JOINT STOCK COMPANY "NEXENT BANK"

APPROVED
By the decision of the Supervisory Board
JSC "NEXENT BANK"
Protocol No09-26
dated June 29, 2026.
Chairman of the Supervisory Board
JSC "NEXENT BANK"
A.F. Erbil

Regulations on the Internal Audit Department

Kyiv, June 2026

Table of Contents

1. GENERAL PROVISIONS ____ 3
2. PURPOSE AND MANDATE OF IAD ____ 4
3. GENERAL PRINCIPLES OF IAD OPERATION ____ 4
3.1. Independence and objectivity ____ 4
3.2. Powers and responsibilities of the IAD ____ 5
3.3. Integrity and ethics ____ 6
3.4. Qualifications, experience and competence ____ 6
4. AREAS OF ACTIVITY ____ 7
4.1. Assurance Services ____ 7
4.2. Consulting services ____ 8
5. STATUS AND ORGANIZATION OF IAD ACTIVITIES ____ 8
5.1. Organizational structure ____ 8
5.2. IAD Status ____ 8
5.3. Budget of IAD. ____ **Error! Bookmark not defined.**
5.4. Ensuring independence and objectivity. ____ 9
6. QUALIFICATION, APPOINTMENT AND DISMISSAL OF IAD EMPLOYEES ____ 10
7. FUNCTIONS. ____ 10
8. RESPONSIBILITY ____ 12
9. DUTIES OF IAD EMPLOYEES ____ 12
10. RIGHTS ____ 15
11. AUDIT PROCESS (GENERAL REQUIREMENTS) ____ 16
12. IAD STRATEGY ____ 24
13. Outsourcing of individual internal audit tasks ____ 25
14. Internal Audit Quality Assurance Program ____ 26
15. Links with other departments/divisions and external parties ____ 27
16. Final provisions ____ 27

1. GENERAL PROVISIONS.

The Regulation on the Internal Audit Department of NEXENT BANK JSC (hereinafter referred to as the Bank) defines the standards of activity, responsibilities and requirements for the organization of the Internal Audit Department (hereinafter referred to as the IAD) and its functioning in the Bank. The purpose of this document is to define the role, principles, organization, tasks and processes of internal audit to ensure the effective functioning of the internal audit function in the Bank.

This means that internal audit activities are based on the identification of risks and must comply with international and national standards to ensure high quality performance of their functions.

This Regulation was developed on the basis of the norms of the current legislation, in accordance with the Law of Ukraine "On Banks and Banking", other legislative acts and regulations of the National Bank of Ukraine, namely:

- Law of Ukraine "On Banks and Banking" No. 2121-III of 07.12.2000;
- Regulation on the Organization of Internal Audit in Ukrainian Banks and Banking Groups, approved by NBU Resolution No. 311 dated 10.05.2016;
- Regulation on the Organization of the Internal Control System in Ukrainian Banks and Banking Groups, approved by NBU Resolution No. 88 dated 02.07.2019;
- Regulation on the Organization of the Risk Management System in Ukrainian Banks and Banking Groups, approved by NBU Resolution No. 64 dated 11.06.2018;
- Law of Ukraine "On Prevention and Counteraction to Legalization (Laundering) of Proceeds from Crime, Financing of Terrorism and Financing of Proliferation of Weapons of Mass Destruction" of 06.12.2019 No. 361-IX (as amended
- the Bank's Charter;
- Orders, orders of the Bank, regulatory documents and other internal documents of the Bank;
- Global Internal Auditing Standards
- The Group's Internal Audit Manual and Nexent NV Code of Ethics;

Timing.

Bank	JSC "NEXENT BANK", acting in accordance with the legislation of Ukraine, registered at the address: 01024, Ukraine, Kyiv, Shovkovychna str., 42-44;
Parent bank	Nexent Bank N.V., registered in Amsterdam, the Netherlands;
Supervisory Board	Supervisory Board of the Bank
Board	the Management Board of the Bank;
Audit Committee	Audit Committee of the Bank
Head of the Internal Audit Department	Head of the Bank's Internal Audit Department;
Head of the Internal Audit Team	Head of Internal Audit Nexent NV;
NBU	National Bank of Ukraine

The content of this Regulation shall be brought to the attention of all managers and employees of the Bank and posted on the Bank's website for familiarization by all interested parties of the Bank. All employees of the IAD must be familiar with this Regulation under their personal signature.

2. PURPOSE AND MANDATE OF IAD.

2.1. The internal audit is an independent function responsible for reviewing and evaluating organizational measures and controls. The internal audit function is an objective and independent evaluation function that reviews and evaluates systems, processes and controls. Internal audit is organized in such a way as to increase the value of the organization and achieve an improvement in its performance. Internal audit helps the organization achieve its goals by taking a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and management processes.

2.2. The objective of the internal audit function is to enhance and protect the value of the organization by providing objective assurance, recommendations and adequate assessment based on a risk-based approach. The internal audit function contributes to the achievement and maintenance of good governance and control, as well as the achievement of its business goals and objectives by evaluating the functioning and effectiveness of business departments/divisions, risk management and compliance. The main objective of the internal audit function is to provide all levels of management and other stakeholders with sufficient, relevant and useful information to help them verify this:

- achievement of the organization's goals;
- compliance with laws, regulations, policies, procedures and treaties;
- asset protection;
- operational efficiency and effectiveness, risk management, compliance, control and management processes;
- reliability and integrity of financial and operational information.

2.3. The Supervisory Board of the Bank mandates the IAD to independently and objectively carry out assurance and advisory services aimed at assessing and improving the effectiveness of the Bank's corporate governance, internal control, risk management and other processes.

In order to fulfill its mandate, the IAD has the right to direct and unrestricted access to the Supervisory Board, the Management Board of the Bank, all employees, documents, information systems, assets and premises of the Bank to the extent necessary to perform its functions.

The Supervisory Board ensures the independence of the internal audit unit, its proper resource provision, access to information and conditions for the effective performance of the tasks assigned to it. All employees of the Bank are obliged to provide the internal audit unit with the necessary information and contribute to the performance of audit tasks.

Within the mandate given by the Supervisory Board, IAD functions as a permanent independent structural unit of the Bank, separated from operational activities, internal control processes and day-to-day risk management.

In order to ensure the independence and objectivity of its activities, the IAD is directly subordinate to the Supervisory Board of the Bank through the Chairman of the Supervisory Board, has an administrative line of reporting to the Chairman of the Management Board and a functional line of reporting to the Head of Internal Audit of Nexent NV, as well as to the Audit Committee.

The Supervisory Board ensures the organizational status of the internal audit unit necessary for the independent performance of its functions and the implementation of the mandate granted. A detailed list of rights and obligations of the IAD is defined in the following sections of this Regulation.

3. GENERAL PRINCIPLES OF IAD OPERATION.

3.1. Independence and objectivity.

The activities of the IAD are organized within the organizational structure of the Bank in such a way as to ensure its independence from the divisions that carry out operational activities. IAD is subordinate to and accountable to the Supervisory Board of the Bank.

The IAD is independent in the performance of its functions. Independence is ensured, in particular, by the absence of influence on the part of employees or heads of departments whose activities are the object of audit on the planning of audit tasks, the formation of conclusions and the preparation of reports. The right of the Management Board of the Bank to initiate unscheduled audit tasks or special investigations does not limit the independence of the internal audit unit. Such proposals are considered by the Audit Committee and implemented after appropriate approval.

The head of the IAD and internal auditors are obliged to avoid conflicts of interest and maintain an appropriate level of independence and objectivity. In order to effectively perform its functions, the IAD has direct and unlimited access to the Supervisory Board, the Audit Committee and the Management Board of the Bank.

Independence also implies that the remuneration of IAD employees does not depend on the financial results of the activities of the units subject to audit. Threats to independence and objectivity must be continuously identified and evaluated at the level of the individual auditor, the audit assignment, as well as at the functional and organizational levels.

The Head of the Audit Committee is obliged to inform the Audit Committee about existing or potential threats to the independence and objectivity of internal audit activities, as well as about the measures necessary to eliminate or minimize them.

In order to ensure objectivity, the Internal Audit Unit does not participate in the Bank's operational activities and does not perform the functions of internal control of the first or second line of defense. Responsibility for the organization and effectiveness of the internal control system rests with the heads of the relevant structural divisions of the Bank.

IAD employees should not perform functions that are not related to internal audit. To maintain objectivity, the head of the internal audit unit ensures proper rotation of auditors between audit tasks, which helps to avoid the risk of checking the same audited objects for a long time.

Subject to the preservation of independence and objectivity, the internal audit unit may provide consulting services to the management and structural divisions of the Bank within its powers.

The Bank shall protect employees of the Internal Audit Unit from any form of pressure, harassment, discrimination, intimidation or other actions that may affect the independence of their judgment or audit performance.

In case of transfer of an employee from another structural unit of the Bank to the internal audit unit, a transition period is established, which, as a rule, is at least one year. During this period, such an employee is not involved in conducting audit tasks in relation to the activities for which he was previously responsible.

Involvement of employees of other structural divisions of the Bank in the performance of internal audit functions is not allowed, except for the cases when they provide expert support during certain audit tasks. Proposal for outsourcing audit services (Section 13 of this Regulation) submitted for consideration by the Audit Committee and the Supervisory Board for approval.

3.2. Powers and responsibilities of the IAD.

For the proper performance of its functions, the IAD is granted a full, unhindered and unlimited right of access to all structural subdivisions of the Bank, documents, information systems, assets, premises and employees of the Bank to the extent necessary for the performance of audit tasks, subject to compliance with the requirements for confidentiality of information and its proper protection. Such access right is provided on an ongoing basis. At the request of the IAD, the Bank's employees are obliged to provide all the necessary information, documents, explanations, calculations, analytical materials and other information necessary for the performance of audit tasks in a timely manner.

The IAD independently determines approaches to planning and conducting audit activities, allocates available resources, determines the scope of audit procedures, applies audit methods necessary to achieve the objectives of the audit task, and forms independent audit opinions.

To perform its functions, the IAD has the right to receive assistance from the Bank's employees, as well as, in agreement with the Supervisory Board, to involve internal or external experts, consultants and other specialists.

The IAD must receive timely information on:

• significant changes in the Bank's strategy, risk management system, internal control, organizational structure, business processes, information systems, as well as the introduction of new products and services;

• decisions of the Management Board, the Supervisory Board and their committees that may affect the Bank's activities or the performance of the functions of the Supervisory Board;

• the results of external audits, inspections of the National Bank of Ukraine, other regulatory authorities and measures taken based on the results of such inspections;

• cases of fraud, material incidents, violations of the law, internal documents of the Bank or other events that may have a significant impact on the Bank's activities.

The Head of the Internal Audit Office has the right to directly address the Chairman of the Supervisory Board and initiate consideration of issues within the competence of internal audit, including convening an extraordinary meeting of the Supervisory Board or the Audit Committee in accordance with the internal documents of the Bank.

