

# CABINET OF MINISTERS OF UKRAINE

## RESOLUTION

dated July 17, 2009 N 768

Kyiv

### On the State Mortgage Institution

As amended by  
resolution of the Cabinet of Ministers of Ukraine  
dated September 30, 2009 N 1068,  
decrees of the Cabinet of Ministers of Ukraine  
dated December 2, 2009 N 1453-r,  
dated January 13, 2010 N 86-r,  
resolutions of the Cabinet of Ministers of Ukraine  
dated January 27, 2010 N 61,  
dated March 24, 2010 N 278,  
decree of the Cabinet of Ministers of Ukraine  
dated July 7, 2010 N 1351-r,  
resolutions of the Cabinet of Ministers of Ukraine  
dated September 29, 2010 N 876,  
dated October 11, 2010 N 912,  
decrees of the Cabinet of Ministers of Ukraine  
dated January 12, 2011 N 13-r,  
dated December 21, 2011 N 1284-r,  
resolutions of the Cabinet of Ministers of Ukraine  
dated March 28, 2012 N 256,  
dated June 18, 2012 N 543,  
decrees of the Cabinet of Ministers of Ukraine  
dated November 19, 2012 N 980-p ,  
dated April 22, 2013 N 259-p,  
resolution of the Cabinet of Ministers of Ukraine  
dated June 3, 2013 N 391,  
decrees of the Cabinet of Ministers of Ukraine  
dated August 20, 2014 N 741-r,  
dated June 15, 2015 N 594-r,  
dated April 5, 2017 N 228-r,  
resolution of the Cabinet of Ministers of Ukraine  
dated August 18, 2017 N 616

*(The resolution of the Cabinet of Ministers of Ukraine dated September 30, 2009 N 1068 was suspended by Order of the President of Ukraine dated November 20, 2009 N 949/2009)*

*(The resolution of the Cabinet of Ministers of Ukraine dated January 27, 2010 N 61 was partially suspended by Decree of*

*the President of Ukraine dated February 8, 2010 N 130/2010)*

The Cabinet of Ministers of Ukraine **hereby resolves as follows:**

To approve the attached:

Articles of Association of the State Mortgage Institution;

Regulation on the Supervisory Board of the State Mortgage Institution;

Composition of the Supervisory Board of the State Mortgage Institution.

**Prime Minister of Ukraine**

**Y. TYMOSHENKO**

Ind. 34

APPROVED

by resolution of the Cabinet of Ministers of Ukraine dated July 17, 2009 N 768 (as amended by resolution of the Cabinet of Ministers of Ukraine dated August 18, 2017 N 616)

**ARTICLES OF AS**

**of the State Mortgage Institution**

### **General Provisions**

1. The State Mortgage Institution (hereinafter - the Institution) was incorporated by [resolution of the Cabinet of Ministers of Ukraine dated October 8, 2004 N 1330 Some Issues of the State Mortgage Institution](#) (Official Bulletin of Ukraine, 2004, N 41, p. 2709).
2. The founder of the Institution is the State represented by the Cabinet of Ministers of Ukraine.
3. Institution name:  
full - State Mortgage Institution, abbreviated - SMI.
4. Institution location: 34 Lesi Ukrainky Blvd., Kyiv.

### **Purpose and Object of the Institution**

5. The main purpose of the Institution is to refinance mortgage lenders (banks and non-bank financial institutions providing the mortgage loans), including for funds received from placement of securities.

6. The object of the Institution business is:

acquisition, assignment and other transactions with assets, including the mortgage assets, according to the law;

provision of financial loans secured, in particular, by the mortgage assets;

management of the mortgage and other assets in accordance with the law;

issue and circulation of securities;

servicing of international credit facilities;

financial leasing in respect of residential real estate in accordance with the law;

development and implementation of methodological guidelines and uniform standards, rules and procedures for mortgage lending and financial leasing.

7. Certain types of economic activity, the list of which is established by law may be conducted by the Institution after obtaining of a license.

