantee for its financial obligations under this Article as well as information on material terms and conditions of such guarantee;

6) the company;

7) the depository institution where the securities account of the requestor has been opened and details of the securities account of the person;

8) the procedure for fulfilling the request.

The public irrevocable request shall be signed by the requestor.

9. The requestor shall pay the shareholders the share price by transferring funds to the bank where the requestor has opened the escrow account, with its beneficiaries being the shareholders from which the shares are purchased (their heirs or legal successors or other persons entitled to receive funds in accordance with the legislation).

Funds shall be credited to the escrow account upon expiration of the periods set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1344) of Article 96 hereof for a competing request.

The requestor shall open such escrow account at latest on the date of sending the public irrevocable request.

10. A copy of the public irrevocable request certified by the company as well as a certified copy of the agreement between the requestor and the bank where the escrow account has been opened shall be sent by the company to the National Securities and Stock Market Commission and the Central Securities Depository the next business day after the public irrevocable request is received by the company. Such notification of the National Securities and Stock Market Commission shall be done via official communication channels.

11. The Central Securities Depository shall, as prescribed by the legislation on the depository system of Ukraine:

1) the next business day after the copy of the public irrevocable request certified by the company is received from the company:

impose limitations for the transactions involving the company’s shares in the depository accounting system;

provide the depository institutions where the company’s shares are accounted with a copy of the public irrevocable request together with the certified copy of the agreement between the requestor and the bank where the escrow account has been opened;

publish the public irrevocable request on its website;

2) within three business days upon receipt of the copy of the public irrevocable request certified by the company from the company, draw up the list of the company’s shareholders, and send it to the company.

12. The company shall, within five business days upon receipt of the shareholders’ list from the Central Securities Depository:

1) send each shareholder whose shares are being purchased a copy of the public irrevocable request. The company shall provide the shareholder with the copy of the public irrevocable request certified by the company as well as details of the bank where the escrow account has been opened, and details of such account, upon its request;

2) draw up the list of the persons selling the shares, with specification of the amounts due from the requestor to each shareholder selling the shares, and also submit this list to the bank where the escrow account has been opened in accordance with [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1302) of this Article. This list shall be drawn up by the company on the basis of the shareholders’ list received from the Central Securities Depository in accordance with this Part.

The company shall, within two business days after a copy of the public irrevocable request is sent to each shareholder selling the shares, inform the requestor thereof, with specification of the number of the shares owned by the shareholders that will be purchased.

A copy of the public irrevocable request shall also be submitted by the requestor to the depository institution where its securities account has been opened.

13. In case the company’s shares being purchased have been burdened with any limitations (encumbrances), the depository institution (depository institutions, the Central Securities Depository in case the shares being purchased are kept by the Central Securities Depository as a custodian) shall, within three business days upon receipt of the order to draw up the list of the company’s shareholders under [Part 10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1305) hereof from the Central Securities Depository, provide the company with the certified copies of the documents on the basis of which the limitations (encumbrances) have been imposed upon the shares being purchased.

This information shall be provided by the company to the requestor within two business days, to be forwarded by the requestor to the notary when the limitation (encumbrance) is imposed in accordance with [Part 18](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1330) of this Article.

14. In case any limitations (encumbrances) have been imposed upon the company’s shares being purchased, the requestor shall send a copy of the public irrevocable request to the person(s) for the benefit of which the limitation (encumbrance) has been imposed, at least on the date when the limitation (encumbrance) is imposed by the notary.

15. After the information is sent in accordance with Parts [12](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1312) and [14](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1319) of this Article, and the limitation (encumbrance) is imposed in accordance with [Part 16](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1327) of this Article (where necessary), the requestor shall transfer funds for the shares being transferred, as prescribed by [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1302) of this Article, and inform the company thereof.

Transfer of funds in full as prescribed by [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1302) of this Article shall be due fulfilment of the obligation to pay for the shares being purchased by the requestor.

The company shall, the next business day after respective information is received, inform the Central Securities Depository of transfer of funds for the shares being purchased.

The bank where the escrow account has been opened shall transfer funds to the shareholders whose shares are purchased (their heirs or legal successors, or other persons entitled to receive funds in accordance with the legislation) for five years, to the designated accounts with banks and state institutions (where accounts have been opened in accordance with the law to pay the taxes and levies prescribed by the law), or pay respective funds in cash.

The shareholders whose shares are purchased (their heirs and legal successors, or other persons entitled to receive funds in accordance with the legislation) shall contact the bank where the account has been opened to receive funds from the escrow account.

After the identity of the shareholder (its heir or legal successor, or another person entitled to receive funds in accordance with the legislation) is established, and its right to receive funds is verified (based on the list of the persons drawn up in accordance with [Part 11](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1306) of this Article, and as for the heirs, legal successors and other persons entitled to receive funds in accordance with the legislation — also based on the documents on their competence), the bank that services the escrow account shall transfer funds to the account designated by the shareholder (its heir or legal successor), including for payment of the taxes and levies prescribed by the legislation, or, upon their request, pay respective funds in cash provided that all the taxes and levies thereon prescribed by the legislation are paid.

All the costs associated with opening and service of the escrow account shall be borne by the requestor. The bank may not retain any amounts from the funds due to the shareholders (their heirs or legal successors or other persons entitled to receive funds in accordance with the legislation).

16. The Central Securities Depository shall, within three days upon receipt of the company’s information on the funds transferred in full for the shares purchased by the requestor, as prescribed by the legislation on the depository system of Ukraine, lift the limitation set in accordance with [Part 10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1305) of this Article, and ensure that rights to corresponding shares are transferred by depository institutions from accounts of their owners to the requestor’s account.

In case information on provision of the requestor’s documents on payment of the shares being purchased is not received, the Central Securities Depository shall, as prescribed by the legislation on the depository system of Ukraine, lift the limitation set in accordance with [Part 10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1305) of this Article, within one business day upon expiration of 90 calendar days upon receipt of the public irrevocable request from the company by the Central Securities Depository.

17. Purchase of shares by the requestor and alienation of such shares by shareholders do not require mandatory participation of the investment company and obtaining the licence for forex transactions or other permits and approvals from the public authorities, including the National Bank of Ukraine.

18. Free float limitations (encumbrances) imposed upon shares of the joint stock company, in particular, detention, other public encumbrances, other limitations in disposal of shares or limitation in transactions involving shares, or application of special economic and other restrictions (sanctions) may not prevent mandatory selling of such shares to the requestor.

A public irrevocable request for the purchase of shares by the requestor shall have the higher priority than all the limitations (encumbrances). The limitation (encumbrance) imposed upon the company’s shares held by other shareholders shall not affect the requestor’s right to purchase such shares of the company. In case the requestor purchases the shares covered by the encumbrance, encumbered property shall be replaced with the funds credited to the escrow account opened in accordance with [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1302)of this Article, without the pledge holder’s consent.

The notary shall substitute the encumbered property and impose a ban upon alienation of the funds to be credited by the requestor to the escrow account opened in accordance with [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1302) of this Article, pursuant the limitation (encumbrance) imposed upon the company’s shares based on the following documents presented by the requestor:

1) the public irrevocable request;

2) the documents on the type of the limitation (encumbrance) imposed upon the shares being purchased, which are certified by the depository institution or the Central Securities Depository (if the shares being purchased are kept by the Central Depository as a custodian);

3) the information on the person for the benefit of which the limitation (encumbrance) has been imposed upon the shares being purchased, which is certified by the depository institution or the Central Securities Depository (if the shares being purchased are kept by the Central Depository as a custodian).

Concurrently with the registration of the substitution of the encumbered property, the notary shall impose a ban on alienation of the funds credited by the requestor to the escrow account pursuant to the encumbrance over the company’s shares.

The ban on alienation of the funds credited to the escrow account shall be lifted in accordance with the terms and conditions of the documents under which the limitation (encumbrance) has been imposed upon the shares being purchased.

19. The costs of the joint stock company incurred to meet the requirements of this Article shall be compensated for at the expense of the requestor.

20. The Central Securities Depository shall refuse to conduct the transactions under this Article in case:

1) the notice set out in [Part 8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1363) of Article 96 hereof is received;

2) a notice of violation of the requirements of this Article by the requestor and/or the company is received from the National Securities and Stock Market Commission.

21. The shareholders that believe that the mandatory selling price fails to meet the requirements set by [Parts 5 to 7](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1279) of this Article shall have the right to file an action to court to collect the compensation for the adequate value of the shares purchased from them based on the request from the requestor.

**Article 96.** Competing Request for Mandatory Selling of Shares by Shareholders upon Other Shareholder’s Request

1. The shareholder (shareholders acting jointly) that has received the public irrevocable request in accordance with [Part 10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1305) of Article 95 of this Law shall have the right to submit a notice of exercising the right to submit a competing request for mandatory selling of shares by other shareholders upon its request (hereinafter the “notice”) to the company and the National Securities and Stock Market Commission within 20 business days.

If shareholders act jointly on a contractual basis, the material condition of this agreement shall be appointing the party thereto that is authorised by the parties to take actions to submit a competing request on behalf of the shareholders acting jointly (the authorised person).

The rights and obligations of the shareholder that has submitted a competing request hereunder shall be imposed upon the authorised person.

2. The notice shall meet the requirements set by the National Securities and Stock Market Commission and contain information on the following:

1) the number of the company’s shares owned by the shareholder (shareholders acting jointly), its affiliated persons as of the date of the notice;

2) the ownership structure of the shareholder (shareholders acting jointly) and its affiliated persons (if the affiliated persons owned the company’s shares as of the date of the notice);

3) the depository institution where the securities account of the shareholder (shareholders acting jointly), its affiliated persons has been opened (if the affiliated persons held the company’s shares as of the date of the notice), and details of the person’s securities account.

If the right to submit a competing request is exercised by the shareholders acting jointly, the notice shall be accompanied with a copy of the agreement based on which the shareholders agree upon their actions to acquire the company’s shares on the basis of the competing request.

3. The company shall, at latest on the next business day upon receipt of the notice, disclose it on the company’s website and in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets, and also send a copy of the notice to the Central Securities Depository.

After the notice is received, the Central Securities Depository shall cease transactions in accordance with [Article 95](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1262) hereof until the procedures under this Article are completed, and the notice under [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1365) of this Article is received from the joint stock company.

4. Within five business days after the notice is sent, the shareholder (shareholders acting jointly) shall submit a competing request for mandatory selling of shares by other shareholders upon its request (hereinafter the “competing request”) to the company. The request may not be withdrawn.

The mandatory share selling price under the competing request shall be at least 5% higher than the price specified in the public irrevocable request, which is determined in accordance with [Article 95](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1262) hereof.

5. The competing request shall be disclosed on the company’s website and in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets the next business day after it is received by the company.

6. The competing request shall meet the requirements set by [Part 8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1291) of Article 95 hereof.

The competing request shall be signed by the requestor.

7. After the competing request is submitted to the company in accordance with [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1354) of this Article:

1) the shareholder that has submitted the competing request shall obtain the status of the requestor in accordance with [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1275) of Article 95 hereof;

2) the competing request shall be considered to be a public irrevocable request under [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1275) of Article 95 hereof;

3) all the other shareholders of the company, including the shareholder with the dominant controlling stake, and company itself shall sell their shares of the company to the competing requestor.

8. After the competing request is received in accordance with [Part 10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1305) of Article 95 hereof, each shareholder, including the shareholder with the dominant controlling stake, shall have the right to submit the next competing request in accordance with the rules of this Article.

In this case, the mandatory share selling price under the competing request shall be at least 5% higher than the price specified in the last competing request received by the company.

9. Upon expiration of the terms set by [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1344) of this Article to submit a competing request, the company shall inform the requestor specified in [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1275) of Article 95 hereof and the Central Securities Depository thereof.

In case the competing request is submitted in accordance with [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1354) of this Article, and upon expiration of the terms to submit the next competing request under [Part 8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1363) of this Article, the company shall inform the person that has submitted the last competing request and the Central Securities Depository thereof.

10. If the competing requestor fails to fulfil its obligations under this Article, the competing request shall be null and void.

**Article 97.** Mandatory Purchase of Shares upon Shareholders’ Request by Person (Persons Acting Jointly) Owning Dominant Majority Interest in Joint Stock Company

1. Each shareholder of the company owning ordinary shares without any limitation (encumbrance) shall, within 180 days after information on the person (persons acting jointly) obtaining the property rights to the dominant controlling stake is disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets, shall have the right to demand mandatory purchase of its shares without any limitation (encumbrance), by the person (persons acting jointly) owning the dominant controlling stake. In this case, the person (persons acting jointly) with the dominant controlling stake shall purchase the shareholders’ shares as prescribed by this Article.

2. The shareholder that intends to exercise the right to sell its shares shall submit a written request for mandatory purchase of shares to the company. The shareholder’s request for mandatory purchase of shares shall specify the shareholder’s details, place of residence (location), the number of the company’s voting shares it owns that are to be purchased, details of the bank account to which funds for the shares purchased are to be transferred, details of the depository institution where the shareholder is a depositor, details of the shareholder’s securities account as well as the shareholder’s contact details (contact telephone number and mailing address).

The written request shall be accompanied with original documents on the shareholder’s property rights to the company’s shares as of the date of the request or copies thereof.

If the written request is signed by the shareholder’s proxy, it shall be accompanied with original documents on the authority of the shareholder’s proxy or duly certified copies thereof.

Within one business day upon receipt of the written request for mandatory purchase of shares by the company, the company shall send a copy thereof to the person (each of the persons acting jointly) with the dominant controlling stake.

3. The supervisory board or the board of directors shall, within 25 business days upon receipt of the written request for mandatory purchase of shares from the first shareholder by the company, approve the mandatory share purchase price for the purposes of this Article.

4. The mandatory share purchase price shall be determined in accordance with [Parts 5 to 7](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1279) of Article 95 hereof.

5. Within one business day following the approval of the mandatory share purchase price, the company shall send information on the approved mandatory share purchase price to the shareholder that has sent the company the written request for mandatory purchase of shares and to each person (persons acting jointly) with the dominant controlling stake.

6. Within 20 business days upon receipt of the approved mandatory share purchase price from the company or the shareholder’s written request received by the company following the approval of the mandatory share purchase price, the person (persons acting jointly) with the dominant controlling stake or its authorised person or authorised person shall transfer funds for the shares being purchased to the bank account specified in the shareholder’s written request for mandatory purchase of its shares at the mandatory purchase price approved in accordance with [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1374) of this Article. The shareholder that has sent the company the written request for mandatory purchase of its shares shall take all the actions necessary for the person (persons acting jointly) with the dominant controlling stake to obtain the property rights to the shares requested to be purchased.

7. Payment for the shares requested to be purchased by the person (persons acting jointly) with the dominant controlling stake shall only be effected in cash.

8. In case the block of shares having the size of the dominant controlling stake is owned by two or more persons acting jointly, such persons shall be jointly and severally liable for due fulfilment of their obligation to purchase the company’s shares upon the shareholders’ request in accordance with the procedure prescribed by this Article.

9. Starting from the day when the company receives the public irrevocable request from the person (persons acting jointly) with the dominant controlling stake, in accordance with the procedure under [Article 95](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1262) hereof, and until the procedures under [Articles 95](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1262) and [96](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1343) hereof are completed, the right of the all the owners of ordinary shares of the company to request mandatory purchase of their shares pursuant to the requirements of this Article shall not apply.

10. The costs incurred by the joint stock company to meet the requirements of this Article shall be compensated for by the person (persons acting jointly) with the dominant controlling stake.

**Article 98.**Effects of Failing to Comply with Law on Fulfilment of Obligations by Owners of Controlling Stake, Significant Controlling Stake or Dominant Controlling Stake in Company

1. The person (persons acting jointly) that has directly or indirectly obtained the property rights to the controlling stake in the company with due consideration of the number of the shares it and its affiliated persons own and has failed to fulfil the obligations set out in [Articles 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) and [94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof shall only have the voting right on the shares representing 50% of the company’s shares until the respective obligations are fulfilled. In this case, the other shares of the company that are directly or indirectly owned by such persons shall not give the voting right and shall not be taken into consideration for the quorum until such persons take the mandatory actions set out in [Articles 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) and [94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof.

The person (persons acting jointly) that has directly or indirectly obtained the property rights to the significant controlling stake in the company with due consideration of the number of the shares it and its affiliated persons own and has failed to fulfil the obligations set out in [Article 94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof shall only have the voting right on the shares representing 75% of the company’s shares until the respective obligations are fulfilled. In this case, the other shares of the company that are directly or indirectly owned by such persons shall not give the voting right and shall not be taken into consideration for the quorum until such persons take the mandatory actions set out in [Article 94](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1215) hereof.

The person (persons acting jointly) that has directly or indirectly obtained the property rights to the dominant controlling stake in the company with due consideration of the number of the shares it and its affiliated persons own and has failed to fulfil the obligations set out in [Articles 95](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1262) and [96](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1343) hereof shall only have the voting right on the company’s shares representing 95% of the company’s shares less one share until the respective obligations are fulfilled. In this case, the other shares of the company that are directly or indirectly owned by such persons shall not give the voting right and shall not be taken into consideration for the quorum until such persons take the mandatory actions set out in [Articles 95](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1262)and [96](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1343) hereof.

2. Resolutions of the general meeting adopted with the shares that do not give a voting right in accordance with [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1383) of this Article shall have no legal force if resolutions of the general meeting would have been different if such shares had not been used.

**Article 99.** Peculiarities of Purchasing Controlling Stake and Dominant Controlling Stake in Private Joint Stock Companies

1. The corporate charter of the private joint stock company being incorporated as well as the restated corporate charter of the private joint stock company approved by the resolution of the general meeting adopted by the three fourth of the shareholders’ votes in the total number of the voting shares may state that the requirements of [Article 93](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1181) hereof shall not apply to such company or shall apply with due consideration of the peculiarities set by the corporate charter of such company.

2. The corporate charter of the private joint stock company being incorporated as well as the restated corporate charter of the private joint stock company approved by the resolution of the general meeting adopted by more than 95% of the shareholders’ votes in their total number may state that the requirements of [Articles 95](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1262) and [97](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1368) hereof shall not apply to such company or shall apply with due consideration of the peculiarities set by the corporate charter of such company.

**Section XIV. REDEMPTION AND MANDATORY REDEMPTION OF ITS SECURITIES BY JOINT STOCK COMPANY**

**Article 100.** Redemption of Its Placed Securities by Joint Stock Company

1. The joint stock company shall have the right to redeem shares from shareholders upon consent of owners thereof, by the decision of the general meeting.

The resolution of the general meeting on redemption of shares shall be disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets, at latest on the date of publication of the minutes of the general meeting in accordance with the requirements of Part 7 of [Article 57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n692) hereof. The procedure for exercising the right shall be set out in the corporate charter of the joint stock company and/or the resolution of the general meeting.

The resolution of the general meeting shall specify the following:

1) the procedure for redemption of shares as well as the maximum number, type and/or class of shares to be redeemed;

2) the share redemption term;

3) the share redemption price, or the procedure for determination thereof;

4) the company’s actions with regard to redeemed shares (cancellation or sale).

The share redemption term includes the term of acceptance of written offers of the shareholders regarding sale of the shares and the term for paying their value. The share redemption term may not exceed one year. The shareholder’s written request for selling shares to the company shall be irrevocable.

The share redemption price may not be lower than the market value determined in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof. Payment for the shares being redeemed shall be effected in cash.

The market value of shares shall be determined as of the last business day prior to the day when the notice of the general meeting where it is resolved to redeem shares from shareholders upon their consent is disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets.

The company shall redeem shares from each shareholder that accepts an offer to redeem the shares, at the price specified in the resolution of the general meeting.