Employees of the Department of Internal Affairs must have the appropriate knowledge, professional skills and competencies necessary for the quality performance of the functions and audit tasks assigned to them. They are obliged to maintain and constantly improve their professional level, as well as to comply with the requirements of the Global Standards on Internal Auditing and the Bank's internal documents. The head of the IAD ensures that the employees of the unit have the necessary qualifications, professional experience and competencies, as well as monitors their application of due professional diligence during planning.

3.3. Integrity and ethics.

Internal auditors are expected to demonstrate the highest level of integrity necessary to ensure the credibility of auditors and their professional judgment.

They are also expected to exemplify compliance with the Bank's Code of Conduct (Ethics) and the IBA Principles of Ethics and Professionalism.

3.4. Qualifications, experience and competence.

IAD employees must have the appropriate qualifications, professional knowledge, experience and competencies necessary to perform the functions assigned to them. They must understand the risks inherent in the Bank's activities, know its business model, goals and strategy, regulations, internal documents of the Bank and generally accepted market practices. Employees of the Department of Internal Affairs should be able to assess the impact of these factors on the Bank's activities and timely inform the management about the identified risks, shortcomings and problematic issues. All employees of the IAD must speak the state language.

IAD employees are obliged to perform their official duties conscientiously, professionally, objectively and impartially, adhering to the principles of honesty, responsibility, professional ethics and due professional diligence. The assessment of the activities of the IAD employees is carried out by the Head of the IAD taking into account the level of professional knowledge, the quality of audit tasks, compliance with ethical principles and professional behavior.

IAD employees must constantly maintain and improve their professional level by undergoing training, self-education, participation in professional events, seminars, trainings, conferences and certification programs. The professional development of IAD employees is a continuous and systematic process and is carried out in accordance with individual development plans and the needs of the unit.

IAD employees are obliged to comply with the approved professional development plans and contribute to increasing the level of their own knowledge, skills and competencies necessary for the effective performance of internal audit functions.

The employees of the IAD are obliged to comply with the requirements of the Bank's Anti-Corruption Program, the Code of Ethics and other internal documents of the Bank. In case of violation of these requirements, they bear disciplinary, administrative or other liability in accordance with the legislation of Ukraine and internal documents of the Bank.

Detailed requirements for the qualifications, experience, professional knowledge and competencies of IAD employees are determined by job descriptions and other internal documents of the Bank.

4. AREAS OF ACTIVITY.

4.1. Assurance Services

IAD provides independent and objective services to provide assurance on the effectiveness of the Bank's corporate governance processes, internal control system, risk management and other processes.

The activities of the IAD include conducting audit tasks aimed at obtaining sufficient and appropriate audit evidence to form an independent assessment of:

• efficiency and adequacy of the internal control system;

• effectiveness of risk management and corporate governance processes;

• compliance of the Bank's activities with the requirements of the legislation of Ukraine, regulations of the National Bank of Ukraine, internal documents of the Bank and applicable professional standards;

• reliability, completeness, timeliness and reliability of financial, management and regulatory reporting;

• efficiency of the use of resources and proper protection of the Bank's assets;

• efficiency of information systems, data processing processes and information security.

The results of assurance activities are communicated to the Supervisory Board, the Audit Committee (if established), the Management Board of the Bank and other interested parties in accordance with the Bank's internal documents and legal requirements.

During the performance of audit tasks, the IAD assesses, in particular:

• organization and effectiveness of the risk management system, including credit, market, interest, currency, liquidity, operational, compliance risk and other material risks;

• the process of determining and adhering to the Bank's risk appetite;

• reliability of models, methodologies and information systems used for risk management;

• effectiveness of internal control and corporate governance systems;

• reliability, integrity and quality of data used by the Bank in the process of management and decision-making;

• compliance with the requirements of the law, regulations of the NBU, internal documents of the Bank and requirements in the field of prevention of money laundering, financing of terrorism and financing of proliferation of weapons of mass destruction.

The IAD covers all significant processes, functions, systems and structural divisions of the Bank, taking into account the risk-based approach and the results of risk assessment.

4.2. Consulting services

Provided that the IAD maintains its independence and objectivity, it can provide advisory services aimed at improving the internal control, corporate governance, risk management and other processes of the Bank.

Consulting services may include the provision of recommendations, conclusions, clarifications and expert support on issues within the competence of the IAD. At the same time, the IAD does not participate in managerial decision-making and is not responsible for the implementation of the proposed recommendations.

The provision of advisory services should not threaten the independence and objectivity of the IAD or limit its ability to carry out assurance activities.

Consultancy tasks are documented separately from assurance audit tasks. Recommendations and comments provided within the framework of advisory services are advisory in nature and are not subject to mandatory further monitoring by the IAD, unless otherwise determined by a separate decision of the Supervisory Board or the Management Board of the Bank.

5. STATUS AND ORGANIZATION OF IAD ACTIVITIES

5.1. Organizational structure

The organizational structure of the IAD is determined by the Supervisory Board of the Bank on the basis of the proposals of the Head of the IAD, taking into account the scale and complexity of the Bank's activities, the volume of its operations, the structure of assets, the number of structural units, the level of automation and digitalization of processes, as well as the nature and level of risks inherent in the Bank's activities.

The number and structure of the IAD should ensure the proper performance of the functions assigned to the department, the achievement of internal audit goals and the coverage of audit activities in all significant areas of the Bank's activities.

In case of changes in the Bank's activities, its organizational structure, business model, risk profile or regulatory requirements, the Head of the IAD initiates a revision of the structure and number of the unit, if necessary. Relevant changes are made at the suggestion of the Head of the IAD and approved by the Supervisory Board of the Bank.

5.2. IAD Status

It works separately from the controls that are an integral part of the organization's various business processes. The IAD assesses the functioning and effectiveness of business departments/divisions, as well as compliance and risk management activities and reports administratively to the Chairman of the Management Board, and functionally to the Supervisory Board/Audit Committee and the Head of Internal Audit of NEXENT NV.
The organizational status of the IAD should ensure its independence, the ability to freely and objectively perform its duties, provide fair and impartial conclusions on the results of the audit, adequate consideration and adoption

of appropriate decisions by the management.
The organizational structure and number of personnel of the IAD are determined by the Supervisory Board and the Audit Committee. The internal audit plan takes into account the size and activities of the Bank, as well as the level of risks to which the Bank may be exposed in the course of its activities.
The internal audit budget determined by the Supervisory Board must be sufficient for the effective organization of the internal audit function and the implementation of the annual internal audit plan.
The staff list of the IAD is approved by the authorized person/management of the Bank in the manner established by the current legislation of Ukraine, the Bank's Charter and other documents of the Bank, upon the submission of the Head of the IAD. Increase or decrease in the number of IAD personnel is approved by the Supervisory Board.
The Supervisory Board, upon the submission of the Head of the IAD, approves the terms of employment contracts, the amount of remuneration, incentive and other compensation payments to the Head of the IAD. The terms of remuneration of IAD employees should not create a conflict of interest or jeopardize the independence and objectivity of the IAD activities, but should contribute to the fact that the IAD is staffed by professional and qualified employees.
The organizational status of the IAD should ensure its independence, the ability to freely and objectively perform its duties, provide fair and impartial conclusions on the results of the internal audit, their proper consideration and appropriate decision-making.

5.3. Budget of IAD.

The IAD forms and submits for consideration the budget necessary to ensure the proper performance of the functions assigned to it and the implementation of the approved audit plan. The budget of the IAD should provide for sufficient financial, technical, informational and personnel support, including the costs of professional training and certification of employees, conducting audit tasks, attracting external experts (if necessary), purchasing and maintaining software, IT equipment and other resources necessary for the effective functioning of the IAD.

The Head of the IAD submits the draft budget for consideration by the Audit Committee, after which the budget is submitted to the Supervisory Board of the Bank for approval. The Supervisory Board ensures the appropriate level of resource provision of the IAD to fulfill its mandate and achieve the goals of internal audit.

5.4. Ensuring independence and objectivity.

The Head of the IAD and the employees of the IAD shall not have the right to participate in the definition and/or implementation of measures to establish an appropriate internal control system in the Bank and in the implementation of transactions or activities subject to their verification, and shall not have the right to sign documents on behalf of the Bank according to which the Bank accepts risks, or to endorse such documents.
The head of the IAD and the employees of the IAD cannot combine their activities with activities in other units/divisions. An employee of the Department of Internal Affairs who previously held a position in another department/unit may not conduct an audit of the activity for which he was responsible for 24 months after the completion of such activity.
The head of the IAD is prohibited from holding positions in another bank.
The final decision on the admission of an applicant to the staff of the IAD is made by the head of the Internal Audit Department, subject to a positive conclusion of the head of the internal audit group and subject to the professional qualification of the applicant for the vacant position.
The procedure for interaction of the IAD with other departments/divisions is fixed in the Group's Internal Audit Manual and the Regulation on the Organization and Conduct of Audits of JSC NEXENT BANK.
Information on cases of obstruction of the IAD in the performance of its functions shall be immediately reported to the Chairman of the Management Board, and, if necessary, to the Chairman of the Supervisory Board.
The objectivity of the conclusions of the IAD employees is achieved, in particular, through periodic rotation. Some internal audits are carried out every year. It is desirable that the internal audit personnel do not participate in the same internal audit for more than four consecutive audits. In such circumstances, participation can be beneficial. In such cases, it is necessary to apply for prior approval to the Head of Internal Audit of NEXENT NV to involve an internal audit employee in the audit. In case of obtaining permission, the Head of the Internal Audit Department explains the conditions under which the audit is carried out in order to ensure the independence and objectivity

of the internal audit employee involved. The Head of the Internal Audit Office and IT Audit staff are exempt from this rotation requirement due to their audit responsibilities, specific knowledge, and/or availability in a geographic region. Nevertheless, if possible, the four-year period will apply accordingly.

6. QUALIFICATION, APPOINTMENT AND DISMISSAL OF IAD EMPLOYEES.

The minimum (basic) requirements for the professional suitability and business reputation of a candidate for the position of head of the Internal Audit Department are established by NBU regulations. The Head of the Internal Audit Department must have a higher education, work experience in the field of auditing for at least 5 years, of which at least three years in banks, meet the restrictions established by Article 45 of the Law of Ukraine "On Banks and Banking" regarding holding positions in other banks, and meet other qualification requirements for professional suitability and business reputation.
The professional suitability of the Head of the Internal Audit Department is defined as a set of knowledge and professional and managerial experience necessary for the proper performance of his/her duties, taking into account the business plan and development strategy of the bank. In particular, the Head of the Internal Audit Department must speak the state language of Ukraine, have a high level of responsibility for his work, be demanding of himself and his subordinates, have business integrity, initiative and discipline.
Mandatory minimum requirements for internal auditors of the Bank:

- profile and level of education - complete higher education;
- knowledge in subject areas;
- legislative acts of Ukraine on banking, regulations governing internal audit in banks, state language, rules for the operation of computer equipment;
- practical experience - at least three years of experience in the banking system;
- high level of responsibility for their work, self-discipline, business honesty, initiative and discipline.

