CHANGES APPROVED
Protocol 1
General meeting of participants of the Charity organization "Community Foundation "Sumy"
From November 9, 2016

REGULATIONS

CHARITY ORGANIZATION

"COMMUNITY FOUNDATION "SUMY"

(NEW EDITION)

Ukraine, Sumy, 2016

Article I. TERMS

1.1. CHARITY ORGANIZATION "COMMUNITY FOUNDATION "SUMY" (hereinafter referred to as "the Fund") is established in accordance with the Law of Ukraine "On Charitable Activities and Charitable Organizations" as a charity. The fund is not intended to profit.

1.2. The Fund operates on the basis of the legislation of Ukraine and this Statute.

1.3. The Fund has the status of a legal entity since its state registration. The Fund acquires property and personal non-property rights on its own behalf undertake obligations, is a party to courts and arbitration courts in Ukraine and in jurisdictions of other states.

1.4. The Fund has separate property and an independent balance. The Fund opens accounts in national and foreign currencies in banks in accordance with the procedure established by law.

1.5. The Fund has a seal containing its full name, stamps and letterheads, symbols and other details, the samples of which are approved by the permanent executive body of the Fund.

1.6. The fund has the full name:

in Ukrainian - БЛАГОДІЙНА ОРГАНІЗАЦІЯ “ГРОМАДСЬКИЙ ФОНД “СУМИ”;

in English - CHARITY ORGANIZATION "COMMUNITY FOUNDATION" SUMY ".

1.7. The Fund has a short name:

in Ukrainian - "Громадський фонд "Суми";

in English - COMMUNITY FOUNDATION "SUMY".

Article II. GOAL AND OBJECTIVES OF FOUNDATION

2.1. The Foundation was founded in order to carry out charitable activities in the economic, social, security and cultural interests of the Sumy community. and other entities identified by the authorized management bodies of the Fund.

2.2. In order to achieve its purpose, the Fund fulfills the following main tasks in accordance with the procedure established by law:

- participation in the development and implementation of local, regional, national and international programs, projects and measures aimed at improving the quality of life of the residents of Sumy.
- provision of financial assistance to public organizations and initiative groups and individuals for the implementation of projects useful for the Sumy community, as

well as assistance in the provision of such assistance from individuals and legal entities, international organizations.

- material and financial support of residents of Sumy and Sumy region during the execution of their tasks of state importance (including military ones).
- development of cultural and artistic environment, promotion of philanthropic activity, support of talented youth, academic and contemporary art.
- participation in advisory bodies, public discussions, consultations, examination of normative legal acts, as well as monitoring and evaluation activities related to the purpose and objectives of the Fund.

2.3. The Fund operates exclusively within the framework of programs approved by the authorized management body of the Fund.

2.4. The Foundation has no right to provide charitable assistance to political parties or on behalf of political parties, as well as to participate in election campaigning.

2.5. The Foundation conducts charitable activities in the form of providing specific services (performance of works) that are subject to mandatory certification or licensing, after such certification or licensing in accordance with the procedure established by the legislation of Ukraine.

2.6. The Fund is a non-profit organization.

Article III. PARTICIPANTS OF THE FUND. RIGHTS AND OBLIGATIONS PARTICIPANTS. TERMINATION OF PARTICIPATION

3.1. The participants of the Fund may be full-fledged capable individuals who support the purpose of the Fund's activities.
3.2. A natural person wishing to become a member of the Fund personally submits a corresponding application to the Chairperson of the Board of the Fund.
3.3. The Board of the Fund decides on admission to the participants, or the refusal to accept the participants upon submission of the Chairperson of the Board of the Fund.
3.4. Each participant of the Fund has the right to submit in writing to the Chairperson of the Board of the Fund, a written application for termination of participation no later than 30 days before the date of such termination.
3.5. The General Meeting decides to terminate participation in the event:
1) Repeated violation of the requirements of the Charter;
2) Committing acts or inaccuracies that are incompatible with the purpose and objectives of the Fund or which cause the Fund significant material or non-material damage.
3) Non-participation in the activities of the Fund for more than six months.
3.6. The Board of the Fund approves the forms specified in this article and makes the corresponding entries in the register of participants of the Fund. The Board shall announce