The transactions involving transfer of the property rights to the company’s shares to the Company that are made during the term specified in the resolution of the general meeting at the price other than the price specified in such resolution shall be void.

2. In case the general meeting has adopted a resolution on the proportional redemption of shares, the company shall send each shareholder a written notice of the number of the shares being redeemed, their price and term of redemption. Where the company has more than one thousand shareholders, shareholders’ offers to sell shares to the company shall be accepted for at least 30 days after the corresponding notice is sent to the shareholders.

The general meeting may resolve to purchase the certain number of shares of certain type and/or class from individual shareholders upon their consent. In this case, the resolution of the general meeting shall include last names (names) of shareholders from which the shares are to be redeemed and the number of shares of certain type and/or class that are to be redeemed.

3. The joint stock company shall have the right to redeem securities placed by the company other than shares by the decision of the supervisory board or the board of directors, upon consent of owners of such securities if it is provided for by the corporate charter of the joint stock company and the securities issue prospectus or resolution.

**Article 101.** Restrictions in Redemption of Shares by Joint Stock Company

1. The general meeting may not resolve to redeem the shares if:

1) as of the date of redemption of shares, the company has obligations regarding mandatory redemption of shares in accordance with [Article 102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) of this Law;

2) the company is or becomes insolvent as a result of redemption of the shares;

3) the company’s equity is less than the amount of its authorised capital, capital reserve and the amount by which the liquidation value of the preferred shares exceeds the face value thereof, or gets less as a result of such redemption;

4) the company has not satisfied the creditor’s claims lodged at least three days before the date of the general meeting the agenda of which includes redemption of the shares.

2. The joint stock company may not redeem the ordinary shares it has placed until the current dividends on preference shares are paid in full.

The joint stock company may not redeem the preference shares it has placed until current dividends on preference shares whose owners have the advantage in the order of distribution of dividends are paid in full.

3. The joint stock company may not adopt a resolution on redemption of the company’s shares without cancellation if the portion of the company’s outstanding shares with due consideration of the shares pledged gets less than 80% of the authorised capital.

4. The joint stock company may not redeem the shares the report on the results of issue of which has not been registered as prescribed by the law.

5. The joint stock company may not adopt a resolution on redemption of its own shares without subsequent reduction of the authorised capital of the company where there is no capital reserve formed in accordance with the requirements of [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n233) of Article 21 hereof.

6. This Article shall not apply to mandatory redemption of shares by the joint stock company upon the shareholders’ request in accordance with [Article 102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof.

**Article 102.** Mandatory Redemption of Shares by Joint Stock Company upon Shareholders’ Request

1. Each shareholder owning the company’s ordinary shares shall have the right to request mandatory redemption of its ordinary shares by the company if the shareholder has registered to attend the general meeting and voted against the resolution of the general meeting regarding:

1) merger, acquisition, demerger, reorganisation, spin-off, change of the type of the company;

2) major transactions made by the company;

3) prior consent for the private joint stock company to make major transactions;

4) consent to the company’s related-party transaction;

5) alteration of the size of the authorised capital;

6) waiver of the shareholder’s pre-emptive right to purchase shares additionally issued in the process of their placement;

7) issue of convertible bonds;

8) amendments to the corporate charter of the joint stock company as prescribed by [Article 99](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1387) hereof.

2. Each shareholder owning the preference shares shall have the right to request mandatory redemption of its preference shares by the company if the shareholder has registered to attend the general meeting and voted against the resolution of the general meeting as regards:

1) amendments to the corporate charter of the joint stock company that provide for placement of preference shares of a new class whose owners will have an advantage in the order of receipt of dividends or payments if the company is liquidated;

2) expansion of the scope of rights of the shareholders holding preference shares placed that have an advantage in the order of receipt of dividends or payments if the company is liquidated;

3) waiver of the shareholder’s pre-emptive right to purchase shares additionally issued in the process of their placement.

3. The joint stock company shall be obliged to redeem the shareholder’s shares in the cases set out in Parts 1 and 2 of this Article.

4. The list of the shareholders entitled to request the mandatory redemption of their shares in accordance with Parts [1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1420) and [2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1429) of this Article shall be drawn up on the basis of the list of the shareholders that have been registered to attend the general meeting where the resolution that was a basis for requesting the mandatory redemption of the shares was adopted.

**Article 103.** Procedure for Exercising Shareholders’ Right to Request Mandatory Redemption of Their Shares by Joint Stock Company

1. The share redemption price may not be lower than the market value determined in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof. The share redemption price shall be approved by the joint stock company at latest on the day when the notification of the general meeting with the agenda including the resolution that will be a basis for the request for mandatory redemption of shares is duly published.

The market value of shares shall be determined as of the last business day prior to the day when the notification of the general meeting where the resolution being a basis for the request for mandatory redemption of shares was adopted is duly published.

The agreement between the joint stock company and the shareholder on mandatory redemption of its shares by the company shall be concluded as soon as the shareholder’s request is received.

2. The joint stock company shall, within five business days upon publication of minutes of the general meeting where the resolution being a basis for the request for mandatory redemption of shares was adopted, in accordance with the procedure set by the supervisory board or the board of directors, send the shareholders entitled to request mandatory redemption of shares a notification of their right to request mandatory redemption of shares, with specification of the following:

1) the share redemption price;

2) the number of the shares which the shareholder may request to redeem;

3) the total value of shares in case the shares are redeemed by the company;

4) the term of conclusion of the agreement by the company and payment for the shares (upon receipt of the shareholder’s request for mandatory redemption of the shares).

3. Within 30 days from the date when minutes of the general meeting where the resolution being a basis for the request for mandatory redemption of shares was adopted are disclosed, the shareholder that intends to exercise the right shall submit a written request to the company. The shareholder’s request for mandatory redemption of shares shall specify the shareholder’s last name (name), place of residence (location), the number, type and/or class of shares mandatory redemption of which is requested. The shareholder’s written request shall be accompanied with the securities account extract that confirms its property rights to the company’s shares at latest as of the date of execution of the request. The shareholder may not execute mandatory redemption of shares until minutes of the general meeting are posted on the company’s website.

4. Within 30 days upon receipt of the shareholder’s request for mandatory redemption of shares, the company shall pay the value of the shares at the redemption price specified in the notification of the right to request mandatory redemption of the shares owned by the shareholder, and the respective shareholder shall take all the actions necessary for the company to obtain the property rights to the shares mandatory redemption of which is requested.

Payment for the shares shall be cash unless the parties have agreed upon another form of payment within the time frames set by this Article.

**Article 104.** Notice of Redemption of Shares in Excess of Threshold Values by Public Joint Stock Company

1. The public joint stock company that directly or indirectly acquires or alienates its own shares shall disclose information on the number of such shares acquired or alienated in case their number is increased, decreased or equals the threshold value of the block of shares, in accordance with the procedure set by [Article 128](https://zakon.rada.gov.ua/laws/show/en/3480-15#n4354) of the Law of Ukraine “On Capital Markets and Organised Commodity Markets” for disclosure of special information.

**Article 105.** Effects of Redemption or Other Acquisition of Its Own Shares by Joint Stock Company

1. The own shares redeemed in accordance with [Articles 100](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1391) and [102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof or otherwise acquired by the joint stock company shall not be counted for distribution of profit, voting and determining the quorum of the general meeting.

2. The joint stock company shall, within a year upon expiration of the term set for redemption of shares in accordance with [Articles 100](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1391) and [102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof, or from the date of other acquisition of its own shares, sell or cancel such shares.

The resolution to sell or cancel its own shares redeemed in accordance with [Articles 100](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1391) and [102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof or otherwise acquired by the company shall be adopted by the general meeting.

3. The selling price of its own shares redeemed in accordance with [Articles 100](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1391) and [102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof or otherwise acquired by the company may not be lower than the market value determined in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) of this Law.

The market value of shares shall be determined as of the last business day prior to the date of the general meeting where it is resolved to sell its own shares redeemed in accordance with [Articles 100](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1391) and [102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof or otherwise acquired by the company.

4. The transactions involving transfer of the property rights to its own shares redeemed in accordance with [Articles 100](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1391) and [102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof or otherwise acquired by the company that are made in breach of the requirements of this Article shall be null and void.

5. The company’ shares shall be considered to be redeemed if they belong to another legal entity controlled by such company, except when such legal entity is an investment company being a market dealer or a bank.

The shares redeemed by the legal entity controlled by the company shall not be regulated by [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1451) of this Article provided that both requirements are met:

1) the redeemed shares are not used to govern the company;

2) members of the executive body shall within three months redeem the shares of the company owned by the legal entity controlled by the company, at the price at which the shares have been purchased by the legal entity. The requirements of this Clause shall not apply if members of the executive body prove that a resolution to purchase the company’s shares has been adopted by the legal entity controlled by the joint stock company, on its own.

**Section XV. MAJOR TRANSACTIONS AND RELATED-PARTY TRANSACTIONS**

**Article 106.** Major Transaction

1. The transaction made by the joint stock company shall be major if the market value of the subject matter thereof exceeds 10% of the value of the company’s assets according to the latest annual financial statements.

The corporate charter of the joint stock company may set additional criteria to define a transaction as a major one.

2. If the market value of the subject matter of the major transaction is from 10% to 25% of the value of assets according to the latest annual financial statements of the company, a resolution on the major transaction shall be adopted by the supervisory board or the board of directors.

In case the supervisory board or the board of directors does not adopt a resolution on the major transaction, the matter of such transaction may be considered by the general meeting.

3. If the market value of the subject matter of the major transaction exceeds 25% of the value of assets according to the latest annual financial statements of the company, a resolution on such transaction shall be adopted by the general meeting based on the recommendation of the supervisory board or the board of directors.

If the market value of the subject matter of the major transaction exceeds 25%, but is less than 50% of the value of assets according to the latest annual financial statements of the company, a resolution on the major transaction shall be adopted by a simple majority of votes of the shareholders that have been registered to attend the general meeting and own the shares voting on this matter.

If the market value of the subject matter of the major transaction exceeds 50% of the value of assets according to the latest annual financial statements of the company, a resolution on the major transaction shall be adopted by more than 50% of the total shareholders’ votes.

The supervisory board of the public joint stock company or the bank shall have the right to adopt resolutions under the [second](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1467) and [third](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1468) paragraphs of this Part. If the composition of the supervisory board of the private joint stock company meets the requirements of [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n875) of Article 72 hereof, the corporate charter may state that the resolutions set out in the second and third paragraphs of this Part may be adopted by such supervisory board.

The supervisory board of the joint stock company the shares of which directly or indirectly belong to one person may adopt the resolutions set out in the [first](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1466) to [third](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1468) paragraphs of this Part in case it is provided for by the corporate charter of the joint stock company; the procedure for making such decisions shall be set by the corporate charter of the joint stock company.

4. If it is impossible to define as of the date of the general meeting of the private joint stock company, which major transactions will be made by such company in its financial and economic activities, the general meeting of the private joint stock company (other than a bank) may resolve to give its preliminary consent to major transactions that can be made by the private joint stock company within a year from the date of such resolution, with specification of the nature of transactions and their maximum aggregate value. In this case, subject to the maximum aggregate value of such transactions, the corresponding rules of [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1466) of this Article shall apply.

5. The requirements for the procedure for making a major transaction under this Article shall apply in addition to the other requirements for the procedure for making specific transactions under the law or corporate charter of the joint stock company.

6. For the purposes of this Article, several transactions made by the company with one counterpart and/or its affiliated parties regarding the same subject matter within a year shall be treated as one transaction.

7. Within two years from the date of incorporation of the joint stock company (except for incorporation of the company as a result of reorganisation), any transaction with the market value exceeding 10% of the value of assets according to the latest annual financial statements (if the joint stock company has not prepared annual financial statements — over 10% of the authorised capital), and with a party thereto being the company’s founder shall be made in accordance with the requirements of [Article 107](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1483) hereof. A resolution on making the transaction shall be adopted by the general meeting and disclosed in accordance with the legislation on disclosure of special information by issuers of securities.

The rules of the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1474) of this Part shall not be applicable to the company the shares of which are directly or indirectly owned by one person if it is stated in the corporate charter of the joint stock company.

8. This Article shall not be applicable in the following cases:

1) transactions made at state regulated prices and tariffs in accordance with the legislation;

2) transactions made by the person that carries out clearing activities, when it acts as a central counterparty;

3) transactions made in the normal course of business of the company provided that they are made on an arm’s length basis;

4) redemption of its securities by the company;

5) transactions made by the company where 100% of shares are owned by one person.

9. A major transaction may be made with the precedent condition of obtaining a consent thereto as prescribed by this Law.

**Article 107.**Related-Party Transaction

1. The related-party transaction (hereinafter the “related-party transaction”) is a transaction in which at least one of the persons set out in [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1485) of this Article is interested in accordance with [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1491) of this Article as well as a transaction made between the affiliated person of the public joint stock company and the legal entity controlled by such public joint stock company.

2. The person interested in the transaction of the joint stock company may be a person who is:

1) an officer of the body of the joint stock company or its affiliated person;

2) a shareholder who, independently or jointly with affiliates, owns at least 25% of the voting shares in the company, and its affiliated person (except when the shareholder directly or indirectly owns 100% of voting shares in the company);

3) a legal entity where any of the persons set out in Clauses 1 and 2 of this Part is an officer or a controller of such legal entity;

4) an affiliated person of the joint stock company;

5) one of the persons set out in the corporate charter of the joint stock company.

3. The person defined in [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1485) of this Article shall be considered to be interested in the transaction of the joint stock company if he or she:

1) is a party to such transaction or a member of the executive body of the legal entity being a party to the transaction, or controls the legal entity being another party;

2) receives remuneration for making such transaction from the joint stock company (officers of bodies of the joint stock company) or from the person who is a party to the transaction;

3) acquires property in accordance with the terms and conditions of such transaction;

4) participates in the transaction as a representative or an intermediary (apart from representation of the company by its officers).

4. The procedure for making a related-party transaction concurrently being a major transaction (hereinafter the “major related-party transaction”) shall be set up by this Article.

5. A resolution on the related-party transaction shall be adopted by the supervisory board or the board of directors if the market value of the subject matter of the related-party transaction does not exceed 10% of the value of the assets according to the latest annual financial statements of the company.

If the market value of the subject matter of the related-party transaction exceeds 10% of the value of the assets according to the latest annual financial statements of the joint stock company (the major related-party transaction), a resolution on such transaction shall be adopted by the general meeting based on the recommendation of the supervisory board or the board of directors.

A resolution on the related-party transaction shall be adopted by the general meeting if all the members of the supervisory board or the board of directors are interested in such transaction.

6. The corporate charter of the joint stock company may set additional terms and conditions for defining a transaction as a related-party transaction as well as the lower threshold value of the ratio between the market value of the subject matter of the related-party transaction and the value of the company’s assets according to the latest annual financial statements of such company, in order to obtain consent of the corresponding body of the company for related-party transactions.

7. A resolution of company’s body on the related-party transaction may provide for terms and conditions of the draft transaction, which can be amended by the decision of the executive body when such related-party transaction is made. Where there are no terms and conditions, a transaction shall be made in accordance with the terms and conditions of the draft transaction submitted in accordance with [Part 8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1502) of this Article.

8. The person interested in the transaction shall inform the company in advance of its interest by submitting the following information to the executive body or the board of directors:

1) indications of the person’s interest in the transaction;

2) draft transaction document.

The executive body or the chief executive director shall, within five business days upon receipt of such information, submit it and explanations on indications of the interest to the supervisory board or the board of directors.

9. In order to assess the draft document on related-party transaction and establish its consistency with the arm’s length principle, the supervisory board or the board of directors may hire an independent auditing entity, an appraising entity or another duly qualified person.

If the supervisory board has an audit committee, the supervisory board or the board of directors may obtain the opinion of the committee and not engage the persons specified in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1506) of this Part, in order to establish consistency of the related-party transaction with the arm’s length principle.

The requirements of this Part shall not apply to the private joint stock company unless otherwise prescribed by the corporate charter of such company.

10. If a member of the supervisory board or the board of directors is a person interested in the transaction (a representative of the person interested in the transaction), he or she shall have no vote on this transaction.

A resolution on the related-party transaction shall be adopted by the majority of votes of the members of the supervisory board or the board of directors attending the meeting, who are not interested in the transaction (hereinafter the “non-related members of the supervisory board”). If only one non-related member of the supervisory board or the board of directors attends such meeting, the resolution on the related-party transaction shall be adopted by such member alone.

The corporate charter of the joint stock company may require presence of all or majority of non-related members of the supervisory board or the board of directors at the meeting of the corresponding body where the related-party transaction is considered, or set other requirements for the procedure for resolving to make the related-party transactions.

11. If the supervisory board or the board of directors has resolved to reject the related-party transaction, or has not adopted any resolution within 30 days upon receipt of the necessary information, the shareholder interested in the transaction may present such related-party transaction to the general meeting for consideration. The corporate charter of the joint stock company may set a shorter term in case the requirements of [Part 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1506) of this Article are not applied.

12. The shareholders interested in the related-party transaction (major related-party transaction) shall have no right to vote on granting consent to the related-party transaction, and a resolution on this matter shall be adopted by a majority of votes of the non-related shareholders that have been registered to attend the general meeting and own the shares voting on this matter.

The corporate charter of the private joint stock company may release the company from the requirements of this Part.

13. For the purposes of this Article, several transactions made by the company with one counterparty and/or its affiliated parties regarding the same subject matter within a year shall be treated as one transaction.

14. The joint stock company shall disclose information on the resolution to make the related-party transaction as prescribed by the law.

The requirements of this Part shall not apply to the private joint stock company as well as the company where 100% of shares are directly or indirectly owned by one person (except for the company where 100% of shares are directly or indirectly owned by the state) unless otherwise provided for by the corporate charter of such company.

15. This Article shall not be applicable in the following cases:

1) the transaction is made for the amount of less than 1% of the value of the company’s assets according to the latest annual financial statements unless the smaller amount is set by the corporate charter of the joint stock company;

2) the pre-emptive right is exercised by the shareholders in accordance with[Article 31](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n322) hereof;

3) the shares placed by the company are redeemed from shareholders in accordance with [Articles 100](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1391) and [102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof;

4) its own shares redeemed in accordance with [Articles 100](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1391) and [102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof are sold by the company;

5) proportional spin-off and termination of the joint stock company is carried out;

6) the officer of the company’s body or the shareholder that owns 25% of the company’s voting shares or more individually or jointly with affiliated persons gives a guarantee, surety (including property surety), pledge or mortgage to the company or the persons granting a loan to the company for free;

7) the transaction is made at state regulated prices and tariffs in accordance with the requirements of the legislation;

8) banks make the transactions related to banking and other financial services, provided that the provisions of [Article 52](https://zakon.rada.gov.ua/laws/show/en/2121-14#n901) of the Law of Ukraine “On Banks and Banking Activities” are complied with;

9) transactions made in the normal course of business of the company provided that they are made on an arm’s length basis;

10) transactions are made in pursuance of the regulation on the remuneration due to members of the supervisory board or the board of directors;

11) transactions made by the company where 100% of shares are owned by one person.

16. The person that has violated this Law regarding the procedure for granting consent to a transaction and the person interested in the company’s transaction shall be jointly and severally liable for the damage inflicted upon the company by the related-party transaction made in breach of the requirements of this Article.

17. The corporate charter of the joint stock company where 100% of shares are directly or indirectly owned by one person may establish the procedure for making related-party transactions other than the one set by this Article.