8. The Institution shall engage in activities in compliance with terms, conditions and economic standards set by law.

9. The Institution shall be entitled to purchase only assets meeting the common standards.

10. The Institution shall be entitled to perform the following transactions in compliance with laws on financial services, including with respect to the combined provision of certain types of financial services:

provision of financial loans to financial institutions to issue the mortgage loans to individuals for purchase (construction) of housing, particularly on the terms of individual housing construction;

provision of financial loans to financial institutions to finance the housing construction;

acquisition of ownership of residential real estate for subsequent transfer of the same for financial lease to the citizens of Ukraine and disposal of the same until redemption and assignment.

The Institution shall be entitled to delegate the performance of functions related to the management and/or maintenance of assets to others on a contractual basis.

### **Institution Legal Status**

11. Institution is a legal entity.

The Institution shall acquire the legal personality from the date of its registration in accordance with laws.

12. The Institution in its activities shall be guided by the [Constitution](#) and laws of Ukraine, acts of the President of Ukraine and the Cabinet of Ministers of Ukraine, these Articles and other regulations.

13. The Institution shall have its own balance, bank accounts, seal, stamps and letterheads with its name, keep its accounting records and prepare financial statements in accordance with the law.

14. The Institution shall conduct its business and use the funds according to the strategy and Institution budget approved by the Supervisory Board.

15. The Institution shall not be liable under commitments of the state, nor shall the state be liable under the Institution commitments, except as provided by law.

16. The Institution shall be entitled to enter into contracts, acquire property and moral rights, sue and be sued in the courts of Ukraine and other countries in accordance with laws.

17. The Institution shall acquire the status of a financial institution since its inclusion into the State Registry of Financial Institutions.

18. The Institution shall be entitled to create and liquidate its business units (branches and representative Institutions) both in Ukraine and abroad, acting under the Regulations approved by the Institution Board, according to the established procedure.

19. The Institution may become a member of associations of legal entities, be a member (founder) of the other legal entities and collective investment institutions in accordance with the laws.

20. The Institution shall engage in foreign economic activities in accordance with laws, purpose and object of its activities specified herein.

### **Institution Property**

21. The Institution property shall be comprised of fixed and current assets and other assets, the value of which is reflected in the Institution financial statements.

22. The Institution property is the state property and is assigned to it under the right of business management. The Institution shall, in accordance with the laws and these Articles, own, use and dispose of its property committing with respect to it any action not contrary to the law, the purpose and object of its activities, subject to limitations and capability of disposing of certain types of property defined by law.

23. The Institution shall not be entitled to dispose of its property free of charge to the other legal entities or individuals, except as provided by law.

24. The sources of the Institution property are:

1) funds transferred to Institution authorized capital, and other property assigned to it;

2) income from financial activities;

3) funds from placement of securities issued by the Institution;

4) securities, mortgage and other assets owned by the Institution and funds from their sale;

5) loans from banks and other financial institutions and international financial institutions;

6) other sources in accordance with the law.

25. Assignment, pledge, write-off of fixed assets owned by the state and assigned to the Institution, and their lease shall comply with the laws. The funds received as a result of assignment of the property used in accordance with the approved budget of the Institution.

### **Institution Authorized Capital**

26. The material and financial basis of the Institution business is its authorized capital formed from funds transferred to the Institution authorized capital.

27. The Institution authorized capital shall amount to UAH 755,659,719.85 (seven hundred fifty-five million six hundred fifty-nine thousand seven hundred and nineteen hryvnias eighty-five kopecks only).

28. The Institution authorized capital can be amended by resolution of the Cabinet of Ministers of Ukraine.

### **Institution Profit. Loss Covering Procedure**

29. The Institution profit shall be an indicator of its financial performance.

30. To cover the unexpected costs and compensate (cover) the eventual losses, the Institution shall create a reserve fund in the amount of at least 25 percent of its authorized capital by annual allocation of at least 5 percent of its net profit remaining at the Institution disposal for the reporting period after payment of all commitments, including the taxes and duties (mandatory payments), which became due.

31. According to the approved budget of the Institution, a part of its profit remaining after the annual deduction under paragraph 30 hereof by decision of the board can be directed to replenish the other funds established by the Institution under the law, these Articles and internal documents of the Institution.