in writing any decisions regarding participation in the Fund no later than 10 working days after the adoption of the relevant decisions.
3.7. The participants of the Fund have the right:
1) To elect and be elected to the management bodies of the Fund, except in cases specified in the charter;
2) To participate in the statutory activities of the Fund, temporary and permanent subsidiary bodies.
3) Apply to the management bodies of the Fund with requests for statutory activities and receive written explanations.
4) Make proposals and applications for consideration by the Fund's management bodies.
5) Submit to the Supervisory Board the decisions, actions or omissions of the management bodies connected with the termination of participation, rights, and obligations of the participants within two months after the participant has learned or should have learned about the indicated decisions, actions, and inactivity.
6) Have free access to decisions of the authorities, reports and other information on the Fund's activities.
7) To freely suspend participation in the Fund.
8) Have other rights, approved by the decisions of the management bodies of the Fund.
3.8. The participants of the Fund are obliged:
1) Comply with the requirements of the Charter and decisions of the governing bodies related to the implementation of the tasks of the Fund.
2) Assist the Fund in the accomplishment of its tasks, including through participation in charitable activities.
3) Promote the Fund's ideas, objectives, tasks, and activities.
4) Comply with the requirements of the Fund management bodies regarding the procedure and conditions for the use of information that is recognized as confidential.
5) Submit to the management bodies the information necessary for the performance of statutory tasks.

Article IV. GOVERNING BODIES OF THE FUND

4.1. The Fund's management bodies are:
1) The supreme governing body - the General Meeting.
2) Permanent governing body - the Board.
3) Chairperson of the Board.
4) Administrative-Executive Body – The Executive Directorate headed by the Executive Director of the Fund.
5) Supervisory Authority - Supervisory Board.
4.2. The powers of the members of the management bodies of the Fund may be suspended or terminated at any time on the grounds of:
1) A written application.

2) The decision of the management body in the event of the loss of the ability to perform duties during more than two regular sessions of the body.
3) The decision of the Supervisory Board in any cases where the exercise of such powers causes property or non-property damage to the Fund.
4.3. Each member of the governing body acts in a personal capacity and has one vote of approval.
4.4. If separate members of the management body have written before the meeting about the impossibility of taking personal participation in the meeting, they have the right to vote using the means of communication (telephone, e-mail, Internet, etc.).
4.5. In the case of a decision making, by conducting a written poll, members of the management body are required to confirm in writing the results of personal voting or refusal of voting within a term not exceeding three working days after receipt of the relevant question.

Article V. GENERAL ASSETS OF THE FUND

5.1. All participants in the Fund or their representatives (for legal entities) may participate in the General Meeting. Representatives of participants cannot be members of the Board or employees of the Fund.
5.2. Regular General Meetings are convened by the Board at least once during the calendar year. The Board in writing informs all participants about the time and place of their conduct no later than 10 working days before the General Meeting.
5.3. The Management Board convenes an extraordinary General Meeting on the basis of its own decision, as well as the written request of the Supervisory Board or at least 20% of the participants of the Fund. The Board informs all participants of the Fund in writing about the time and place of the Extraordinary General Meeting not later than 10 working days after the relevant decision has been made or a written request for their convocation has been received. Supervisory Board or participants of the Fund, in the case of non-fulfillment.
5.4. The Board of this requirement, in writing, notify the participants of the Fund about the time and place of the Extraordinary General Meeting in accordance with the Charter on its own.
5.5. Extraordinary General Meetings should be convened no later than 30 days after the date of dispatch of the written notification specified in clause 5.3 of the Statute. The Extraordinary General Meeting may consider only those issues specified in the notice of their convocation.
5.6. The General Meeting has the right to make decisions that are not related to convening an Extraordinary General Meeting if they are attended by a majority of the Fund's members entitled to vote at the General Meeting or by their representatives.

5.7. Decisions of the General Meeting shall be adopted by an open vote by a simple majority of the participants of the Fund or their representatives who participate in the voting unless the General Meeting determines otherwise.
5.8. The decision to amend the Statute, the alienation of property for an amount equal to not less than 25% of the value of the assets of the Fund, the withdrawal and replacement of the members of the Board, as well as about the reorganization or liquidation of the Fund, shall be adopted by a majority of 3/4 votes of persons entitled to vote in the General Meeting, or by their representatives.
5.9. The exclusive powers of the General Meeting include:

- Approval of amendments to the Statute.
- Election personnel of the Supervisory Board and Board.
- Approval of the rules of procedure of the General Meeting;
- Approval of the Regulations on the Supervisory Board and Management Board.
- Approval of the main directions of the Fund's activities.
- Approval of annual balance sheets, budgets, financial statements, as well as reports on the implementation of charitable programs and the targeted use of the property of the Fund.
- Approval of decisions on the participation of the Fund in associations or other associations or the termination of such participation.
- Approval of decisions on reorganization or liquidation of the Fund.