**Article 108.** Making Major Transaction, Related-Party Transaction in Breach of Procedure for Adopting a Resolution Thereon, or Transaction Made in Breach of Arm’s Length Principle

1. The major transaction, the related-party transaction made in breach of the procedure for adopting a resolution thereon shall create, change or terminate civil rights and obligations of the joint stock company only in case the transaction is approved by the company based on the procedure set for adopting a resolution thereon.

2. Subsequent approval of the transaction by the company in accordance with the procedure set for adopting a resolution thereon shall create, change and terminate civil rights and obligations of the joint stock company from the date of the transaction.

3. The person interested in the transaction committed in breach of the procedure for obtaining consent thereto shall be liable to the joint stock company in the amount of the losses incurred by the company as a result of such transaction.

4. The person interested in the related-party transaction that is made in breach of the arm’s length principle shall refund the company the amount of income obtained by such person directly or indirectly as a result of such transaction.

The rules of this Part shall not apply to private joint stock companies unless otherwise prescribed by the corporate charter. This rule can be included into the corporate charter of the private joint stock company, amended or removed by the resolution of the general meeting adopted by at least three fourth of votes of the total number of voting shareholders.

**Section XVI. AUDIT OF FINANCIAL STATEMENTS, AND INSPECTION OF FINANCIAL AND ECONOMIC ACTIVITIES OF JOINT STOCK COMPANY**

**Article 109.**Inspecting Financial and Economic Activities of Joint Stock Company as of End of Financial Year, and Approving Annual Report of Company

1. Financial and economic activities of the joint stock company as of the end of the fiscal year shall be inspected by the auditing entity and the internal audit service (the internal auditor).

*{The first paragraph of Article 109(1) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n413)*}*

The executive body or the chief executive director shall ensure within the reasonable time frames that the auditing entity and an employee of the internal audit service (the internal auditor) have access to all information necessary for the audit as well as to the employees from whom the auditor needs to obtain auditing evidence. The rules of this paragraph shall also apply in case an audit is conducted upon request of the shareholder(s).

*{The second paragraph of Article 109(1) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n414)*}*

2. A report on the inspection of financial and economic activities of the joint stock company as of the end of the fiscal year (hereinafter the “annual report of the company”) shall contain without limitation information on reliability and completeness of data in financial statements for the corresponding period, facts of violation of the legislation in financial and economic activities (if any), and efficiency and reliability of the internal control system.

3. The annual report of the company shall be approved by the supervisory board or the board of directors in advance, at least 30 days before the date of the annual general meeting (except when approval of the report does not belong to the competence of the supervisory board or the board of directors pursuant to the corporate charter of the joint stock company).

In case approval of the annual report of the company belongs to the competence of the supervisory board or the board of directors pursuant to the corporate charter of the company, the annual report of the company shall be approved by the supervisory board or the board of directors at least 30 days before the date of the annual general meeting.

4. The annual report of the company is annual information of the issuer in the meaning of [Article 126](https://zakon.rada.gov.ua/laws/show/en/3480-15#n4258) of the Law of Ukraine “On Capital Markets and Organised Commodity Markets”.

**Article 110.** Auditing Entity

1. The annual financial statements of the public joint stock company shall be audited by the independent auditing entity.

2. An independent auditing entity may not be:

1) an affiliated person of the company;

2) an affiliated person of the officer of the body of the joint stock company;

3) a person that is not independent from the company to be audited.

The requirements for ensuring independence of the auditing entity shall be set up by the legislation on auditing activity.

3. The auditor’s opinion shall contain the data prescribed by the legislation on auditing.

4. Financial statements and consolidated financial statements of the joint stock company shall also be audited upon request of the shareholders that own 5% of the company’s voting shares and more. Shareholders shall conclude the agreement on audit of financial statements, consolidated financial statements with the specific auditing entity on their own.

The costs for the audit shall be borne by the shareholders requesting the audit. The general meeting may resolve to compensate the shareholders for the costs for the audit.

5. Within 10 days upon receipt of the request for the audit from the shareholder(s), the company shall:

1) enable the auditing entity to conduct an audit;

2) send the shareholder(s) the response with information on the date of the start of the audit.

The request of the shareholder(s) shall be accompanied with copies of the documents on its (their) property rights to the company’s shares as of the date of the request, and copies of the agreement on the audit made with the auditing entity.

6. An audit requested by the shareholders having over 5% of the company’s voting shares may be conducted at most twice a calendar year.

**Article 111.** Special Inspection of Financial and Economic Activities of Joint Stock Company

1. A special inspection of financial and economic activities of the joint stock company shall be conducted by the auditing entity and/or the internal audit service (the internal auditor) at the initiative and by the decision of the general meeting, the supervisory board or the board of directors, or the executive body.

*{The first paragraph of Article 111(1) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n417)*}*

In case the inspection is conducted by the auditing entity, it shall be based on the auditing service agreement in accordance with the legislation on auditing activity.

*{The second paragraph of Article 111(1) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n418)*}*

2. A special inspection of financial and economic activities of the joint stock company may be conducted by the auditing entity and/or internal audit service (internal auditor) upon request and at the expense of the shareholders that own over 5% of the company’s voting shares as of the date of the request.

*{Article 111(2) as amended by Law*[*No. 3587-IX dated 22.02.2024*](https://zakon.rada.gov.ua/laws/show/en/3587-20#n419)*}*

**Section XVII. KEEPING DOCUMENTS OF JOINT STOCK COMPANY. INFORMATION ON THE COMPANY**

**Article 112.** Keeping Documents of Joint Stock Company

1. The joint stock company shall keep:

1) corporate charter of the joint stock company and amendments thereto;

2) regulations on the general meeting, the supervisory board or the board of directors, the executive body, other by-laws of the company on activities of the company’s bodies, and amendments thereto;

3) regulation on each existing standalone unit of the company;

4) documents on the company’s property rights;

5) code of corporate governance of the company;

6) minutes of the general meetings;

7) the materials that can be examined by shareholders while preparing for the general meeting, for up to six months from the date of such general meeting;

8) minutes of meetings of the supervisory board or the board of directors and the collective executive body, orders and instructions of the chairperson of the collective or sole executive body;

9) documents of auditing entities on the company;

10) annual financial and consolidated financial statements;

11) accounting documents;

12) reporting documents to be submitted to the public authorities;

13) securities prospectuses or resolutions on issue of securities as well as the certificate of registration of issue of shares and other securities prospectuses of the company;

14) up-to-date list of affiliated persons of the company, with specification of the number, type and/or class of their shares;

15) regular and special information on the company in accordance with the legislative requirements;

16) reports of the supervisory board or the board of directors;

17) reports of the executive body;

18) regulation on remuneration to members of the supervisory board or the board of directors and the executive body;

19) reports on remuneration to members of the supervisory board or the board of directors and the executive body;

20) documents on the basis of which the market value has been determined in accordance with [Article 9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n100) hereof;

21) other documents prescribed by the legislation, the corporate charter of the joint stock company, the by-laws of the joint stock company, resolutions of the general meeting, the supervisory board or the board of directors, the executive body.

2. The documents set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1567) of this Article shall be kept in the joint stock company at its location or another venue designated by the executive body of the company.

Responsibility for keeping the company’s documents shall be borne by the chairman of the collective executive body (the person acting as a sole executive body) or the chief executive director and the chief accountant, as regards financial reporting documents.

3. The documents set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1567) of this Article shall be kept during the entire period of the company’s operations unless another term is prescribed by the legislation to keep these documents.

**Article 113.** Provision of Information by Joint Stock Company

1. The joint stock company shall grant each shareholder access to the documents set out in [Clauses 1-3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1568), [5-7](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1572), [8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1575) (in terms of orders and instructions of the chairperson of the collective and sole executive body that influence the exercise of corporate rights of such shareholder),[9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1576), [10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1577), [12-21](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1579) of Part 1 of Article 112 hereof, and the shareholders that own over 5% of the company’s shares in aggregate shall also have access to any other documents of the company with data on financial and economic activities of such company. Where such documents contain sensitive information, the company and the shareholder shall adhere to the conditions for use and disclosure of sensitive information as prescribed by the law.

2. Within 10 business days upon receipt of the shareholder’s written request, and regardless of whether documents are provided for free, the corporate secretary and in case there is none — the chairperson of the executive body or the chair of the board of directors shall provide the shareholder with copies of the corresponding documents set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1593) of this Article that are certified with the signature of the company’s authorised person. Documents may be provided in soft copy, with the electronic signature affixed by the respective officer of the company. The companies may charge the fee for copies of documents and dispatch thereof to the amount that cannot exceed costs for producing copies of documents and sending them by mail. The procedure for provision of the documents is set out in Part 1 of this Article, the procedure for collecting the fee in accordance with the requirements of this Article shall be set by the corporate charter of the joint stock company or other by-laws of the company.

Provided that the executive body or the board of directors is notified at least five business days in advance, any shareholder shall have the right to examine the documents under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1593) of this Article, at the company’s premises at its location during business hours. The executive body or the board of directors shall have the right to limit the period of examination of the company’s documents, but in any case, it shall be at least 10 business days upon receipt of the request for examination of the company’s documents by the company.

Shareholders may receive additional information on the company’s operations upon consent of the executive body or the board of directors or in the cases and in accordance with the procedure provided for by the corporate charter of the joint stock company, the resolution of the general meeting, or other by-laws of the company.

The shareholder shall present copies of documents on its property rights to the company’s shares as of the date of the request alongside with the written request for examination of documents.

3. The public joint stock company shall have its own website where the information to be made public in accordance with the legislation, the information set out in [Clauses 1-3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1568), [5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1572), [6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1573),[9](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1576), [10](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1577), [12](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1579) (except for documents with confidential information), [13-18](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1580) Part 1 of Article 112, and the information set out in Parts [2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n491) and [3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n506) of Article 47 hereof shall be disclosed in accordance with the procedure and within the time frames set by the National Securities and Stock Market Commission.

4. Upon request of the National Securities and Stock Market Commission, the joint stock company shall provide the list of affiliated persons and data on the company’s shares owned by them.

5. The joint stock company shall disclose information in accordance with the laws of Ukraine.

6. The joint stock company shall have the right to refuse to provide the documents (their copies) set out in this Article to the shareholder if such documents (their copies) have already been provided to the shareholder, and are relevant as of the date of receipt of the shareholder’s request for examination of the documents.

The rules of this Part shall not apply if the shareholder proves to the company that it has good reasons to receive documents (their copies) again.

**Section XVIII. SPIN-OFF AND TERMINATION OF JOINT STOCK COMPANY**

**Article 114.** Termination of Joint Stock Company

1. The joint stock company shall be terminated as a result of transfer of all its property, rights and obligations to other business entities being legal successors (through merger, acquisition, demerger, reorganisation) or as a result of liquidation.

2. Voluntary termination of the joint stock company shall be carried out based on the resolution of the general meeting of shareholders as prescribed by this Section and other legislative acts.

The requirements of this Section shall not apply in case joint stock companies are terminated:

1) if it is a result of bankruptcy proceedings in accordance with the legislation on proceedings in bankruptcy cases;

2) if they are banks subject to actions under the legislation on the deposit guarantee system;

3) if they are non-banking financial institutions subject to actions for withdrawal of insolvent non-banking financial institutions from the market.

The National Securities and Stock Market Commission shall set up the procedure for terminating joint stock companies in accordance with the requirements of this Section.

**Article 115.** Merger, Acquisition, Demerger, Spin-off, and Transformation of Joint Stock Company

1. Merger, acquisition, demerger, spin-off and transformation of the joint stock company shall be carried out based on the resolution of the general meeting and, in cases provided for by law, by decision of the court or competent public authorities.

The law may provide for obtaining consent to termination of the joint stock company via merger or acquisition from competent public authorities.

The joint stock company may not concurrently carry out merger, acquisition, demerger, spin-off and/or transformation.

2. Issued securities (other than shares) of the joint stock companies involved into merger, acquisition, demerger, spin-off or transformation shall grant their owners at least the same scope of rights as the one granted by them before the merger, acquisition, demerger, spin-off or transformation. The scope of rights of owners of such securities shall not be reduced except as otherwise set out in the [second paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1617) of this Part.

The owners of the issued securities set out in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1616) of this Part as a result of merger, acquisition, demerger and spin-off may be granted the smaller scope of rights if the corresponding resolution has been adopted by the general meeting of shareholders, or if the owners of such securities have given their personal consent.

3. At the meeting of members of the business entity being a legal successor, each member shall be given the number of votes to be granted by the shares (stock, interest) of the business entity being a legal successor it may own as a result of merger, acquisition, demerger, spin-off or transformation of the joint stock company.

4. Merger, acquisition, demerger, transformation of the joint stock company shall be deemed completed from the date when the record on termination of the joint stock company is made in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations.

Spin-off of the joint stock company shall be deemed completed from the date when the record on incorporation of the joint stock company that has spun off is made in the Unified State Register.

**Article 116.** Protecting Creditors’ Rights in Merger, Acquisition, Demerger, Spin-off and Transformation of Joint Stock Company

1. Within 30 days upon publication of minutes of the general meeting where it was resolved to terminate the joint stock company by demerger or transformation as well as to carry out spin-off, and in case of termination by merger or acquisition — from the date of publication of minutes of the general meeting where the resolution was adopted by the general meeting of the last joint stock company involved in the merger or acquisition, the company shall inform the company’s creditors thereof in writing and publish a notice of the resolution in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets. The company shall also inform each organised capital market operator that manages the organised market where the company’s shares have been admitted to trading of such resolution.

2. The creditor whose claims against the joint stock company being terminated as a result of merger, acquisition, demerger, spin-off and/or transformation are not secured with pledge, guarantee or surety agreements may, within 20 days upon dispatch of the notice under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1622) of this Article, file a written request for the company to take one of the following actions at its discretion:

1) to ensure fulfilment of obligations via pledge, guarantee or surety agreements;

2) to terminate or fulfil obligations to the creditor prematurely, unless otherwise provided for by agreement between the company and the creditor.

In the event the creditor has not filed a written request to the company within the period set by this Part, it shall be considered that it does not require the company to take any additional actions in relation to obligations to such creditor.

Merger, acquisition, demerger, spin-off and transformation may not be completed until the creditors’ claims are satisfied.

If the distribution balance sheet or the statement of transfer does not specify to which legal successor the obligation has been transferred, or whether the company from which the spin-off has been carried out has remained liable, the legal successors and the company from which the spin-off has been carried out shall be jointly and severally liable for such obligation.

3. Owners of debt securities (regardless of terms and conditions of the issue prospectus or resolution) shall have the right to the following in case the company is terminated:

1) early redemption;

2) conversion of their securities into securities of the company being the legal successor to which rights and obligations of the company being terminated are transferred, under the same terms and conditions, including with the security.

The company being the legal successor shall issue debt securities for the purpose of conversion, except when all holders of the legal predecessor have agreed to mandatory redemption of their securities by the joint stock company in accordance with the requirements of [Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof.

**Article 117.**Merger of Joint Stock Companies

1. Merger of joint stock companies means the procedure for termination of several joint stock companies in which all such companies transfer their legal successor all their assets, rights and obligations while their shareholders receive shares of the legal successor that are issued as a part of the merger in exchange of their shares of the legal predecessor.

Terms and conditions of the merger may provide for cash payments to shareholders to the amount that does not exceed 10% of the total face value of the issued shares of the newly-established company.

The joint stock company may only participate in the merger with another joint stock company.

2. The supervisory board or the board of directors of each company involved into the merger shall approve draft terms and conditions for the merger in accordance with the requirements of [Article 122](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1746) hereof.

3. The supervisory board or the board of directors of each company involved into the merger shall have the following matters approved by the general meeting of the corresponding company:

1) termination of the company by merger;

2) approval of the terms and conditions for merger, namely for conversion of shares;

3) approval of the draft corporate charter of the joint stock company established by merger;

4) approval of the draft statement of transfer.

4. The supervisory board or the board of directors of each company involved into the merger shall draw up a detailed written report that explains draft terms and conditions for the merger and contains its economic and legal basis, in particular, justification of the share conversion factor.

The written report shall also specify all the difficulties associated with calculation of the market value of shares and their conversion.

5. The supervisory board or the board of directors of each company involved into the merger shall furnish the general meeting of shareholders of its company with information on any major changes in assets and liabilities between the date of drafting the terms and conditions for the merger and the date of the general meeting where the resolution on preliminary terms and conditions for the merger will be adopted.

6. Before the resolution on termination of joint stock companies by way of merger is adopted, the general meeting of each company involved in the merger shall:

1) approve the draft statement of transfer;

2) approve the share conversion terms and conditions.

7. The supervisory board or the board of directors of each company involved in the merger shall amend the approved draft statement of transfer in connection with and following the exercise of the shareholders’ rights as prescribed by [Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof as well as after the creditors exercise their rights and claims under [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof, and approve the statement of transfer.

8. A resolution on termination of joint stock companies by way of merger shall be disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets by each joint stock company involved into the merger, after the statement of transfer is approved by the supervisory board or the board of directors.

9. The resolution on termination of joint stock companies by merger in accordance with [Part 8](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1650) of this Article shall result in concurrent effect of the resolutions on:

1) approval of the statement of transfer;

2) approval of the share conversion terms and conditions;

3) appointment of the authorised persons of the companies involved into the merger to take all the necessary actions in connection with the merger.

10. The following shares shall not be involved into conversion:

1) the ones that have been redeemed by the company involved into the merger;

2) the ones owned by the other company involved into the merger;

3) the ones owned by the legal entity controlled by the company involved into the merger.

11. The supervisory board or the board of directors and the executive body of the company involved into the merger shall jointly and severally bear subsidiary liability for non-fulfilment or inadequate fulfilment of their official duties in connection with the merger of joint stock companies.

12. The action to cancel the merger of joint stock companies may be filed within six months upon completion of the merger procedure.

**Article 118.** Principal Stages of Merger of Joint Stock Companies

1. Merger of joint stock companies shall include the following stages:

1) adoption of resolutions on the following by the general meeting of shareholders of each company involved into the merger:

termination of the joint stock company by merger;

approval of the terms and conditions for merger, namely for conversion of shares;

approval of the draft corporate charter of the joint stock company established by merger;

approval of the draft statement of transfer;

appointment of the authorised persons of the company involved into the merger to take all the necessary actions in connection with the merger;

2) exercise of the shareholders’ right to request mandatory redemption of their shares by the company in accordance with the requirements of[Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof;

3) exercise of rights of creditors of each joint stock company involved into the merger to satisfy their claims under the requirements of [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof;

4) publication of the resolution on termination of the joint stock companies by merger;

5) submission of the application form, resolution on termination of the joint stock companies by way of merger and all the documents necessary to suspend circulation of shares of each of the companies involved into the merger by the authorised persons of the companies involved into the merger via the official communication channel to the National Securities and Stock Market Commission;

6) suspension of free float of shares of each of the companies involved into the merger by the National Securities and Stock Market Commission;

7) adoption of the resolution to issue shares and to establish the joint stock company by way of merger by the authorised persons of the companies involved into the merger;

8) submission of the application form, resolution on issue of shares and all the documents necessary to register the issue of shares of the company established by merger via the official communication channel to the National Securities and Stock Market Commission;

9) registration of the issue of shares by the National Securities and Stock Market Commission, and issuance of the temporary certificate of registration of the issue of shares;

10) conclusion of the agreement on servicing securities issue with the Central Securities Depository;

11) assignment of the international securities identification number to the shares;

12) conversion of shares of each company being terminated by way of merger into shares of the company being established by way of merger;

13) adoption of resolutions to approve results of issue (conversion), to approve the corporate charter of the newly-established company and to elect governing bodies of such company by the general meeting of the company being established by merger;

14) submission of the application and all the documents necessary to cancel the issue of securities of the company terminated by merger via the official communication channel to the National Securities and Stock Market Commission;

15) cancellation of the registration of issue of securities of the company terminated by merger by the National Securities and Stock Market Commission;

16) state registration of termination of each joint stock company terminated by merger, and establishment of the company by merger;

17) submission of the application and all the documents necessary to register the report on results of issue of the shares to the National Securities and Stock Market Commission via the official communication channel;

18) registration of the report on issue of securities and issuance of the certificate of registration of the issue of shares by the National Securities and Stock Market Commission.