32. The losses from economic activities of the Institution shall be reimbursed by the reserve fund, and in the event of their lack, in the manner prescribed by its board and approved by the supervisory board.

### **Institution Management**

33. The Institution governing bodies are the supervisory board and the management board.

34. Supervision of operations and financial stability of the Institutions and its compliance with the business goal shall be the responsibility of the supervisory board within its jurisdiction.

35. The Supervisory Board shall be formed by the Cabinet of Ministers of Ukraine and operate under these Articles and Regulation on the supervisory board approved by the Cabinet of Ministers of Ukraine.

The procedure of formation and quantitative composition of the Supervisory Board shall be determined by Regulation on the supervisory board.

Organizational support of convocation and holding of meetings of the supervisory board shall be the responsibility of the Institution management board.

36. For the purpose of internal control and audit, the Institution shall form an internal audit function reporting to the supervisory board.

Internal audit function is an operational control authority of the Institution supervisory board and operates in accordance with regulations approved by the supervisory board.

37. The costs associated with activities of the supervisory board and internal audit function of the Institution shall be covered by the Institution funds.

38. The Board is the executive body of the Institution engaged in current management of its activities and responsible for the Institution performance.

39. The Board shall be accountable to and controlled by the Cabinet of Ministers of Ukraine and the supervisory board within the limits set hereby.

The management board shall consist of a chairman, deputy chairman and other board members appointed and dismissed in accordance herewith.

The number of the management board members with the Chairman is five (5) persons.

The Board Chairman shall be appointed and dismissed by the Cabinet of Ministers of Ukraine on submission of the Prime Minister of Ukraine.

The Deputy Chairmen shall be appointed and dismissed by the Cabinet of Ministers of Ukraine on submission of the Board Chairman; other members of the management board and the chief accountant shall be appointed and dismissed by the board chairman in agreement with the supervisory board.

40. The procedure of operation and decision-making by the management board shall be defined by these Articles and Regulations on the Management Board, approved by the supervisory board.

The management board meeting shall be competent if attended by a majority of its members.

The management board decisions shall be made by a simple majority of its members attending the meeting. In the case of a tie vote, the Chairman shall have a casting vote.

41. The jurisdiction of the management board shall include:

1) addressing the issues of economic activities, financing, financial accounting, drafting statements, performance of transactions and other issues of the Institution business in accordance herewith;

2) approval of the Institution documents within the powers defined by these Articles and Regulations on the Management Board;

3) submission of draft documents the supervisory board to be approved or ratified by it, preparation of issues to be considered or discussed at the supervisory board meeting;

4) enforcement of the supervisory board decisions;

5) making a decision on the issue of securities in accordance with the parameters approved by the supervisory board;

6) initiation of a decision on amending these Articles;

7) deciding in accordance with laws on establishment, reorganization and liquidation of branches and representative offices of the Institution;

8) deciding on commitment of transactions (other than transactions of mortgage loan refinancing meeting the uniform standards and transactions during the initial placement of securities). In the case of transactions to an amount equal to or exceeding 10 percent of the balance sheet assets as of the last reporting date, this decision shall be made in agreement with the supervisory board;

9) deciding, based on the stock-taking findings, to write off the tangible assets from the balance of the Institution determined according to the laws as fixed assets (facilities) not suitable for further use, obsolete, physically worn out, damaged by accident or natural disaster, not subject to restoration or registered as a shortage as a result of a stock-taking according to the established procedure;

10) approval of the Institution symbols in agreement with the supervisory board;

11) submission of proposals to determine the interest rates of refinancing the mortgage loans to the supervisory board for approval;

12) consideration of materials based on the results of audits and reports of the heads of branches and representative offices of the Institution on their performance;

13) consideration of annual financial statements of the Institution and their submission to the supervisory board for approval;

14) drawing up the list of confidential information and information constituting a trade secret;

15) approval of regulations on business units (branches, representative offices) of the Institution;

16) deciding on joining the association of legal entities by the Institution, its participation in other legal entities and collective investment schemes;

17) deciding on distribution of the Institution profit and losses in agreement with the Supervisory Board;

18) determination of the terms and conditions of remuneration and material incentives for the Institution employees;

19) determination of the Institution organizational structure;

20) approval of the procedure of formation and use of funds generated by the Institution in agreement with the supervisory board;

21) performance of the other functions, including those delegated under the laws by the founder and supervisory board.