Additional requirements for professional suitability and business reputation may be established by the Head of the Internal Audit Office and indicated in the job description of the internal auditor.
The Head of the Internal Audit Department is appointed and dismissed on the basis of the decision of the Supervisory Board in accordance with the order of the Chairman of the Management Board and with the approval of the Head of Internal Audit of Nexent NV. The candidacy of the Head of the IAD is approved by the NBU.
The head of the IAD takes office after the NBU approves his candidacy. The NBU has the right to demand the replacement of the head if his professional suitability and/or business reputation do not meet the qualification requirements established by the NBU. At the request of the NBU, the bank takes measures to replace such a head. The bank is obliged to agree with the NBU on the decision to dismiss the head of the UMA, except in cases of dismissal at his own will or by agreement of the parties or in case of termination of the employment contract (contract).
All employees of the IAD are subordinate to the head of the IAD. Employees of the IAD are appointed or dismissed by the order of the Chairman of the Board (or a person authorized by him) upon the submission of information by the Head of the IAD and the Head of Internal Audit of Nexent NV. Job descriptions of the IAD are developed on the basis of this Regulation and approved by the head of the IAD.
During the period of temporary absence of the Head of the Internal Audit Department, one of the employees of the Internal Audit Department performs his/her duties at the request of the Head of the Internal Audit Department, who must correspond to the level of professional suitability and business reputation of the Head of Internal Audit, in accordance with the relevant administrative document established by the Bank.

7. FUNCTIONS.

7.1. The IAD performs, in particular, the following functions:

- considers and evaluates the processes that ensure the Bank's activities, including those that carry a potential risk and are carried out by the involvement of legal entities and individuals on a contractual basis (outsourcing);
- checks the availability, assesses the effectiveness and adequacy of the Bank's risk management systems, internal control, management processes, compliance of these systems and processes with the types and volumes of transactions carried out, including the prevention of the use of the banking system for money laundering/terrorist financing;

- considers the process of assessing capital adequacy, liquidity level and means of ensuring the safety of assets, taking into account the risks of the Bank;
- check the correctness and reliability of accounting, information, financial and other reports prepared by the Bank, their completeness and timeliness of submission, including to the NBU, state authorities and governing bodies that supervise the Bank's activities within their competence;
- independently assesses the control system implemented by the Bank's management, in particular, compliance by the Bank's managers and employees providing banking and other financial services with the requirements of the legislation of Ukraine, including NBU regulations, and the Bank's internal regulations, the fulfillment of professional duties and rules established by the Bank's Charter and internal documents, including compliance and risk management;
- identification and analysis of violations by the Bank's employees of the requirements of the current legislation of Ukraine, professional standards and internal regulations governing the Bank's activities;
- timely elimination of deficiencies identified by the NBU and other state bodies that supervise the Bank's activities within their competence;
- independently assesses the reliability, efficiency and integrity of the bank's information systems and processes management (including relevance, accuracy, completeness, availability, confidentiality and complexity of data);
- analyzes the financial and economic activities of the bank;
- assess the effectiveness and sufficiency of the Bank's business recovery plan (if any);
- evaluates the activities of the risk management and compliance function, the committees established by the Bank, and the quality of risk reports submitted to the Supervisory Board and the Management Board;
- identifies and checks cases of abuse of authority by the Bank's officials, as well as conflicts of interest in the Bank;
- develops proposals and recommendations for eliminating the identified shortcomings and violations, minimizing risks, improving the quality and efficiency of the corporate governance system, preventing actions that may lead to violation of the requirements of the law;
- monitor violations and deficiencies identified by the IAD, as well as the implementation of recommendations and proposals provided by the IAD (Internal Audit Support);
- develops an annual internal audit plan and a multi-year internal audit plan, if a decision is made on the need for the latter;
- develops internal audit programs;
- prepares internal reports, including on the implementation of the annual internal audit plan and reports on the work of the IAD to the NBU;
- participates in audits of the Bank's subsidiaries;
- organizes the improvement of the quality of IAD;
- participates in internal investigations, including at the request of the Audit Committee/Supervisory Board;
- provides consulting services, at the request of the Management Board and/or the Audit Committee of the Supervisory Board, in the absence of a threat to independence and performs other functions provided for by the legislation of Ukraine. Consulting services are provided by the IAD only if the employees of the IAD have the necessary competence (knowledge, skills and other abilities necessary to perform the task in whole or in part) and only if there is an unused limit of the time reserve provided by the Supervisory Board. The request for consulting services must be documented. The internal auditor who provided the consulting services is not entitled to re-evaluate this consulting service within one year from the date of issuance of the evaluation report. If internal auditors are going to provide consulting services related to activities for which they were previously responsible, they must disclose potential irregularities to the party requesting services before accepting the assignment. If the internal audit function is to provide assurance services where it has previously provided advisory services, the head of internal audit must confirm that the nature of the advisory services does not affect objectivity and must allocate resources in such a way as to manage individual objectivity. Assurance tasks regarding the functions for which the head of internal audit is responsible must be supervised by an independent party outside the internal audit function.
- If the IAD does not have personnel with the qualifications and skills necessary to perform a specific audit task, the Head of Internal Audit may decide to outsource the audit (full execution by external service providers) or to share it (engage an external service provider as a manager or member of the audit team together with the IAU staff). This decision should be discussed with the Audit Committee/Supervisory Board and Head of Internal Audit of Nexent NV. In case of involvement of an external service provider, the Head of the IAS is responsible for ensuring that the internal auditor fulfills its obligations under this Regulation effectively and efficiently, and

that its activities comply with the requirements of the Global Standards and the Code of Ethics. An external service provider, engaged on the basis of joint or outsourcing, signs a written commitment not to disclose or use information containing banking or trade secrets in the interests of itself or third parties.

- To ensure that the internal audit function collectively has the competencies to provide internal audit services, the head of the IAD should continuously assess the level of competencies of internal auditors and use this knowledge in the distribution of tasks, identifying training needs and hiring internal auditors for open positions. participate in the evaluation of the effectiveness of internal auditors.

8. RESPONSIBILITY.

8.1. The head of the IAD is responsible for:

- organization of the work of the IAD in compliance with the Global Standards;
- ensuring sufficient qualifications and skills of internal auditors;
- development and implementation of an annual internal audit plan based on risk assessment and reporting on the implementation of the plan, taking into account proposals and tasks received from the Audit Committee (if established)/Supervisory Board and/or the Management Board;
- quality of assessment of the effectiveness of the internal control system; continuous monitoring of internal audit activities and periodic evaluation of internal audit activities and development of a program for ensuring and improving the quality of internal audit; development of internal regulatory documents regulating the activities of the IAD;
- reporting to the NBU in accordance with the requirements of the Regulation on the Organization of Internal Audit in Ukrainian Banks, approved by the NBU Board Resolution dated 10.05.2016. No. 311 (as amended).

8.2. The duties and responsibilities of employees are established in accordance with the current legislation of Ukraine and internal regulatory documents of the Bank, and are defined in more detail in the Job Description of each employee.

8.3. IAD employees are responsible, in particular, in the following cases:

- non-fulfillment and improper performance of their official duties provided for by their job descriptions, within the limits established by the current labor legislation of Ukraine;
- non-compliance/violation of the requirements, instructions, provisions of the NBU, internal documents of the Bank and the current legislation of Ukraine, requirements of internal audit standards, principles of the Code of Ethics and provisions related to the activities of IAD, for inaccurate reporting, other initial information, and/or untimely provision of information within its competence;
- disclosure of banking and commercial secrets, personal data and other confidential information that became known to them during their employment and after termination of employment with the Bank;
- committing an offense in the course of its activities within the limits established by the current administrative, criminal and civil legislation of Ukraine;
- causing material damage, failure to preserve property provided for the performance of functional duties within the limits established by the civil and labor legislation of Ukraine, including failure to preserve the Bank's property provided for the performance of functional duties;
- violation of the rules of the current internal labor regulations, for violation of the norms and rules on labor protection and fire safety in accordance with the current legislation of Ukraine;
- unauthorized and/or unlawful actions regarding the processing of personal data and/or disclosure of personal data that became known to them during the performance of their labor duties.

9. DUTIES OF IAD EMPLOYEES.

9.1. IAD employees are obliged to:

- timely and efficiently perform the tasks and duties defined by this Regulation and provided for by the employee's job descriptions;
- comply with the requirements of the legislation of Ukraine, regulations of the National Bank, internal regulations, organizational and administrative documents of the Bank, and the requirements of international standards and principles of the Code of Ethics for Internal Auditors;
- comply with the regime of protection and disclosure of banking and commercial secrets, as well as confidential information, the procedure for processing and protecting personal data, confidentiality in its activities and the activities of the IAD. Upon appointment to the position, the Head of the Internal Audit Department and the employees of the Internal Audit Department give a written undertaking not to disclose information about the

Bank's activities and to maintain bank secrecy in accordance with the requirements of the current legislation of Ukraine;

- to provide consulting and methodological assistance on issues related to the Bank's financial and economic activities in terms of the internal control system and minimization of banking risks, including in the planning process, at the stage of development and implementation of new products, projects, processes, systems and other issues within the competence of the IAD.
- to comply with the rules of labor and executive discipline, rules and regulations on labor protection and fire safety;
- timely inform the risk management service about operational cases/incidents in its area of responsibility and ensure the provision of information on detected cases of operational risk in accordance with internal regulations;
- be truthful, accurate, understandable, open and respectful in all professional relationships and communication, even when expressing skepticism or offering the opposite point of view. Internal auditors should not make false, misleading or misleading statements, and should not conceal or neglect observations or other pertinent information in communications. Internal auditors must disclose all material facts known to them that, if not disclosed, may affect the organization's ability to make informed decisions;
- must understand, respect, conform to, and promote the legitimate and ethical expectations of the organization, and must be able to recognize behaviors that are contrary to those expectations.