The actions in breach of the procedure for terminating the joint stock company by merger under this Law shall be a basis for the decision of the National Securities and Stock Market Commission to deny registration of the report on results of issue (conversion) of the shares.

2. The procedure for issuing (converting) and cancelling the issue of shares as a part of the companies’ merger shall be set up by the National Securities and Stock Market Commission.

**Article 119.** Acquisition of Joint Stock Company

1. Acquisition of the joint stock company shall mean termination of the joint stock company (several companies) and transfer of all its (their) assets, rights and liabilities under the statement of transfer to another joint stock company being the legal successor.

A joint stock company may only be acquired by another joint stock company. A joint stock company may only acquire another joint stock company except when another business entity solely owned by such joint stock company is acquired by the joint stock company.

2. The supervisory board or the board of directors of each company involved into the acquisition shall draw up terms and conditions for the acquisition in accordance with the requirements of [Article 122](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1746) hereof.

3. The supervisory board or the board of directors of each company involved into the acquisition shall have the following matters approved by the general meeting of the corresponding company:

1) termination of the company by acquisition, for the company being acquired;

2) acquisition of the other company, for the acquiring company;

3) approval of the terms and conditions for acquisition, namely for conversion of shares;

4) approval of the draft corporate charter of the joint stock company that carries out acquisition;

5) approval of the draft statement of transfer.

4. The rules of [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1692) of this Article shall not apply to the acquiring company provided that all of the following requirements are met:

1) the documents set out in [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1758) of Article 122 hereof shall be made public at least 30 days before the date of the general meeting where acquisition of the company will be considered;

2) at least 30 days before the scheduled date of the general meeting where the acquisition matter will be considered, all the shareholders of the acquiring company shall have the right to examine the documents set out in [Article 122](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1746) hereof at the company’s location;

3) any shareholders that owns over 5% of the company’s voting in aggregate have not informed the joint stock company of their request for the general meeting on the matters set out in [Part 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1692) of this Article, during the period set by the supervisory board or the board of directors, which may not be shorter than 20 days.

In case all the requirements set by this Part are met, the general meeting shall not be conducted, and corresponding resolutions shall be made by the supervisory board or the board of directors on its own.

5. The supervisory board or the board of directors of each company involved into the acquisition shall draw up a detailed written report that explains draft terms and conditions for the acquisition and contains its economic and legal basis, in particular, justification of the share conversion factor.

The written report shall also specify any the difficulties associated with calculation of the market value of shares and their conversion.

6. The supervisory board or the board of directors of each company involved into the acquisition shall provide the general meeting of the corresponding company with information on any major changes in assets and liabilities between the date of drafting the terms and conditions for the acquisition and the date of the general meeting where the resolution on terms and conditions for the acquisition will be adopted.

7. A resolution on acquisition and on termination by acquisition of joint stock companies shall be disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets by each company involved into the acquisition, after the statement of transfer is approved by the supervisory board or the board of directors.

8. The supervisory board or the board of directors of each company involved in the acquisition shall amend the approved draft statement of transfer in connection with and following the exercise of the shareholders’ rights as prescribed by [Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof as well as after the creditors exercise their rights and claims under [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof, and approve the statement of transfer.

9. The resolution on acquisition and termination of joint stock companies by acquisition in accordance with [Part 7](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1706) of this Article shall result in concurrent effect of the resolutions on:

1) approval of the statement of transfer;

2) approval of the share conversion terms and conditions;

3) appointment of the authorised persons to take actions to register the legal entities being acquired.

10. The following shares shall not be included into conversion:

1) the ones that have been redeemed by the company involved into the acquisition;

2) the ones owned by the other company involved into the acquisition;

3) the ones owned by the legal entity (entities) controlled by the company involved into the acquisition.

11. The supervisory board or the board of directors and the executive body of the company involved into the acquisition shall jointly and severally bear subsidiary liability for non-fulfilment or inadequate fulfilment of their official duties in connection with the acquisition of the joint stock company.

12. The action to cancel acquisition of the company may be filed within six months upon completion of the acquisition procedure.

**Article 120.** Principal Stages of Acquisition of Joint Stock Company

1. Acquisition of joint stock companies shall include the following stages:

1) adoption of the following resolutions by the general meeting of shareholders except as set out in [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1698) of Article 119 hereof, by each joint stock company involved into the acquisition:

termination of the joint stock company by acquisition, for the company being acquired;

acquisition of the other joint stock company, for the acquiring company;

approval of the terms and conditions for acquisition, namely for conversion of shares;

approval of the draft corporate charter of the joint stock company that carries out acquisition;

approval of the draft statement of transfer;

2) exercise of the shareholders’ right to request mandatory redemption of their shares by the company in accordance with the requirements of[Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof;

3) exercise of rights of creditors of the joint stock company involved into the acquisition to satisfy their claims under the requirements of [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof;

4) publication of resolutions on acquisition of the company and on termination of the company by way of acquisition;

5) submission of the application and all documents necessary to register suspension of free float of shares to the National Securities and Stock Market Commission by the joint stock company terminated by acquisition via the official communication channel;

6) suspension of circulation of shares of each joint stock company involved into the acquisition by the National Securities and Stock Market Commission;

7) adoption of the resolution to issue the company’s shares by the designated body of the acquiring company;

8) submission of the application and all documents necessary to register issue of shares to the National Securities and Stock Market Commission by the acquiring joint stock company via the official communication channel;

9) registration of the issue of shares of the acquiring company by the National Securities and Stock Market Commission;

10) conversion of shares of the companies being terminated by acquisition into shares of the acquiring company;

11) approval of results of issue (conversion) of shares by the designated body of the acquiring joint stock company;

12) adoption of the resolution to amend the corporate charter of the joint stock company by the designated body of the acquiring company;

13) submission of the application and all documents necessary to cancel registration of issue of shares to the National Securities and Stock Market Commission by the joint stock company being acquired via the official communication channel;

14) cancellation of the registration of issue of shares of the company being acquired by the National Securities and Stock Market Commission;

15) state registration of termination of the joint stock company being terminated by way of acquisition by the other joint stock company, and registration of amendments to the corporate charter of the acquiring joint stock company;

16) submission of the application and all documents necessary to register the report on results of issue of the shares to the National Securities and Stock Market Commission by the acquiring company via the official communication channel;

17) registration of the report on issue (conversion) of the shares by the National Securities and Stock Market Commission.

The actions in breach of the procedure for acquisition of joint stock companies under this Law shall be a basis for the decision of the National Securities and Stock Market Commission to deny registration of the report on results of issue (conversion) of the securities.

2. The procedure for issuing and cancelling the issue of shares as a part of the acquisition shall be set up by the National Securities and Stock Market Commission.

**Article 121.** Peculiarities of Acquisition of Joint Stock Company with Dominant Controlling Stake Owned by Another Joint Stock Company

1. Joint stock companies with the dominant controlling stake owned by another joint stock company may be acquired by such joint stock company based on the simplified procedure, which provides for exemption from application of the requirements of Parts [5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1703),[6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1705), [Clause 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1714) of Part 10, [Part 11](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1716) of Article 119, [Clauses 2-4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1750) of Part 2 of Article 122, [Article 123](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1761) and [Clauses 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1776) and [5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1777) of Part 1 of Article 124 hereof.

**Article 122.** Terms and Conditions for Merger and Acquisition of Joint Stock Company

1. The supervisory board or the board of directors of each company involved into merger or acquisition of the company shall draft terms and conditions for the merger or acquisition of the company in writing.

2. The draft terms and conditions for merger or acquisition of the company shall contain the following:

1) the full name, number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations, location and type of each company that takes part in the merger or acquisition;

2) the procedure for and factors of share conversion as well as amounts of possible cash payments to shareholders;

3) the share conversion terms and conditions;

4) in case of merger — the newly-established joint stock company;

5) in case of acquisition — the acquiring joint stock company;

6) in case of acquisition — the date from which the ownership of such shares gives the owners the right to participate in distribution of profit, and any special terms and conditions influencing such right;

7) in case of acquisition — the date from which transactions of the company being acquired for the accounting purposes shall be considered as the ones consolidated with the acquiring company;

8) in case of acquisition — the additional special rights of shareholders of the acquiring company, and the terms and conditions for exercising such rights;

9) any special rights granted to the experts set out in [Article 123](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1761) hereof, and officers of bodies of the joint stock companies involved into the merger or acquisition.

3. The draft terms and conditions for the merger or acquisition of the company shall be made public in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets at least 30 days before the date of the general meeting where the respective draft terms and conditions will be considered.

Joint stock companies shall disclose a notice of how the draft terms and conditions for the merger or acquisition of the company have been made public, in accordance with the requirements of the first paragraph of this Part. The requirements for such notification shall be set up by the National Securities and Stock Market Commission.

The draft terms and conditions for the merger or acquisition of the company shall also be made public on own websites of the companies involved into the merger or acquisition.

**Article 123.** Expert Examination of Draft Terms and Conditions for Merger or Acquisition of Joint Stock Company

1. One or several independent experts acting on behalf of each company involved into merger or acquisition, who meet the requirements set by the National Securities and Stock Market Commission shall analyse the draft terms and conditions for the merger or acquisition of joint stock companies, draw up and submit a written report to the supervisory board or the board of directors and the shareholders in accordance with [Article 124](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1771) hereof.

Such experts can be natural persons or legal entities that meet the requirements set by the National Securities and Stock Market Commission.

2. In the report set out in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1762) of this Article, experts shall state their opinion on how fair and adequate the share conversion factor is. The report shall:

1) contain information on the method(s) used to determine the proposed conversion factor for shares or other securities;

2) specify whether such methods are adequate for the specific case, the numbers obtained as a result of application of each method, and contain the conclusion on respective impact of such methods applied to obtain the conversion factor and other indicators under the draft terms and conditions for merger and acquisition.

The report shall also specify all the difficulties associated with assessment of the methods applied.

3. Each expert shall have the right to obtain all information and/or documents necessary for the analysis and reporting from the companies involved into merger and acquisition.

4. The requirements of this Article shall not apply if all shareholders of each company involved into the merger or acquisition have informed the corresponding company of their consent not to apply this Article.

5. The expert specified in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1762) of this Article shall be liable to shareholders for the damage inflicted upon the latter as a result of preparation of the report under Part 1 of this Article.

**Article 124.** Shareholders’ Rights in Merger or Acquisition of Joint Stock Company

1. All shareholders shall have the right to examine the following documents on the general meeting that will approve the draft terms and conditions for merger or acquisition of the company as prescribed by [Article 48](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n512) hereof:

1) draft terms and conditions of merger or acquisition of the company;

2) annual financial statements and annual reports of the companies involved into merger or acquisition for three previous financial years;

3) interim financial statements if more than six months have passed from the date of disclosure of the latest annual statements;

4) reports of the supervisory board or the board of directors of the companies involved into merger or acquisition under [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1643) of Article 117 and [Part 5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1703) of Article 119 hereof;

5) expert report under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1762) of Article 123 hereof.

2. Interim financial statements shall be drawn up by all joint stock companies involved into merger and acquisition with due consideration of the requirements of [Clause 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1775) of Part 1 of this Article, in accordance with the requirements of [Article 40](https://zakon.rada.gov.ua/laws/show/en/3480-15#n2456) of the Law of Ukraine “On Securities and Stock Market”.

**Article 125.** Demerger of Joint Stock Company

1. Demerger of the joint stock company shall mean termination of the joint stock company followed by transfer of all its assets, rights and liabilities to two or more new joint stock companies being legal successors in accordance with the division balance sheet.

The terms and conditions for demerger may provide for cash payments as a part of demerger to shareholders of the company terminated by demerger, to the amount of up to 10% of the total face value of the shares issued by the newly-established joint stock company.

2. The supervisory board or the board of directors of the company terminated by demerger shall approve the draft terms and conditions of the demerger, which have to meet the requirements set by[Article 129](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1883) hereof.

3. The supervisory board or the board of directors of the company terminated by demerger shall have the following matters considered by the general meeting of shareholders without limitation:

1) termination of the company by demerger;

2) approval of the terms and conditions for demerger, namely for conversion of shares;

3) approval of the draft corporate charter of each company being a legal successor;

4) approval of the draft division balance sheet;

5) approval of the draft statement of transfer.

4. The supervisory board or the board of directors of the company terminated by demerger shall draw up a detailed written report that explains draft terms and conditions for the merger and contains its economic and legal basis, in particular, justification of the share conversion factor.

The report shall also specify all difficulties associated with calculation of the market value of shares and their conversion.

5. The supervisory board or the board of directors of the company terminated by demerger shall provide the general meeting with information on any major changes in assets and liabilities between the date of drafting the terms and conditions for the demerger and the date of the general meeting where the resolution on terms and conditions for the demerger will be adopted.

6. The supervisory board or the board of directors shall amend the approved draft division balance sheet and statement of transfer in connection with and following the exercise of the shareholders’ rights as prescribed by [Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof as well as after the creditors exercise their rights and claims under [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof, and approve the division balance sheet and the statement of transfer.

7. A resolution on demerger of the joint stock company and on termination of the joint stock company by demerger shall be disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets by the company terminated by demerger, after the division balance sheet and the statements of transfer are approved by the supervisory board or the board of directors.

8. Resolutions on demerger of the joint stock company and on termination of the company by demerger in accordance with [Parts 7](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1793) of this Article shall result in concurrent effect of the resolutions on:

1) approval of the division balance sheet;

2) approval of the statement of transfer;

3) approval of the share conversion terms and conditions;

4) appointment of the authorised persons of the company terminated by demerger to take all the necessary actions in connection with the demerger.

9. The following shares shall not be included into conversion:

1) the ones redeemed by the company terminated by demerger;

2) the ones owned by the legal entity controlled by the company terminated by demerger.

10. The officers of the company terminated by demerger shall jointly and severally bear subsidiary liability for non-fulfilment or inadequate fulfilment of their official duties in connection with the demerger of the joint stock company.

11. The action to cancel the demerger of joint stock company may be filed within six months upon completion of the demerger procedure.

**Article 126.** Principal Stages of Demerger of Joint Stock Company

1. Demerger of a joint stock company shall include the following stages:

1) adoption of the following resolutions by the general meeting of the joint stock company terminated by demerger:

demerger of the joint stock company;

termination of the joint stock company by demerger;

approval of the terms and conditions for demerger, namely for conversion of shares;

approval of the draft division balance sheets and statement of transfer;

appointment of the authorised persons of the company terminated by demerger to take all the necessary actions in connection with the demerger;

2) exercise of the shareholders’ right to request mandatory redemption of their shares by the company in accordance with the requirements of[Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof;

3) exercise of rights of creditors of the joint stock company terminated by demerger to satisfy their claims under the requirements of [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof;

4) publication of resolutions on demerger of the joint stock company and on termination of the joint stock company by demerger;

5) submission of the application form and resolutions on termination of the company by demerger and all the documents necessary to suspend free float of the company’s shares by the authorised persons of the company terminated by merger via the official communication channel to the National Securities and Stock Market Commission;

6) suspension of free float of shares of the company terminated by demerger by the National Securities and Stock Market Commission;

7) adoption of the resolution to issue shares and to establish new companies as a result of demerger by the authorised persons of the company terminated by demerger;

8) submission of the application form, resolution on issue of shares and all documents necessary to register the issue of shares of the company established as a result of demerger via the official communication channel to the National Securities and Stock Market Commission;

9) registration of issues of shares of the companies established as a result of demerger by the National Securities and Stock Market Commission, and issuance of temporary certificates of registration of issues of shares;

10) conclusion of the agreement on servicing securities issues with the Central Securities Depository;

11) assignment of the international securities identification number to the shares;

12) conversion of shares of the companies being terminated by demerger into shares of the companies established as a result of demerger;

13) adoption of resolutions to approve results of issue (conversion), to approve the corporate charter of the newly-established companies and to elect governing bodies of such companies by the general meeting of the companies being established by demerger;

14) submission of the application and all the documents necessary to cancel the issue of shares of the company terminated by demerger via the official communication channel to the National Securities and Stock Market Commission;

15) cancellation of the registration of issue of shares of the company terminated by demerger by the National Securities and Stock Market Commission;

16) state registration of termination of the joint stock company terminated by demerger, and establishment of new companies as a result of the demerger;

17) submission of the application and all the documents necessary to register the report on results of issue of the shares of each joint stock company established as a result of the demerger to the National Securities and Stock Market Commission via the official communication channel;

18) registration of the report on issue of shares of each joint stock company established as a result of the demerger, and issuance of the certificate of registration of the issue of shares by the National Securities and Stock Market Commission.

The actions in breach of the procedure for terminating the joint stock company by demerger under this Law shall be a basis for the decision of the National Securities and Stock Market Commission to deny registration of the report on results of issue of the shares.

2. The procedure for issuing and cancelling the issue of shares as a part of the demerger of the company shall be set up by the National Securities and Stock Market Commission.

**Article 127.** Spin-off of Joint Stock Company

1. Spin-off of a joint stock company shall mean establishment of one or several joint stock companies followed by transfer of a portion of assets, rights and liabilities of the company from which the company spins off, without termination of the former, based on the division balance sheet.

The terms and conditions for spin-off may provide for cash payments as a part of spin-off to shareholders of the company from which company spins off, to the amount of up to 10% of the total face value of the shares issued by such company.

Only a joint stock company may spin off from the joint stock company.

2. The supervisory board or the board of directors of the company from which the company spins off shall approve draft terms and conditions for the spin-off in accordance with the requirements of [Article 129](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1883) hereof.

3. The supervisory board or the board of directors of the company from which the company spins off shall have the following matters considered by the general meeting:

1) spin-off of the joint stock company (companies);

2) approval of the terms and conditions for spin-off, namely for conversion of shares;

3) approval of the draft corporate charter of each company established by spin-off;

4) approval of the draft division balance sheet;

5) approval of the draft statement of transfer.

4. The supervisory board or the board of directors of the company from which the company spins off shall draw up a detailed written report that explains draft terms and conditions for the spin-off and contains its economic and legal basis, in particular, justification of the share conversion factor.

The written report shall also specify all the difficulties associated with calculation of the market value of shares and their conversion.

5. The supervisory board or the board of directors of the company from which the company spins off shall provide the general meeting with information on any major changes in assets and liabilities between the date of drafting the terms and conditions for the spin-off and the date of the general meeting where the resolution on terms and conditions for the demerger will be adopted.

6. The supervisory board or the board of directors of the company from which the company spins off shall amend the approved draft division balance sheet and statement of transfer in connection with and following the exercise of the shareholders’ rights as prescribed by [Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof as well as after the creditors exercise their rights and claims under [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof, and approve the division balance sheet and the statement of transfer.

7. A resolution on spin-off of the joint stock company (companies) shall be posted in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets (for a private joint stock company where 100% of shares are directly or indirectly owned by one person, except for the company where 100% of shares are directly or directly owned by the state — on the website of the company from which the company spins off).

8. The resolution on spin-off of the joint stock company in accordance with [Part 7](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1846) of this Article shall result in concurrent effect of the resolutions on:

1) approval of the division balance sheet;

2) approval of the statement of transfer;

3) approval of the share conversion terms and conditions;

4) appointment of the authorised persons of the company from which the company spins off to take all the necessary actions in connection with the spin-off.