42. The Board Chairman shall, within its powers, manage the Institution operations and be responsible for performance of the Institution tasks.

The Board Chairman shall acting on behalf of and in the interests of the Institution without a power of attorney and represent the Institution in state and local government, in relations with other legal entities and citizens, shall have the right of first signature of all financial and business documents of the Institution.

In the case of a temporary absence of the Board Chairman during vacation, illness, etc., its functions shall be performed by one of its deputies on the basis of the order of the Board Chairman, or failing the order issue, by the Board decision.

43. The Board Chairman shall, within its powers:

- 1) manage the daily operations of the Institution and issue administrative documents mandatory for all employees of the Institution;
- 2) decide on bringing of the Institution employees to the disciplinary responsibility;
- 3) decide on commitment of transactions to refinance the mortgage loans meeting the uniform standards and transactions during the initial placement of securities;
- 4) manage the Institution property to the extent permitted by law and these Articles;
- 5) assign duties to the board members, including the deputy chairmen, preside over the board meetings and sign the minutes of such meetings;
- 6) appoint the board members (except for the deputy board chairmen) and chief accountant of the Institution subject to approval by the supervisory board;
- 7) appoint and dismiss the employees of the Institution, heads of branches and representative offices, and decide on advanced training of employees;
- 8) approve the Institution manning table;
- 9) initiate the convocation of an extraordinary meeting of the supervisory board;
- 10) report to the supervisory board on the Institution performance;
- 11) issue a power of attorney on behalf of the Institution to represent its interests to the third parties, and made deeds on behalf of the Institution;
- 12) be responsible for the formation and implementation of the Institution strategy and budget, timely payment of taxes, duties, and fees based on the Institution performance;
- 13) conclude a collective labor agreement;
- 14) perform the other functions in accordance with the law and these Articles.

### **Institution Accounting and Reporting**

44. The Institution shall keep accounts and other records of its business performance in accordance with the law.

45. The financial results of the Institution economic activities shall be determined based on the annual financial statements.

46. The Institution shall ensure submission of statistical information and financial statements to the state statistics bodies to the extent and within the period provided by law.

47. The Institution shall keep record of its transactions and submit reports in accordance with the law and these Articles.

### **Institution Termination**



48. The Institution shall be terminated through its reorganization or liquidation. The Institution shall be terminated by decision of the Cabinet of Ministers of Ukraine, and in the cases determined by law – by the court.

49. The Institution shall be terminated by a relevant commission formed in the manner prescribed by law. From the date of the relevant committee appointment, it shall assume the powers to manage the Institution affairs.

50. The assets remaining after satisfaction of creditors' claims shall be used by decision of the Cabinet of Ministers of Ukraine.

51. The Institution termination shall be deemed completed, and the Institution shall be deemed terminated from the date of entering of a relevant record into the Unified State Registry of Legal Entities, Individual Entrepreneurs and Community Groups.

(The Articles of Association as amended by resolutions of the Cabinet of Ministers of Ukraine dated September 30, 2009 N 1068, dated January 27, 2010 N 61, dated March 24, 2010 N 278, dated September 29, 2010 N 876, dated October 11, 2010 N 912, dated March 28, 2012 N 256, dated June 18, 2012 N 543, dated June 03, 2013 N 391, as amended by resolution of the Cabinet of Ministers of Ukraine dated August 18, 2017 N 616)

APPROVED by resolution of the Cabinet of  
Ministers of Ukraine dated July 17, 2009 N  
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## **REGULATIONS**

### **on the Supervisory Board of the State Mortgage Institution**

1. These Regulations defines the legal status, powers, procedure of formation, rights and duties of members, and procedure of organizing the work of the Supervisory Board of the State Mortgage Institution (hereinafter - the Institution).
2. The Supervisory Board of the State Mortgage Institution (hereinafter - the Supervisory Board) shall be formed by the Cabinet of Ministers of Ukraine and consist of a chairman, its deputy and six members.
3. The Supervisory Board shall include representatives of the Secretariat of the Cabinet of Ministers of Ukraine, Ministry of Economic Development, and may include the representatives of the National Bank, SSMNC, and Natskomfinposluh, as may be agreed.