9.2. In addition to the above, IAD employees are obliged to:

- keep at its disposal the Bank's resources, including, but not limited to: material resources, entrusted documents, seals, stamps;
- comply with the rules of permissible use of the Bank's resources, including hardware and software complexes, e-mail and means of communication, removable media, remote access to information resources;
- comply with the requirements for the security of the use of the Bank's resources and confidential storage of codes, keys and passwords for access to information resources;
- adhere to the "clean desktop and clean screen" policy;
- in case of using the Bank's resources, protect them in accordance with the Information Security Policy and other information security documentation;
- protect information resources from unauthorized access, disclosure, alteration, destruction or interference;
- inform the immediate supervisor and the information security department about known or suspected cases of information security violations;
- notify the immediate manager of any incidents related to the violation of physical security, or about possible events or other risks to the security of the Bank;
- inform the Compliance Department of any circumstances that may lead to bribery, corruption, conflict of interest, any personal transactions with financial instruments and other incidents that may adversely affect the reputation of the Bank;
- monitor and supervise the effectiveness of the risk management system by inspecting the risk management status at all levels of the system;
- assess the compliance of risk management processes with the regulatory requirements of internal regulations and the NBU;
- assess the compliance of internal methodologies, algorithms, methods and approaches used in the processes of identification, identification, assessment, monitoring and management of risks with the goals and objectives set by the Supervisory Board for Risk Management;
- assess the effectiveness of compliance with internal risk management requirements in the course of activities by all departments/divisions and bodies of the Bank;
- independently assess the system of internal control established by the Bank's management over employees' compliance with the NBU regulations, the Bank's internal regulations on the procedure for providing banking and other financial services, the Bank's internal documents on financial monitoring, the effectiveness of management actions, the Bank's activities, including those carried out by the Bank with the involvement of legal entities and individuals on a contractual basis (outsourcing), as well as other activities;
- to check the availability and assessment of the complexity, efficiency and adequacy of the internal control system, its compliance with the types and volumes of operations carried out by the bank, changes in the bank's business model, its macroeconomic and business environment;
- make proposals to improve the effectiveness of the risk management system, including its compliance with the types and volumes of the Bank's operations and the internal control system;

- to verify the effectiveness of the measures taken by the Bank to correct violations and deficiencies identified by the IAD;
- initiate submission of reports on the results of inspections to the Audit Committee (if established)/Supervisory Board, Management Board and heads of departments, including on ensuring compliance with the requirements of the legislation of Ukraine on the prevention of money laundering/terrorist financing;
- initiate recommendations to the heads of departments on taking measures to avoid and prevent actions that may lead to the Bank's violation of the requirements of the legislation of Ukraine, and monitor the completeness and timeliness of the implementation of recommendations made based on the results of previous inspections;
- determine the areas of potential losses, favorable conditions for fraud, abuse and misappropriation of the Bank's funds based on the results of the audit and notify the Audit/Supervisory Board and the Management Board in accordance with the established procedure;
- ensure the safety and timely return of documents received from departments/divisions;
- not to participate in the creation and organization, including jointly with departments/divisions, of any activities and processes that ensure the Bank's activities or are perceived as affecting the impartiality and objectivity of internal auditors, the development of internal documents of the Bank (except for cases when internal auditors provide consulting services provided by the internal audit function), not to approve such documents;
- to improve their knowledge, skills and other abilities through continuous professional development.

9.3. The head of the IAD, in particular, is obliged to:

- demonstrate managerial and leadership qualities, as well as have a sufficient qualification level of knowledge and skills, and constantly improve them;
- prepare work plans for the internal audit function based on a risk-based approach, taking into account proposals and tasks received from the Audit Committee (if established)/Supervisory Board or Management Board, and ensure their implementation;
- conduct unscheduled audits, if it is agreed with the Audit Committee (if it is established)/Supervisory Board;
- ensure the continuous operation of the IAM in accordance with this Regulation, the Regulation on the Organization and Conduct of Audits, the Global Standards and the principles of the Code of Ethics for Internal Auditors;
- to ensure the proper, sufficient and effective use of the RMA resources for the implementation of the annual internal audit plan;
- ensure that the IAD is staffed with qualified staff with the necessary skills, including the ability to effectively and professionally assess the Bank's activities and exert influence at the highest level of the Bank's management;
- determine the audit policies and procedures used by internal auditors to conduct audits, in accordance with the requirements of the Bank's internal audit documents and Global Standards;
- prepare a report on the implementation of the annual internal audit plan and submit it for consideration by the Audit Committee (if it is established) and approval to the Supervisory Board no later than the last day of the first month of the year following the reporting year, with confirmation of the organizational independence and independence of the IAD;
- ensure the submission of reports on the results of inspections to the heads of departments/divisions, the Management Board and the Audit Committee/Supervisory Board for them to take appropriate organizational (corrective) measures. Audit reports containing an assessment of the audited processes, observations and comments of internal auditors, as well as recommendations for eliminating the identified deficiencies;
- submit to the Audit Committee (if established)/Supervisory Board (at least once every six months) a report on the state of implementation, including non-compliance, by the Management Board and heads of departments of recommendations (proposals) to eliminate violations and deficiencies identified during the audit;
- in the event of circumstances that prevent the IAU from performing its duties, interference of the Bank's officials in the activities of the IAU, identification of the level of risk unacceptable for the Bank's activities, notify the Supervisory Board in writing so that it can make appropriate decisions or take measures;
- monitor the quality of the UMA's activities on an ongoing basis and develop and maintain a program for ensuring and improving the quality of the Bank's internal audit in accordance with the requirements of the Global Standards, ensuring periodic (at least once a year) reporting to the Audit Committee/Supervisory Board and the Management Board on its implementation by reviewing and approving the report on the work of the IAA for the reporting period;

- to provide continuous professional training and education of internal auditors;
- develop and maintain a system of control over the implementation of recommendations (proposals) provided by the Bank's managers based on the results of audits, and prevent conflicts of interest;
- prepare and submit to the NBU the Report on the work of the IAD (no later than the 15th day of the month following the reporting period) and other documents based on the results of the Bank's internal audit;
- notify the NBU in writing about any distortions in the Bank's financial statements, violations and deficiencies in the Bank's activities, as well as about any events in the Bank's activities that may adversely affect the solvency, safety and reliability of the Bank, if the Bank's Management Board has not taken timely measures to eliminate these violations and shortcomings, and the Audit Committee (if established)/the Supervisory Board of the Bank has not considered the appeal of the Head of the IAA regarding the inaction of the Bank's Management Board and has not taken appropriate measures based on the results of consideration of this appeal;
- inform the Audit Committee (if it is established)/the Supervisory Board, if the Management Board
- accepted a level of risk that exceeds the level of risk appetite of the organization or risk tolerance (risk elimination is not included in the duties of the head of the Internal Audit Department.
- ensure, within the limits of its powers, ongoing cooperation with external auditors, public authorities, and governing bodies that supervise the Bank's activities within its competence, including the NBU.

10. RIGHTS.

The rights and obligations of the IAD employees are determined based on its main tasks and functions defined by this Regulation.

IAD employees have the right to:

- receive information and materials from units/subdivisions, including those stored on electronic media, oral and written explanations of the activities necessary for the employees of the UA to perform the tasks and functions specified in this Regulation and their Job Description;
- to involve employees in the activities carried out by the IAD in coordination with the management of the units in order to perform the tasks and functions determined by this Regulation and their Job Description;
- access and use of the banking automation system:
  - databases and other information from the bank's primary documents;
  - software used to automate processes in the bank's operations, including financial monitoring;
  - financial, statistical, managerial and other types of reporting;
  - inventory materials of the bank and documents of commissions established in the bank (if any);
  - documents of the bank's governing bodies, including those on the implementation and operation of risk management, corporate governance and internal control systems;
  - other documents of the bank required for audits (audits);
  - access to all premises, including those used for storing documents, cash and other valuables;
  - make copies of documents submitted for inspection, including copies of files of any information stored on electronic media and necessary for the inspection (inspection);
  - use information resources;
  - participate in the development of IAD documents;
  - make requests to other departments/divisions and other organizations to perform assigned tasks.

10.1. The Head of the Internal Audit Department has the right, in particular:

- make proposals to the Audit Committee/Supervisory Board (regarding conducting a scheduled audit), initiate (if necessary) an unscheduled audit, discuss the audit results and conclusions with the Audit Committee/Supervisory Board, the Management Board, heads of departments;
- to demand an extraordinary meeting with members of the Supervisory Board;
- initiate a meeting with any official of the Bank;
- Initiate the involvement of employees of other departments in the internal audit;
- Receive written explanations from managers and employees on issues that arise during the internal audit and its results;
- submit to the Audit Committee and/or for approval by the Supervisory Board the calculation of the need for UMA resources, as well as report on any restrictions;
- send requests to other organizations and institutions or third parties to obtain the necessary information and documents related to the audit (inspection);

- express its opinion, including at the request of the Board, on issues related to risky activities and internal control;
- participate without the right to vote in meetings of the Supervisory Board, Management Board, and committees of the Bank;
- to get acquainted with information and documents, including those stored on electronic media, of any subdivision, written explanations on the activities of the bank, affiliates of the bank.

11. AUDIT PROCESS (GENERAL REQUIREMENTS).

This section defines the general principles and minimum requirements for the organization and conduct of audit activities in the Bank. A detailed description of internal audit procedures, documentation requirements and the procedure for performing audit tasks is defined in in the Regulation on the organization and conduct of audit inspections at JSC «NEXCENT BANK».

Audit tasks are performed by the IAD employees in accordance with the approved audit plan or on the basis of a separate decision of the Supervisory Board, the Audit Committee or the Head of the IAD. To perform the audit task, the Head of the IAD appoints the head of the audit task and, if necessary, members of the audit team. Each audit task is properly supervised and quality controlled.

The audit task, as a rule, begins with the official notification of the audited object about the beginning of the audit. In order to ensure effective interaction and proper understanding of the audit objectives, the IAD may hold a constituent meeting with representatives of the audited object, during which the purpose, scope, timing of the audit and other organizational issues are discussed.

At the stage of planning the audit task, the IAD carries out a preliminary analysis of the activities of the audited object, risk assessment and determines the audit approach. Based on the results of planning, the audit program is approved, after which the implementation of audit procedures begins.

After the completion of the field stage of the audit, the IAD summarizes the results of the audit, forms audit conclusions and prepares a draft audit report. The draft report is discussed with representatives of the audited entity in order to verify the actual accuracy of the conclusions and agree on a plan of corrective measures to eliminate the identified shortcomings and implement recommendations.

After the approval procedure is completed, the IAA holds a final meeting with the management of the audited object and issues the final audit report. The IAD monitors the implementation of the agreed measures and regularly informs the Bank's governing bodies about the status of implementation of the recommendations.

The duration of the audit assignment is determined taking into account its complexity, scale and level of risk. As a rule, planned audit tasks are performed within the period specified by the audit program.

The results of audit tasks and information on the status of implementation of recommendations are provided to the Audit Committee (if established), the Supervisory Board and the Management Board of the Bank in the manner determined by the Bank's internal documents.

A detailed description of the stages of the audit process, requirements for documentation and quality control of audit activities is determined in the Regulation on the organization and conduct of audit inspections at JSC «NEXCENT BANK».

Audit cycle (universe)

IAD forms and maintains the current Audit Universe, which covers all significant areas of the Bank's activities, including business processes, functions, structural units, information systems, projects, risks, products, as well as activities carried out with the involvement of third parties on an outsourcing basis.

The object of the audit can be any process, function, system, structural unit, project, type of activity or other element of the audit universe that is important for achieving the Bank's goals and risk management.

Planning of the activities of the IAD is carried out on the basis of a risk-based approach and the results of risk assessment. For this purpose, the IAD develops a multi-year audit plan, which, as a rule, covers a three-year period, unless another period is determined by the decision of the Supervisory Board of the Bank.