9. The following shares shall not be included into conversion:

1) the ones redeemed by the company from which the company spins off;

2) the ones owned by the legal entity controlled by the company from which the company spins off.

10. The supervisory board or the board of directors and the executive body of the company from which the company spins off shall jointly and severally bear subsidiary liability for non-fulfilment or inadequate fulfilment of their official duties in connection with the spin-off of the joint stock company.

11. The action to cancel the spin-off of joint stock company may be filed within six months upon completion of the spin-off procedure.

12. The procedure for spin-off of the joint stock company in accordance with the requirements of this Section shall be set up by the National Securities and Stock Market Commission.

**Article 128.** Principal Stages of Spin-off of Joint Stock Company

1. Spin-off of a joint stock company shall include the following stages:

1) adoption of the following resolutions by the general meeting of the joint stock company from which the company spins off:

spin-off of the joint stock company;

approval of the terms and conditions for the spin-off;

appointment of the authorised persons of the companies established as a result of the spin-off to take all the necessary actions in connection with the spin-off;

2) exercise of the shareholders’ right to request mandatory redemption of their shares by the company in accordance with the requirements of[Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof;

3) exercise of rights of creditors of the joint stock company from which the company spins off to satisfy their claims under the requirements of [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof;

4) publication of the resolution on spin-off of the joint stock company;

5) submission of the application form and resolutions on spin-off of the joint stock company and all documents necessary to suspend free float of the company’s shares by the company from which the company spins off via the official communication channel to the National Securities and Stock Market Commission;

6) suspension of free float of shares of the company from which the company spins off by the National Securities and Stock Market Commission;

7) adoption of the resolution to issue shares by the authorised persons of the companies established as a result of the spin-off;

8) submission of the application form, resolution on issue of shares and all the documents necessary to register the issue of shares of the companies established as a result of spin-off via the official communication channel to the National Securities and Stock Market Commission;

9) registration of the issue of shares by the National Securities and Stock Market Commission, and issuance of the temporary certificate of registration of the issue of shares;

10) conclusion of the agreement on servicing securities issues with the Central Securities Depository;

11) assignment of the international securities identification number to the shares;

12) conversion of shares of the company from which another company spins off into shares of the companies established as a result of spin-off;

13) adoption of resolutions to approve results of issue (conversion), to approve the corporate charters of the newly-established companies and to elect governing bodies of such companies by the general meeting of the companies being established by way of spin-off;

14) submission of the application and all necessary documents to decrease the authorised capital of the company from which another company spins off to the National Securities and Stock Market Commission via the official communication channel, and amendments to the corporate charter in connection with the decreased authorised capital;

15) registration of the decrease in the authorised capital of the company from which another company spins off, and amendments to the corporate charter in connection with the decreased authorised capital by the National Securities and Stock Market Commission;

16) state registration of the companies established as a result of the spin-off, and amendments to the corporate charter of the joint stock company from which another company spins off in connection with the decreased authorised capital;

17) submission of the application and all documents necessary to register the report on results of issue of securities to the National Securities and Stock Market Commission via the official communication channel;

18) registration of the report on issue of securities and issuance of the certificate of registration of the issue of securities by the National Securities and Stock Market Commission.

The actions in breach of the procedure for spin-off of the joint stock company under this Law shall be a basis for the decision of the National Securities and Stock Market Commission to deny registration of the report on results of issue of the securities.

2. The procedure for issuing securities as a part of the spin-off shall be set up by the National Securities and Stock Market Commission.

**Article 129.**Terms and Conditions for Spin-off and Demerger of Joint Stock Company

1. The supervisory board or the board of directors of the company terminated by demerger or from which another company spins off shall draft terms and conditions for the company’s demerger or spin-off in writing.

2. The draft terms and conditions for demerger or spin-off of the company shall contain the following:

1) the full name, number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations, location and type of the joint stock company terminated by demerger or from which another company spins off as well as planned names, types and locations of the joint stock companies established as a result of demerger or spin-off;

2) the procedure for and factors of share conversion and amounts of possible cash payments to shareholders;

3) the terms and conditions for placing shares of the companies established as a result of demerger, spin-off;

4) the date from which shares of the companies established as a result of demerger or spin-off enable owners thereof to have a share in profit, and any special terms and conditions influencing such right;

5) in case of demerger — the date from which transactions of the company being established as a result of demerger for the accounting purposes shall be considered as the ones allocated to the companies established as a result of demerger;

6) any additional special rights to be granted to the companies established as a result of demerger or spin-off as well as terms and conditions for the exercise thereof;

7) any special rights granted to the experts set out in [Article 130](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1898) hereof, and officers of bodies of the companies established as a result of demerger or spin-off;

8) exact description and distribution procedure for the assets, rights and liabilities to be transferred to each company established as a result of demerger or spin-off;

9) distribution of shares of the companies established as a result of demerger or spin-off among shareholders of the company terminated by demerger or from which the company spins off as well as the criteria used for such distribution.

3. The draft terms and conditions for demerger or spin-off of the company shall be disclosed in the database of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets (other than a private joint stock company where 100% of shares are directly or indirectly owned by one person, except for the company where 100% of shares are directly or directly owned by the state), at least 30 days before the date of the general meeting where the respective draft terms and conditions will be considered.

The joint stock company terminated by demerger or from which the company spins off shall disclose a notice of how the draft terms and conditions for the demerger or spin-off of the company have been made public, in accordance with the requirements of the first paragraph of this Part. The requirements for such notification shall be set up by the National Securities and Stock Market Commission.

The draft terms and conditions for demerger or spin-off of the company shall be disclosed on the website of the company terminated by demerger or from which the company spins off.

**Article 130.** Expert Examination of Draft Terms and Conditions for Demerger or Spin-off

1. One or several independent experts acting on behalf of the company terminated by demerger or from which the company spins off, who meet the requirements set by the National Securities and Stock Market Commission shall analyse the draft terms and conditions for the demerger or spin-off of the company, draw up and submit a written report to the supervisory board or the board of directors and the shareholders in accordance with [Article 131](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1908) hereof.

Such experts can be natural persons or legal entities that meet the requirements set by the National Securities and Stock Market Commission.

2. In the report set out in Part 1 of this Article, experts shall state their opinion on how fair and adequate the share conversion factor is. The report shall:

1) contain information on the method(s) used to determine the proposed conversion factor for shares or other securities;

2) specify whether such methods are adequate for the specific case, the numbers obtained as a result of application of each method and contain the conclusion on respective impact of such methods applied to obtain the conversion factor and other indicators under the draft terms and conditions for demerger and spin-off.

The report shall also specify all difficulties associated with assessment of the methods applied.

3. Each expert shall have the right to obtain all information and/or documents necessary for the analysis and reporting from the company terminated by demerger or from which another company spins off.

4. The requirements of this Article shall not apply if all shareholders of the company terminated by demerger or from which another company spins off have informed the corresponding company of their consent not to apply this Article.

5. The expert specified in [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1899) of this Article shall be liable to shareholders for the damage inflicted upon the latter as a result of preparation of such report.

**Article 131.** Shareholders’ Rights in Demerger or Spin-off of Joint Stock Company

1. All shareholders shall have the right to examine the following documents on the general meeting that will approve the draft terms and conditions for demerger or spin-off of the company as prescribed by [Article 48](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n512) hereof:

1) draft terms and conditions of demerger or spin-off of the company;

2) annual financial statements and annual reports of the company terminated by way of demerger or from which another company spins off for three previous fiscal years;

3) interim financial statements (if more than six months have passed from the date of disclosure of the latest annual statements);

4) reports of the supervisory board or the board of directors of the company terminated by way of demerger or from which another company spins off under [Part 6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1792) of Article 125 and [Part 4](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1842) of Article 127 hereof;

5) expert report under [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1899) of Article 130 hereof.

2. Interim financial statements shall be drawn up by company terminated by way of demerger or from which another company spins off with due consideration of the requirements of [Clause 3](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1912) of Part 1 of this Article, in accordance with the requirements of [Article 40](https://zakon.rada.gov.ua/laws/show/en/3480-15#n2456) of the Law of Ukraine “On Securities and Stock Market”.

**Article 132.** Peculiarities of Demerger, Spin-off of Joint Stock Companies with Proportional Allocation of Shares

1. Demerger or spin-off of joint stock companies with proportional allocation of shares in the company terminated by way of demerger or from which another company spins off shall be carried out based on the simplified procedure, which provides for non-application of the requirements of Parts [5](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1791) and [6](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1792) of Article 125, [Article 130](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1898) and [Part 1](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1909) of Article 131 hereof.

**Article 133.** Transformation of Joint Stock Company

1. Transformation of a joint stock company shall mean changes in the organisational and legal form of the joint stock company followed by termination thereof and transfer of all of its assets, rights and liabilities to a business entity being a legal successor based on the statement of transfer.

A joint stock company may only be transformed into another company or production cooperative society.

2. The supervisory board or the board of directors of the joint stock company being transformed shall present for consideration by the general meeting the matter of termination of the company by transformation, the procedure and terms and conditions for such transformation, and the procedure for exchanging the company’s shares for stock (shares) of the business entity being a legal successor.

3. The general meeting of the company being transformed shall adopt a resolution on transformation of the company, the procedure and terms and conditions for such transformation, and the procedure for exchanging the company’s shares for stock (shares) of the business entity being a legal successor.

Members of the new business entity established as a result of the transformation shall adopt at the general meeting of the company a resolution on approval of the constituent documents of the legal entity and election (designation) of governing bodies as prescribed by the legislative requirements.

In case the joint stock company is transformed, all its shareholders (their legal successors) whose shares have not been redeemed shall become founders (members) of the business entity being a legal successor.

Transformation of a joint stock company into another company (other than limited liability company or unlimited liability company) or production cooperative society shall be carried out after the corresponding resolution is adopted by the general meeting provided that written consent of all the shareholders whose shares have not been redeemed to become founders (members) of the business entity being a legal successor is obtained. Such consent shall be documented by all the founders (members) or their authorised representatives signing foundation documents of the business entity being a legal successor.

4. Stock (shares) in the business entity being a legal successor shall be distributed based on the same ratio of the number of shares as the one existing in the joint stock company transformed.

5. The following shares shall not be included into conversion:

1) the ones that have been redeemed by the company involved into the transformation;

2) the ones owned by the legal entity controlled by the company involved into the transformation.

**Article 134.** Principal Stages of Termination of Joint Stock Company by Transformation

1. The procedure for termination of the joint stock company shall include the following stages:

1) adoption of the following resolutions by the general meeting of shareholders of the company terminated by transformation:

transformation of the joint stock company;

approval of the terms and conditions for the transformation;

appointment of the authorised persons of the company terminated by transformation to take all the necessary actions in connection with the transformation;

2) exercise of the shareholders’ right to request mandatory redemption of their shares by the joint stock company in accordance with the requirements of[Article 103](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1435) hereof;

3) exercise of rights of creditors of the joint stock company terminated by way of transformation to satisfy their claims under the requirements of [Article 116](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1621) hereof;

4) publication of the resolution on termination of the joint stock company by way of transformation;

5) submission of the application form and the resolution on transformation of the joint stock company and all the documents necessary to suspend free float of the company’s shares by the authorised persons of the company terminated by transformation via the official communication channel to the National Securities and Stock Market Commission;

6) suspension of free float of shares of the company terminated by transformation by the National Securities and Stock Market Commission;

7) conversion of shares of the company terminated by transformation into stock (shares) of the business entity being a legal successor;

8) adoption of resolutions to approve results of issue (conversion) of shares, to approve the corporate charter of the newly-established company and to elect governing bodies of such company by the general meeting of shareholders of the company being established by transformation;

9) submission of the application and all documents necessary to cancel the issue of securities of the company terminated by transformation via the official communication channel to the National Securities and Stock Market Commission;

10) cancellation of the registration of issue of securities of the company terminated by transformation by the National Securities and Stock Market Commission;

11) state registration of termination of the joint stock company terminated by transformation, and establishment of the new business entity being a legal successor.

2. The procedure for issuing and cancelling the issue of shares as a part of the transformation shall be set up by the National Securities and Stock Market Commission.

**Article 135.**Liquidation of Joint Stock Company

1. Voluntary liquidation of the joint stock company shall be carried out by the decision of the general meeting of shareholders, including in connection with expiration of the period for which the company has been established or after the purpose for which the company has been established is achieved, as prescribed by this Law. Other grounds and procedures for liquidation of the company shall be prescribed by the law.

2. If the joint stock company has no liabilities to creditors as of the date of the resolution on liquidation, its assets shall be distributed among its shareholders in accordance with [Article 137](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1967) hereof.

3. The resolution on liquidation of the joint stock company, election of the liquidation committee, approval of the liquidation procedure as well as the procedure for distributing the property left following satisfaction of the creditors’ claims among the shareholders shall be adopted by the general meeting unless otherwise prescribed by the law.

4. As soon as the liquidation committee is elected, it shall be transferred the powers of the supervisory board or the board of directors and the executive body of the joint stock company. The liquidation balance sheet drawn up by the liquidation committee shall be approved by the general meeting.

Liquidation of the joint stock company shall be deemed to be completed, and the company shall be deemed to be terminated from the date on which the record of state registration of termination of the company by liquidation is made in the Unified State Register.

**Article 136.**Principal Stages of Liquidation of Joint Stock Company

1. Liquidation of a joint stock company shall be made of the following stages:

1) adoption of the following resolutions by the general meeting of shareholders of the company being liquidated:

liquidation of the joint stock company;

approval of the draft liquidation balance sheet;

appointment of the authorised persons of the company being liquidated to take all the necessary actions in connection with the liquidation;

2) publication of the resolution on liquidation of the joint stock company;

3) submission of the application form and the resolution on liquidation of the joint stock company and all the documents necessary to suspend free float of the company’s shares by the authorised persons of the company being liquidated via the official communication channel to the National Securities and Stock Market Commission;

4) suspension of free float of shares of the company being liquidated by the National Securities and Stock Market Commission;

5) distribution of property of the company being liquidated in accordance with [Article 137](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1967) hereof;

6) submission of the application and all documents necessary to cancel the issue of securities of the company being liquidated via the official communication channel to the National Securities and Stock Market Commission;

7) cancellation of the registration of issue of securities of the company being liquidated by the National Securities and Stock Market Commission;

8) state registration of termination of the joint stock company by way of liquidation.

2. The procedure for cancelling the issue of shares as a part of the liquidation of the joint stock company shall be set up by the National Securities and Stock Market Commission.

**Article 137.** Distribution of Assets of Joint Stock Company Being Liquidated among Creditors and Shareholders

1. In case the solvent joint stock company is liquidated, the claims of its creditors and shareholders shall be satisfied in the following order:

firstly, claims for compensation for damages resulting from an injury, other health damage to death, and creditors’ claims secured with collateral or otherwise;

secondly, claims of employees related to labour relations, claims of the author for payment for results of his/her intellectual, creative activities;

thirdly, claims as to taxes and duties (mandatory payments);

fourthly, all other creditors’ claims;

fifthly, payment of accrued unpaid dividends on the preferred shares;

sixthly, payments for the preference shares that are to be redeemed in accordance with [Article 98](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1382) hereof;

seventhly, payments of the liquidation value of the preference shares;

eighthly, payments for the ordinary shares that are to be redeemed in accordance with [Article 102](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n1419) hereof;

ninthly, distribution of property among the shareholders with ordinary shares of the company in proportion to the number of the shares they own.

2. Claims of each level shall be satisfied after the claims of the creditors (shareholders) of the preceding level are fully satisfied.

In case the company issued several classes of preference shares, the order of distribution of property among the shareholders holding each class of preference shares shall be prescribed by the corporate charter of the joint stock company.

In case assets of the company being liquidated are not sufficient to be distributed among all the creditors (shareholders) at the respective level, the assets shall be distributed among them in proportion to the amount of the claims (number of their shares) of each creditor (shareholder) at this level.

**Section XIX. FINAL AND TRANSITIONAL PROVISIONS**

1. This Law shall enter into force on 1 January 2023, except for the following:

the rules of [Articles 36-55](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n370) hereof regarding the electronic general meeting and operation of the authorised electronic system, which shall enter into force on 1 January 2024;

[Sub-Clause 20](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print) of Clause 3 of this Section, which shall enter into force on 1 January 2024.

2. The [Law of Ukraine “On Joint Stock Companies”](https://zakon.rada.gov.ua/laws/show/en/514-17)(Bulletin on the Verkhovna Rada of Ukraine, 2008, No. 50-51, Art. 384 as amended and supplemented) shall be deemed to cease to be in force.

3. To amend the following legislative acts of Ukraine:

1) in the [Economic Code of Ukraine](https://zakon.rada.gov.ua/laws/show/en/436-15) (Bulletin on the Verkhovna Rada of Ukraine, 2003, No. 18-22, Art. 144):

[Article 80](https://zakon.rada.gov.ua/laws/show/en/436-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/436-15%22%20%5Ct%20%22_blank) shall be amended to read as follows:

“**Article 80.** Types of Business Entities

1. The following shall be classified as business entities: joint stock companies, limited liability companies, unlimited liability companies, full partnerships, and limited partnerships.

2. The procedure for establishment, operation and termination of business entities shall be governed by the [Civil Code of Ukraine](https://zakon.rada.gov.ua/laws/show/en/435-15) and the law”;

Articles 82, 85 and 167 shall be deleted;

in Part 5 of Article 126, the word “public” shall be deleted;

2) in the [Civil Code of Ukraine](https://zakon.rada.gov.ua/laws/show/en/435-15) (Bulletin of the Verkhovna Rada of Ukraine, 2003, No. 40-44, Art. 356):

Article 96**1**shall be added to read as follows:

“**Article 961.** Rights of Members (Founders, Shareholders, Stockholders) of Legal Entities (Corporate Rights)

1. Rights of members of legal entities (corporate rights) shall mean an aggregate of legal competences held by the person as a member (founder, shareholder, stockholder) of the legal entity in accordance with the law and corporate charter of the company.

2. Corporate rights shall be acquired by the person as soon as the property rights to the part (share, stock or other object of civil rights that certifies the person’s participance in the legal entity) of the authorised capital of the legal entity.

3. Members (founders, shareholders, stockholders) of the legal entity shall have to right to do the following as prescribed by the foundation document and the law:

1) to participate in management of the legal entity in accordance with the foundation document except as otherwise prescribed by the law;

2) to participate in distribution of the legal entity’s profit, and to obtain the portion thereof (dividends) if such legal entity operates to gain profit;

3) to withdraw from the legal entity as prescribed by the law and the foundation document;

4) to alienate shares in the authorised (registered) capital of the companies, securities, stock and other objects of civil rights that certify participance in the legal entity, as prescribed by the law;

5) to obtain information on the legal entity’s operations as prescribed by the foundation document;

6) to obtain the portion of the legal entity’s assets in case of its liquidation in accordance with the procedure and in the cases prescribed by the law, the foundation document (right to the liquidation quota).

4. Members of legal entities may also have other rights prescribed by the corporate charter and the law.

5. The law may prescribe restrictions regarding ownership of corporate rights for specific persons. The law may prescribe terms and conditions and/or restrictions regarding the exercise of specific corporate rights by specific persons.