5.10. The General Meeting has the right to consider any other matters of the Fund's activity or to authorize the management bodies for their consideration unless otherwise provided by the Statute.

Article VI. THE BOARD OF THE FOUNDATION

6.1. The Management Board is the permanent governing body of the Fund's management, consisting of not less than five members (except for the first Board of Directors appointed by the Founders and consisting of 3 members). Employees of the Fund cannot be members of the Board, except for the Chairperson of the Management Board.
6.2 In its activities, the Board is guided by the Regulations on the Board, and before its approval by the General Assembly, this Statute. The term of office the Statute of the Management Board defines the terms of office, the procedure for convening meetings and decision-making, interprets the notion of conflict of interest with respect to the members of the Board and regulates other aspects of its activities.
6.3. The first composition of the Management Board, including the Chairperson of the Management Board, is appointed by the Founders. The first composition of the Management Board performs its functions until the General Meeting adopts a decision on the election of a new Management Board.
6.4. The Chairperson of the Board shall convene the Board of Directors at least once every three months. At the written request of a member of the Management Board or Supervisory

Board, the Chairperson of the Management Board shall convene an extraordinary meeting within 10 working days.

6.5. The Chairperson of the Board opens and leads the Board meeting. For the refusal or absence of the Chairperson, the meeting is opened and headed by the Deputy Chairperson of the Management Board.

6.7. If a member of the Board submits a written application for termination of authority, in which the number of members of the Board becomes less than specified in clause 6.1 of the Statute, the Management Board shall appoint a new member for a term for the approval or replacement of such a member by the General Meeting, but not more than for six months.

6.8. The Board is empowered to decide if the majority of the members are present. Decisions are made by a majority of the votes of those present at the meeting unless the Management Board determines a qualified majority by a separate decision.

6.9. The exclusive powers of the Board include:

- Approval of charitable programs of operational activities, determination of specific tasks and forms of activity of the Fund.
- Approval of policies, rules, and procedures governing the ongoing activities of the Fund.
- Ensuring the implementation of decisions of the General Meeting and the Supervisory Board of the Fund.
- Management of the property of the Fund, delegation to other bodies and individuals of individual powers to manage the property of the Fund.
- Approval of rules for the attraction and use of the property of the Fund;
- Submission of annual plans, budgets, balances, and reports for approval by the General Meeting.
- Making decisions regarding the creation and termination of separate units of the Fund, as well as its enterprises, institutions, and organizations.

Article VII. THE CHAIRPERSON OF THE BOARD OF THE FOUNDATION

7.1. The Chairperson of the Management Board is the highest official of the Fund, who is elected by the General Meeting of the Fund for a term of two years and manages its current activities in accordance with the legislation, the Charter, the Regulations on the Board, as well as decisions of the Fund's management bodies.

7.2 The Chairperson of the Management Board has the following authority:

- Ensuring the implementation of decisions of the Fund's governing bodies.
- Representing the Fund without a power of attorney in state authorities, local self-government bodies, courts, as well as in relations with other persons in Ukraine and other states.
- Accepts applications for membership in the organization.

- Appoint a deputy and issue a power of attorney to other persons for legal actions on behalf of the Fund.
- Enter into contracts, perform other transactions on behalf of the Fund.
- Open and close the Fund accounts in banks, other financial institutions, sign bank, and other financial documents.
- Approve staffing, accept and dismiss employees of the Fund, organize their work, issue orders, instructions and instructions binding on the employees of the Fund.
- Serve as chairperson of the General Meeting of the Fund.
- Decide on other current issues of the Fund's activities and carry out other administrative functions aimed at fulfilling the tasks of the Fund.

Article VIII. EXECUTIVE DIRECTION. EXECUTIVE DIRECTOR OF THE FUND

8.1. In order to ensure the implementation of decisions of the governing bodies of the Fund and the solution of current tasks, the Executive Directorate is created by the Administrative-Executive Body. The work of the Executive Directorate is managed by the Executive Director of the Foundation. The Executive Director of the Fund is appointed by the Board of the Fund.