The multiannual plan is reviewed and updated at least once a year, taking into account changes in the Bank's strategy, business model, risk profile, organizational structure, regulatory environment and the results of previous audit tasks.

The IAD ensures adequate coverage of the audit universe during the audit cycle, taking into account the level of

risk, materiality and priority of individual audited objects. Objects with a high level of risk may be included in the annual audit plan more often, including annually, if it is justified by the results of risk assessment, requirements of legislation, regulations of the National Bank of Ukraine, or decisions of the Supervisory Board of the Bank.

The annual audit plan is formed on the basis of the results of risk assessment and approved by the Supervisory Board of the Bank.

11.1. Annual audit plan (risk-based planning)

The annual audit plan is developed by the IAD on the basis of an annual risk assessment and taking into account the long-term audit cycle.

When conducting a risk assessment, in particular, the following are taken into account:

- the Bank's development strategy and business goals;
- the Bank's risk profile and the results of risk management processes;
- changes in the organizational structure, business processes, products and information systems;
- results of previous audit tasks, inspections of the NBU, external auditors and other control functions;
- regulatory requirements and expectations of the Supervisory Board, the Audit Committee, the Management Board of the Bank and other interested parties;
- available resources of the IAD.

The risk assessment methodology, the procedure for forming the Audit Universe and the preparation of the annual audit plan are determined by the internal documents of the IAD and approved by the Supervisory Board of the Bank.

The annual audit plan is approved by the Supervisory Board of the Bank and revised in case of significant changes in the Bank's activities, its risk profile or the external environment.

Planning of the work of the IAD is carried out in several stages.

The first stage **is the collection of information.**

The IAD asks departments/divisions for the following information: what new services have been introduced recently or are planned to be introduced next year; if organizational changes have taken place or are planned; a list of employees who stand and resign, staff turnover and changes in management; information on the commissioning of new IT systems; areas of activity that have been given increased regulatory attention, significant changes in Ukrainian legislation, including regulations, etc. It also examines complaints, operational risk incidents, internal investigation materials, risk assessment results, internal audit results, inspections by external regulatory authorities, etc. The Head of the Internal Audit Department holds a number of meetings with heads of departments/divisions and members of the Management Board to discuss their vision of the bank's risks, wishes and expectations from internal audit in the plan year.

The second stage is risk analysis and assessment.

The IAD focuses on those areas that are exposed to a higher level of risk and/or where the level of risk increases due to inadequate internal control systems. Risk assessment is carried out by determining a list of parameters, options for their quantitative assessment and the share of the influence of each parameter on the overall assessment.

The parameters of risk assessment include: the complexity of the transaction, its importance; a large amount of possible penalties; share in the balance sheet/number of transactions; sufficiency of regulation (external/internal); availability of information about official abuses/other violations in work; the effectiveness of the internal control system; competence, responsibility of the head and employees of the inspected units/divisions; date and results of the previous audit; good accounting (accounting/tax/management); level of automation; and other factors. The Head of the Internal Audit Department determines the completeness of the application of the above parameters in the analysis process.

For each of the potential audit objects, the final score is calculated as the sum of points for each of the parameters of the audited object, weighted by the weight of the impact of each parameter on the overall assessment of the object.

The third stage is the preparation of a draft internal audit plan, the allocation of RMA resources and

the implementation of the planning results.

In order to form a list of audit objects that, taking into account the risk-based approach, should be checked, first of all, whether the items that scored the highest scores according to the results of the analysis are taken into account.

The human resources required to carry out the audit are calculated for each facility. The scope of the audit is determined based on the objectives of the internal audit. The frequency of audits is determined by risk assessments inherent in each area of audit activity, with due regard to the human resources (and their competencies) provided to IAD by the Supervisory Board and the Management Board.

In the annual planning of the work of the UMA, the Head of Internal Audit also provides for a time reserve (the amount of which is specified in the materials for the approval of the annual internal audit plan) for conducting unscheduled inspections. Internal auditors can use the IAD time reserve in the following areas:

- provision of consulting services;

- conducting unscheduled audits of the Bank's activities initiated by members of the Supervisory Board and/or the Chairman of the Management Board and/or the Head of Internal Audit.

This margin of time is also taken into account in the preparation of the draft internal audit plan and the calculation of the free limit of human resources of the IAD.

Analyzing the collected information (but not limited to), taking into account the Bank's strategy, current and future business plans, priorities and directions of business development set out in them, the structure and size of the risks taken, the volume and conditions of activity, as well as the wishes of the members of the Supervisory Board, a draft annual internal audit plan for the first and second half of the year was developed. The professional judgment of the auditor is used to make a final decision on the list of audit objects that should be included in the annual work plan of the UMA.

The results of the analysis must be documented in any form (at the discretion of the Head of the Internal Audit Department).

The Head of the Internal Audit Department submits the developed internal audit plan for consideration and approval by the Supervisory Board of the Bank in a timely manner.

The approved annual internal audit plan may be amended during the year, which is agreed, revised and approved in the same manner as the approval of the annual internal audit plan.

Unscheduled internal audits using the provided time reserve must be carried out without the threat of violating the terms of scheduled control procedures, otherwise the issue of the need to amend the annual internal audit plan is submitted by the head of internal audit for consideration by the Supervisory Board.

11.3. Planning an audit assignment

Each audit task is planned and executed in accordance with the risk-based approach, the requirements of the Bank's internal documents and the methodology of the IAD.

As a rule, before the start of audit procedures, the IAD informs the audited object about the audit task and its main parameters. In cases where prior notification may adversely affect the achievement of audit objectives, in particular during special investigations, inspections on behalf of the Supervisory Board, the Audit Committee, or in the presence of signs of irregularities or fraud, the audit assignment may be carried out without prior notification to the audited entity.

At the planning stage, the IAD carries out a preliminary study of the audit object, risk assessment, determines the goals, scope, audit criteria, necessary resources, and develops a program of the audit task.

The audit program must contain at least:

- Object of audit,
- Basis for the inspection,
- Goals and directions of the inspection,
- The scope of the inspection, including exclusions and/or limitations (if any) and their respective justification,
- The areas/processes to be tested and their inherent risks,
- Organizational units to be inspected,

- Period subject to audit,
- Time frame (start and end date) for each stage of the inspection,
- Procedures for collecting, analyzing, evaluating and documenting information about the object of audit, the minimum sample size and the types of analytical procedures to be used during the audit,
- The composition of the audit team and the number of man-days allotted for the audit.

When planning the audit task, the IAD takes into account the strategy and objectives of the audited entity, the results of previous audits, the level of inherent and residual risks, the effectiveness of the internal control system, changes in the internal and external environment, as well as other factors that may affect the achievement of audit objectives.
In the process of performing the audit task, IAD employees carry out audit procedures, receive and analyze audit evidence, document the results of work and form conclusions on the achievement of audit objectives.
For this purpose, the following documents and information are used (but not limited to): the Bank's strategy, internal regulations, risk and control matrices, interviews with owners/participants of processes, information from the database of operational risk incidents, compliance risk, acts of regulatory authorities, external audit and reports on previous audits. The planning process is described in detail in the Regulations on the organization and conduct of audits of JSC "NEXENT BANK".
In the event of circumstances that may significantly affect the scope, timing, objectives or resources of the audit assignment, the audit program shall be subject to review and document the relevant changes in the manner determined by the IAA methodology.
Significant changes to the audit program must be documented in writing and approved in accordance with the established procedure. Changes to the audit program are approved in the following cases:

- changes in the name of the object, goals and directions of the audit, the list of processes that will be subject to inspection;
- changes in the audited period;
- changes in the audit team;
- significant changes in the dates of planning and conducting audit procedures;
- other significant changes by the decision of the Head of the UMA.

When planning the audit task, the IAD takes into account:

- strategic and operational goals of the audited object;
- inherent and residual risks characteristic of the relevant area of activity;
- resources, business processes, information systems and control mechanisms used for risk management;
- the results of previous audits, inspections and monitoring activities;
- effectiveness of the internal control, risk management and corporate governance system;
- opportunities to improve risk management and internal control processes.

In the event of circumstances that may significantly affect the goals, scope, timing, composition of the audit team or other parameters of the audit assignment, the audit program is subject to revision. Such changes must be properly documented and agreed upon in accordance with the internal documents of the UMA.
The implementation of the audit task, as a rule, includes the following stages:

- conducting a preliminary analysis and assessment of the risks of the audited object;
- determination of the goals, scope and resources of the audit task;
- development of an audit program and a list of audit procedures;
- performing audit procedures and obtaining sufficient and appropriate audit evidence;
- documentation of audit results in working documentation;
- formation of conclusions and preparation of an audit report.

The detailed procedure for planning, execution, documentation and quality control of audit tasks is determined by the Regulations on the organization and conduct of audits of JSC "NEXENT BANK"

11.4. Types of audit assignments

Depending on the goals, scope, risks and characteristics of the audited object, the IAD can apply different types of audit tasks. The type of audit is determined during the formation of the annual audit plan or at the stage of planning a separate audit task.

The IAD can conduct, in particular, the following types of audit tasks:
Process audit – assessment of the effectiveness, effectiveness, compliance and adequacy of the internal control, risk management and corporate governance system within a separate business process or function of the Bank.
IT audit is an independent assessment of information technology systems, information security, automated processes and IT controls in order to determine their compliance with legislation, internal documents of the Bank, security requirements and business needs.
Comprehensive audit is an audit of several interrelated processes, functions or structural units in order to obtain a comprehensive assessment of the internal control and risk management system in a certain area of the Bank's activities.
Follow-up Audit is an assessment of the timeliness and completeness of the implementation of measures developed based on the results of previous audit tasks, inspections by regulatory authorities or external auditors.
Continuous Auditing is the implementation of audit monitoring on an ongoing or periodic basis using analytical tools and data analysis to timely identify risks, deviations, anomalies and potential violations.
Special audit assignment (investigation) is an unscheduled audit conducted by the decision of the Supervisory Board, the Audit Committee, the Management Board of the Bank or the Head of the IAA in order to investigate certain facts, events, incidents, suspicions of fraud, violations of the law or internal documents of the Bank.
Consulting task – activities to provide recommendations, expert support or advice on improving the system of internal control, risk management and corporate governance, provided that the independence and objectivity of the IAU are preserved.
Depending on the objectives of the audit task, the IAD can combine different audit approaches and methods within one audit.