6. Corporate relations are relations between members (founders, shareholders, stockholders) of legal entities, including the ones arising before state registration of the legal entity, as well as relations between the legal entity and its members (founders, shareholders, stockholders) in connection with occurrence, exercise, alteration and termination of corporate rights”;

[Article 97](https://zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Ct%20%22_blank) shall be supplemented with Part 3 to read as follows:

“3. The persons who have been found guilty of inflicting losses upon the company with their actions (omission of actions) based on the court decision may not be elected to the company’s governing bodies, provided that such losses have been caused by violation of the person’s duties. This restriction shall be applied for three years from the date of such court judgement.”;

[Part 1](https://zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Ct%20%22_blank) of Article 98 shall be supplemented with the words “unless otherwise prescribed by the law”;

in [Article 104](https://zakon.rada.gov.ua/laws/show/en/435-15#n562):

Parts 2 and 3 shall be supplemented with the second paragraph to read as follows:

“The rules of this Part shall not apply to state institutions.”;

Part 4 shall be supplemented with the second paragraph to read as follows:

“A state institution may be transformed into a joint stock company, a limited liability company or a unlimited liability company.”;

in [Article 110](https://zakon.rada.gov.ua/laws/show/en/435-15#n605):

Clause 1 of Part 1 shall be supplemented with the words “state-owned or municipally-owned entity” after the words “by the decision of its members”;

Part 2 shall be amended to read as follows:

“2. The body (person) that has resolved to liquidate the legal entity in accordance with Part 1 of this Article shall designate the liquidation committee (the liquidator) of the legal entity.”;

in [Article 111](https://zakon.rada.gov.ua/laws/show/en/435-15#n617):

the second paragraph of Part 8 shall be amended to read as follows:

“The interim liquidation balance sheet shall be approved by the liquidation committee (liquidator) of the legal entity.”;

Part 11 shall be amended to read as follows:

“11. After settlements with creditors are carried out, the liquidation committee (liquidator) shall approve the liquidation balance sheet and ensure submission thereof to the tax authority.”;

in [Paragraph 1](https://zakon.rada.gov.ua/laws/show/en/435-15#n652) of Chapter 8, Sub-Section 4 shall be added to read as follows:

“**4. Limited Liability and Unlimited Liability Companies**”;

Articles 140 and 141 shall be added to read as follows:

“**Article 140.** Limited Liability Company

1. A limited liability company means the company established by one or several persons, with its authorised capital divided into participatory interests.

2. Peculiarities of operations of limited liability companies shall be prescribed by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2275-19) “On Limited Liability and Unlimited Liability Companies”.

**Article 141.**Unlimited Liability Company

1. A unlimited liability company means the company established by one or several persons, with its authorised capital divided into participatory interests; its members shall jointly and severally bear additional (subsidiary) liability for the company’s obligations with their assets in proportion to their contribution.

2. Peculiarities of operations of unlimited liability companies shall be prescribed by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2275-19) “On Limited Liability and Unlimited Liability Companies”.

[Articles 152-154](https://zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Ct%20%22_blank) shall be amended to read as follows:

“**Article 152.** Joint Stock Company

1. A joint stock company means the business entity with the authorised capital divided into the specific number of parts of the same face value; corporate rights to such parts are certified with shares.

2. Peculiarities of operations of joint stock companies are prescribed by the Law of Ukraine “On Joint Stock Companies”.

3. Peculiarities of the legal status of the joint stock companies established as a part of privatisation of state enterprises shall be prescribed by the law.

The procedure for establishment, operation and termination of corporate investment funds shall be governed by the legislation on mutual investment institutions.

**Article 153.**Foundation of Joint Stock Company

1. A joint stock company may be founded by legal entities and/or natural persons as well as the government represented by the body authorised to manage state-owned property, the territorial community represented by the authorised body.

2. If a joint stock company is founded by several persons, they may conclude an agreement to set up the procedure for their joint activities to found the company. The agreement is not a foundation document of the company.

The agreement on found a joint stock company shall be made in writing. If the joint stock company is founded with participation of natural persons, true signatures in the foundation agreement shall be certified by the notary.

3. The founders of the joint stock company shall be jointly and severally liable for the obligations related to the establishment thereof that arise before the state registration of the joint stock company.

The joint stock company shall be liable for the founders’ obligations set out in Part 1 of this Article only in case their actions are approved by the general meeting of shareholders.

4. The joint stock company may be founded by one person or have a sole shareholder in case one person acquires all shares of the company. Data thereon shall be made public as prescribed by the law.

5. The procedure and time limits for establishing the joint stock company, including the procedure for holding the foundation meeting and competence thereof, shall be prescribed by the law.

**Article 154.**Corporate Charter of Joint Stock Company

1. The corporate charter is a constituent document of the joint stock company.

2. In addition to the data under Article 88 hereof, the corporate charter shall contain data on shareholders’ rights, the management structure of the joint stock company, competence of the governing bodies of the joint stock company, and the procedure for adoption of their resolutions as well as other data prescribed by the law.”;

Article 155 shall be included as follows:

“**Article 155.** Authorised Capital of Joint Stock Company

1. The authorised capital of the joint stock company shall be formed with the funds and other assets contributed as payment for the shares issued.

The minimum size of the authorised capital of the joint stock company shall be prescribed by the law.

2. When the joint stock company is founded, its shares shall only be placed among its founders. Public offering of the joint stock company’s shares may be carried out after the certificate of registration of the first issue of shares is received.”;

[Articles 156-162](https://zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Ct%20%22_blank) shall be amended to read as follows:

“**Article 156.**Increasing Authorised Capital of Joint Stock Company

1. The authorised capital of the joint stock company shall be increased by raising the face value of the shares or additionally issuing the shares with the existing face value.

2. The shareholders’ pre-emptive right to purchase the shares additionally issued by the joint stock company may be set in the cases prescribed by the corporate charter of the joint stock company and the law.

**Article 157.** Decreasing Authorised Capital of Joint Stock Company

1. The authorised capital of the joint stock company shall be decreased by reducing the face value of the shares or by cancelling the shares already redeemed by the company and by reducing their total number if it is allowed by the corporate charter of the joint stock company.

The authorised capital of the joint stock company may be decreased after all of its creditors are informed thereof as prescribed by the law. In this case, the company’s creditors may demand early termination or fulfilment of respective obligations of the joint stock companies and compensation for their losses.

2. If the joint stock company decreases the authorised capital below the size prescribed by the law, it shall be liquidated.

**Article 158.** Dividends of Joint Stock Company

1. The joint stock company may pay its shareholders a portion of its net profit per share of a specific type and/or class they hold. The procedure for paying dividends shall be prescribed by the law and corporate charter of the joint stock company.

2. The law may prescribe the case in which the joint stock company does not have the right to resolve to pay dividends and/or pay them.

**Article 159.** General Meeting of Shareholders

1. The supreme body of the joint stock company shall be the general meeting of shareholders (hereinafter — the “general meeting”). The general meeting may be attended by all the shareholders regardless of the number and type of the shares they own. The law may limit the right to take part in the general meeting of shareholders.

The shareholders (their proxies) attending the general meeting shall be registered, with specification of the number of the votes owned by each shareholder attending the general meeting of shareholders.

2. The exclusive competence of the general meeting of shareholders includes:

1) amending the corporate charter of the joint stock company except as otherwise provided for by the law;

2) resolving to change the management structure of the joint stock company;

3) establishing and liquidating the supervisory board or the board of directors of the company, electing and terminating the authority of members of the supervisory board or the board of directors;

4) approving the annual reporting of the joint stock company;

5) resolving to liquidate the joint stock company.

Other matters may be included into the exclusive competence of the general meeting of shareholders by the corporate charter of the joint stock company and the law.

The matters that belong to the exclusive competence of the general meeting of shareholders pursuant to this Part may be delegated to other bodies of the joint stock company.

3. The voting procedure for the general meeting of shareholders shall be prescribed by the law.

A shareholder shall have the right to designate its proxy to attend the general meeting of shareholders. The representative may be permanent or appointed for a fixed term. The shareholder shall have the right to replace its proxy in the supreme body of the joint stock company by informing the latter thereof.

4. A resolution of the general meeting of shareholders shall be adopted by a simple majority of the votes of the shareholders registered to attend the general meeting and owning the shares voting on the respective matter on the agenda. The law and/or corporate charter of the joint stock company may set up the higher number of votes necessary to adopt a resolution of the general meeting of shareholders.

5. The procedure for convening, the methods and procedure for holding the general meeting shall be prescribed by the law and the corporate charter of the joint stock company.

**Article 160.** Management Structure of Joint Stock Company

1. The management structure of the joint stock company may have one or two tiers.

2. Where there is a single tier management structure, the governing bodies of the joint stock company are the general meeting of shareholders and the board of directors.

In the single-tier management structure, operations of the joint stock company are controlled and managed by the sole collegiate body, i.e. the board of directors.

3. Where there is a double-tier management structure, the governing bodies of the joint stock company are the general meeting of shareholders, the body responsible for supervision (the supervisory board), and the executive body (the collective or sole body).

The double-tier management structure provides for clear separation of functions to directly manage current (operational) activities of the joint stock company, which are performed by the executive body, and functions to control operations of the executive body as well as other senior executives of the joint stock company (including heads of control and internal audit units), which are discharged by the supervisory board.

4. The rules of this Article shall apply to limited liability and unlimited liability companies by analogy.

**Article 161.** Officers of Joint Stock Company

1. The chairperson and members of the supervisory board, the chairperson and members of the board of directors, the executive body, the corporate secretary of the joint stock company as well as the head and members of another body of the company (other than an advisory one) established in accordance with the law or corporate charter of the joint stock company shall be officers of the joint stock company.

2. Rights and obligations of officers of the joint stock company shall be prescribed by the law, the corporate charter of the joint stock company and the agreement (contract) made between the officer and the joint stock company.

3. Officers of the joint stock company shall be liable for the losses inflicted upon the joint stock company with their actions or omission as prescribed by the law.

**Article 162.** Auditing Financial Statements of the Joint Stock Company

1. The joint stock company shall engage an independent auditor to verify and confirm accuracy of annual financial statements as prescribed by the law.

2. Financial statements of the joint stock company shall be audited any time upon request of the shareholders owning at least 5% of shares in aggregate.

The procedure for auditing financial statements of the joint stock company shall be prescribed by the law.

[Part 4](https://zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/435-15%22%20%5Ct%20%22_blank) of Article 250 shall be supplemented with the second paragraph to read as follows:

“The attorney shall also be liable to the person who has issued the power attorney for the losses inflicted in case he or she has failed to meet the requirements of Article 48 of the Law of Ukraine ‘On Joint Stock Companies’.”;

3) in the [Criminal Procedural Code of Ukraine](https://zakon.rada.gov.ua/laws/show/en/4651-17) (Bulletin of the Verkhovna Rada of Ukraine, 2013, No. 9-13, Art. 88):

[Part 1](https://zakon.rada.gov.ua/laws/show/en/4651-17%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/4651-17%22%20%5Ct%20%22_blank) of Article 159 shall be supplemented with the third paragraph to read as follows:

“Physical carriers of information in connection with maintenance of the system for depository accounting of securities, the accounting system for parts of limited liability companies and unlimited liability companies (hereinafter the “parts’ accounting system”) by the Central Securities Depository and depository institutions and amendments thereto may not be seized (withdrawn).”;

[Article 167](https://zakon.rada.gov.ua/laws/show/en/4651-17%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/4651-17%22%20%5Ct%20%22_blank) shall be supplemented with Part 3 to read as follows:

“3. Physical carriers of information in connection with maintenance of the system for depository accounting of securities, the parts’ accounting system by the Central Securities Depository and depository institution and amendments thereto may not be seized (withdrawn).”;

4) in the [Economic Procedural Code of Ukraine](https://zakon.rada.gov.ua/laws/show/en/1798-12) (Bulletin of the Verkhovna Rada of Ukraine, 2017, No. 48, Art. 436):

in [Clause 12](https://zakon.rada.gov.ua/laws/show/en/1798-12#n1649) of Part 1 of Article 20, the words “owner (member, shareholder)” shall be replaced with the words “owner(s), member(s), shareholder(s)”;

[Article 54](https://zakon.rada.gov.ua/laws/show/en/1798-12%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/1798-12%22%20%5Ct%20%22_blank) shall be amended to read as follows:

“**Article 54.** Peculiarities of Participation of Persons Entitled to File Actions on Behalf of Legal Entity in Litigation in Disputes for Compensation of Losses Inflicted by Its Officer

1. The owner(s), members(s) and shareholder(s) of the legal entity that own over 5% of the company’s authorised capital (voting shares) in aggregate or have the participatory interest in the legal entity at least 5% in aggregate may file an action on behalf of such legal entity for compensation of losses inflicted upon the legal entity by its officer.

2. In case proceedings on this claim are instituted, the legal entity shall acquire the claimant’s status, but may not exercise procedural rights and fulfil procedural obligations without consent of the owner(s), member(s) or shareholder(s) filing an action. The officer against whom the action has been filed may not represent the legal entity and designate another person to act on behalf of the legal entity in this case.

3. Before the preliminary proceedings on the case are over, the other co-owner(s), member(s) or shareholder(s) of this legal entity shall have the right to join the action by submitting a respective application to court; then he or she shall acquire the same procedural rights and obligations as the owner (member, shareholder) that has filed the action”;

in [Part 4](https://zakon.rada.gov.ua/laws/show/en/1798-12#n1934) of Article 55, the words “owner (member, shareholder)” shall be replaced with the words “owner(s), member(s), shareholder(s)”;

[Part 10](https://zakon.rada.gov.ua/laws/show/en/1798-12%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/1798-12%22%20%5Ct%20%22_blank) of Article 129 shall be supplemented with the second paragraph to read as follows:

“Unless otherwise stipulated in the corporate charter of the joint stock company, court costs incurred by the shareholder(s) in connection with the action filed for compensation for the losses inflicted upon the joint stock company by its officers on behalf of the joint stock company shall be compensated for by the company regardless of the outcome of the litigation.”;

5) in the [third paragraph](https://zakon.rada.gov.ua/laws/show/en/2114-12#n150) of Part 2 of Article 23 of the Law of Ukraine “On Collective Agricultural Enterprise” (Bulletin of the Verkhovna Rada of Ukraine, 1992, No. 20, Article 272), the words “and the inspection committee of the company” shall be deleted;

6) [Part 2](https://zakon.rada.gov.ua/laws/show/en/2265-12#n102) of Article 15 of the Law of Ukraine “On Consumer Cooperation” (Bulletin of the Verkhovna Rada of Ukraine, 1992, No. 30, Article 414) shall be amended to read as follows:

“2. Financial and economic activities of consumer societies, unions and their subordinated enterprises shall be inspected by the auditing entity unless otherwise prescribed by the corporate charter of the company, union or enterprise.

The executive body shall grant the auditing entity access to information within the limits prescribed by the corporate charter.”;

7) in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/448/96-%D0%B2%D1%80) “On State Regulation of Capital Markets and Organised Commodity Markets” (Bulletin of the Verkhovna Rada of Ukraine, 1996, No. 51, Art. 292 as amended and supplemented):

[the fifteenth paragraph](https://zakon.rada.gov.ua/laws/show/en/448/96-%D0%B2%D1%80%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/448/96-%D0%B2%D1%80%22%20%5Ct%20%22_blank) of Part 1 of Article 1 shall be deleted;

[Part 2](https://zakon.rada.gov.ua/laws/show/en/448/96-%D0%B2%D1%80%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/448/96-%D0%B2%D1%80%22%20%5Ct%20%22_blank) of Article 7 shall be supplemented with Clauses 37**29**-37**32** to read as follows:

“37**29**) establish the procedure for disclosure of resolutions of the issuer to be made public as prescribed by the law in the data base of the entity that carries out operations to disclose regulated information on behalf of capital market participants and professional participants of organised commodity markets;

37**30**) establish the procedure for transferring the accounting of parts of limited liability companies and unlimited liability companies (hereinafter the “companies”) into the system for accounting parts in limited liability companies and unlimited liability companies maintained by the Central Securities Depository (hereinafter the “interest accounting system”), the procedure for maintaining and amending the parts’ accounting system, providing information from the system, the procedure for terminating accounting of the company’s parts in the interest accounting system as well as the procedure for exercising the pre-emptive right of the company’s members via the parts’ accounting system, paying dividends, conducting the general meeting of the company’s members with electronic communication means via the parts’ accounting system;

37**31**) establish the procedure for opening and operation of the escrow account for the company’s parts;

37**32**) establish the procedure for authorisation of the software and hardware of the Central Securities Depository that ensures holding of meetings of securities’ owners.”;

in [Part 1](https://zakon.rada.gov.ua/laws/show/en/448/96-%D0%B2%D1%80#n314) of Article 8:

Clause 19**1** shall be added to read as follows:

“19**1**) develop and introduce the Code of Corporate Governance”;

Clause 33 shall be supplemented with the fifth paragraph to read as follows:

“procedures for merger, acquisition, demerger, spin-off, transformation, and liquidation”;

8) in [Part 3](https://zakon.rada.gov.ua/laws/show/en/280/97-%D0%B2%D1%80#n861) of Article 55 of the Law of Ukraine “On Local Self-Government in Ukraine” (Bulletin of the Verkhovna Rada of Ukraine, 1997, No. 24, Article 170; 2013, No. 14, Article 89; 2014, No. 49, Article 2056), the words “inspection committees of the economic entity” shall be deleted;

9) in the [Law of Ukraine “On Banks and Banking Activity”](https://zakon.rada.gov.ua/laws/show/en/2121-14) (Bulletin of the Verkhovna Rada of Ukraine, 2001, No. 5-6, Art. 30; 2011, No. 36, Article 362; as amended by Law of Ukraine No. 1587-IX dated 30 June 2021):

[Part 6](https://zakon.rada.gov.ua/laws/show/en/2121-14%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2121-14%22%20%5Ct%20%22_blank) of Article 8 shall be amended to read as follows:

“The governing body of cooperative banks shall be the general meeting of members (stockholders), the board of the bank and the management board of the bank. The governing bodies of a cooperative bank shall be established and exercise their powers in accordance with this Law.”;

[Clause 3](https://zakon.rada.gov.ua/laws/show/en/2121-14%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2121-14%22%20%5Ct%20%22_blank) of Part 28 of Article 1 shall be deleted;

*{Clause 3(10) of Section XIX has ceased to be in force based on Law*[*No. 1953-IX dated 14.12.2021*](https://zakon.rada.gov.ua/laws/show/en/1953-20#n1134)*}*

*{Clause 3(11) of Section XIX has ceased to be in force based on Law*[*No. 3254-IX dated 14.07.2023*](https://zakon.rada.gov.ua/laws/show/en/3254-20#n1363)*}*

12) in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/1087-15) “On Cooperation” (Bulletin of the Verkhovna Rada of Ukraine, 2004, No. 5, Art. 35):

in [Article 15](https://zakon.rada.gov.ua/laws/show/en/1087-15#n118):

in the eighth paragraph of Part 2, the words “head of the inspection committee (the inspector) shall be deleted”;

the fourth paragraph of Part 6 shall be deleted;

in [Part 5](https://zakon.rada.gov.ua/laws/show/en/1087-15#n167) of Article 17, the words “or members of the inspection committee (the inspector) shall be deleted”;

[Article 18](https://zakon.rada.gov.ua/laws/show/en/1087-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/1087-15%22%20%5Ct%20%22_blank) shall be amended to read as follows:

“**Article 18.** Auditing Financial and Economic Activities of the Cooperative Society

Financial and economic activities of the cooperative society as of the end of the fiscal year shall be inspected by the auditing entity unless otherwise provided for by the corporate charter of the cooperative society.

The executive body shall grant the auditing entity access to information within the limits prescribed by the corporate charter of the cooperative society.”;

in the [sixth paragraph](https://zakon.rada.gov.ua/laws/show/en/1087-15#n277) of Part 2 of Article 33, the words “and inspection and supervisory bodies” shall be deleted;

13) [Article 11](https://zakon.rada.gov.ua/laws/show/en/1255-15#n72) of the Law of Ukraine “On Securing Creditors’ Claims and Registering Encumbrances” (Bulletin of the Verkhovna Rada of Ukraine, 2004, No. 11, Art. 140) shall be amended as follows:

“**Article 11.** Registration of Encumbrances

Encumbrances of movable property shall be registered with the State Register as prescribed by this Law except as otherwise prescribed by this Article.