(Item 3 as amended by resolution of the Cabinet of Ministers of Ukraine  
dated March 28, 2012 N 256)

4. The Supervisory Board members shall perform their duties on a voluntary basis and may not be employed by the Institution.
5. The competence of the Supervisory Board shall be determined by the Institution Articles of Association and these Regulations.
6. The Supervisory Board shall supervise the Institution property management, its compliance with the purpose of its activities, implementation of the Articles provisions, monitor the Institution financial stability and its compliance with laws, in particular by:
  - 1) approval of the Institution strategy and budget;

(Paragraph 1 of item 6 as amended by resolution of the Cabinet of Ministers of Ukraine dated  
August 18, 2017 N 616)

- 2) approval of the Institution Board decision on commitment of transactions to an amount equal to or exceeding 10 percent of the balance sheet assets as of the most recent reporting date (except for transactions to provide financial loans, including the refinancing of mortgage loans meeting the uniform standards and transactions related to initial placement of securities);
- 3) hearing of quarterly reports of the Institution chairman on its performance and, when required, extraordinary reports or explanations on certain issues of Institution business, as well as internal audit function reports;
- 4) approval of requirements for the Institution external auditor;
- 5) approval of reporting schedules for the internal audit function, review of reports and findings of internal and external auditors, and, when required, appointment of an extraordinary audit of the Institution;

- 6) review of the Institution rating results performed in due course;
- 7) approval of the Institution symbols;
- 8) approval of requirements for mortgage loans and securities issue options;
- 9) approval of the Institution annual financial statements;

(Paragraph 9 of item 6 as amended by resolution of the Cabinet of Ministers of Ukraine dated August 18, 2017 N 616)

- 10) approval of interest rates for mortgage loan refinancing;
- 11) approval of appointment and dismissal of the board members (except the deputy board chairmen) and chief accountant by the Institution Board Chairman;

(Paragraph 11 of item 6 as amended by resolution of the Cabinet of Ministers of Ukraine dated August 18, 2017 N 616)

- 12) approval of regulations on the Board and internal audit function of the Institution;

(Paragraph 12 of item 6 as amended by resolution of the Cabinet of Ministers of Ukraine dated August 18, 2017 N 616)

- 13) approval of the terms, conditions and amount of wage of the chairman, deputy chairmen and other board members, as well as the chief accountant of the Institution;

- 14) approval of the procedure of formation and use of funds generated by the Institution;

(Paragraph 14 of item 6 as amended by resolution of the Cabinet of Ministers of Ukraine dated August 18, 2017 N 616)

- 15) consideration of the other matters related to the Institution activities on the initiative of the Institution chairman and performance of the other functions in accordance with the law and these Articles.

7. The Board Chairman shall, pursuant to its authority:

- 1) organize the work of the supervisory board, and oversee the implementation of its work plan;
- 2) distribute responsibilities among the supervisory board members;
- 3) convene meetings of the supervisory board and preside over them;
- 4) approve the agenda of the supervisory board meetings;
- 5) report annually to the Cabinet of Ministers of Ukraine on the supervisory board performance, results of financial and economic activities of the Institution and steps taken to achieve the goal of its business.

In the case of a temporary absence of the supervisory board chairman during vacation, illness, etc., its duties shall be performed by the deputy chairman.

(Item 7 was supplemented with a new paragraph by resolution of the Cabinet of Ministers of Ukraine dated August 18, 2017 N 616)

8. The Supervisory Board members shall:

- 1) personally participate in the supervisory board meetings and notify the chairman in advance on their failure to attend the same;
- 2) comply with the set rules of distribution and preservation of confidential information and information constituting the trade secrets, which became known to them in connection with his acting as a supervisory board member.

9. The supervisory board members shall be entitled to:

- 1) promptly receive reliable and full information on the Institution activities, review the Institution documents and receive their copies;
- 2) submit proposals to the agenda of the supervisory board meeting;
- 3) initiate convocation of an extraordinary meeting to the supervisory board chairman;
- 4) express a dissenting opinion in the case of disagreement with decision of the supervisory board, especially in writing.