11.5. Reporting on the results of the audit

11.5.1 Auditing Reporting Standards

Based on the results of each audit task, the IAD prepares a written audit report in accordance with the approved form and requirements of the internal methodology.
The audit report must contain sufficient, reliable, relevant and properly documented information on the results of the audit, audit conclusions and recommendations for improving the system of internal control, risk management and corporate governance.
Information about the identified shortcomings and recommendations, as a rule, is displayed using the following components:

- Observation (Finding) – a fact or circumstance established by the auditor, revealed during the audit task;
- Criteria – requirements of legislation, regulations, internal documents of the Bank, standards or expected practices that the activities of the audited entity must meet;
- Cause – factors or circumstances that led to the occurrence of a deficiency;
- Action Plan with the definition of specific actions, deadlines and responsible performers.
- Recommendation – measures proposed by the auditor to eliminate the identified deficiencies or minimize risks;
- Management Response's position on the audit results and proposed recommendations, the Responsible Unit or Official for the implementation of the recommendation;

Based on the results of the audit and taking into account the cumulative level of identified risks, the IAD determines the overall assessment of the audited object in accordance with the criteria established by the internal methodology.

When determining the overall assessment, the IAA may apply professional judgment taking into account all the circumstances of the audit assignment and additional risk factors that cannot be fully reflected by the

quantitative evaluation criteria.
In exceptional cases, in particular during special investigations or audit tasks performed on a separate instruction of the Supervisory Board or the Audit Committee, the audit report may be issued without assigning an overall grade.
Key audit findings, key findings, material risks and recommendations should be summarized in the Executive Summary, which is an integral part of the audit report and provides the Bank's governing bodies with the opportunity to quickly understand the results of the audit and make appropriate management decisions.

11.5.2. Discussion of audit results

After the completion of the audit procedures, the IAD prepares a draft audit report and provides it to the head of the audited object and/or the owner of the process for review and discussion within a reasonable time.
The purpose of discussing the audit results is:
presentation and clarification of audit observations, conclusions and recommendations;
elimination of possible misunderstandings or inaccuracies;
receiving comments from management on established facts;
coordination of corrective measures aimed at eliminating the identified deficiencies.
Representatives of the audited entity must provide their comments on the draft audit report and the draft Action Plan within 5 working days from the date of its receipt. If necessary, the IAD takes into account the comments received and makes appropriate clarifications to the draft report.
Based on the results of consideration of the draft report, working meetings can be held with heads of departments and process owners responsible for the audited activities. During such meetings, the audit results, recommendations of the IAD and measures to eliminate the identified shortcomings are discussed.
The action plan should contain:

- specific corrective actions;
- responsible executors;
- deadlines for implementation;
- other information provided for by the internal audit methodology.

If the representatives of the audited entity do not provide comments within the established period, the IAD has the right to send a reminder and provide an additional 3 working days for a response. In case of failure to provide a response within the extended period, the IAD may issue an audit report without the agreed Action Plan. In this case, the responsible unit or process owner is obliged to provide the Action Plan within 30 calendar days from the date of the report.
After the approval of the Action Plan by the responsible persons, the IAD includes it in the final version of the audit report.
Management's disagreement with certain observations or recommendations is not a reason to delay the release of the audit report. In such cases, the position of management is reflected in the report, and the Audit Committee is informed of the existence of discrepancies.
In case of performance of the audit task with the involvement of an external service provider (outsourcer), the Action Plan may be developed and approved after the release of the audit report and its submission to the Audit Committee and the Supervisory Board. In this case, the Action Plan shall be submitted separately.
If the responsible person decides not to comply with the audit recommendation and to take the appropriate risk, such a decision must be justified in writing and approved by the head of the relevant line of activity at least at the level of a member of the Management Board or the Chairman of the Management Board. Information on risk acceptance is provided to the IAA and the Audit Committee for consideration.
If the Audit Committee considers the level of risk accepted to be unacceptable for the Bank, the issue may be submitted to the Supervisory Board.
After agreeing on the audit results, the IAD holds a final meeting with representatives of the audited entity and, if necessary, representatives of the Bank's senior management. Such a meeting can be held both in the format of a personal meeting and by e-mail.
The final audit report is issued after the completion of the approval procedure and is brought to the attention of process owners, heads of relevant structural units and other stakeholders in accordance with the established procedure.

A summary for management is sent to the Chairman of the Management Board, members of the Management Board responsible for audited areas of activity, the Audit Committee and the Supervisory Board.
The Head of the IAD monitors the timeliness of the completion of audit tasks, the implementation of the annual audit plan and regularly reports on the results of the IAD activities to the Audit Committee and the Supervisory Board.

11.5.3. Escalation of audit results

In case of disagreements between the IAA and the audited entity regarding the content of the audit observation, the level of its risk, the criticality of the identified deficiency or the proposed corrective measures, the relevant issue is subject to consideration by the head of the direction of activity and/or a member of the Management Board responsible for the relevant area of the Bank's activity.
The auditee has the right to provide a written justification for its position, including objections to the audit results or proposals for alternative measures to respond to the identified risks.
If, based on the results of such review, it was not possible to reach an agreed position or the management makes a decision on risk-taking without implementing the recommendations of the IAA, the issue is referred to the Audit Committee.
The audit committee considers the positions of the parties, assesses the level of residual risk and decides on the feasibility of implementing the recommendations, accepting the risk or the need to take additional measures. If necessary, the issue may be submitted to the Supervisory Board for consideration.
The IAA is obliged to ensure that the Management Board, the Audit Committee and, if necessary, the Supervisory Board are informed in a timely manner about the identified significant deficiencies in the internal control, risk management or corporate governance system.
The IAD shall immediately inform the Chairman of the Management Board, the Audit Committee and the Supervisory Board about the facts of fraud, suspicions of fraudulent activities, significant violations of legislation, regulatory requirements, cases of significant financial losses, the risk of applying significant sanctions or other events that may have a significant impact on the Bank's operations, financial condition or reputation in accordance with the established escalation procedure.

11.5.4. Control over the implementation of audit recommendations

The IAD constantly monitors the implementation of recommendations and measures developed based on the results of audits. All audit observations, recommendations and agreed action plans are recorded and monitored from the moment the final audit report is issued.
The responsibility for the timely and full implementation of the agreed measures to eliminate the identified deficiencies rests with the Management Board of the Bank and the responsible process owners.
For the purpose of proper risk management, the Bank focuses on the following target deadlines for the implementation of recommendations depending on the level of risk:

Audit findings		Expected implementation recommendation
	Critical	Immediate attention, implementation within 60 days
	Important	Within 3 months
	Caution	Within 6 months
	Marginal	Within 12 months
	Baseline	To be agreed with business

Responsible executors are obliged to ensure timely informing the IAD about the status of implementation of the agreed measures and provide supporting documents on their implementation.
To ensure proper control, the IAD regularly monitors the implementation of recommendations, in particular with the use of automated reminders. Notifications to responsible persons and departments may be sent, in particular:

- 14 calendar days before the due date;
- on the day of completion of the established deadline.

The procedure for monitoring and controlling the implementation of recommendations is determined by the internal methodology of the IAD.

The IAD ensures that the Management Board, the Audit Committee and the Supervisory Board are regularly informed about the status of implementation of recommendations and the implementation of action plans. Information on overdue, unfulfilled or significantly delayed measures is included in the periodic reporting of the IAD.

If the recommendations on critical or high risks are not implemented within the established deadlines or the identified deficiencies continue to pose a significant risk to the Bank's activities, the Head of the IAD shall immediately inform the Management Board of the Bank, the Audit Committee and the Supervisory Board thereof for appropriate management decisions.

The closure of recommendations is carried out by the IAD solely on the basis of proper and sufficient evidence confirming the actual elimination of the identified shortcomings and the implementation of agreed measures.

Depending on the nature of the recommendation, such evidence may include, in particular:

- documents or references to the Bank's internal regulations approving the relevant changes;
- confirmation of employee training (training programs, materials, registers of participants, etc.);
- test results, implementation protocols, extracts from systems, screenshots, data samples, official documents or other evidence of the implementation of changes in information systems or business processes;
- other documents and materials confirming the actual implementation of the measures.

The final decision to close the recommendation is made by the IAD after assessing the sufficiency and appropriateness of the evidence provided. The detailed procedure for monitoring, verifying the implementation and closing of recommendations is determined by the Bank's internal audit methodology.

The IAD has the right to conduct follow-up reviews to confirm the actual implementation of measures and assess their effectiveness. Based on the results of such inspections, the IAD may leave the recommendation open, change its status or close it if there is sufficient evidence of elimination of the identified deficiency and the risk associated with it.

11.5.5. Quarterly reporting/semi-annual reporting.

The IAD informs the Audit Committee and the Supervisory Board about the results of its activities at least once a quarter. In case of a significant restriction of the Bank's activities, temporary suspension of certain areas of activity, absence of completed audit tasks or other objective circumstances affecting the scope of the UMA's activities, reporting may be carried out in a simplified format or based on the results of a longer reporting period, but at least once every six months, unless otherwise provided by the legislation of Ukraine, regulations of the National Bank of Ukraine, decisions of the Supervisory Board or the Audit Committee. Information about the reasons for changing the frequency or format of reporting is indicated in the relevant report of the IAD.

The quarterly report of the IAD, in particular, should contain information on:

compliance by the IAD with the requirements of the Code of Ethics, Global Standards for Internal Auditing, the principles of independence, objectivity and professional diligence, as well as information on potential conflicts of interest (if any);

the results of audits completed in the reporting period;

material risks, deficiencies in the internal control, corporate governance and risk management system, including cases of fraud or other significant events;

the results of special inspections and investigations carried out on behalf of the Supervisory Board or the Audit Committee;

changes in the methodology, internal procedures and tools of auditing;

cases of disagreement between the IAD and the responsible departments regarding the results of the audit, recommendations or action plans;

cases of risk acceptance by the Bank's management;

the status of implementation of audit recommendations and the implementation of agreed action plans;

the level of implementation of the annual audit plan and the reasons for deviations (if any);

the status of implementation of measures to improve the activities of the IAD based on the results of internal and external quality assessments;
the results of internal quality control of audit activities;
sufficiency of the resources of the IAD, changes in the staff, structure or functioning of the unit;
professional training and advanced training of IAD employees;
other issues that, in the opinion of the Head of the IAD, may be of significant importance for the Audit Committee and the Supervisory Board.