8.2. CEO:

- Forms, in agreement with the Chairperson of the Management Board, the personal composition of the Executive Directorate.
- Sign financial and economic documents as an official of the Fund.
- Conclude contracts and other agreements with legal entities and individuals on behalf of the Fund.
- Open accounts in banking institutions.
- Issues orders and orders within its authority.
- Carry out the current control of the activities of the Organization, ensure timely acceptance of management decisions agreed with the Board of the Fund.
- Develop and ensure the implementation of the current plans of the organization based on its strategic objectives.
- Represents the Foundation in its relations with state authorities and local self-government, enterprises, institutions, non-governmental organizations, and commercial organizations both in Ukraine and internationally.
- Develops projects, initiates and organizes project ideas development.
- Coordinates and controls the implementation of strategic plans, functions, and budget.
- Hires and dismisses, upon agreement with the Chairperson of the Fund's Board, staff members of the Fund.
- Serves as a secretary at the General Meeting of the Fund.

8.3. Carries out operational and economic management of the property and funds of the Fund within the powers granted to him or her by the Fund's Board.
8.4. Carries out the work of the Fund and ensures the keeping of the documentation of the Fund.
8.5. Carries out other powers given to him or her by the Board or the Chairperson of the Board of the Fund.

Article IX. Supervisory Board of the Fund

9.1. The Supervisory Board is the controlling body of the Fund. The membership of the Supervisory Board may not be less than five persons.
9.2. The first composition of the Supervisory Board, including the Chairperson of the Supervisory Board, is appointed by the Founders. Members of the Supervisory Board perform their duties before the General Meeting adopts a resolution on their elimination or adoption by the Supervisory Board of their decision to replace them or resign due to the loss of ability to perform their duties in accordance with the Statute.
9.3 Members of the Supervisory Board may be citizens of Ukraine and foreign citizens. Members of other governing bodies of the Fund may not be members of the Supervisory Board. Members of the Supervisory Board may participate in meetings of the Board with the right of an advisory vote.
9.4. The Chairperson of the Supervisory Board will convene regular meetings of the Supervisory Board once a year. At the written request of the Board or a member of the Supervisory Board Chairperson.
Convenes an extraordinary meeting of the Supervisory Board within ten working days.
9.5. The Supervisory Board is empowered to decide if the majority of its members are involved in voting. The Supervisory Board decides by simple majority if the laws or decisions of the Supervisory Board do not require a qualified majority.
9.6. The task of the Supervisory Board is to monitor the current activities of the Fund's management bodies. In order to exercise its powers, the Supervisory Board has the right to obtain documents necessary for its work from the governing bodies and to initiate the convening of the General Meeting for consideration of issues within its competence.

Article X. SOURCES OF FINANCING AND PROCEDURE FOR USE OF FUNDS AND FUND'S MONEY

10.1. The Fund may have the right to own other property rights in respect of movable and immovable property (including land, residential and non-residential premises, and vehicles), funds in national and foreign currencies, intangible assets and other property not prohibited by law and facilitates activities, Fund.
10.2. The Fund has the right to conclude, in relation to the property and funds held in its ownership, any agreements that do not overlap with its statutory goals and legislation of Ukraine.

10.3. Funds for the formation of assets and funds of the Fund:

- at the expense of contributions of funds or property that are received free of charge or in the form of irrevocable financial assistance from founders and other benefactors.
- At the expense of voluntary donations, including charitable contributions, donations, wills and other contributions of individuals, legal entities provided in cash and in kind.
- Income from passive income of the Fund, including charitable donations, mass events, charity lotteries and charity auctions for the sale of property and donations from benefactors.
- Income in the form of grants or subsidies received from state or local budgets, state trust funds, or within technical or charitable, including humanitarian aid;
- Charitable donations and donations of a targeted nature provided by natural and legal persons in cash and in-kind.
- By purchasing funds, property, vehicles, foodstuffs, and materials through the trade system, legal entities and private individuals (including foreign ones) at the expense of the Fund's funds for cash and non-cash accounts.
- At the expense of international technical assistance, grants from international donors.
- at the expense of other sources not prohibited by the legislation of Ukraine.

10.4. The foundation of the property and funds of the Fund cannot be loans.
10.5. The property and funds of the Fund cannot be subject to pledge.
10.6. The size of the administrative expenses of the Fund cannot exceed 20% of the Fund's income in the current year. The expenses related to the management of charitable entanglements are included in the administrative expenses of the Fund unless otherwise provided by law or the transaction between the Fund and the benefactor.
10.7. Any income of the Fund cannot be distributed among the members of the organization, employees (except for the payment of labor and the payment of a single social contribution), members of the governing bodies and other persons associated with them.
10.8. Additions (profits, revenues) are used exclusively for the Fund's maintenance (administrative expenses) and fulfillment of the statutory objectives of the Fund (program costs).

Article XI. CONTROL, ACCOUNTING, AND REPORTING

11.1 The Fund and its established enterprises, institutions and organizations conduct operational and accounting, submit statistical, financial and other reports, register in state bodies and institutions specified by law, and make payments to the budget and target state funds in the order and in amounts prescribed by the legislation.