Encumbrances of issuable securities shall be registered in the depository system of Ukraine as prescribed by the legislation.

Encumbrances of parts of a limited liability company, a unlimited liability company that have been registered with the accounting system for parts of limited liability companies, unlimited liability companies maintained by the Central Securities Depository shall be registered in the parts’ accounting system as prescribed by the legislation”;

14) [Article 7**1**](https://zakon.rada.gov.ua/laws/show/en/3528-15#n89) of the Law of Ukraine “On Holding Companies in Ukraine” (Bulletin of the Verkhovna Rada of Ukraine, 2006, No. 34, Art. 291; 2012, No. 40, Article 480) shall be amended as follows:

“**Article 71.** Peculiarities of Establishment and Operations of State Management Holding Company

1. The founder and the sole shareholder of the State Management Holding Company shall be the state represented by the Cabinet of Ministers of Ukraine.

2. The authorised capital of the State Management Holding Company shall be formed with the shares of the state holding companies held by the state, interest (stock) held by the state in the authorised capitals of the economic entities as well as additional contributions in form of property, funds and intangible assets necessary to support its operations. Blocks of shares (stock, interest) or other property transferred to the authorised capital of the State Management Holding Company shall be held by the state and assigned to the latter on the basis of economic management right.

3. When it discharges its powers to exercise rights of the state as the owner, the Cabinet of Ministers of Ukraine shall:

1) approve and amend the corporate charter of the State Management Holding Company;

2) adopt resolutions to increase or decrease the authorised capital of the State Management Holding Company;

3) approve and amend the regulation on the supervisory board and the management board of the State Management Holding Company;

4) elect members of the supervisory board of the State Management Holding Company, approve the terms of the civil law or employment contracts to be concluded with them, define the amount of their remuneration, and elect the person authorised to sign civil law contracts with members of the supervisory board;

5) adopt resolutions to terminate the authority of members of the supervisory board of the State Management Holding Company;

6) elect the chairperson of the management board of the State Management Holding Company and terminate their powers early;

7) approve the resolution on establishment, reorganisation and liquidation of corporate enterprises of the State Management Holding Company;

8) approve and amend the annual financial plan of the State Management Holding Company;

9) approve the annual report of the State Management Holding Company;

10) adopt resolutions following consideration of the report of the supervisory board of the State Management Holding Company;

11) approve the resolution on reorganisation or liquidation of the State Management Holding Company.

4. The supervisory board shall be established at the State Management Holding Company in order to protect rights of the state as an owner.

The supervisory board shall be made of seven persons. The composition of the supervisory board shall be approved by the Cabinet of Ministers of Ukraine.

If the number of members of the supervisory board is less than half of its composition, the Cabinet of Ministers of Ukraine shall elect the remaining members of the supervisory board within a month.

Members of the supervisory board shall be elected from among the natural persons with full civil capacity. The requirements for members of the supervisory board shall be set up by the law, the corporate charter and the regulation on the supervisory board of the State Management Holding Company.

Candidates for the supervisory board and members of the supervisory board shall have full higher education, experience as senior executives of at least five years within the last ten years.

5. The exclusive competence of the supervisory board shall include:

1) determining business (development) priorities, strategic goals of the State Management Holding Company;

2) adopting the resolution on establishment, reorganisation and liquidation of corporate enterprises of the State Management Holding Company;

3) approving the principles (code) of corporate governance of the State Management Holding Company;

4) electing the chairperson of the supervisory board from among its members;

5) adopting the resolution on the number of board members of the State Management Holding Company;

6) electing the board members of the State Management Holding Company based on the recommendation of the chairperson of the board, and terminating their authority early;

7) approving terms and conditions of the civil law contracts to be made with the board members of the State Management Holding Company, and defining their remuneration;

8) resolving to make major transactions if the market value of the assets or services being the subject matter thereof exceeds 10% of the value of the assets according to the latest annual financial statements of the State Management Holding Company as well as related-party transactions;

9) resolving to increase liabilities of the State Management Holding Company by the value exceeding 10% of its authorised capital;

10) adopting resolutions on purchase of 10% and more of shares (stock, interest) in the authorised capital of other legal entities by the State Management Holding Company;

11) assessing achievement of the key performance indicators of the development strategy of the State Management Holding Company;

12) approving the annual financial statements of the State Management Holding Company;

13) adopting the resolution on the portion of net profit of the State Management Holding Company to be used to pay dividends based on the results of the calendar year;

14) resolving other matters that pertain to the competence of the supervisory board in accordance with the law.

6. The authorised representative of the state shall vote at a meeting of the supervisory board of the State Management Holding Company pursuant to their voting instructions on each matter on the agenda given by the public authorities they represent.

7. The executive body of the State Management Holding Company shall be the management board.

The competence of the management board shall include the following:

1) drafting the business (development) priorities of the State Management Holding Company, its strategic (development) goals, and submitting them to the supervisory board for approval;

2) preparing the financial plan of the State Management Holding Company;

3) exercising the shareholder’s right as regards corporate enterprises of the State Management Holding Company;

4) approving the structure and staffing of the administrative office of the State Management Holding Company with due consideration of the total number of employees of the State Management Holding Company approved by the supervisory board;

5) considering the annual report and balance sheet of the State Management Holding Company as well as information on activities of corporate enterprises and standalone units of the State Management Holding Company, and submitting them to the Cabinet of Ministers of Ukraine and the supervisory board for approval;

6) initiating establishment of corporate enterprises of the State Management Holding Company, and drafting their constituent documents;

7) submitting proposals on reorganisation and liquidation of corporate enterprises to the supervisory board for consideration;

8) approving corporate charter of corporate enterprises of the State Management Holding Company, and controlling adherence thereto;

9) adopting resolutions on the number of members of supervisory boards and management boards of corporate enterprises of the State Management Holding Company, approving terms and conditions of civil law contracts to be made with their members, and defining their remuneration;

10) electing chairpersons of supervisory boards of corporate enterprises of the State Management Holding Company from among members of the management board of the State Management Holding Company, and adopting resolutions on termination of their powers;

11) electing members of supervisory boards of corporate enterprises of the State Management Holding Company from among heads of autonomous units of the administrative office of the State Management Holding Company, representatives of the executive authorities and the public, and adopting resolutions on termination of their powers;

12) submitting proposals on candidates for management boards of such enterprises to supervisory boards of corporate enterprises of the State Management Holding Company for consideration;

13) approving draft business (development) priorities of corporate enterprises of the State Management Holding Company and their strategic (development) goals;

14) approving annual financial and investment plans as well as medium-term investment plans (for three to five years) of corporate enterprises of the State Management Holding Company, and monitoring their performance in the prescribed manner;

15) coordinating implementation of joint projects of corporate enterprises of the State Management Holding Company;

16) coordinating financial operations of corporate enterprises of the State Management Holding Company;

17) monitoring financial activities, in particular, achievement of targets set in financial plans of corporate enterprises of the State Management Holding Company;

18) ensuring annual audits of corporate enterprises of the State Management Holding Company;

19) considering the materials drawn up following the audit of financial and economic operations of the State Management Holding Company and its corporate enterprises as well as reports by heads of corporate enterprises, and adopting resolutions based on results thereof;

20) ensuring that the administrator of the Unified Register of State-Owned Property is provided with information on availability and current state of state-owned assets and any changes therein;

21) ensuring inventory reconciliation of assets of corporate enterprises of the State Management Holding Company in accordance with the procedure set by the Cabinet of Ministers of Ukraine;

22) ensuring environmental audits of corporate enterprises of the State Management Holding Company;

23) granting lessors of state-owned property consent to lease state-owned assets and preparing proposals on terms and conditions of the lease contracts to ensure efficient use of the assets leased;

24) ensuring management and integrity of physical carriers of secret information, and activities to protect secrets of state.

The management board shall also resolve other operational matters of the State Management Holding Company except for the ones that pertain to the competence of the Cabinet of Ministers of Ukraine and the supervisory board in accordance with the law.

8. Financial and economic operations of the State Management Holding Company as of the end of the financial year shall be inspected by the auditing entity unless otherwise provided for by the corporate charter.

The management board shall grant the auditing entity access to information within the limits prescribed by the corporate charter of the State Management Holding Company”;

15) in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/185-16) “On Management of State-Owned Property” (Bulletin of the Verkhovna Rada of Ukraine, 2006, No. 46, Art. 456 as amended and supplemented):

in [Clause 16](https://zakon.rada.gov.ua/laws/show/en/185-16#n68) of Part 2 of Article 5, the words “inspection and” shall be deleted;

in [Article 11](https://zakon.rada.gov.ua/laws/show/en/185-16#n324):

Part 11 shall be deleted;

in Part 12, the words “and inspection committee” shall be deleted;

[Part 1](https://zakon.rada.gov.ua/laws/show/en/185-16%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/185-16%22%20%5Ct%20%22_blank) of Article 11**3** shall be supplemented with the thirteenth paragraph as follows:

“The requirements of Clauses 1, 2 and 4 of this Part shall not apply to holding an office of the independent director of the company and associated relations.”;

16) in [Part 2](https://zakon.rada.gov.ua/laws/show/en/3530-17#n38) of Article 6 of the Law of Ukraine “On Council of Ministers of Autonomous Republic of Crimea” (Bulletin of the Verkhovna Rada of Ukraine, 2012, No. 2-3, Art. 3), the words “the inspection committee” shall be deleted;

17) in [Article 6](https://zakon.rada.gov.ua/laws/show/en/4442-17#n54) of the Law of Ukraine “On Peculiarities of Establishing Joint Stock Company of Public Railway Transport” (Bulletin of the Verkhovna Rada of Ukraine, 2012, No. 49, Art. 553; 2018, No. 6-7, Art. 38):

the fifth paragraph of Part 1 shall be deleted;

Part 5 shall be amended as follows:

“5. Financial and economic activities of the Company as of the end of the fiscal year shall be inspected by the auditing entity unless otherwise provided for by the corporate charter of the Company.

The management board shall grant the auditing entity access to information within the limits prescribed by the corporate charter of the Company.”;

18) in the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/4452-17#n400) of Part 1 of Article 36 and [Clause 1](https://zakon.rada.gov.ua/laws/show/en/4452-17#n561) of Part 2 of Article 46 of the Law of Ukraine “On Deposit Guarantee System for Individuals” (Bulletin of the Verkhovna Rada of Ukraine, 2012, No. 50, Art. 564 as amended and supplemented), the words “the inspection committee and” shall be deleted;

19) in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/5080-17) “On Mutual Investment Institutions” (Bulletin of the Verkhovna Rada of Ukraine, 2013, No. 29, Art. 337; as amended by Law of Ukraine No. 738-IX dated 19 June 2020):

in [Part 2](https://zakon.rada.gov.ua/laws/show/en/5080-17#n50) of Article 5, the words “the inspection committee, the inspector” shall be deleted;

[the second paragraph](https://zakon.rada.gov.ua/laws/show/en/5080-17%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/5080-17%22%20%5Ct%20%22_blank) of Part 7 of Article 37 shall be supplemented with the words “or in the database of the entity that carries out operations to disclose regulated information on behalf of stock market participants”;

[20)](https://zakon.rada.gov.ua/laws/show/en/2465-20/print%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2465-20/print) in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/5178-17) “On Depository System of Ukraine” (Bulletin of the Verkhovna Rada of Ukraine, 2013, No. 39, Art. 517 as amended and supplemented):

[The Preamble](https://zakon.rada.gov.ua/laws/show/en/5178-17%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/5178-17%22%20%5Ct%20%22_blank) shall be amended to read as follows:

“This Law shall establish the legal framework for operation of the depository system of Ukraine, the procedure for registration and confirmation of rights to issuable securities and rights thereto in the securities depository accounting system, the procedure for settlements under transactions involving issuable securities, and also establish the basic principles, operational procedure, powers, rights and obligations of the Central Securities Depository.

This Law shall also establish the legal framework for operation of the parts’ accounting system for limited liability companies and unlimited liability companies”;

[Part 2](https://zakon.rada.gov.ua/laws/show/en/5178-17%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/5178-17%22%20%5Ct%20%22_blank) of Article 1 shall be supplemented with the third paragraph to read as follows:

“The term ‘authorised electronic system’ shall be used herein as defined in the Law of Ukraine ‘On Joint Stock Companies’”;

in the [seventh paragraph](https://zakon.rada.gov.ua/laws/show/en/5178-17#n48) of Part 2 of Article 3, the words “this Law” shall be replaced with the word “law”;

[Part 4](https://zakon.rada.gov.ua/laws/show/en/5178-17%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/5178-17%22%20%5Ct%20%22_blank) of Article 5 shall be supplemented with the new paragraph after the fourth paragraph to read as follows:

“The agreement on servicing securities issues may establish the procedure for using the authorised electronic system at the general meeting of holders of the issuer’s securities.”

In this regard, the fifth paragraph shall be considered to be the sixth paragraph;

[Part 8](https://zakon.rada.gov.ua/laws/show/en/5178-17%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/5178-17%22%20%5Ct%20%22_blank) of Article 9 shall be supplemented with Clause 13 as follows:

“13) maintaining the parts’ accounting system for limited liability companies and unlimited liability companies as prescribed by the legislation.”;

Section IV**1** shall be added to read as follows:

“**Section IV1**
**ACCOUNTING OF PARTS OF LIMITED LIABILITY COMPANIES AND UNLIMITED LIABILITY COMPANIES**

**Article 271.** Parts’ Accounting System for Limited Liability Companies and Unlimited Liability Companies

1. The parts’ accounting system for limited liability companies and unlimited liability companies (hereinafter the “parts’ accounting system”) is an aggregate of information, records on parts of limited liability companies and unlimited liability companies (the type, nominal value and number, restrictions in trading, etc.) on accounts of owners of such parts, information on the company, on owners of parts, on limitation of owners’ rights, on persons authorised by the owners (managers, pledge holders, other persons granted respective rights regarding interests) as well as other information prescribed by the legislation.

The requirements for the list of the documents to be submitted by the Company to the Central Depository shall be established by the Commission.

2. The fact of acquiring and terminating rights to parts, limitation of rights to parts shall be recorded in the parts’ accounting system.

The requirements for the information to be submitted into the parts’ accounting system shall be prescribed by the Central Depository in consultation with the Commission.

**Article 272.**Operations of the Central Depository to Administer Parts’ Accounting System

1. Accounting of parts of limited liability companies and unlimited liability companies (hereinafter the “companies”) shall be carried out by the Central Depository as prescribed by the legislation, after the company’s founders or members adopt the corresponding resolution as prescribed by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2275-19) “On Limited Liability and Unlimited Liability Companies”.

Physical carriers of information in connection with maintenance of the parts’ accounting system by the Central Securities Depository and depository institutions and amendments thereto may not be seized (withdrawn).

2. Data on the property rights to the company’s parts or limitation thereof that have been entered into the parts’ accounting system shall be considered to be reliable and may be used in a dispute with a third party.

If data on the property rights to the company’s parts or limitation thereof that have been entered into the parts’ accounting system are unreliable, a third party shall have the right to refer thereto in a dispute as to reliable ones. A third party may not refer to such data in a dispute if it was or could have been aware of the fact that the data were unreliable.

If data on the property rights to the company’s parts or limitation thereof that are to be entered into the parts’ accounting system have not been entered into the system, they may not be used in a dispute with a third party except when the third party was or might have been aware of these data.

3. The person authorised to administer and update the parts’ accounting system is the Central Depository.

4. The Central Depository may provide services in connection with conclusion of agreements on parts of the companies accounted in the parts’ accounting system, by electronic communication means.

5. The company whose parts are accounted in the parts’ accounting system may pay dividends via the parts’ accounting system set by the Commission.

6. The general meeting of the company whose parts are accounted in the parts’ accounting system may be carried out by electronic communication means via the parts’ accounting system set by the Commission.

**Article 273.**Escrow Account for Company’s Parts

1. The Central Depository may open an escrow account for the company’s parts (hereinafter the “escrow account”) that are accounted in the parts accounting system, based on the company’s parts’ escrow account contract.

2. Under the company’s parts’ escrow account contract, the Central Depository shall enter information on the company’s parts on the escrow account into the parts’ accounting system and ensure that amendments regarding the property rights to such parts of another person (other persons) specified by the owner of the escrow account (the beneficiary or beneficiaries) are entered into the parts’ accounting system, or enter information on termination of registration of the company’s parts on the escrow account into the parts accounting system where the grounds set out in the company’s parts’ escrow account contract occur.

3. Information regarding the property rights to the company’s parts on registration of which on the escrow account has been entered into the parts’ accounting system shall not be changed in the parts’ accounting system, except for the cases and grounds set out in the company’s parts’ escrow account contract.

4. The procedure for opening and operation of the escrow account shall be set by the Commission and by-laws of the Central Depository approved by the Commission.

5. Claims on seizure on and/or detention of the company’s parts’ regarding which information on registration of the company’s parts on the escrow account has been entered into the parts’ accounting system shall not be allowed for liabilities of the Central Depository, the owner of the escrow account or the beneficiary (including when they are liquidated). However, seizure on and/or detention of the right of claim of the escrow account owner or beneficiary against the Central Depository shall be allowed based on the company’s parts’ escrow account contract.

6. The company’s parts’ escrow account contract may oblige the Central Depository to check grounds for entering changes regarding the property rights to the parts of another person (other persons) specified by the holder of the escrow account (the beneficiary or beneficiaries) into the parts’ accounting system, or for entering amendments regarding termination of registration of the company’s interest on the escrow account into the parts’ accounting system.

**Article 274.** Disclosing Information in Parts’ Accounting System

1. Information on owners of the company’s parts shall be disclosed by the Central Depository within the time limits, in accordance with the procedure and in the format set by the National Securities and Stock Market Commission.

Such information shall contain data on the owner’s parts, with specification of the percentage, number of the parts held, and data on the owner’s name, number in the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations (for a resident legal entity) or code/number in the trade, bank or court register, registration certificate issued by the foreign local authority on registration of the legal entity (for a non-resident legal entity).”;

21) in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/1227-18) “On Public Television and Radio Broadcasting of Ukraine” (Bulletin of the Verkhovna Rada of Ukraine, 2014, No. 27, Art. 904; 2015, No. 23, Article 159):

in [Part 2](https://zakon.rada.gov.ua/laws/show/en/1227-18#n43) of Article 7:

in Clause 2, the words “elect the members and the head of the inspection committee of NSTU” shall be deleted;

in Clause 4, the words “the regulation on the inspection committee of NSTU” shall be deleted;

in [Part 3](https://zakon.rada.gov.ua/laws/show/en/1227-18#n95) of Article 11, the words “inspection committee” shall be deleted;

[Article 13](https://zakon.rada.gov.ua/laws/show/en/1227-18%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/1227-18%22%20%5Ct%20%22_blank) shall be amended to read as follows:

“**Article 13.** Audit of Financial and Economic Activities

1. Financial and economic activities of NSTU as of the end of the fiscal year shall be inspected by the auditing entity unless otherwise provided for by the Articles of Association of NSTU.