11.5.6. Annual reporting

Based on the results of the calendar year, the IAD prepares and submits to the Audit Committee and the Supervisory Board an annual report on its activities.
The annual report should provide a comprehensive assessment of the activities of the IAD and contain information at least:
mission, powers, responsibilities and scope of activity of the IAD;
compliance with the requirements of the Code of Ethics, Global Standards for Internal Auditing, the principles of independence, objectivity and professional diligence, as well as information on potential conflicts of interest (if any);
audit results for the reporting year;
material risks, deficiencies in the internal control, risk management and corporate governance system, including cases of fraud and other material events;
the results of inspections carried out on behalf of the Supervisory Board or the Audit Committee;
cases of disagreement between the IAD and the Bank's management regarding the audit reports (if any), recommendations and action plans;
cases of risk acceptance by the Bank's management (if any);
the status of implementation of audit recommendations and the implementation of agreed action plans;
implementation of the annual audit plan and the reasons for deviations from it (in case of innovation);
the results of the implementation of the MHPN, including the results of internal and external evaluations;
an overall assessment of the effectiveness of the Bank's internal control, risk management and corporate governance system based on the results of audit activities;
information on the resource provision of the IAD, including the number of personnel, personnel changes and the level of provision with the necessary resources;
professional development, training and certification of IAD employees;
implementation of the budget of the IAD;
key areas of activity and priorities of the IAD for the next reporting period;
other issues that may be of material importance to the Audit Committee and the Supervisory Board.
The Head of IAD ensures the timely submission of quarterly and annual reports, as well as the provision of additional information at the request of the Audit Committee, the Supervisory Board or the National Bank of Ukraine.
In this way, the Supervisory Board/Audit Committee (if established) assesses the effectiveness and effectiveness of the internal audit function. Such an assessment includes: a review of the objectives of the internal audit function, including its compliance with the Standards, laws and regulations; the ability to fulfill the mandate of the internal audit; and progress in the implementation of the internal audit plan. Review of the results of the implementation of the program to ensure and improve the quality of the internal audit function. achievement of the objectives of the internal audit function.
The Head of the IAD may hold a closed meeting with the Supervisory Board once a year.

12. IAD STRATEGY

The IAD develops and maintains the Internal Audit Strategy, which identifies long-term priorities for the development of the internal audit function and contributes to the achievement of the Bank's strategic goals.

The IAD strategy is formed taking into account the Bank's development strategy, its business model, risk profile, regulatory requirements, as well as the expectations of the Supervisory Board, the Audit Committee (if established), the Management Board of the Bank and other interested parties.

The IAD strategy defines the vision for the development of the internal audit function for the medium and long term (usually from three to five years), strategic goals, key areas of activity, performance indicators and measures necessary to achieve them.

The Head of the IAD ensures regular review of the Internal Audit Strategy, taking into account changes in the Bank's activities, its risk profile, external environment and regulatory requirements. The Strategy is reviewed at least once a year and, if necessary, updated in coordination with the Audit Committee and the Supervisory Board of the Bank.

13. Outsourcing of individual internal audit tasks

The Bank has the right to engage external experts or outsource the performance of certain audit tasks or parts thereof in accordance with the requirements of the legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank.

The decision to engage external contractors is made taking into account the results of risk-based planning, the complexity of the audit task, the need for specialized knowledge or technical expertise, as well as an assessment of potential risks and benefits of such engagement.

Before outsourcing a task, the IAD assesses the capacity, professional competence, independence and reputation of the potential contractor, as well as its ability to ensure an appropriate level of information confidentiality, data protection and conflict of interest management.

The outsourcing of certain tasks does not limit the responsibility of the Bank and the IAD for the proper functioning of the internal audit. Responsibility for the results of audit activities, the sufficiency of audit coverage and compliance with the requirements of the regulator remains with the Bank and the head of the UMA.

The IAD monitors the implementation of audit tasks outsourced, ensures proper interaction with the external contractor, analyzes the results of its work and evaluates the quality of services provided.

The contract for the provision of outsourcing services must provide at least:

- the subject of the contract and the scope of the tasks transferred;
- rights and obligations of the parties;
- information confidentiality and data protection requirements;
- the procedure for access of the Bank, the Supervisory Board, the Supervisory Board, external auditors and the National Bank of Ukraine to information, documents, systems and results of the contractor's work;
- requirements for the management of conflicts of interest;
- terms of work performance and reporting procedure;
- procedure in case of emergency circumstances or interruption of the provision of services;
- terms of termination of cooperation and early termination of the contract.

The external contractor is responsible for the reliability, completeness and quality of the information provided within the framework of the audit assignment, in accordance with the terms of the contract and the requirements of the current legislation.

Outsourcing of certain audit tasks should not lead to the loss of the independence of the IAU, limitation of its powers or reduction of the responsibility of the Head of the IAA for the internal audit function of the Bank.

14. Internal Audit Quality Assurance Program.

IAD carries out its activities in accordance with the Quality Assurance and Improvement Program (QAP), which covers all aspects of the Internal Audit Unit's activities and is aimed at maintaining a high level of audit quality, its effectiveness and compliance with the requirements of the Global Standards on Internal Auditing, the legislation of Ukraine, regulations of the National Bank of Ukraine and internal documents of the Bank.

The QAP provides for continuous monitoring of the activities of the Internal Audit Department, periodic internal quality assessments, as well as external evaluation of internal audit activities by independent qualified evaluators.

The purpose of the QAP is to assess the compliance of the IAD activities with professional standards and ethical requirements, to determine the level of efficiency and effectiveness of internal audit, as well as to identify opportunities for further improvement of the IAD activities.

The Head of the IAD ensures the functioning of the QAP, determines the performance indicators of the IAD, monitors their achievement and informs the Audit Committee (if it is established) and the Supervisory Board about the results of the Program.

Internal assessment of the quality of IAD activities includes:

- constant monitoring of the quality of audit tasks;
- periodic self-assessment of the activities of the IAD, which is carried out at least once a year;
- assessment of satisfaction with the activities of the IAD by the Supervisory Board, the Audit Committee, the Management Board of the Bank and the heads of departments in respect of which audit tasks were carried out.

During the performance of each audit task, quality control of working documentation and compliance with the requirements of the internal audit methodology is carried out. The results of internal quality control are documented and taken into account when evaluating the effectiveness of the IAD.

An external assessment of the activities of the IAD is carried out at least once every five years by an independent qualified appraiser or a group of appraisers who are not employees of the Bank and meet the requirements for independence and professional competence. The issue of conducting an external assessment is discussed with the Management Board and approved by the Head of the Internal Audit Group and the Supervisory Board

The Head of the IAD regularly reports (at least once a year) to the Audit Committee and the Supervisory Board on the results of the implementation of the QAP including the results of internal and external assessments, identified deficiencies and measures to eliminate them. The structure and format of such a report are determined by the Head of the Internal Audit Department and provide a sufficient degree of information and objectivity

In case of significant deviations or non-compliance of the IAD activities with the requirements of the Global Standards on Internal Auditing, which may affect the scope of activity, independence or effectiveness of the internal audit function, the Head of the IAD is obliged to immediately inform the Management Board of the Bank,

the Audit Committee and the Supervisory Board, indicating the nature of such non-compliance, its consequences and planned corrective measures.

15. Links with other departments/divisions and external parties.

In its activities, IAD interacts with all divisions/divisions of the Bank on issues related to the performance of tasks, functions and responsibilities defined by this Regulation, Job Descriptions of employees and other internal regulatory and organizational documents of the Bank.
To ensure the effectiveness and effectiveness of internal audit activities, the IAD must properly coordinate and interact with other risk management and control functions of the organization.
Employees of departments/subdivisions are obliged to provide all necessary assistance to the employees of the Department of Internal Affairs for the performance of their functions: to provide the requested documents or their copies in a timely manner, to provide written or oral explanations and to answer any questions posed by the Head and employees of the Department of Education, not to interfere with the performance of the functions of the Department of Education.
To perform certain internal audit tasks, IAD may involve specialists from other departments/divisions who are sufficiently professional and independent in accordance with the requirements of internal audit.
The Head of the Internal Audit Department organizes interaction and exchange of information between the IAD and the Bank's management bodies on internal audit issues.
Reports/information from the IAD to the Supervisory Board/Management Board and feedback on the results of consideration are sent to the corporate e-mail.
The IAD employees exchange information with other departments/divisions on issues related to the activities of the IAD and the tasks assigned to the IAD by the Bank's management.
The Head of the Internal Audit Department is informed by the Management Board about significant changes in the strategy, methods and procedures of risk management, the introduction of new products and changes in operational activities at an early stage of their application, as well as informs the Head of Internal Audit about the start of internal investigations and their results, and provides information on the results of inspections by regulatory authorities. The Management Board is obliged to provide the Head of Internal Audit with the results of external inspections of regulatory authorities.
In its activities, IAD interacts with external organizations on issues related to the performance of tasks, functions and responsibilities set forth in this Regulation, Job Descriptions of Employees and other internal regulatory and organizational documents in the manner established by internal regulatory and organizational documents.
The Head of the IAD should ensure the exchange of information between the IAD and the external auditor on internal audit issues, including the procedure for applying the relevant audit procedures.
Relations and exchange of information between the IAD and the external auditor, state authorities and management bodies that supervise the activities of banks within their competence must be carried out in compliance with the requirements of the legislation of Ukraine and internal documents on the storage, protection, use and disclosure of information constituting banking and commercial secrets.
IAD employees can participate in events organized by external enterprises, institutions and organizations after notification of the Bank's management.

16. Final provisions.

The Regulation shall enter into force from the date of its approval by the decision of the Supervisory Board, unless otherwise specified in the decision of the Supervisory Board on its approval. Any questions regarding the content or interpretation of this Regulation shall be directed to the Head of the Internal Audit Department.
Amendments and additions to the Regulations shall be made by their preliminary approval by the decision of the Supervisory Board or other management body responsible for such issuance, in accordance with the Bank's Charter or internal regulatory documents of the Bank and shall be formalized by setting out the Regulations in a new edition.
The adoption of a new version of this Regulation entails the termination of the previous version. In case of non-compliance of any part of this Regulation with the legislation of Ukraine, including the regulations of the NBU, the Bank's Charter, in particular in connection with the adoption of new regulations, these Regulations shall enter into

force only to the extent that they do not contradict the legislation of Ukraine, the NBU regulations or the current version of the Bank's Charter.
This Regulation has been approved by the Supervisory Board and will be periodically reviewed and updated.

Додаток 1. Принципи етики та професіоналізму

Принципи етики та професіоналізму встановлюють очікування щодо поведінки внутрішніх аудиторів. Дотримання цих принципів вселяє довіру, сприяє розвитку етичної культури та створює підґрунтя для довіри до роботи та суджень внутрішніх аудиторів.

Принцип 1: Демонструвати доброчесність

Доброчесність лежить в основі всіх інших етичних принципів. Внутрішні аудитори мають дотримуватися морально-етичних принципів, демонструвати чесність та сміливість у своїй роботі. Вони повинні бути чесними у спілкуванні та діяти, спираючись на відповідні факти, навіть коли стикаються з тиском або потенційними негативними наслідками. Доброчесність має важливе значення для встановлення довіри та поваги.

Стандарт 1.1. Чесність і професійна сміливість

Аудитори мають виконувати свої обов'язки чесно та з професійною сміливістю, забезпечуючи правдивість, точність і відкритість у спілкуванні. Вони повинні розкривати всі відомі їм суттєві факти, які можуть вплинути на прийняття рішень в організації, і вживати належних заходів, навіть коли вони стикаються з дилемами та складними ситуаціями.

Стандарт 1.2 Етичні очікування організації

Внутрішні аудитори мають розуміти етичні очікування своєї організації та відповідати їм. Вони повинні повідомляти про будь-яку поведінку, що не відповідає цим очікуванням, відповідно до наявних політик та процедур.