10. The powers of the supervisory board member shall be terminated in the event of:

- 1) its submission of an application for resignation;
- 2) its default or improper performance of its duties;
- 3) its inability to perform its duties because of illness or a court ruling declaring him incompetent or missing and in the event of its death.

These powers shall also be terminated in other cases provided for by law.

11. The form of the supervisory board operation shall be meetings held at least once a quarter. The supervisory board meeting shall be competent in cases where it is attended by the majority of its members.

The agenda of the supervisory board meeting shall be approved by its chairman. In the absence of the supervisory board chairman at the meeting, it shall be chaired by its deputy.

The board members shall be notified of the meeting of the Institution supervisory board in writing at least five days before the meeting. The Institution supervisory board members shall confirm their attendance at the meeting within two business days.

12. The supervisory board decisions shall be made by open vote by a simple majority of members attending the meeting and recorded in the minutes. In the case of a tie vote, the chairman shall have a casting vote.

The dissenting opinion of a supervisory board member shall be enclosed to the decision in writing and form an integral part hereof.

The supervisory board members may attend the meetings of the Institution board in an advisory capacity.

13. In some cases, by decision of the supervisory board chairman, the meetings may be held by poll. In this case, the board members shall be sent a list of questions indicating the deadline for submission of a reasoned response in writing.

The decisions made by poll shall be recorded in minutes with responses enclosed. The minutes shall be signed by Institution supervisory board chairman.

14. The decisions made by the supervisory board on the matters within its competence shall be binding on the supervisory board members, management board and employees of the Institution.

15. Monitoring of enforcement of decisions made taken by the supervisory board shall be the responsibility of the supervisory board chairman or deputy chairman of the supervisory board on its behalf.

16. Organizational support of convocation and holding of the supervisory board meetings shall be the responsibility of the Institution management board.

APPROVED by resolution of the Cabinet of Ministers of Ukraine dated July 17, 2009 N 768 (as amended by decree of the Cabinet of Ministers of Ukraine dated April 5, 2017 N 228-r)

## **COMPOSITION**

### **of the State Mortgage Institution Supervisory Board**

SHKURAKOV Vasyl Oleksandrovysh	- Director of Debt Policy Department of the Ministry of Finance, chairman
DMYTRENKO Inna Leonidivna	- First Deputy Director of the Financial and Economic Development Department of the Secretariat of the Cabinet of Ministers of Ukraine, Deputy Board Chairman
ASTASHEV Yevhen Viktorovych	- Director of the Department for Management of State Enterprises and State Corporate Rights of the State Property Fund
KASIYANYK Anatoliy Vasyliovych	- Director of Financial Department of the Ministry of Regional Development
LIVYI Ivan Zenoviyovych	- Deputy Director of Economic Policy and Macroeconomic Forecasting Department, Head of Financial Markets Administration of the Ministry of Economic Development

NEVINCHANYI Ihor Serhiyovych - Deputy Director of the Department for Regulation and Supervision of Credit Institutions - Head of the Division for Monitoring of Regulations Impact, Control and Analysis of the Measures of Influencing at the Credit Institutions Market of Natskomfinposluh (as agreed)

PANCHENKO Oleksandr Serhiyovych - SSMNC member (as agreed)

STRYNZHA Oleh Volodymyrovych - Director of Financial Controlling Department of the National Bank (as agreed)

(composition as amended by decrees of the Cabinet of Ministers of Ukraine dated December 02, 2009 N 1453-r, Dated January 13, 2010 N 86, as amended by decree of the Cabinet of Ministers of Ukraine dated July 07, 2010 N 1351-r , as amended by decrees of the Cabinet of Ministers of Ukraine dated January 12, 2011 N 13-r, dated December 21, 2011 N 1284-r, dated November 19, 2012 N 980-r, dated April 22, 2013 N 259-r, as amended by orders of the Cabinet of Ministers of Ukraine dated August 20, 2014 N 741-r, dated June 15, 2015 N 594-r, dated April 05, 2017 N 228-r)