The management board of NSTU shall grant the auditing entity access to information within the limits prescribed by the Articles of Association of NSTU.”;

22) in [Clause 2](https://zakon.rada.gov.ua/laws/show/en/1700-18#n338) of Part 1 and the [first paragraph](https://zakon.rada.gov.ua/laws/show/en/1700-18#n1793) of Part 2 of Article 25 of the Law of Ukraine “On Prevention of Corruption” (Bulletin of the Verkhovna Rada of Ukraine\, 2014, No. 49, Art. 2056; 2021, No. 31, Article 249), the words “inspection committees of the economic entity” shall be deleted;

23) in [Clause 24](https://zakon.rada.gov.ua/laws/show/en/329-19#n36) of Part 1 of Article 1 of the Law of Ukraine “On Natural Gas Market” (Bulletin of the Verkhovna Rada of Ukraine, 2015, No. 27, Art. 234), the words “the inspection committee, the inspector” shall be deleted;

24) in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/755-15) “On State Registration of Corporate Entities, Individual Entrepreneurs and Public Organisations” (Bulletin of the Verkhovna Rada of Ukraine, 2016, No. 2, Art. 17 as amended and supplemented):

[the second paragraph](https://zakon.rada.gov.ua/laws/show/en/755-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/755-15%22%20%5Ct%20%22_blank) of Clause 14 of Part 1 of Article 1 shall be supplemented with the words “data on the date of the start of accounting/the date of termination of accounting of parts of the limited liability company or the unlimited liability company in the parts’ accounting system maintained by the Central Securities Depository (hereinafter the “parts’ accounting system”) and associated amendments in accordance with the requirements of this Law”;

in [Part 2](https://zakon.rada.gov.ua/laws/show/en/755-15#n165) of Article 9:

Clause 8 shall be amended to read as follows:

“8) list of founders and members (except for members of non-governmental organisations, joint stock companies, limited liability companies and unlimited liability companies whose parts are accounted in the parts’ accounting system, public organisations without the legal entity status, charity foundations and political parties) of the legal entity: full name (if any), birth date, country of citizenship, place of residence, registration number of the taxpayer registration card (where any), series and number of the passport if the founder is a natural person; name, country of residence, location and identification number if the founder is a legal entity; record on expiration of powers of the founder of the public organisation in connection with the state registration”;

Clause 8**2** shall be added to read as follows:

“8**2**) date of the start of accounting/the date of termination of accounting of the company’s parts in the parts’ accounting system (for limited liability companies and unlimited liability companies whose founders or members have adopted respective resolutions)”;

in [Article 17](https://zakon.rada.gov.ua/laws/show/en/755-15#n505):

Part 14 shall be supplemented with Clause 6**1** to read as follows:

“6**1**) order of the National Securities and Stock Market Commission on cancellation of the certificate of registration of the issue of shares — in case the joint stock company is terminated”;

Part 20 shall be included to read as follows:

“20. In order to carry out state registration of inclusion of data on the date of the start of accounting/the date of termination of accounting of parts of the limited liability company or the unlimited liability company in the parts’ accounting system into the Unified State Register, the Central Securities Depository shall submit an electronic application for state registration of data on accounting/termination of accounting of parts of the limited liability company or the unlimited liability company in the parts’ accounting system to the Ministry of Justice of Ukraine.

When data on the date of the start of accounting of parts of the limited liability company or the unlimited liability company in the parts’ accounting system are entered into the Unified State Register, the Ministry of Justice of Ukraine shall remove the data on the list on members of the company from the Unified State Register.

When data on the date of the termination of accounting of parts of the limited liability company or the unlimited liability company in the parts’ accounting system are entered into the Unified State Register, the Ministry of Justice of Ukraine shall enter the data prescribed by this Law on the list on members of the company into the Unified State Register as of the date of the termination of accounting of parts’ in the parts’ accounting system, based on the information submitted by the Central Securities Depository.”;

25) [Part 5](https://zakon.rada.gov.ua/laws/show/en/1792-19#n123) of Article 5 of the Law of Ukraine “On Ensuring Large-Scale Expansion of Export of Goods (Works, Services) of Ukrainian Origin by Way of Insurance, Guarantee and Cheapening of Export Lending” (Bulletin of the Verkhovna Rada of Ukraine, 2017, No. 4, Article 43) shall be amended as follows:

“5. Financial and economic activities of the ECA shall be inspected by the auditing entity unless otherwise provided for by the corporate charter of the ECA.

The management board shall grant the auditing entity access to information within the limits prescribed by the corporate charter of the ECA.”;

26) in [Article 34](https://zakon.rada.gov.ua/laws/show/en/2258-19#n492) of the Law of Ukraine “On Audit of Financial Statements and Audit Activity” \*Bulletin of the Verkhovna Rada of Ukraine, 2018, No. 9, Art. 50):

in Part 1, the words “the inspection committee or” shall be deleted;

Part 3 shall be supplemented with the words “other than members of the supervisory board or the board of directors of such enterprises”;

27) in the [seventh paragraph](https://zakon.rada.gov.ua/laws/show/en/2269-19#n517) of Clause 1 of Part 3 of Article 25 of the Law of Ukraine “On Privatisation of State-Owned and Municipal Property” (Bulletin of the Verkhovna Rada of Ukraine, 2018, No. 12, Art. 68), the words “inspection committees” shall be deleted;

28) in the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2275-19) “On Limited Liability and Unlimited Liability Companies” (Bulletin of the Verkhovna Rada of Ukraine, 2018, No. 13, Art. 69 as amended and supplemented):

in [Article 7](https://zakon.rada.gov.ua/laws/show/en/2275-19#n28):

Part 1 shall be amended to read as follows:

“1. The agreement under which the company’s members undertake to exercise their rights and powers in a certain manner or abstain from the exercise thereof (hereinafter the “corporate agreement”) shall be concluded in writing. The corporate agreement can be gratuitous or non-gratuitous. Additional parties to the corporate agreement can also be the company itself and third parties. The corporate agreement that fails to meet these requirements shall be void.”;

Part 7 shall be added as follows:

“7. The parties to the corporate agreement may select the law provided that they comply with the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/2709-15) “On International Private Law”;

Part 1 of Article 8 shall be supplemented with the words “or in connection with pledge of the parts in the authorised capital based on the agreement on pledging the parts in the company’s authorised capital in order to secure fulfilment of the pledgor’s obligations in favour of the pledge holder” after the words “in the authorised capital or powers of members”;

[Part 5](https://zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Ct%20%22_blank) of Article 11 shall be supplemented with Clause 4 to read as follows:

“4) accounting of the company’s parts in the parts’ accounting system for limited liability companies and unlimited liability companies administered by the Central Securities Depository (hereinafter the “parts’ accounting system”)”;

Article 15**1** shall be added to read as follows:

“**Article 151.** Accounting Company’s Parts

1. The company’s members may adopt a resolution on accounting of the company’s parts in the parts’ accounting system or on termination of accounting of parts in such system maintained by the Central Securities Depository based on the contract with the company, as prescribed by the Commission, any time in accordance with this Law.

2. The entity authorised to administer the parts accounting system shall be the Central Securities Depository. The parts’ accounting system shall be maintained and altered in the electronic format only.

3. The date of the start and termination of accounting of the company’s parts in the parts’ accounting system shall be the date when relevant information is entered into the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations.

4. The procedure for transferring accounting of the company’s parts into the parts’ accounting system, the procedure for maintaining and amending the parts’ accounting system, providing information from the system, the procedure for sending notices to the company’s members, the procedure for terminating accounting of the company’s parts in the parts’ accounting system shall be prescribed by the Commission.

The person shall be considered to have fulfilled its obligation to send a notice to the company’s members via the parts’ accounting system if all the actions necessary to send such notice as prescribed by the Commission have been taken.”;

in [Article 22](https://zakon.rada.gov.ua/laws/show/en/2275-19#n124):

Part 1 shall be amended to read as follows:

“1. The parts of the company’s member shall be foreclosed on in pursuance of the enforcement document on collecting funds from the member, based on the enforcement document on foreclosure on the debtor’s or property surety’s parts that has been pledged to secure own liability or the other person’s liability, or pursuant to the method for extra-judicial foreclosure on the parts of the company’s member under the agreement on pledging the parts in the company’s authorised capital, in accordance with the extra-judicial foreclosure methods prescribed by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/1255-15) “On Securing Creditors’ Claims and Registering Encumbrances”;

in Part 2, the words “the Contractor informs” shall be replaced with the words “In case of foreclosure on the parts in the company’s authorised capital based on the enforcement document, the contractor informs”;

Part 4 shall be supplemented with the words “appraising entity engaged by the contractor on the basis of its resolution or” after the words “set out in Part 2 of this Article”;

Part 8 shall be supplemented with the words “or the pledge holder” after the words “or the company’s members”;

[Part 2](https://zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Ct%20%22_blank) of Article 24 shall be supplemented with the sentences to read as follows: “It may be prescribed by the corporate charter of the company that the company’s member whose parts in the company’s authorised capital is 50% or more may withdraw from the company without consent of the other members. The relevant provision shall be incorporated into or removed from the company’s corporate charter by unanimous resolution of the general meeting of members attended by all the members of the company.”;

in [Article 30](https://zakon.rada.gov.ua/laws/show/en/2275-19#n175):

Part 1 shall be amended to read as follows:

“1. The general meeting of members may resolve any matters of operations of the company other than the ones within the exclusive competence of the other bodies of the company, the law or the corporate charter of the company”;

new Clause 14 shall be added to Part 2 to read as follows:

“14) adopting the resolution on accounting or termination of accounting of the company’s parts in the parts’ accounting system”.

In this regard, Clause 14 shall be considered to be Clause 15;

in [Article 31](https://zakon.rada.gov.ua/laws/show/en/2275-19#n194):

Clause 2 of Part 1 shall be supplemented with the words “or the board of directors” after the words “the supervisory board”;

in Part 2, the words “are convened” shall be replaced with the words “shall be convened annually”;

[Part 7](https://zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Ct%20%22_blank) of Article 32 shall be amended to read as follows:

“7. Any member may propose matters on the agenda of the general meeting of members. Proposals of the company’s member or members holding over 5% of the company’s authorised capital in aggregate shall be included into the agenda of the general meeting of members. Such matters shall be automatically included into the agenda of the general meeting of members”;

in [Article 33](https://zakon.rada.gov.ua/laws/show/en/2275-19#n220):

in Part 1, the words “this Law” shall be replaced with the word “law”;

Part 3 shall be supplemented with the words “or by other electronic identification means”;

[Part 3](https://zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Ct%20%22_blank) of Article 34 shall be supplemented with the digits “14” after the digits “10”;

[Part 2](https://zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Ct%20%22_blank) of Article 36 shall be supplemented with Clause 7 to read as follows:

“7) accounting or termination of accounting of the company’s parts in the parts’ accounting system”;

[Part 11](https://zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/2275-19%22%20%5Ct%20%22_blank) of Article 39 shall be amended to read as follows:

“11. A member of the collective executive body of the company may not delegate its vote to other persons”;

Article 39**1** shall be added to read as follows:

“Article 39**1**. Membership with Company’s Bodies

1. An independent member of the company’s body means a natural person who meets the requirements set by Article 67 of the Law of Ukraine “On Joint Stock Companies” and is not influenced by others in decision-making in connection with his or her official duties.

2. The corporate charter of the company may set additional requirements for an independent member of the supervisory board and a non-executive member of the collective executive body.

3. In case the supervisory board is established, independent members may be elected.

4. In case the collective executive body is elected, executive and non-executive directors may be elected.

5. A non-executive member of the collective executive body, i.e. the board of directors, (hereinafter the “non-executive director”) means the natural person who has been elected a member of the board of directors of the company and is responsible for supervising, managing risks and controlling operations of the company and executive directors. A non-executive director may not interfere with current operations of the company in any manner other than participate in adoption of resolutions by the board of directors or the committee (if established). A non-executive director may be an independent member of such executive body.

6. A civil law contract or an employment agreement (contract) may be made with non-executive and executive directors.

7. If a non-executive director or an independent director ceases to meet the requirements of this Article during the term of his or her office, he or she shall immediately step down from office.

8. Violation of the requirement under Part 7 of this Article shall constitute a basis for termination of the contract (agreement) concluded by the company with such member of the company’s body without compensation.”;

in [Article 41](https://zakon.rada.gov.ua/laws/show/en/2275-19#n290):

the words “upon the members’ request” shall be deleted in the property rights;

Part 5 shall be added to read as follows:

“5. The cases of mandatory audit of financial statements of the company and the procedure for publication of the auditor’s opinion shall be prescribed by the [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/996-14) “On Accounting and Financial Reporting in Ukraine”;

29) in [Law of Ukraine](https://zakon.rada.gov.ua/laws/show/en/3480-15) “On Capital Markets and Organised Commodity Markets” No. 738-IX of 19 June 2020 as amended by Laws of Ukraine No. 1587-IX dated 30 June 2021 and No. 2180-IX dated 1 April 2022:

[Part 2](https://zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Ct%20%22_blank) of Article 12 shall be deleted;

[Part 1](https://zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Ct%20%22_blank) of Article 37 shall be amended to read as follows:

“1. Conversion of securities shall mean exchange of securities from one issue for securities of another issue of the same issuer, and in case the company is terminated — of another issuer.

Peculiarities of conversion of securities of one issuer into securities of another issuer being a legal successor, in particular, in case the issuer being the legal predecessor is terminated, shall be established by the National Securities and Stock Market Commission.”;

[Part 1](https://zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Ct%20%22_blank) of Article 41 shall be supplemented with Clause 7 to read as follows:

“7) combination by the Central Securities Depository and depository institution of their professional operations and operations to ensure the functioning of the accounting system for limited liability companies and unlimited liability companies”;

[Part 4](https://zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Ct%20%22_blank) of Article 70 shall be supplemented with the fourth paragraph to read as follows:

“Officers of the professional stock market participant shall have an impeccable business reputation, professional capacity, applicable expertise, and meet the other requirements set by the National Securities and Stock Market Commission.”;

[Section VI](https://zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Ct%20%22_blank) shall be supplemented with Article 90**1** to read as follows:

“**Article 901.** Corporate Rights Advisor

1. An corporate rights advisor (hereinafter the “advisor”) means a legal entity that regularly analyses disclosure of regulated information on the issuer and other information on the joint stock company (where necessary) whose shares have been offered to the public or admitted to trading at the organised market, in order to provide shareholders with the information necessary for them to adopt resolutions on using the shareholders’ voting right, by disseminating findings of studies, consultations or any other recommendations on using the voting right.

2. The advisor shall disclose the code of professional conduct it is guided by.

In case the advisor fails to comply with the code of professional conduct, it shall provide a clear and reasonable explanation of such non-compliance. If the advisor evades adherence to the code of professional conduct specified in the first paragraph of this Part, it shall provide explanations on the parts of the code it evades, with specification of the cause of such evasion. If the advisor has decided not to apply specific rules of the code of professional conduct specified in the first paragraph of this Part, he or she shall specify causes of such actions.

The information under this Part shall be disclosed on websites of advisors and updated annually, with access thereto granted to any legal entities and natural persons for free.

3. The advisor shall annually disclose information on findings of its studies, consultations and any other recommendations on using the voting right on its own website, including without limitation:

1) key characteristics of the methodologies and models applied;

2) principal sources of information in use;

3) procedures applied to ensure:

a) quality of studies, consultations and any other recommendations on using the voting right;

b) qualifications of respective staff;

4) in case specific information on the market (industry) or the company and on legal regulation of the market (industry) or company is used, — explanations how such information is taken into consideration in results of respective studies, consultations and any other recommendations on using the voting right;

5) key elements of the voting policy applied for each market (industry);

6) information on any relations with the joint stock company being an object of studies, consultations and any other recommendations on using the voting right, and/or with the persons owning the significant stake of the joint stock company, and/or affiliated persons of such company, as well as information on the scale and nature of such relations;

7) internal rules for preventing and managing conflicts of interest.

The time limits, procedure for and forms of disclosure of the information under this Part as well as data in such information shall be prescribed by the National Securities and Stock Market Commission.

The information set out in this Part shall belong to regulated information and be disclosed as prescribed by Article 124 hereof.

The information set out in this Part shall be disclosed on the advisor’s own website, with access thereto granted to any legal entities and natural persons for free for at least three years from the date of publication thereof.

4. The advisor shall inform clients in advance of any conflict of interest or business relations that may affect preparation of findings of studies, consultations and any other recommendations on using the voting right as well as the actions taken to prevent and regulate the conflict of interest.

5. The legal entity that intends to disseminate findings of studies, give consultations and any other recommendations on using the voting right shall inform the National Securities and Stock Market Commission thereof in writing.

The notice may only be sent by a legal entity. The advisor’s activities may only be performed by the legal entity that has informed the National Securities and Stock Market Commission thereof.

The legal entity that has informed the National Securities and Stock Market Commission of its intention to perform activities under this Part shall be considered to be an advisor and may disseminate findings of studies, give consultations and any other recommendations on using the voting right, provided that the requirements of this Article are met.

The list of advisors shall be posted by the National Securities and Stock Market Commission on its official website.”;

[Part 4](https://zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Cl%20%22https%3A//zakon.rada.gov.ua/laws/show/en/3480-15%22%20%5Ct%20%22_blank) of Article 124 shall be supplemented with the words “or securities of such company have not been admitted to trading at the organised capital market” after the words “public offering”;

in [Sub-clause “b”](https://zakon.rada.gov.ua/laws/show/en/3480-15#n4341) of Clause 1 of Part 3 of Article 127, the words “or another code of corporate governance the issuer has decided to apply on a voluntary basis” shall be replaced with the words “or the Code of Corporate Governance approved by the National Securities and Stock Market Commission”.

4. It shall be prescribed that identification and registration of shareholders (their proxies) under [Article 49](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n524) hereof shall be carried out by the registration board on its own until 31 December 2023.

5. It shall be prescribed that the procedures for termination (demerger, acquisition, merger, transformation) and spin-off commenced before the effective date of this Law shall be carried out in accordance with the legislation in effect as of the date of commencement of the procedure.

6. The joint stock companies where the supervisory board has not been established as of the effective date of this Law shall be considered to have selected the single-tier management structure until their operations are brought in line with the requirements of this Law, and the collective executive body of this company shall perform functions of the board of directors.

7. Joint stock companies shall bring their activities, including their corporate charter and by-laws, in line with this Law by 31 December 2023.

8. The period of limitation to challenge resolutions of general meetings under [Article 57](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n692) hereof shall only be applied to the resolutions of general meetings adopted after the effective date of this Law.

9. If changes to the company’s corporate charter are only related to the matter under [Part 2](https://zakon.rada.gov.ua/laws/show/en/2465-20/print#n282) of Article 27 of this Law, the general meeting of the joint stock company may make such changes by a simple majority of votes until 1 January 2024.

This Clause shall not apply if a resolution on changes to the corporate charter of the joint stock company provides for any changes other than the ones set out in the first paragraph of this Clause.

10. The Cabinet of Ministers of Ukraine shall, within three months from the effective date of this Law, bring the Model Corporate Charter of a Limited Liability Company in line with the requirements of this Law.

11. The Ministry of Justice of Ukraine shall, within three months from the effective date of this Law, ensure that the Central Securities Depository is granted free real-time access, including automated one, to the Unified State Register of Legal Entities, Individual Entrepreneurs and Public Organisations and the Unified Register of Powers of Attorney.

12. The National Securities and Stock Market Commission shall, within three months from the effective date of this Law, draft the laws and regulations prescribed by this Law.

The laws and regulations adopted by the National Securities and Stock Market Commission in pursuance of this Law are not to undergo state registration with the Ministry of Justice of Ukraine, shall be published on its official website and enter into force on the day of official publication thereof.

Official publication of such acts of the National Securities and Stock Market Commission shall mean publication thereof on the official website of the National Securities and Stock Market Commission.

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| **President of Ukraine** | **V. ZELENSKYY** |
| **City of Kyiv****27 July 2022****No. 2465-IX** |  |