Стандарт 1.3 Правова та етична поведінка

Внутрішні аудитори повинні уникати незаконної або дискредитуючої діяльності, яка може зашкодити організації або професії. Вони мають дотримуватися відповідних законів і нормативних актів та інформувати про порушення відповідні інстанції.

Принцип 2. Дотримання об'єктивності

Об'єктивність забезпечує неупередженість аудиту, що дає змогу виносити професійні судження та

Appendix 1. Principles of ethics and professionalism

The principles of ethics and professionalism set expectations for the behavior of internal auditors. Adherence to these principles inspires confidence, promotes the development of an ethical culture and creates a basis for trust in the work and judgment of internal auditors.

Principle 1: Demonstrate integrity

Integrity is at the heart of all other ethical principles. Internal auditors must adhere to moral and ethical principles, demonstrate honesty and courage in their work. They must be honest in their communication and act based on relevant facts, even when faced with pressure or potential negative consequences. Integrity is essential to establish trust and respect.

Standard 1.1. Honesty and professional courage

Auditors must perform their duties honestly and with professional courage, ensuring truthfulness, accuracy and openness in communication. They must disclose all essential facts known to them that may affect decision-making in the organization and take appropriate measures even when faced with dilemmas and difficult situations.

Standard 1.2 Ethical expectations of the organization

Internal auditors must understand and meet their organization's ethical expectations. They must report any behavior that does not meet these expectations in accordance with existing policies and procedures.

Standard 1.3 Legal and ethical conduct

Internal auditors must avoid illegal or defamatory activities that could harm an organization or profession. They must comply with the relevant laws and regulations and inform the relevant authorities about violations.

Principle 2. Compliance with objectivity

Objectivity ensures the impartiality of the audit, which makes it possible to make professional judgments and perform job duties without bias. The independence of

виконувати посадові обов'язки без упереджень. Незалежність Напрямку підтримує здатність внутрішніх аудиторів зберігати об'єктивність

Стандарт 2.1 Індивідуальна об'єктивність

Аудитори повинні зберігати професійну об'єктивність, керуючись неупередженим мисленням та зважено оцінюючи всі відповідні обставини. Вони повинні знати про можливі упередження та долати їх.

Стандарт 2.2 Збереження об'єктивності

Аудитори мають розпізнавати та уникати або пом'якшувати фактичні, потенційні або передбачувані загрози об'єктивності, наприклад, уникати конфлікту інтересів або приймати будь-які предмети, які можуть вплинути на їхню неупередженість. Вони не повинні оцінювати діяльність, за яку відповідали протягом останніх 12 місяців.

Стандарт 2.3 Розкриття інформації про загрозу об'єктивності

Про будь-яке порушення об'єктивності необхідно негайно повідомляти відповідні сторони. Керівник НВА повинен розробити методологію для усунення таких порушень.

Керівник внутрішнього аудиту здійснює контроль за дотриманням принципу об'єктивності внутрішніми аудиторами, у тому числі здійснює заходи щодо виявлення, розкриття та реагування на виявлений конфлікт інтересів. Для врегулювання та мінімізації негативного впливу конфлікту інтересів застосовуються заходи, що призводять до повного усунення конфлікту інтересів згідно вимог Політики запобігання конфліктам інтересів Банку.

Комітет з питань аудиту має бути проінформований щодо виявлених випадків реальних або потенційних конфліктів інтересів внутрішніх аудиторів та інших порушень, внаслідок яких може статися порушення принципу об'єктивності, а також ужитих керівником підрозділу внутрішнього аудиту заходів реагування, включаючи ведення обліку таких порушень.

the Direction supports the ability of internal auditors to maintain objectivity

Standard 2.1 Individual objectivity

Auditors must maintain professional objectivity, guided by impartial thinking and weighing all relevant circumstances. They must be aware of possible prejudices and overcome them.

Standard 2.2 Preservation of objectivity

Auditors should recognize and avoid or mitigate actual, potential, or perceived threats to objectivity, such as avoiding conflicts of interest or accepting any items that may affect their impartiality. They do not have to evaluate the activities for which they have been responsible in the last 12 months.

Standard 2.3 Disclosure of Threat to Objectivity

Any violation of objectivity must be immediately reported to the relevant parties. The head of the NVA should develop a methodology to eliminate such violations.

The Head of Internal Audit monitors compliance with the principle of objectivity by internal auditors, including measures to identify, disclose and respond to identified conflicts of interest. To resolve and minimize the negative impact of a conflict of interest, measures are taken that lead to the complete elimination of a conflict of interest in accordance with the requirements of the Bank's Conflict of Interest Prevention Policy.

The Audit Committee shall be informed of the identified cases of actual or potential conflicts of interest of internal auditors and other violations, as a result of which there may be a violation of the principle of objectivity, as well as the response measures taken by the head of the internal audit unit, including keeping records of such violations.

Principle 3: Demonstrate competence

Internal auditors apply knowledge, skills and abilities to successfully perform their functions and responsibilities. In addition to possessing or acquiring the competencies necessary to provide audit services,

Принцип 3: Демонструвати компетентність

Внутрішні аудитори застосовують знання, навички та вміння для успішного виконання своїх функцій та обов'язків. Окрім того, що внутрішні аудитори володіють або набувають компетенції, необхідні для надання послуг аудиту, вони підвищують ефективність та якість цих послуг через професійний розвиток.

Стандарт 3.1 Компетентність

Внутрішні аудитори мають володіти або здобувати компетенції, необхідні для успішного виконання своїх обов'язків. Внутрішні аудитори мають здійснювати лише ті завдання для яких вони мають або можуть набути необхідної компетенції.

Стандарт 3.2 Безперервний професійний розвиток

Внутрішні аудитори повинні здійснювати безперервний професійний розвиток, включаючи освіту та навчання. Практикуючі внутрішні аудитори, які отримали професійні сертифікати внутрішнього аудиту, повинні дотримуватися політик безперервної професійної освіти та відповідати вимогам, що застосовуються до їхніх сертифікатів.

Принцип 4: Застосовувати належну професійну ретельність

Внутрішні аудитори проявляють належну професійну ретельність у процесі планування та надання послуг внутрішнього аудиту.

Стандарт 4.1 Відповідність Глобальним стандартам внутрішнього аудиту

Внутрішні аудитори повинні планувати та надавати послуги внутрішнього аудиту відповідно до Глобальних стандартів внутрішнього аудиту. Методологія внутрішнього аудиту повинна розроблятися, документуватися, та підтримуватися відповідно до Стандартів.

Стандарт 4.2 Належна професійна ретельність

Аудитори повинні оцінювати характер, обставини та вимоги до своїх послуг, враховуючи стратегію організації, інтереси зацікавлених сторін та потенційні ризики. Вони повинні використовувати

internal auditors increase the efficiency and quality of these services through professional development.

Standard 3.1 Competence

Internal auditors must possess or acquire the competencies necessary for the successful performance of their duties. Internal auditors should carry out only those tasks for which they have or can acquire the necessary competence.

Standard 3.2 Continuing professional development

Internal auditors must carry out continuous professional development, including education and training. Practicing internal auditors who have obtained professional internal audit certifications must adhere to continuing professional education policies and meet the requirements applicable to their certifications.

Principle 4: Apply due professional diligence

Internal auditors exercise due professional diligence in the process of planning and providing internal audit services.

Standard 4.1 Compliance with the Global Standards on Internal Auditing

Internal auditors must plan and deliver internal audit services in accordance with the Global Standards on Internal Auditing. The internal audit methodology should be developed, documented, and maintained in accordance with the Standards.

Standard 4.2 Due professional diligence

Auditors must assess the nature, circumstances, and requirements of their services, taking into account the organization's strategy, stakeholder interests, and potential risks. They must use appropriate methods and tools to effectively achieve the objectives of the tasks.

Standard 4.3 Professional skepticism

Auditors must remain curious and critically evaluate the reliability of information, looking for additional evidence when necessary to ensure completeness and

відповідні методи та інструменти для ефективного досягнення цілей завдань.

Стандарт 4.3 Професійний скептицизм

Аудитори повинні зберігати допитливість і критично оцінювати надійність інформації, шукати додаткові докази, коли це необхідно для забезпечення повноти і точності.

Принцип 5: Дотримання конфіденційності

Внутрішні аудитори, маючи доступ до конфіденційної інформації, зобов'язані здійснювати її належне використання та захист. Вони повинні поважати цінність інформації та право власності на неї, використовувати її лише в професійних цілях і захищати від несанкціонованого доступу або розголошення.

Стандарт 5.1 Використання інформації

Під час використання інформації аудитори повинні дотримуватися відповідних політик, процедур, законів і нормативних актів, забезпечуючи, щоб інформація не використовувалася для особистої вигоди або у спосіб, що завдає шкоди організації.

Стандарт 5.2 Захист інформації

Аудитори несуть відповідальність за захист конфіденційності, приватності та права власності на інформацію, дотримуючись відповідних законів і політик організації. Вони повинні управляти ризиками ненавмисного розголошення інформації та забезпечувати належну обробку, зберігання та знищення записів.

Керівник УВА відповідає за просування та забезпечення дотримання цих етичних стандартів у Напрямку "Внутрішній аудит". Внутрішні аудитори зобов'язані дотримуватися цих стандартів, щоб підтримувати довіру до професії внутрішнього аудиту та її ефективність.

У випадку виявлення факту порушення Принципів етики та професіоналізму, а також Кодексу поведінки (етики) банку внутрішніми аудиторами, Керівник Напрямку "Внутрішній аудит" невідкладно інформує про це Комітет з аудиту Наглядової ради

accuracy.

Principle 5: Respect for confidentiality

Internal auditors, having access to confidential information, are obliged to carry out its proper use and protection. They must respect the value and ownership of the information, use it only for professional purposes, and protect it from unauthorized access or disclosure.

Standard 5.1 Use of information

When using information, auditors must comply with appropriate policies, procedures, laws, and regulations, ensuring that the information is not used for personal gain or in a manner that is detrimental to the organization.

Standard 5.2 Information Protection

Auditors are responsible for protecting the confidentiality, privacy, and ownership of information by complying with the organization's relevant laws and policies. They must manage the risks of inadvertent disclosure of information and ensure that records are properly handled, stored, and destroyed.

The Head of the IAD is responsible for promoting and enforcing these ethical standards in the Internal Audit Direction. Internal auditors are required to adhere to these standards in order to maintain confidence in the internal audit profession and its effectiveness.

In case of violation of the Principles of Ethics and Professionalism, as well as the Bank's Code of Conduct (Ethics) by internal auditors, the Head of the Internal Audit Department shall immediately inform the Audit Committee of the Supervisory Board of the Bank, in accordance with the procedure established by the Bank's internal documents, including the details of the violation, measures taken and recommendations for further actions.

Банку, згідно з порядком, встановленим внутрішніми документами Банку, включаючи деталі порушення, проведені заходи та рекомендації щодо подальших дій.

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