

## II. THE EQUITABLE TREATMENT OF SHAREHOLDERS

*The corporate governance framework should ensure the equitable treatment of all shareholders, including minority and foreign shareholders. All shareholders should have the opportunity to obtain effective redress for violation of their rights.*

№	OECD Principle	Current Legislation of Ukraine
A.	<b>All shareholders of the same class should be treated equally.</b>	<p>All simple registered shares of a company are equal in scope of shareholders' rights and amount of dividends paid on those.<sup>1</sup></p> <p>All shareholders irrespective of the number and class of shares owned by them<sup>2</sup></p>
1.	<p>Within any class, all shareholders should have the same voting rights.</p> <p>All investors should be able to obtain information about the voting rights attached to all classes of shares before they purchase.</p> <p>Any changes in voting rights should be subject to shareholder vote.</p>	<p>Voting at the general shareholders' meeting is done by the principle: one share one vote<sup>3</sup></p> <p>Constituent documents are not a commercial secret. Companies are obligated to file the specified data with State executive authorities, regulators and law enforcement authorities, other legal entities in accordance with current legislation on demand<sup>4</sup></p> <p>Exclusive powers of the general shareholders' meeting include making changes to the company charter<sup>5</sup></p> <p>The company charter should contain information on classes of shares issued, their par value, correlation among shares of different classes, the number of shares purchased by the founders, consequences of non-</p>



		fulfillment of obligations to purchase shares, period and procedure of paying a portion of the profits (dividends) once a year based on the results of the calendar year <sup>6</sup>
2.	Votes should be cast by custodians or nominees in a manner agreed upon with the beneficial owner of the shares.	The agent is obligated to act in accordance with direction of his principal. The agent shall be entitled to diverge from this direction, if circumstances dictate so in the interest of the principal and the agent could not have asked the principal in advance or did not receive a timely answer to his query <sup>7</sup>
3.	Processes and procedures for general shareholder meetings should allow for equitable treatment of all shareholders.  Company procedures should not make it unduly difficult or expensive to cast votes.	Voting at the general shareholders' meeting is done by the principle: one share one vote <sup>8</sup>  Powers of the general shareholders' meeting include approving rules of order and other bylaws of the company <sup>9</sup>
B.	<b>Insider trading and abusive self-dealing should be prohibited.</b>	no
C.	<b>Members of the board and managers should be required to disclose any material interests in transactions or matters affecting the corporation.</b>	Information about participation of company officials in cooperatives, small enterprises, unions, associations and other business organizations are not a commercial secret. Companies shall be obligated to file the specified data with State executive authorities, regulators and law enforcement authorities, other legal entities in accordance with current legislation on demand <sup>10</sup>

<sup>1</sup> State privatization program for 2000-2002, approved by Law of Ukraine "On State Privatization Program" of 18 May 2000 № 1723-III, para 138



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<sup>2</sup> Law of Ukraine “On Business Companies” of 19 September 1991, № 1576-XII, Art. 41, sect. 1

<sup>3</sup> *ibid.*, ст. 44., ч. 1

<sup>4</sup> Resolution of the Cabinet of Ministers of Ukraine “On Types of Information Which Is Not a Commercial Secret” of 9 August 1993, № 611

<sup>5</sup> Law of Ukraine “On Business Companies” of 19 September 1991, № 1576-XII, Art. 41, sec. 5, para. б), sect 6

<sup>6</sup> *ibid.*, page 37

<sup>8</sup> Law of Ukraine “On Business Companies” of 19 September 1991, № 1576-XII, Art 44, sec. 1

<sup>9</sup> *ibid.*, ст. 41, ч. 5, п. ж)

<sup>10</sup> Resolution of the Cabinet of Ministers of Ukraine “On Types of Information Which Is Not a Commercial Secret” of 9 August 1993, № 611