11.2. The Fund periodically, but not earlier than once a year, publishes reports on the structure and size of income and expenditure. As well as the conditions and directions for the use of his income and property for charitable purposes.

11.3. The economic activity of the Fund is fixed by financial and other obligatory reporting in accordance with the procedure established by law.

11.4. The Fund carries out economic activity aimed at fulfillment of its statutory goals and tasks for the formation of sources of estimates of the beneficiary in the form of charitable contributions of individuals and legal entities.

11.5. The Fund is independent in matters of business decision-making, the definition of payment conditions for employees of the Fund's staff, use of its own financial and material resources in accordance with the requirements of Ukrainian legislation. The Fund may lease premises, equipment, tools, vehicles with organizations, enterprises, institutions and citizens (including foreign ones) with appropriate reimbursement to owners of costs for their use or free of charge, with the consent of the parties. The Fund has the right to sell, exchange, loan and provide for free use of its property and funds to other enterprises, organizations, partnerships, and citizens.

11.6. Subject to the implementation of long-term programs, the use of funds is carried out in accordance with the terms defined by these programs.

11.7. The Fund is a charitable organization that exists only for funds or property that are received free of charge, or in the form of irrevocable financial assistance and voluntary donations, and is exempted from the payment of taxes and other payments to the budget and special funds in accordance with the legislation of Ukraine.

11.8. The Fund makes financial statements for accounting purposes, taking into account the approved procedures by the Board of the Fund.

11.9. Financial activities of the Fund.

- The Fund records on separate bank account funds for economic and charitable activities both in national and foreign currencies.
- The procedure for opening and maintaining the bank accounts of the Fund shall be established by the National Bank of Ukraine.
- The financial activities of the Fund are carried out in accordance with the requirements of the Ukrainian legislation.
- Revenue from the Fund's financial activities is directed exclusively to the statutory purpose (charity and maintenance of economic activity).
- Profit gained from financial activities cannot be distributed among founders, members, employees of the Fund and other related persons.

Article XII. INTERNATIONAL ACTIVITY OF THE FUND

12.1. The Fund has the right to conduct international activities on the basis of current regulations. International charitable activities are carried out through participation in international charitable projects, participation in the work of international charitable organizations, as well as in other forms that are not

contradict the legislation of Ukraine, norms, and principles of international law.
12.2. In order to carry out international activities, the Fund has the right to enter into international treaties, receive international technical and financial assistance, and, in accordance with the established procedure, to second-off staff members of the Fund and its members.

Article XIII. IMPLEMENTING CHANGES TO THE STATUTE

13.1. All changes and replenishment to this Statute are valid only if they are executed in writing, approved by the General Meeting and registered in accordance with the procedure established by law.
13.2. Amendments and additions to this Statute, made in accordance with the procedure provided for by this Statute, shall come into force from the date of their approval by the General Meeting.
13.3. The changes made to the statutory documents shall be communicated to the registration authority within a 5-day period.

Article XIV. TERMINATION OF THE FUND

14.1. The termination of the Fund may be by way of its merger, division, adherence or liquidation in accordance with the legislation of Ukraine.
14.2. The reorganization is carried out on the basis of the decision of the General Meeting on the merger, joining or division of the Fund. The General Meeting defines the successors of the Fund to which, in accordance with the procedure established by law, a set of rights and obligations of the Fund is transferred. The legal successors of the Fund cannot be juridical persons whose purpose is profit making.
14.3. Voluntary liquidation of the Fund is carried out on the basis of the decision of the General Meeting, which determines the procedure and terms for such liquidation in accordance with the legislation of Ukraine.
The Board of the Fund performs the functions of the liquidation commission of the Fund if the General Meeting does not appoint another body.
14.4. The liquidation commission carries out the functions of managing the Fund's affairs from the date of its appointment. The liquidation commission acts in the courts and performs other actions on behalf of the suspended Fund.
14.5. Assets, assets and other assets of the Fund in the event of liquidation (merger, division, combination, transformation) cannot be redistributed among the participants of the Fund but must be transferred to one or more non-profit organizations of the corresponding type or credited to budget revenues.
14.6. The grounds and procedure for the forced liquidation of the Fund and the imposition of penalties on its assets (property) are determined by the legislation of Ukraine.
14.7. The Fund is suspended from the date of entry of the corresponding entry into the Unified State Register.

Chairperson of the Board

A.V. Tovstukha